Islamic Financing
Oracle FLEXCUBE Universal Banking
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ORACLE

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1. About this Manual

1.1 Introduction

This manual is designed to help acquaint you with the Islamic Financing module of Oracle FLEXCUBE. It provides an overview of the module and guides you through the various steps involved in granting finances to the customers of your bank.

You can further obtain information about to a particular field by placing the cursor on the relevant field and striking the <F1> key on the keyboard.

1.1.1 Audience

This manual is intended for the following User/User Roles:

Role	Function
Back office data entry clerk	Input functions for accounts
Back office managers/officers	Authorization functions
Product Managers	Product definition and authorization
End of Day operators	Processing during End of Day/ Beginning of Day
Financial Controller/Product Managers	Generation of reports

1.1.2 Organization

This manual is organized into the following chapters:

Chapter 1	*About this Manual* gives information on the intended audience. It also lists the various chapters covered in this User Manual.
Chapter 2	*Islamic Financing—An Overview* is a snapshot of the features that the module provides.
Chapter 3	*Maintenances and Operations* discusses the procedure to maintain details of the account necessary for disbursing the finance.
Chapter 4	*Defining Product Categories and Products* talks about defining the attributes specific to setting up a finance product.
Chapter 5	*Annexure 1: Product Defaulting* talks about the details that are defaulted for a product.
Chapter 6	*Account Creation* talks about creating finance accounts.
Chapter 7	*Making Manual Disbursements* describes the procedure to make a

	finance disbursement using the 'Manual' mode.
Chapter 8	*Operations* deals with the payments details and changes that you can effect on finance.
Chapter 9	*Batch Processes* deals with processing the batch operations.
Chapter 10	*Defining Islamic Product Categories and Products* explains the set-up for processing Islamic transactions like *Mudaraba*, *Murabaha* etc.
Chapter 11	*Processing Vendor Payments* explains how you can make payments to vendors while processing finance transactions.
Chapter 12	*Annexure A - Accounting Entries and Advices* explains the types of accounting entries and advices generated at each stage in the lifecycle of finance.
Chapter 13	*Retrieving Information in Oracle FLEXCUBE* lists the possible reports that can be generated for the module.

1.1.3 Related documents

You may need to refer to any or all of the User Manuals while working on the Islamic Financing module:

- Core Services
- Core Entities
- Procedures
- Settlements
- Profit
- User Defined
- Retail Lending

2. Islamic Financing - An Overview

2.1 Introduction

The primary function of banks is to accept deposits and use it to dispense financial support. Every time a bank finances a customer, it is creating an asset in its books. The profit a bank earns from financing contributes substantially to its bottom line. Financing itself stimulates business activity in the economy. Finance products offered by banks can be of various tenors, rates of profit, repayment schedules and complexity. Thus, you can have short or long term finances; finances at fixed or floating rates or a combination of the two; finances disbursed and repaid as a bullet or in installments and so on.

A finance transaction passes through various stages or events from the moment it is given till the time it is repaid. The process begins with a finance application form in which the borrower is asked to furnish their details and the kind of facility requested. The bank's finances or credit department appraises the application and takes a decision whether the applicant is eligible for the finance asked and whether finance can be extended to that customer. The bank will apply its own parameters in arriving at this decision. The factors which will go into this include the standing, character, track record and the collaterals (securities) offered to secure the finance. Assuming that the finance is sanctioned, the bank gives a commitment and stipulates terms and conditions governing the same. The bank may levy a processing charge at this stage. The finance amount is then disbursed and credited to the settlement account of the borrower who draws the amount, uses it for the purpose for which it was taken. Profit accrues on the account which has to be serviced by the borrower besides repaying the principal amount as per the repayment schedule. If the finance is not repaid or there is a delay, the finance asset's status will be changed to reflect its deterioration. The bank may also levy compensation profit in such a scenario. Moreover then bank may have to make provisions from its profits for such sub-standard finances. On the other hand if the finance account is conducted well, it will close on the date the last installment is due and paid. On closure, the bank will return or lift the collaterals which it had taken. The finance cycle is now complete.

The Islamic Financing module in Oracle FLEXCUBE captures and maintains the parameters with respect to the life cycle of the finance contract (outlined above) once the application moves to the account processing stage.

A finance application moves to the account processing stage when the applicant becomes a customer of your bank. The customer's record will now be available in the bank's customer database. A finance account is then created to service the customer. The account creation involves capturing the details of the final finance application into the features of the contract. Accounts in Oracle FLEXCUBE will be created under Account Templates called 'Products'. The system resolves the product category and product on the basis of the application details.

The account thus created, reports to the Asset GL of the bank. Disbursements will debit the finance account and hence a finance with outstanding balances will be in debit. Payments are credited to the finance account. At the end of complete re-payment, the account becomes zero balanced and is closed.

Product categories are a logical grouping of certain products such as Vehicle finances, Housing finance etc. The banks/ FIs can set up different products based on services they offer. When a customer finance is sanctioned, a finance account is created under a specific product. Hence, its features default from the product. The account so created is used for further servicing such as disbursements. The account balance represents the outstanding Principal that was advanced to the Customer. Profit is calculated on this balance based on the schedule and pricing set-up. The account processing stage involves the following:

- Account Creation
- Initiation and Schedule set-up
- Payments of Schedules
- Collections and Delinquency Management
- Finance Status Change Processing
- Amendments to finance
- Disbursements

2.1.1 Interface with other Modules

The Islamic Financing module interfaces with the following sub-systems/modules of Oracle FLEXCUBE:

- Security Management System (SMS)
- Core Services like Currency, General Ledger, End of Day, Accounting
- Central Liability (Limits)
- Bills

3. Maintenances and Operations

3.1 Introduction

Before you begin using the Islamic Financing module, you must maintain the following information in the system:

Bank Parameters

These are parameters that you need to specify at the bank level. These will include the following:

- Profit calculation parameters
- Amount blocks on inactive accounts
- Splitting of accounting entries for the offset leg
- Site specific maintenances

Branch Parameters

These are parameters that you need to specify at the branch level. These will determine the following:

- Batch processing during holidays
- Netting of accounting entries for accrual, liquidation and status change
- Default Settlement Accounts
- Format/Mask for generation of Account numbers etc
- The structure of the schedule
- Schedule gap treatment

In addition, you also have to maintain the following:

UDE (User Data Elements) Rules

UDEs are used to build formulae to calculate the amount of profit applicable. These include entities like Profit Rate, Amount Slab etc. that will hold values you provide. The UDEs themselves are defined at the product level but you can use these UDEs to build rules with different conditions based on which the UDE value should be arrived at.

You can maintain the UDE values at Product and Account level. You can also maintain Fixed amount UDEs in other currencies.

Repayment holiday periods

For a calendar year, you can define holiday periods for customers during which they can avail a repayment holidays.

System Data Elements (SDEs)

Information that is constantly updated by the system, for instance, the balance in an account, number of transactions processed etc. is referred to as SDEs. This information is readily available for computation of penalties, Profit or charges. You need to identify the SDEs applicable for this module.

Floating Rate maintenance

You can maintain floating rates for a Rate Code, Currency, Amount Slab and Effective Date combination.

User Defined Policies

These are validation and operations that are performed during the life cycle of a finance.

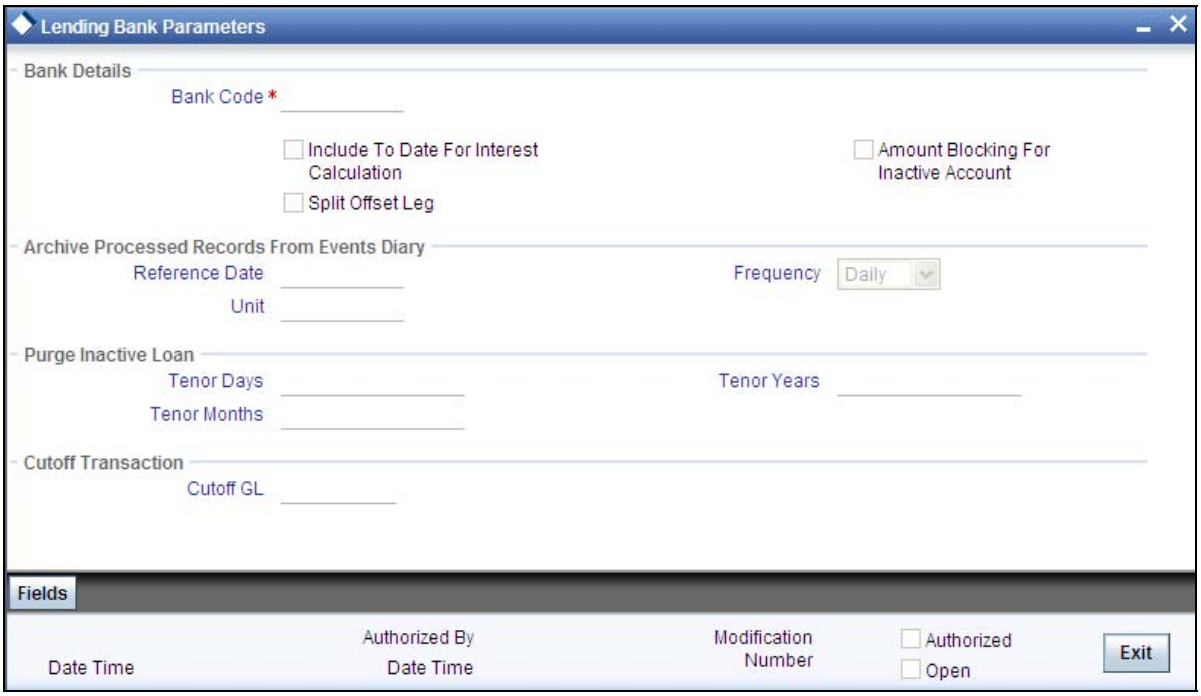
Promotions

Promotions are special offers whereby you can offer special incentives/ concessions to customers. You can link finances to one or more promotions.

The above maintenances are discussed in detail in this chapter. Note that these maintenances are not specific to the Islamic Financing module. They can be used by Retail Lending also.

3.2 Maintaining Bank Parameters

You can maintain the bank parameters in the 'Retail Lending - Bank Parameters' screen. You can invoke this screen by typing 'CLDBKPMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you can capture the following details:

Bank Code

Specify the code that represents your bank.

Include To date for Interest Calculation

If you check this option, then accrual entries will be passed from the value date + 1 till the maturity date. However, if this box is not checked, then accrual entries will be passed from the value date till the maturity date - 1.

Amount Blocking for inactive account

Indicate whether an amount block needs to be imposed on an inactive account or not.

Split Offset Leg

Check this box if you wish to have split accounting entries for the offset leg of a transaction. For example, if a certain transaction debits a particular GL and credits two different GLs (as in off balance sheet entries), the system will pass two debit entries for the first GL to be in sync with the credit entries to the other GLs. If this option is not checked the accounting entries will be as under:

Dr/Cr	Account	Amount
Dr	00000001	50
Cr	00000011	20
Cr	00000022	30

If this option is checked the accounting entries will be as under:

Dr/Cr	Account	Amount
Dr	00000001	20
Cr	00000011	20
Dr	00000001	30
Cr	00000022	30

3.2.1.1 Capturing archival details for records in the Events Diary

Reference Date

This is the first date on which the archival will be initiated. If this date is NULL, no archival will be done.

Frequency

This is the frequency for archival. The options in the drop down list are:

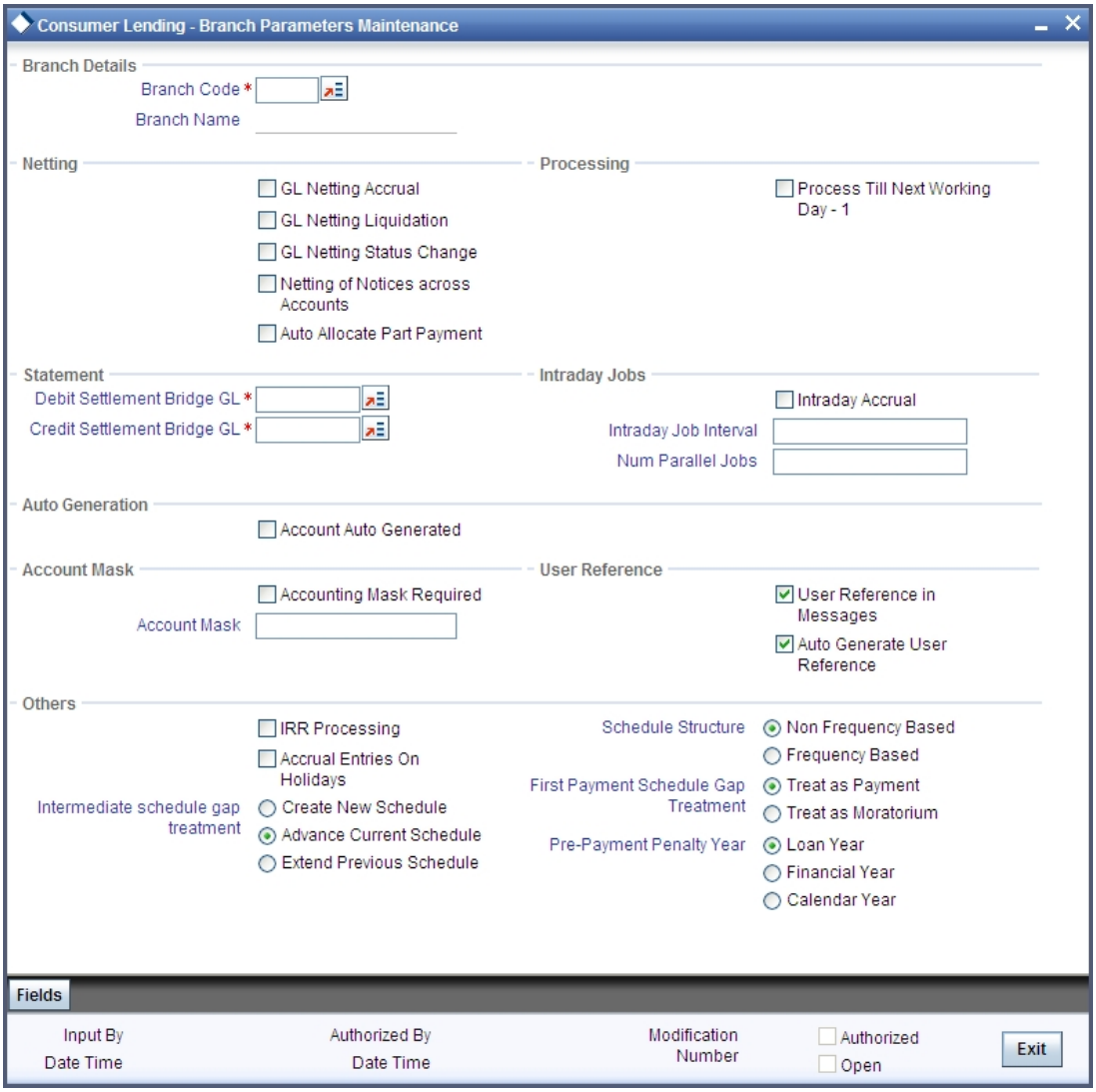
- Daily
- Monthly
- Yearly

Unit

This is a numeric value. Let us suppose you select the frequency as Daily and Unit as 5. In this case archival will be done every 5th day.

3.3 Maintaining Branch Parameters

You can maintain the branch parameters in the 'Retail Lending – Branch Parameters' screen. You can invoke this screen by typing 'CLDBRPMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Branch parameters include the following:

Branch Code

You have to indicate the code of the branch for which the parameters have to be maintained. The codes of the various branches of your bank are available in the option list provided.

When you select the code, the branch name is also displayed alongside.

Process Till Next Working Day – 1

This specification will determine the day on which automatic events such accrual, liquidation etc. falling due on a holiday, should be processed. If you select this option, events scheduled for a holiday will be processed on the last working day before the holiday.

Example

Assume that the current system date is 15th May '05. Further, 16th and 17th are holidays. If you select 'Process Till Next Working Day – 1', when you execute the batch program during EOD of 15th May, the events due on 16th and 17th will also be processed.

If you do not select this option, processing will be done upto the system date i.e. the current date. The automatic events due on a holiday will be processed as part of the batch program run at BOD on the next working day after the holiday.

Consider the example discussed above, if you do not check this option, the events due on 16th and 17th will be processed as part of BOD operations on 18th May '05, which the next working day after the holidays.

Netting

Here, you need to indicate the netting preference for posting entries during accrual, liquidation and status change.

If you opt to net, the system will post a single consolidated entry for a GL and Currency combination. If you do not select this option, entries are posted individually for each account.

The GL netting status change option can also be used to indicate installment level status change.

The Netting of Notices across Accounts can be used to indicate that for or all accounts for which the payments falls due on a particular date, the requests for invoice generation should be consolidated.

The finance accounts for which the reminder or demand note should be sent is tracked based on the status of the account. The SDE 'Next Schedule Date' is set up to arrive at how many no. of days in advance the payment notice should be generated. Based on the status of the finance account the corresponding payment invoice format is set up.

The Auto allocate part payment option can be used if you want to do a partial payment through auto allocation. For accounts which are marked for manual allocation of partial amount the payment can be done in bulk using the 'Consumer Lending – Bulk Payments' screen.

For more details on Bulk payments refer section 'Bulk Payments' in the 'Operations' chapter of Retail lending User Manual.

Settlement

The settlement accounts for processing lending transactions have to be specified here. You have to specify the Bridge GL/Account to be used for the settlement of the debit and credit legs of transactions that would be processed at your branch. You can select the accounts from the option lists provided for the same.

Intraday Jobs

Typically, accruals are processed either at BOD or EOD. However, you have the option to facilitate accruals any time during the day i.e. during the normal transaction input itself. You have to check the 'Intraday Accrual' option to avail this feature. If you opt for intraday accrual, you also have to specify the following:

- Intraday Job Interval: This is the interval (in hrs) at which the Intraday Job should be executed during the day.
- Num Parallel Jobs: This indicates the actual number of jobs to be processed at the same time when the Intraday Job is executed. For example, if the number of parallel jobs is 5, the system will group the accounts into 5 different jobs to be processed simultaneously by the Intraday Job. The system automatically groups the accounts based on the number of parallel jobs maintained.

Account Auto Generated

You can select this option for automatic generation of account numbers. The system generates the account numbers automatically when you create customer accounts through the 'Account Details' screen. If this option is not checked, you have to capture the account number yourself.

For details on creating an account, refer the 'Account Creation' chapter of this User Manual.

Accounting Mask Required and Account Mask

To maintain uniformity in the account numbers generated/captured across a branch, you can specify a format/mask for account numbers. If you specify that account numbers should conform to a specific format, you have to specify the mask in the 'Account Mask' field.

Example

You may want the account numbers of your branch to be a combination of:

- Branch Code (3 Characters)
- Product (4 Characters)
- Currency (3 Character currency code)
- 5 digit running sequence number

The account mask in this case would be: @ (BRN)@(PROD)@(CCY)@(SEQ:5)

An example of an account number conforming to the above mask would be DOC3ROLUSD60021.

If you opt for auto generation of account numbers but do not specify a mask, the generated number will, by default, conform to the following format:

- 3 character Branch Code
- 4 character Product Code
- Date in Julian format (YYDDD)
- 4 digit running sequence number

An example of an account conforming to the above format is 'DOCVSIM040960021' where:

- 'DOC' is the Branch Code
- 'VSIM' is the Product Code
- '04096' is the date equivalent to 5th April 2004 (04 – Year and 096 is the number of days that have elapsed in the year).
- '0021' is the running sequence number.

Also, if you maintain an account mask but do not opt to auto generate the account numbers, then, during account capture you have to conform to the account mask maintained for the branch. If the account is not as per the mask, the following error message is displayed:

Account number entered is not conforming to the account mask.

IRR Processing

Check this option to trigger the YACR (Yield Accrual) event for the branch batch.

Accrual Entries on Holidays

This option will determine whether the accrual entries due on the holidays should be passed as of the holiday itself or as on the working day before the holiday(s)/after the holiday(s) depending on the 'Process Till Next Working Day -1' option.

Example

Assume that the current system date is 15th May '05. Further, 16th and 17th are holidays. If you do not select 'Process Till Next Working Day – 1', the EOD process for 15th May will accrue only for that day. Accruals due on 16th and 17th will be done on the next working day, 18th May '05. The EOD process of 18th May will accrue for all the three days i.e. 16th, 17th and 18th. If you select 'Process Till Next Working Day – 1', then the EOD process of 15th May will take care of accruals due on the 16th and 17th as well. If you do not opt for 'Accrual Entries on Holidays', the booking date of the entries will be the working day (15th or 18th in this example) on which the accrual is processed. The accrual entries are passed with the value date as of the working day.

If the 'Accrual Entries on Holidays' option is selected, the processing will continue to be on the working day before or after the holidays, depending on your preference. However, the value date of the entries will be as of the corresponding holiday date i.e. 16th and 17th May respectively.

Schedule Structure

This option is used to indicate if the schedule definitions should honor the end dates or honor the frequencies when the two contradict. The options are:

- Frequency Based
- Non-Frequency Based (the end dates contradict each other)

Example

For a product, you can define payment schedules based on the value date of the finance and/or based on the calendar date. Assume that you have a housing finance product 'HOME' with the following payment schedule details:

- Unit – Monthly
- Frequency – 1

- Schedule Basis – Value Date
- Tenor – 12 months

Case 1: Schedule structure is frequency based

A housing finance is initiated on 4th April 2004. As per the above details, the following schedule dates are defaulted:

- First Due Date: 4th May 2004 (one month after the disbursement date)
- End Date: 4th Mar 2005 (in between schedules being 4th June, 4th July and so on for 11 months)
- The last schedule is always a 'Bullet' schedule.

Note that the schedule dates are driven by the value date of the finance. At the account level, you can, however, change the defaulted schedules. But the end dates should not contradict for the schedules.

For instance, you cannot define schedules with the following details:

First Due Date	No of Schedules	Frequency	End Date
04-MAY-2004	5	Monthly	04-SEPT-2004
01-OCT-2004	5	Monthly	01-FEB-2005
04-APR-2005	1	Bullet	04-APR-2005

Note that for the first and second schedules, the end dates are contradicting (4th Sep and 1st Feb respectively). This is not allowed if the schedule structure is 'Frequency Based'. The following error message is displayed:

Input for component is not as per schedule frequency.

Case 2: Schedule structure is non-frequency based

If the schedule structure is non-frequency based, you can define schedules with contradicting end dates (refer the schedule structure given in **Case 1** above).

First Payment Schedule Gap Treatment

Here, you have to specify the manner in which you would like to treat the period/gap between the finance disbursement date and the first payment. The options are:

- Treat as Payment
- Treat as Moratorium

Example

Assume that you make a disbursement on 1st January and the first payment is due on 1st March. This means that there is a gap of two months between the disbursement and the first payment schedule. You can treat this gap either as a 'Payment' schedule or a 'Moratorium' schedule. If you opt to treat it as a 'Payment' schedule, then, during product creation, you should define the payment schedule with the 'Schedule Flag' being 'Normal'. You should also specify a separate formula for this schedule. This is also done at the product level.

Similarly, if the gap is treated as a 'Moratorium', you should define a schedule with type 'Moratorium' and also define a moratorium formula for the schedule.

Insurance Renewal Before Days

Specify the number of days before the expiry of an insurance policy that the system should trigger automatic renewal. This parameter will be applicable for all transactions in the branch for which insurance is required.

Intermediate Schedule Gap Treatment

Here, you have to specify the manner in which the system should handle gaps between two schedules. The available options are:

- Create New Schedule
- Advance current schedule
- Extend previous schedule

Example

Assume that the following are the two payment schedules for a finance:

- 1st May to 25th May
- 5th June to 25th June

Therefore, the gap between the two schedules is 10 i.e. from 26th May to 4th June. To handle this gap, you can instruct the system to do any one of the following:

- Create a new schedule in which case a new schedule is defined for the gap period i.e. 10 days.
- Advance the current schedule, wherein the second schedule will start from 26th May instead of 5th June and go upto 25th June.
- Extend the previous schedule in which case the first schedule goes upto the 4th of June instead of 25th May.

After setting up the branch parameters, you have to save the details. Click on save icon to save the details in the system. However, the parameters take effect only after your supervisor authorizes the same.

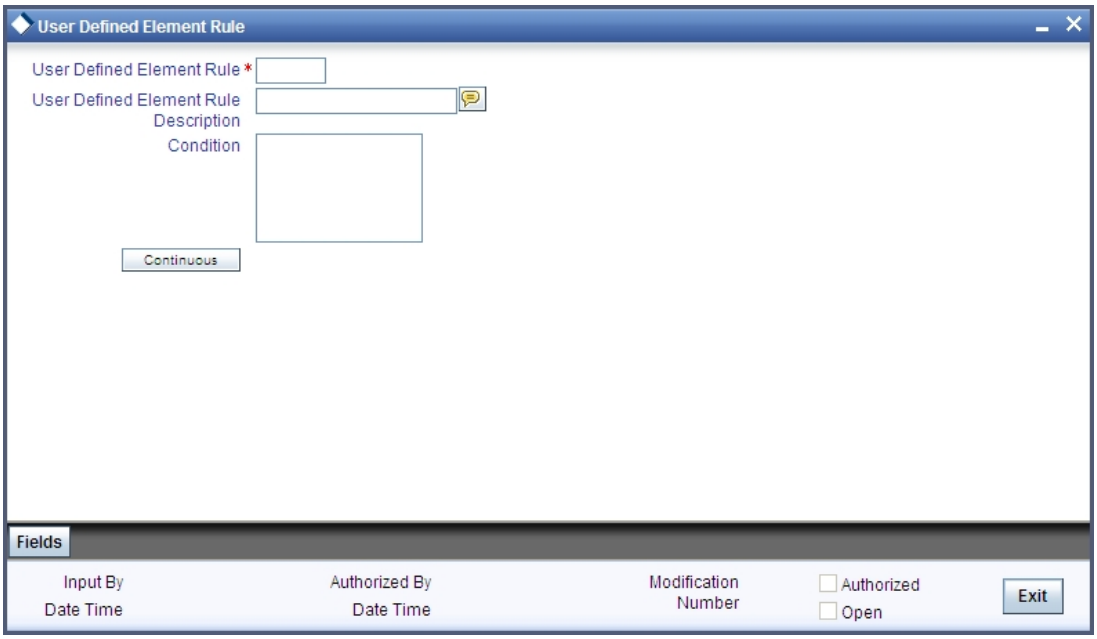
Refer the Procedures User Manual for details on common operations like authorization, deletion, closure etc.

3.4 Defining UDE Rules

User Defined Elements (UDEs) refer to entities like Profit Rates, Amount/Tier Slabs whose value you can specify and at the same time maintain different values with different effective dates. For instance, you can indicate that profit should be calculated at five percent on a certain date and specify a higher rate effective at a later date.

The UDEs, per say, are defined at the product level and the actual values are provided for a combination of Product, Currency, UDE Rule, and Effective Date in the 'UDE Values' screen. This will be defaulted at the account level and you can override the same with account specific values.

You can define UDE Rules based on which the UDE Values will be picked up at the account level. UDE Rules are conditional expressions built using the SDEs like Finance Amount, Tenor, Rate, Customer Category etc. These rules can be created independently and later attached at the time of maintaining UDE Values. You can associate multiple rules and specify UDE values for each rule. You can maintain the rules in the ‘User Defined Element Rule’ screen. You can invoke this screen by typing ‘CLDUDRMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



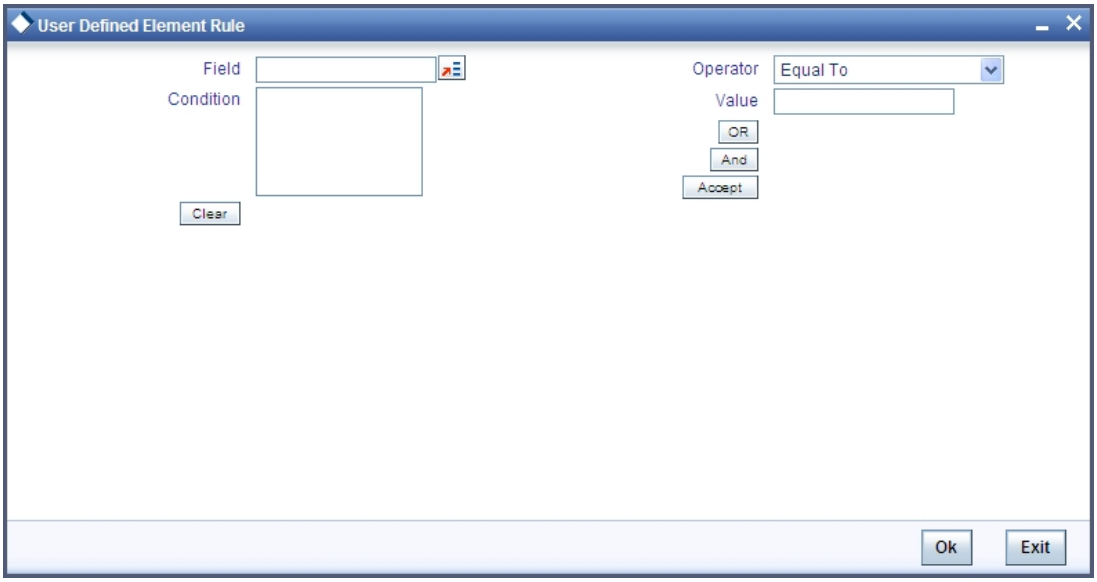
The following information should be captured to create a UDE Rule:

User Defined Element Rule

You have to specify a unique code consisting of a maximum of four alphanumeric characters, to identify the rule in Oracle FLEXCUBE. This is mandatory to save the record.

Condition

You can build multiple conditions for a rule. To do this, click on ’Condition’ button in the screen above. The following screen is displayed:



You can create conditions using the following:

- Fields: The SDEs that are factory shipped or maintained in the ‘System Data Elements’ screen are available in this list.
- Operators: This list includes the mathematical operators:
  - Equal To
  - Greater Than
  - Greater Than or Equal To
  - Less Than
  - Less Than or Equal To
  - Like
  - Not Like
  - Not Equal To
- Logical Operators:
  - And: Use ’And’ button
  - Or: Use ’OR’ button
- Value: The value of the SDE selected to define the condition should be entered here. The value may be numeric or alphanumeric, as required for the condition.

After building the condition, click ‘Accept’ button to accept the same. To remove a condition, click ’Clear’ button in the screen.

After you build the condition(s), click ‘Ok’ button in the screen. You will return to the ‘UDE Rules’ screen. The condition defined is displayed in this screen.

Example

Assume that you want to charge profit at 12% for home finances (Product Code - HOME) where the finance amount is greater than or equal to 100, 000 and an profit rate of 10% on finances less than 100,000. You can build these conditions in the form of UDE Rules.

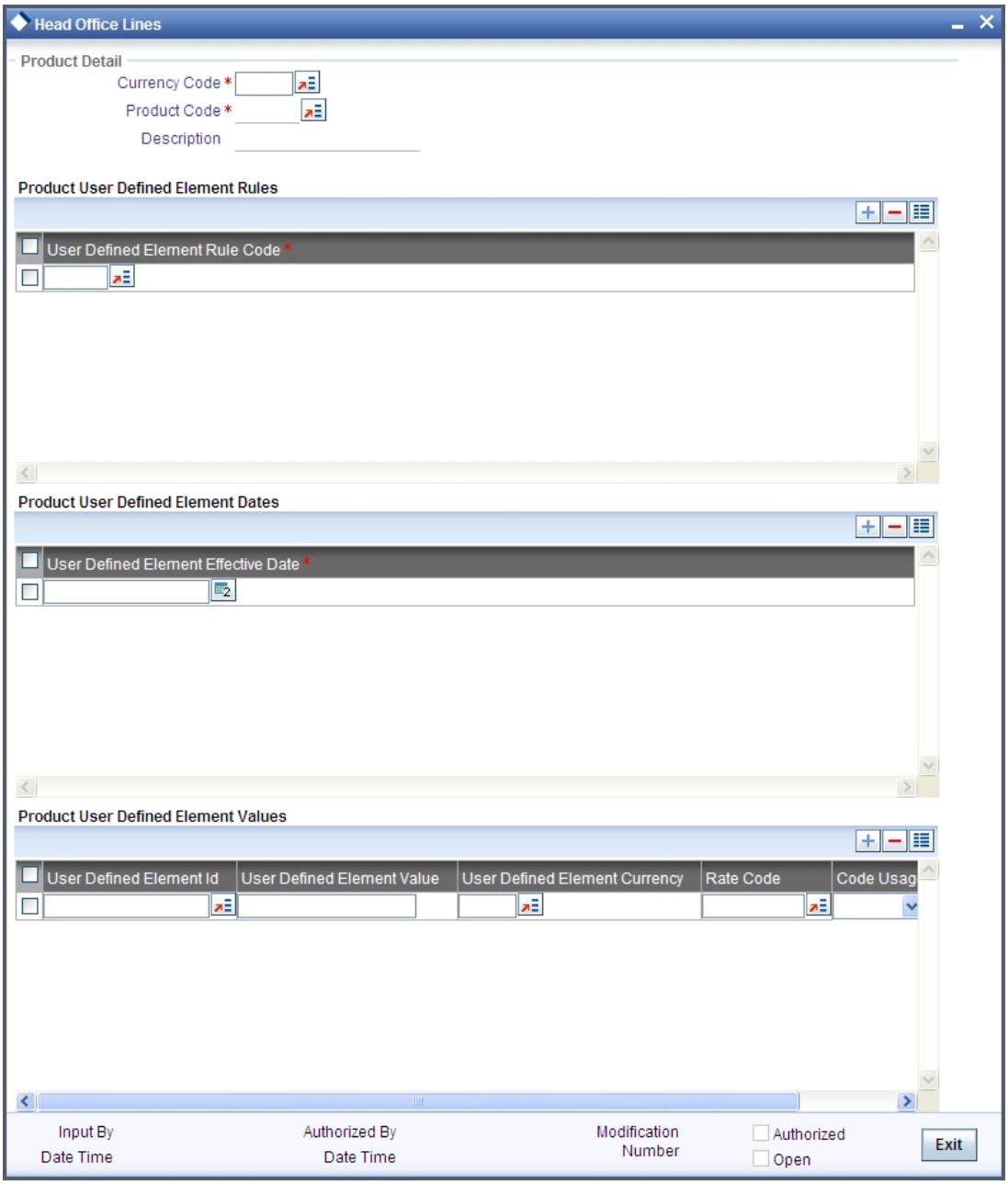
Rule ID	Condition
UDE1	AMOUNT_FINANCED >=100000
UDE2	AMOUNT_FINANCED<100000

At the time of assigning values for the UDE 'PROFIT' (assuming that this is the UDE defined for the product in the 'UDE Values' screen(discussed below), you can associate the above rules and for a product, currency, rule and effective date combination, you can specify the value as 12 and 10 respectively. Depending on the condition that the finance satisfies (whether >= 100000 OR less than 100000), the appropriate rate is picked up for profit calculation.

Refer the section titled 'Specifying product Main details' in the 'Defining Product Categories and Products' chapter of this User Manual for details on defining UDEs.

3.5 Providing UDE Values

The actual values for the UDEs defined during product creation (in the 'Main' tab of the 'Consumer Lending Product' screen) is maintained in the 'User Defined Elements Values Maintenance' screen. You can invoke this screen by typing 'CLDUDVMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, you can maintain values for a 'Product + Currency + UDE Rule + Effective Date' combination. The following details have to be captured here.

Product Code

You have to select the product for which the UDE values have to be maintained. The products offered at your bank are available for selection in the option list provided. Click option list to select a product code from the list.

Upon selection of the product code, the system displays a short description of the product in the adjacent field.

Currency Code

For the product selected, specify the relevant currency. This becomes the UDE currency and the values you capture for the UDE is expressed in this currency. The option list will include the currencies maintained in the 'Currency Definition' screen. You can select a relevant code from this list.

For details on 'Currency Definition' screen, refer the 'Currency Maintenance' chapter of the Core Services User Manual.

User Defined Element Rules

Here, you have to associate the relevant UDE Rule(s). The rules maintained in the 'UDE Rules' screen are available in the option list. For each associated rule, you can specify UDE values with different effective dates and depending on the rule that the finance satisfies, the corresponding UDE values become applicable to the finance and same are picked for Profit, Charge, Tax, Commission and Fee computation.

The UDE Rule is mandatory to save the record. The system will automatically link the default rule if you do not associate a rule.

Effective Date

You have to specify the effective dates for the UDE values. This is the date on which the UDE value becomes applicable in the system. The date should be in DD-MMM-YYYY format. For a rule, you can maintain UDE values with different effective dates.

UDE ID

The UDEs defined for the selected product is automatically displayed here.

UDE Value

For each UDE displayed for the selected product, enter the UDE value**.** As mentioned, you can maintain values with different effective dates.

Rate Code

If you want the UDE to have a floating profit rate, select the applicable rate code from the option list. Depending on the rate code selected, the rates are picked up from the 'Floating Rate Code Definition' screen. In this case, the value captured for the UDE becomes the spread against the rate code.

For instance, assume that the rate code is 'MIBOR' and the UDE value is 2 (positive spread). If the rate picked up as per the rate code (taking into consideration the effective date, amount slab and tenor) is 5%, then the actual profit applicable would be 7% (5 + 2). Similarly, if it were a negative spread, the profit would be 3% (5 – 2).

For details on maintaining floating rate codes, refer the section titled 'Maintaining Floating Profit Rates' in this chapter.

Code Usage

This is applicable only if you associate a 'Rate Code' with the UDE. It indicates the frequency at which you want to refresh the floating rates. The options are:

- Automatic: This implies that the rates will be automatically refreshed every time a rate change occurs. Therefore, rates are reapplied to the finances as and when there is a rate change.
- Periodic: This means that the rates will be refreshed based on the Rate Revision Schedule maintained at the component level (in the 'Components' tab of the 'Consumer Lending Product' screen).

It is mandatory to specify the Rate Code usage if the rate code is maintained.

Cascade

You can change the UDE values even after creating accounts under the product. The cascade feature is used to determine the manner in which the change should be handled. If you choose to cascade (select 'YES'), the change becomes applicable to all the existing accounts under the product. However, if you do not cascade the changes, the new UDE values become applicable only to accounts created subsequent to the change.

3.5.1 Maintaining Fixed Amount UDEs in other Currency

To maintain UDEs in a currency different from the finance currency, you have to maintain the values separately for each currency. At the time of finance creation, the values defined for the UDE Currency is picked up and is displayed (in the 'Ude Value' field of the 'Account Details' screen) after conversion into the finance currency equivalent.

Example

Assume that at the product level (Product Code: HOME), you define three UDEs (of type 'Amount'), each in a different currency.

- UDE1 in CLP (finance currency)
- UDE2 in USD
- UDE3 in GBP

At the time of capturing the values for these UDEs in the 'UDE Values' screen, you have to maintain UDE values for the following three combinations:

HOME + CLP + Default UDE Rule + Effective Date + UDE1

HOME + USD + Default UDE Rule + Effective Date + UDE2

HOME + GBP + Default UDE Rule + Effective Date + UDE3

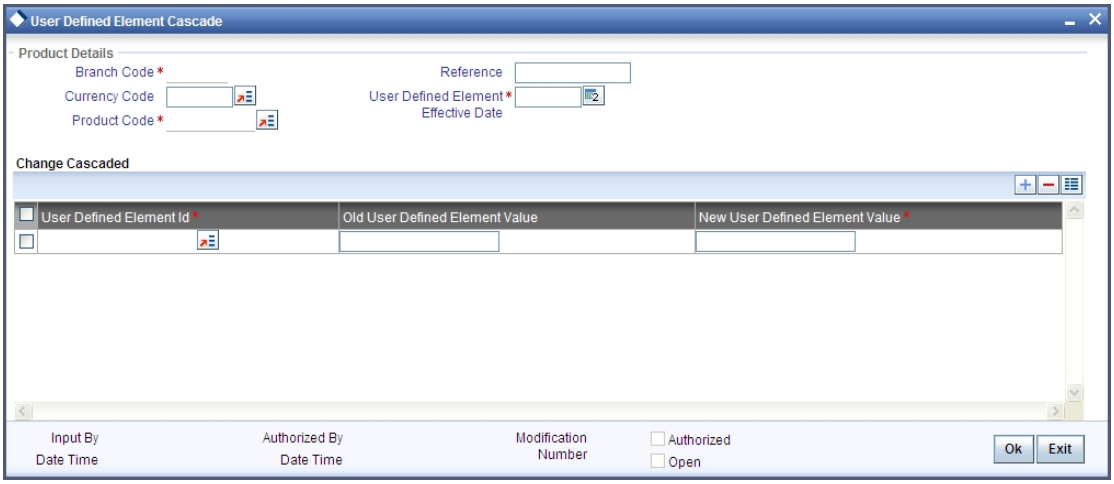
At the account level, the value corresponding to the UDE currency (as specified at the product level) is picked up. For UDE1, the value corresponding to the first combination is picked up, likewise for UDE2 and UDE3 the values corresponding to the 2nd and 3rd combinations resp. are picked up.

The values, however, are displayed after conversion into the finance currency equivalent.

3.6 Applying the UDE Cascade Function

You also have the feature to change the value of a UDE for all the existing accounts under a product. However, the change will be applicable only to the existing accounts. UDE values for new accounts created under the product will be picked as per your specifications in the 'UDE Values' screen.

You can define new UDE values for existing accounts in the 'UDE Cascade' screen. You can invoke this screen by typing 'CLDUDCMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The code of the login branch is displayed here. The following information is captured in this screen:

Reference

After saving the UDE cascade function, Reference will be generated by system itself.

Branch code

Input the branch code in which the relevant data is maintained.

Currency Code

Select a currency maintained for the product from the option list provided. The UDE value is applied in the currency selected here.

Product Code

Select a product for which you have to change the UDE value. The change becomes applicable to all the existing accounts under the product.

User Defined Element Effective Date

The date on which the new UDE value is brought into effect is captured here. The date format should be ‘DD-MMM-YYYY’.

After you specify the effective date, the system automatically generates a unique ‘Reference’ Number.

User Defined Element Id

The option list will display the UDEs defined for the selected product. Select the UDE that requires a change in value. When you select the UDE, the ‘Old Ude Value’ is also displayed in the next field.

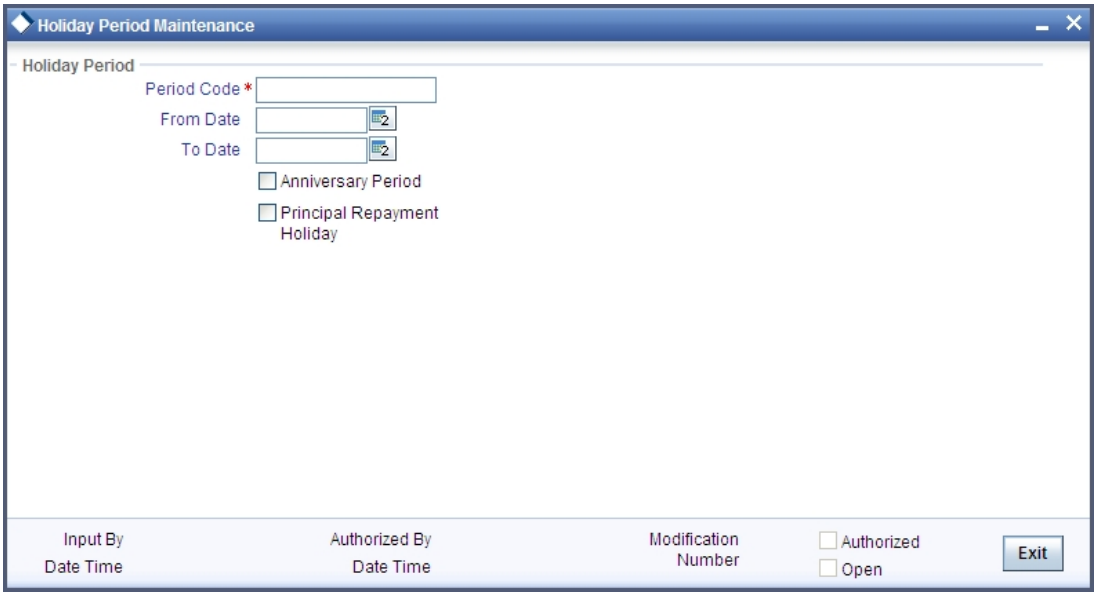
New User Defined Element Value

Provide the new value for the selected UDE.

3.7 Holiday Periods

You can identify certain periods in the calendar as holiday periods when customers would have other expenses and would like to avail a repayment holiday. This would typically be during Christmas/New Year or for anniversary celebrations. Although, Profit computation continues for this period, repayments are not scheduled.

You can define repayment holiday periods in the ‘Holiday Period Maintenance’ screen. You can invoke this screen by typing ‘CLDHOLMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following information is captured to define a holiday period:

Period Code

You have to capture a unique code to identify the period in the system. The code can comprise of 30 alphanumeric characters.

Date From and Date To

For the period code specified, capture the holiday period i.e. the start date and end date for the holidays. The date format should be 'DD-MMM-YYYY'. It is mandatory to specify the date range to save the holiday period.

Anniversary Period

This option is used to define an anniversary period. If you check this option, the holidays will be repeated every year for the given range of dates. By default, the system checks this option.

Principal Repayment Holiday

If you check this option, the system will apply the holiday period to the principal component alone. The simple interest formula defined at the product level will not be affected. By default, this option is unchecked. However, you may modify it.

While defining a loan contract, you may apply the holiday period codes maintained using this screen.

Example

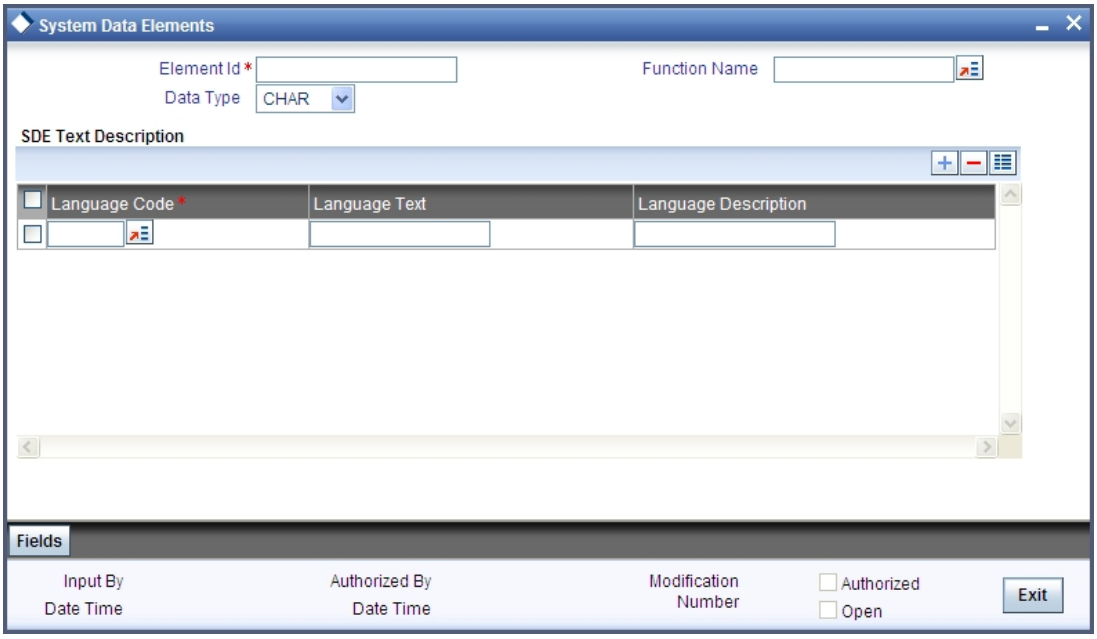
Suppose that a product has dual formula for the MAIN_INT component as shown:

Formula Name	Formula Type
FRM_MAIN_INT	Amortized
FRM_MAIN_INT_1	Non-amortized

3.8 Maintaining System Data Elements

The balance in the account for which the profit has to be calculated depends on the activities that take place in the customer account over a period of time. This information is constantly updated in the system and is readily available for computation of profit or charges. Data elements of this sort are called 'System Data Elements' (SDEs) because the values for the SDEs are necessarily picked up by the system while applying profit. You cannot input the values for these elements.

You can capture the various SDEs in the 'System Data Elements' screen. You can invoke 'Securities Security Product Definition' screen by typing 'CLDSDEMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You have to maintain the following to define a SDE:

Element ID

Capture an id to uniquely identify the SDE in the system. You can devise an Id comprising a maximum of 30 alphanumeric characters.

Function Name

Here, you have to associate the Oracle function which would calculate the SDE value internally. The values available in the option list are factory shipped. The system picks up the value computed by the function for use in profit calculation.

Data Type

This indicates the nature of the data the SDE represents. The options are:

- Character
- Number
- Date

Language Code and Language Text

Select a language for the SDE being defined. You can select a code from the option list provided. The system automatically displays the corresponding text in the language selected for the SDE.

Language Description

Here, you have to provide the description of the SDE being defined, in the language selected. The description should not exceed 30 alphanumeric characters.

System Data elements can be balances like PRINCIPAL_EXPECTED, PRINCIPAL_OVERDUE etc. Some Oracle FLEXCUBE entities required for formula generation/rule set up will be factory shipped.

The list of standard SDEs available for use are given below:

Name	Description
TENOR	Duration for which the finance is applied for in days.
CUSTOMER_CATEGORY	Category of the customer of the finance which is maintained at the customer information file level.
BRANCH_CODE	Code of the branch where the finance account is opened.
ACCOUNT_CCY	Finance account's currency.
LOAN_STATUS	Status of the finance account.
CUSTOMER_ID	Primary customer's id for a finance account.
NO_OF_RPMNT_SCHS	Number of repayment schedules excluding the moratorium ones.
INCREASED_PRINCIPAL	Increase in the principal.
DAYS	Days in a month.
YEAR	Days in a year.
RISK_CLASSIFICATION	Risk classification at line level which can be used at status change.
PREPAID_AMOUNT	Amount that has been prepaid.
MORA_OUTSTANDING	Total moratorium outstanding amount.
TOTAL_MORA_AMOUNT	Total moratorium amount.
INDEX_CCY	Index currency.
NEXT_WORKDAY	Next working day of the branch.
LAST_WORK_DAY	Last working day of the branch.
TODAY	Today's branch date.
TOTAL_PRINCIPAL	Amount for which the finance is applied for.
AMOUNT_FINANCED	Amount for which the finance is applied for.

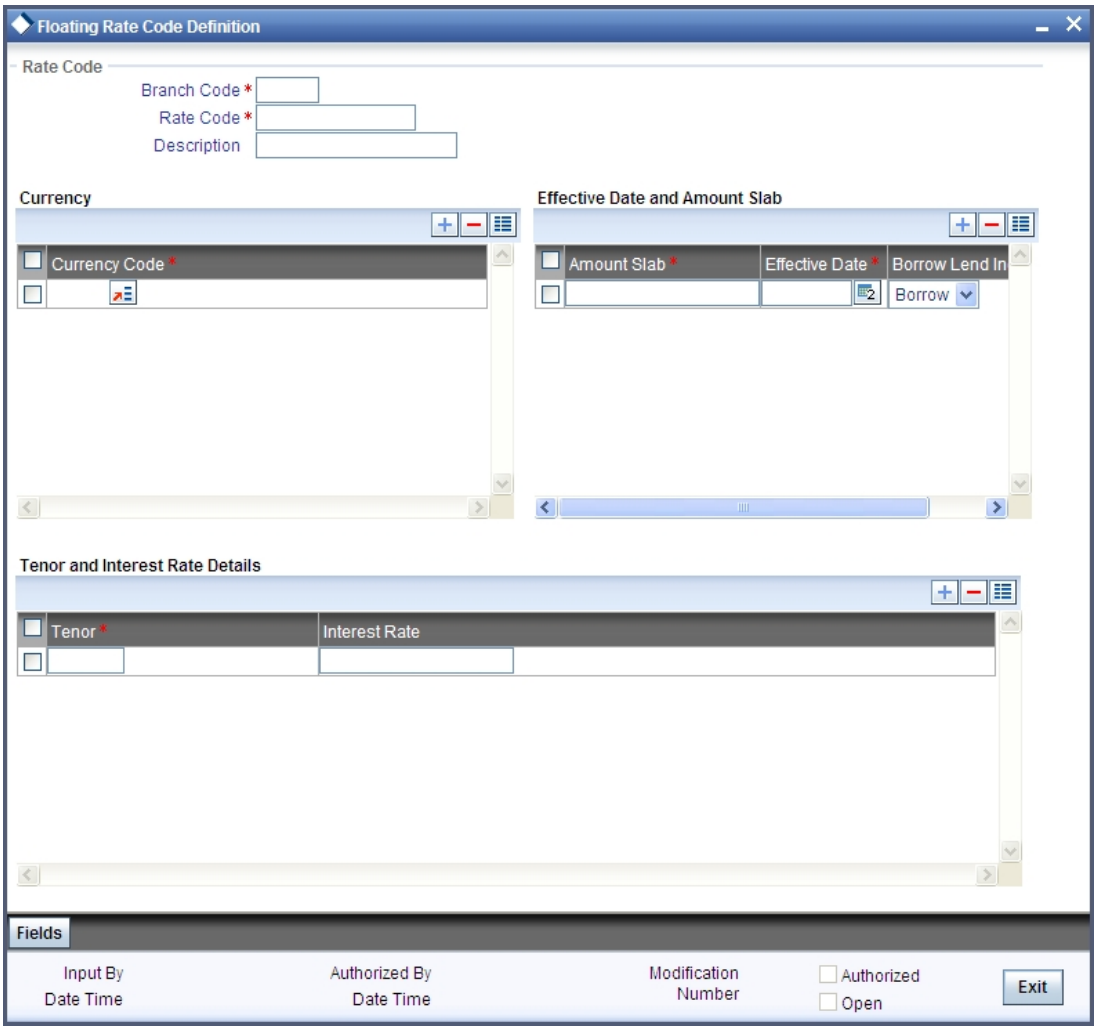
Name	Description
PRINCIPAL	Amount disbursed.
INT_SUSPENSION_DATE	Profit suspension date based on risk classification. If classification is C, then the suspension date is one year from today's date. If classification is D, then the suspension is immediate.
COMPOUND_VALUE	Amount compounded within a schedule and is used internally.
RESIDUAL_DAYS	Tenor of the finance.
WORST_SCH	Worst Instalment Status.
APPLICATION_DATE	Application date in finance origination.
APPLICATION_SCORE	Application score in finance origination.
APPLICATION_TENOR	Application tenor in finance origination.
APPLICATION_PRINCIPAL	Application principal amount in finance origination.
_OVR_DAYS	<Component> overdue days.
_EXPECTED	<Component> expected amount.
_OUTSTAND	<Component> outstanding amount.
_CCY	<Component> currency.
_OVERDUE	<Component> overdue amount.
_INS_OVR_DAYS	<Component> number of days between the schedule due date and the maturity date.
_FN_NO_REPAY_SCH	<Component> number of schedules for a component if periodic.
_NET_PRINCIPAL	<Component> amount financed.
_SCHODUE	<Component> schedule amount due less amount settled.
DAYS_BASIS	Days in Month
YEAR_BASIS	Days in Year
Projected_Amount	Definition of moratorium formula for profit component.
AMOUNT_DISBURSED	Definition of moratorium formula for profit component

Name	Description
	for actual type
UIDB_DIFFERENTIAL	The difference in the UIDB computed and the actual profit for the post construction period.
CUSTOMER_CREDIT_ RATING	Holds the Credit Rating information of Customer

The ‘Customer Credit Rating’ field at the Customer level will be used as a SDE CUSTOMER_CREDIT_RATING for defining status change rules. This will also be available for provision rule definition at the CI product level.

3.9 Maintaining Floating Profit Rates

You can apply profit either as ‘Fixed’ rate or as ‘Floating’ rate. A Floating Rate corresponds to the market rates for the day. These rates are maintained and updated daily (or whenever they change,) in the ‘LD MM Floating Rate Input’ screen. You can invoke this screen by typing ‘CFDFLTRT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The floating profit rates are defined through this screen. A Rate Code identifies a set of rates defined for a combination of Currency, Amount Slab (optional) and Effective Date. Also, for each such combination, you can maintain rates that can differ by each tenor.

The following details have to be captured here:

Rate Code and Description

You can maintain new rate codes and also provide values for existing ones (like MIBOR, LIBOR etc). For a new code, you need to capture a unique id. The id can include a maximum 10 alphanumeric characters.

Lowest Rate Indicator

The lowest lending rate will be derived from a few rate codes like LIBOR, SIBOR, PLR, etc. If you check this, the rate codes will be considered while deriving lowest lending rate value.

Currency

You have to associate each Rate Code with a currency. You can define rates for the same Rate Code in different currencies. Select a currency from the option list provided.

Effective Date

Each rate that you define for a Rate Code and Currency combination should have an Effective Date associated with it. This is the date on which the rate comes into effect. Once a rate comes into effect, it will be applicable till a rate with another Effective Date is given for the same Rate Code and Currency combination.

Example

Rate Code - TERMDEP45

Currency - U S Dollar

Effective Date	Profit Rate
01 January 2005	12.5%
14 January 2005	12.0%
31 January 2005	13.0%

These rates will be applicable as follows:

Period	Profit Rate
1st January to 13 January 2005	12.5%
14th January to 30 January 2005	12.0%
31st January to one day before the next date	13.0%

The rates will be applied to a contract depending on whether it has been defined with 'Automatic' Rate Code Usage or 'Periodic' Rate Code Usage. You can specify this in the 'UDE Values' screen.

Amount Slab

For a specific Rate Code and Currency combination, you can define an amount slab. However, this is not mandatory. A rate that has been defined for an Effective Date - Amount Slab combination will be applicable to an amount less than or equal to the specified amount.

Example

Let us extend the example we discussed for Rates and Effective Dates to include amount limits.

Amount (USD)	Effective Date	Profit Rate
10,000	01 January '05	12.5%
50,000	01 January '05	13.0%
999.9 million	01 January '05	14.0%

If the rates have to be applied on 1st Jan '05, they will be picked up as follows:

- For a finance with an amount less than or equal to USD10, 000 the rate will be 12.5%.
- For a finance with an amount greater than USD 10,000 and less than or equal to 50,000 the rate will be 13%.
- For a finance with an amount greater than USD 50,000 and less than or equal to USD 999.9 million, the rate applied will be 14%.

A huge amount (999.9 million) has been given as the last amount limit. This denotes that after 50,000 there is no upper limit in the slab.

Borrow/Lend Indicator

For every Amount Slab - Effective Date combination, you should define the rate to be applied as a borrow rate, a lend rate or a mid rate. Borrow rates are applied for finances taken by the bank and lend rates applied on finances disbursed.

Tenor and Profit Rates

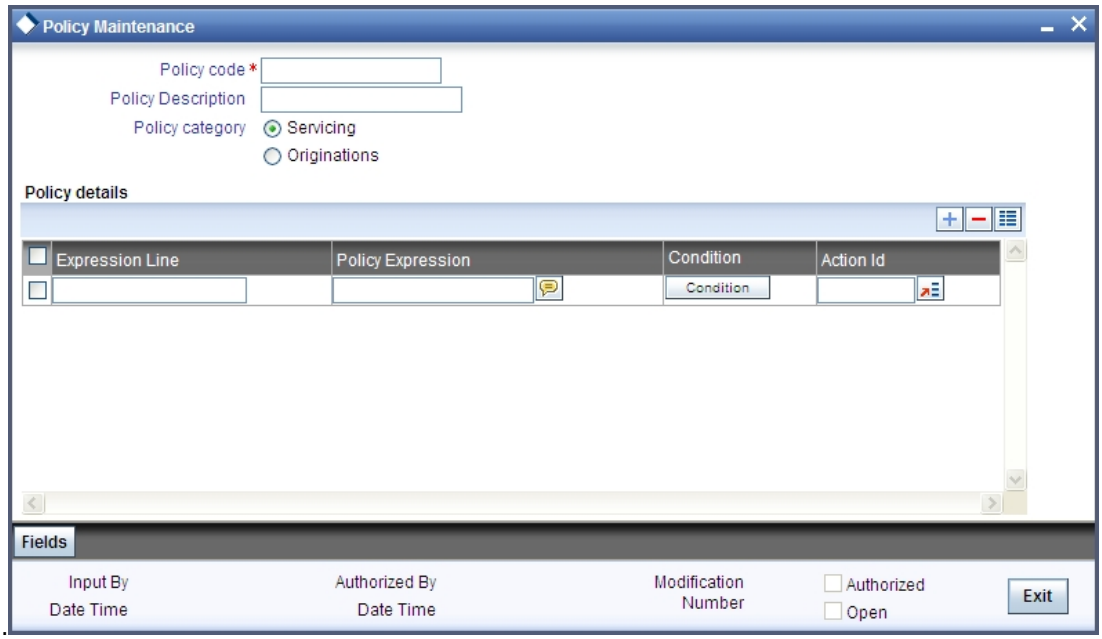
The rates that will be applied for a given combination of Amount Slab – Effective date – Lend/Borrow Indicator can be tenor based. In this screen, you can also define profit rates for different tenors.

For instance, for an amount slab you can maintain rates for the Rate Code LIBOR for tenors 1 - 30 Days, 30 – 90 Days and so on. If you do not maintain tenor wise profit rates, you have to maintain the tenor as '0' and then specify the rate. This is mandatory to save the details.

3.10 Maintaining User Defined Policies

User defined Policies are special validations and operations to be performed before or after a life cycle event of finance. You can maintain policies in the 'Policy Maintenance' screen.

You can invoke this screen by typing 'CLDPOLMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following details to maintain a policy:

Policy Code and Policy Description

A policy code identifies a policy uniquely in the system. The code is used to link the policy to a product/account. You can devise a code consisting of a maximum of 20-alphanumeic characters.

Also, for the code captured, provide a brief description in not more than 35 alphanumeric characters. The description is used for information purposes only.

Policy Category

Select the category to which the policy should belong. This implies if the Policy is to be linked to an Application (Origination and API or Product setup). The two options are:

- Origination
- Servicing

3.10.1 Policy Details

Expression Line

You can maintain multiple expressions for a policy and each expression is identified by a unique serial number. The serial number can consist of a maximum 6 digits.

Policy Expression

Here, you have to specify the expression for the policy which when satisfied by the finance, will trigger the corresponding action. You can maintain multiple expressions and action codes under a policy. Depending on the expression that is evaluated successfully, appropriate 'Action Id' is triggered. However, an expression is not mandatory to define a policy.

Action Id

You have to select the action that is to be triggered when the corresponding expression becomes valid for the finance. This refers to the wrapper name that is mapped to the actual PL/SQL code that executes the policy. Select the action id from the option list provided. The values available in the list are factory shipped.

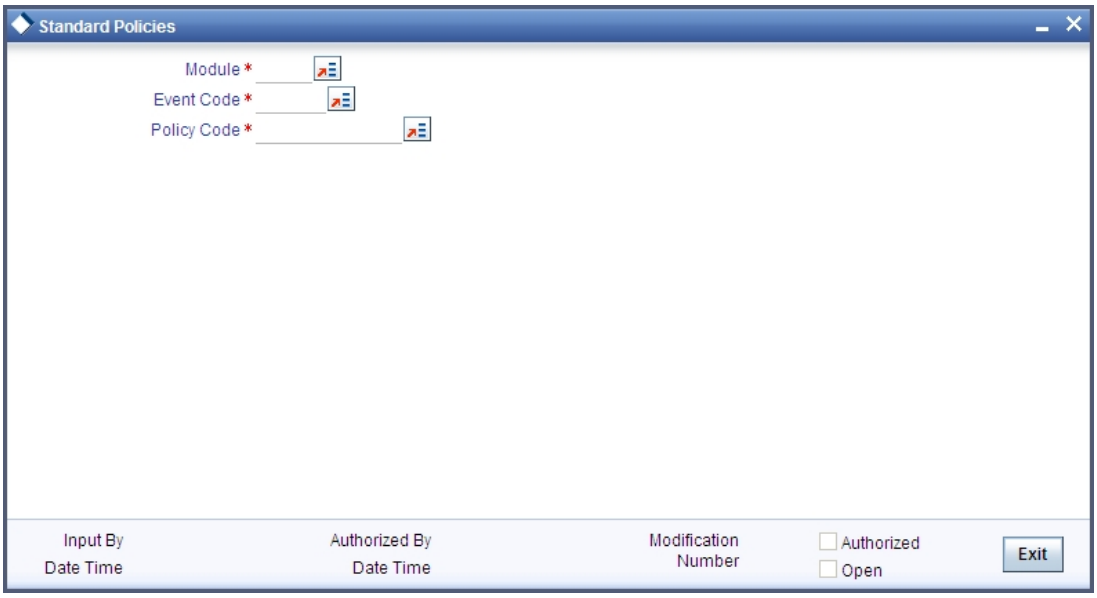
The policies defined through 'User Policy' screen become available for association at the 'Product Category' level.

For more details, refer the section titled 'Maintaining Product Categories' in the 'Defining Product Categories and Products' chapter of this User Manual.

3.11 Maintaining Standard Policies

You can also categorize the policies defined through the 'Policy Maintenance' screen as standard policies in the 'Standard Policies' screen.

You can invoke this screen by typing 'CLDSTDPL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To maintain a standard policy, you have to specify the following in the screen:

Module

A standard policy is defined for a Module and Event combination. You have to select the module for which the policy should be applied. The option list will display the list of valid Oracle FLEXCUBE modules.

Event Code

The events defined for the selected Module are displayed in the option list provided. You may select an event from this list.

Policy Code

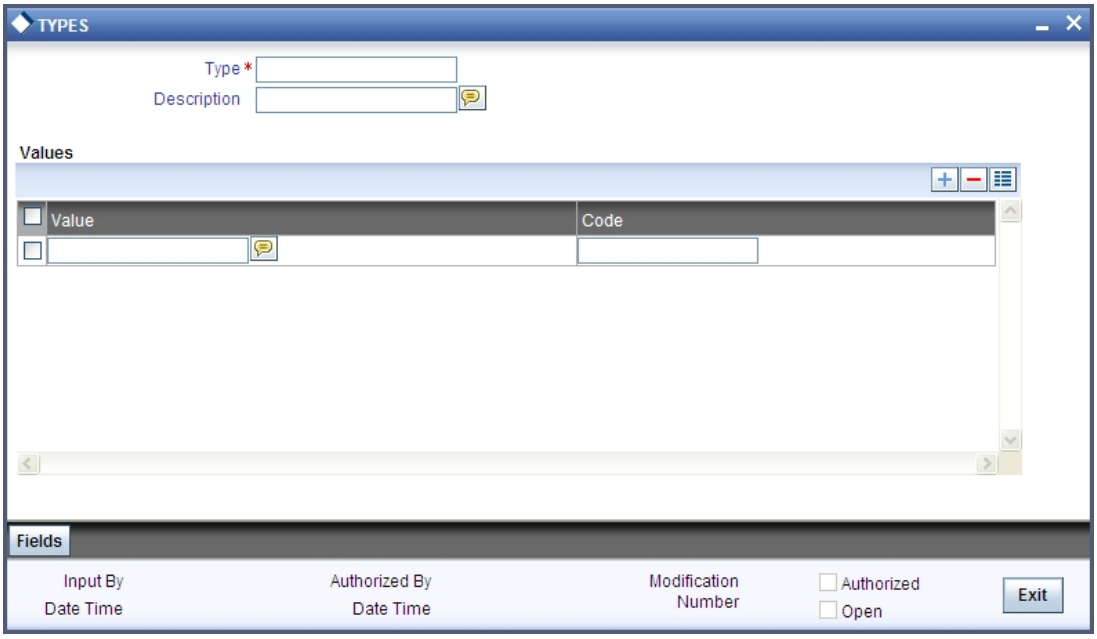
The policies maintained in the 'User Policy' screen are available in the option list provided. Select the appropriate policy for the selected Module and Event combination.

3.12 Maintaining Asset Types

You can capture details of different asset types for an account based on the product level maintenance. To capture such details, you need to maintain type codes for each of the asset categories that can be linked to an account. The following asset categories are available at the product level:

- Vehicle Info
- Property Info
- Goods Info
- Building Info
- Equipment Info
- Project Info
- Service Ijarah Info

For each type, you need to maintain asset type codes using the 'Limits Type Maintenance' screen. You can invoke this screen by typing 'LMDTYPES' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you need to maintain the following details:

Type

You need to define codes for the following types:

- Property
- Goods
- Area in Emirate
- City
- Brand
- Sector of Investment
- District
- Emirate
- Area in Another Country
- Collateral Type
- Asset Category
- Insurance Company

Description

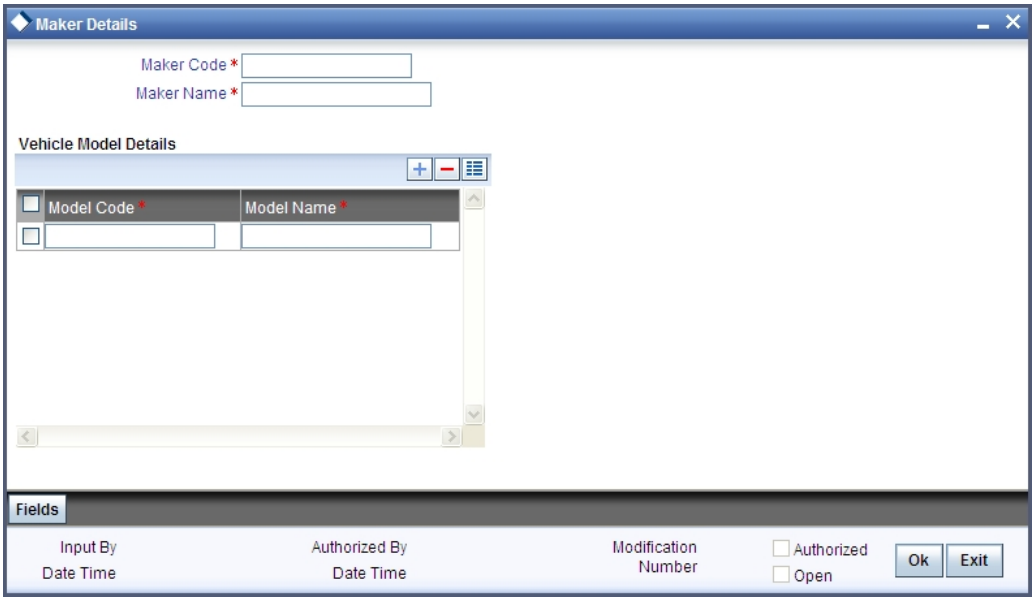
Enter a brief description for the types being defined.

Value

Depending on the type, you need to specify the values that can be captured against that type. For instance, you can specify the value ‘Villa with Swimming Pool’ for the type ‘Property’.

3.13 Maintaining Vehicle Maker Details

In order to process Murabaha transactions involving vehicle purchase, you need to maintain codes to identify the vehicle maker, vehicle model etc. You can maintain these details through the ‘Vehicle Details Maintenance’ screen. You can invoke this screen by typing ‘CIDVEHMA’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you can capture the following details:

Maker Code

Specify a code to identify the maker of a vehicle. The code can be alphanumeric and 20 characters long.

Maker Name

Specify the name of the vehicle maker. You can specify a maximum of 105 alphanumeric characters.

Model Code

Specify a code to identify the model of a vehicle. The code can be alphanumeric and 20 characters long.

Model Name

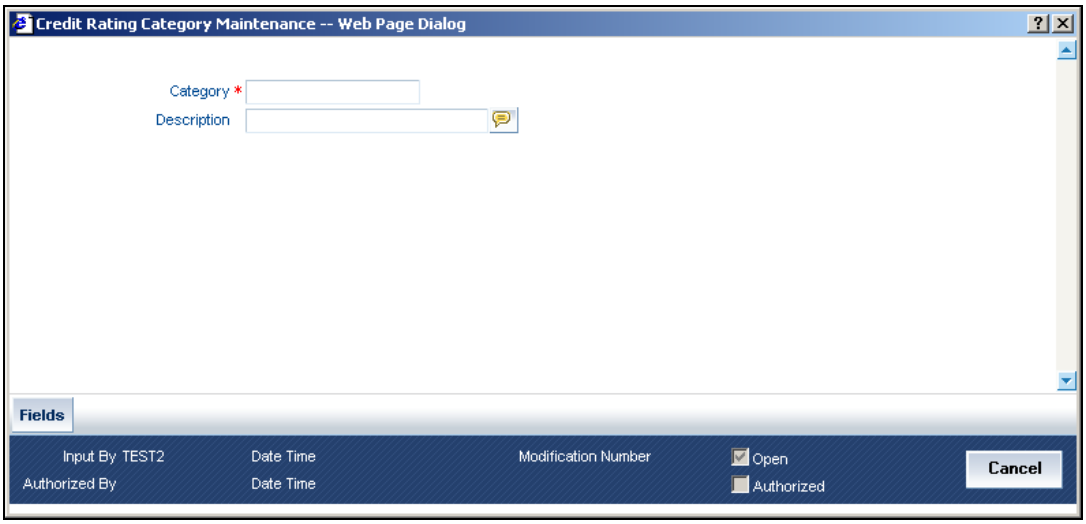
Specify the name of the model. You can specify a maximum of 105 alphanumeric characters.

3.14 Maintaining Credit Rating

Finance applications can be evaluated and rated on the basis of questionnaires and pre-defined answers for these questionnaires. To facilitate this, you need to maintain categories for the questions and rules which will contain sets of questions, answers and scores for the answers. The rules maintained can be attached to the Islamic CL product and defaulted during account creation.

3.14.1 Creating Credit Rating Categories

You can create credit rating categories in the 'Credit Rating Category Maintenance' screen. You can invoke this screen by typing 'CIDCATMT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can maintain the following details here:

CATEGORY

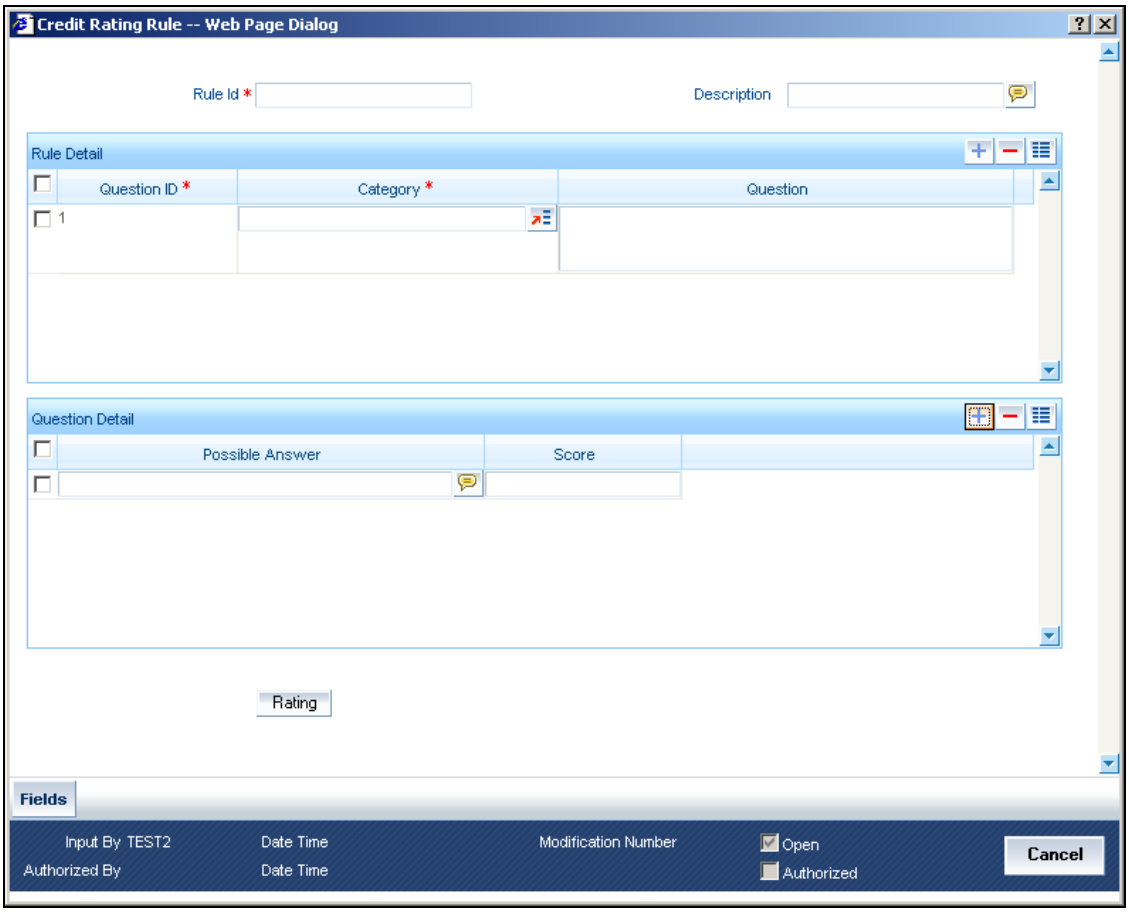
Specify a unique ID for the category.

DESCRIPTION

Enter a description for the category.

3.14.2 Creating Credit Rating Rules

The rules for credit rating are maintained in the 'Credit Rating Rule Maintenance' screen. You can invoke this screen by typing 'CIDCRRMT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can capture the following details here:

Rule ID

Enter a unique ID for the rule.

Description

Enter a description for the rule.

3.14.2.1 Maintaining Rule Detail

Question ID

The system displays the sequence number for the each question that you define for a set.

Category

Indicate a category for the Question ID from the adjoining option list. This is mandatory.

Question

Specify the details of the question.

3.14.2.2 Maintaining Question Detail

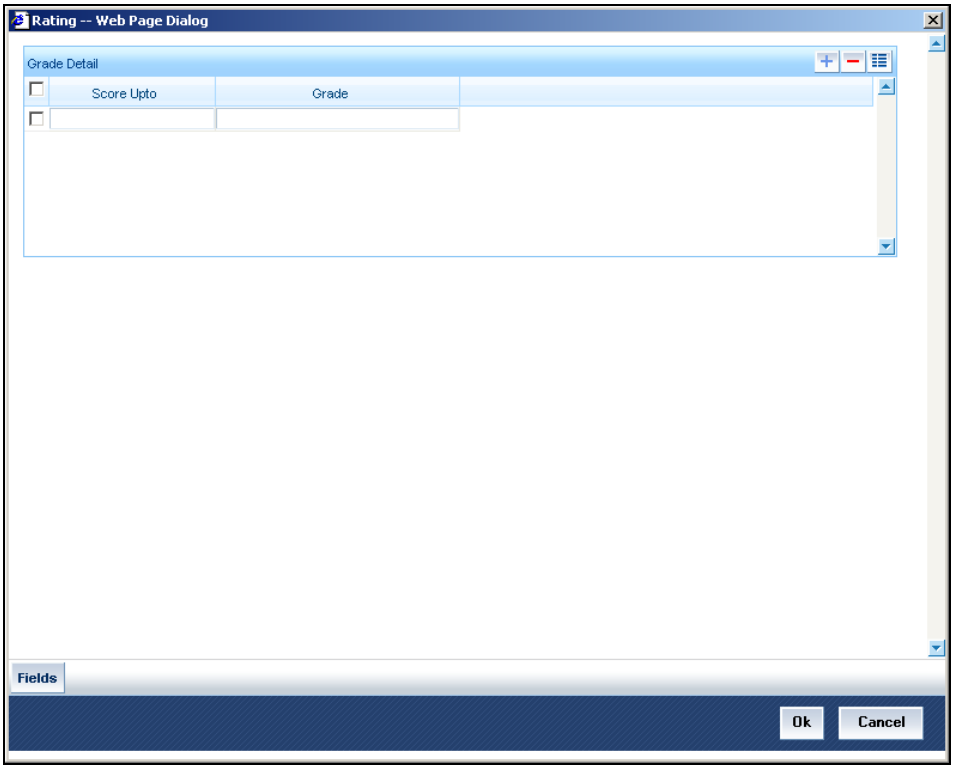
Possible Answer

Enter the answers that the system should allow at the time of account creation for the question you have entered earlier.

Score

Associate a score for each of the possible answers.

Click the 'Rating' button to specify a grade for each score range. The following screen is displayed:



You can maintain the following details in this screen:

Score Upto

Enter the upper limit of the score range.

Grade

Assign a grade for the score.

4. Defining Product Categories and Products

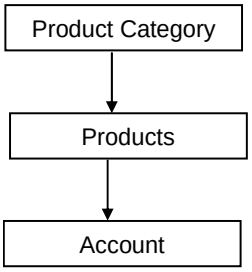
4.1 Introduction

You may finance your customers for variety of reasons such as vehicle, homes, personal needs and so on. The different types of finances can be different ‘Product Categories’. A product category is used to distinguish between the various finances offered by the bank. Each of these finances is totally different and hence there is a need to categorize them.

Under a product category, you may have finances that may vary in features such as pricing, tenor, amount etc. Each variation of these services can, therefore, be considered as ‘Products’.

At the time of capturing a finance application, you would specify details such as Finance Amount, Tenor, and Asset Class etc. The system automatically resolves the Product Category and Product applicable based on the application details. Hence, the Finance Account is created under the appropriate product.

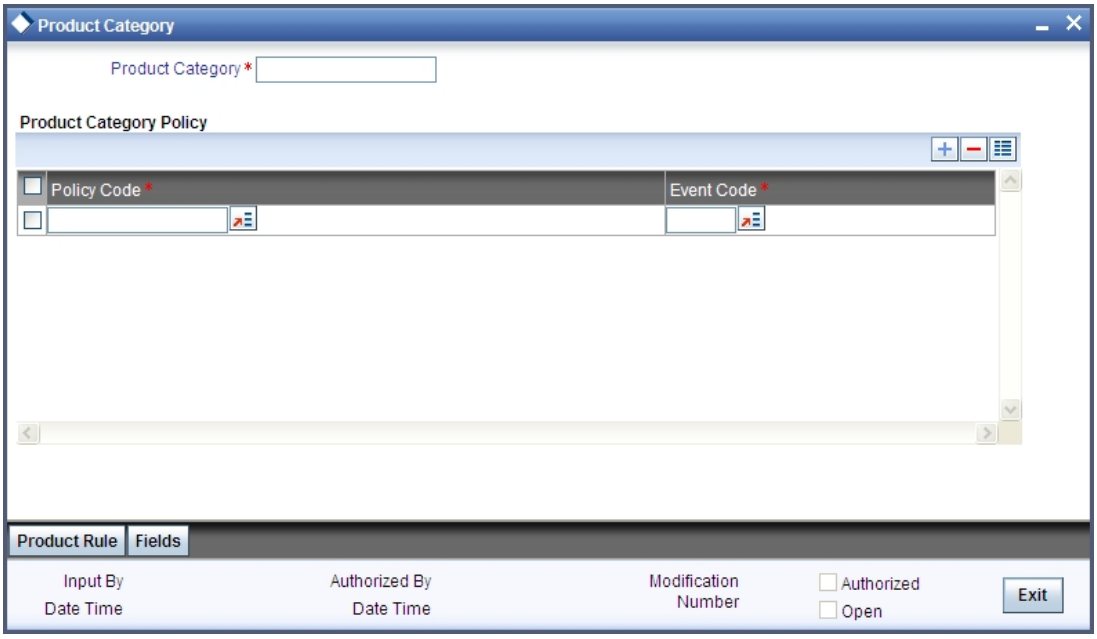
The Islamic Financing Module will have an inheritance hierarchy as follows:



This chapter explains the procedure for setting up product categories and products.

4.2 Maintaining Product Categories

You can define the attributes for a Product Category in the ‘Product Category’ screen. Note that these product categories will be applicable for the Retail Lending module as well. You can invoke this screen by typing ‘CLDPRCMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following details have to be captured in this screen:

Product Category

You have to specify the name of the finance service which will identify the category uniquely in the system. For example: Home Finance, Vehicle Finance etc. The category name can consist of a maximum of 20 alphanumeric characters. The categories maintained through this screen become available for creating products under it.

Product category is mandatory to save the record in the system.

Scoring Resolve Rule

You have to specify the credit scoring rule for the product. Based on the information captured in the application, the customer's credit scoring is done using the rule selected here. The list of rules available in the option list is factory shipped and you can choose a rule based on your requirement from this list.

Cycle Code

Here, you have to specify the status of the application that is processed under the product category being maintained. The list of codes available in the option list is factory shipped and you can choose a code as per the requirement.

Policy Code and Event Code

To the category being defined, you have to associate a policy code. The policies maintained in the 'User Policy' screen are available in the option-list provided.

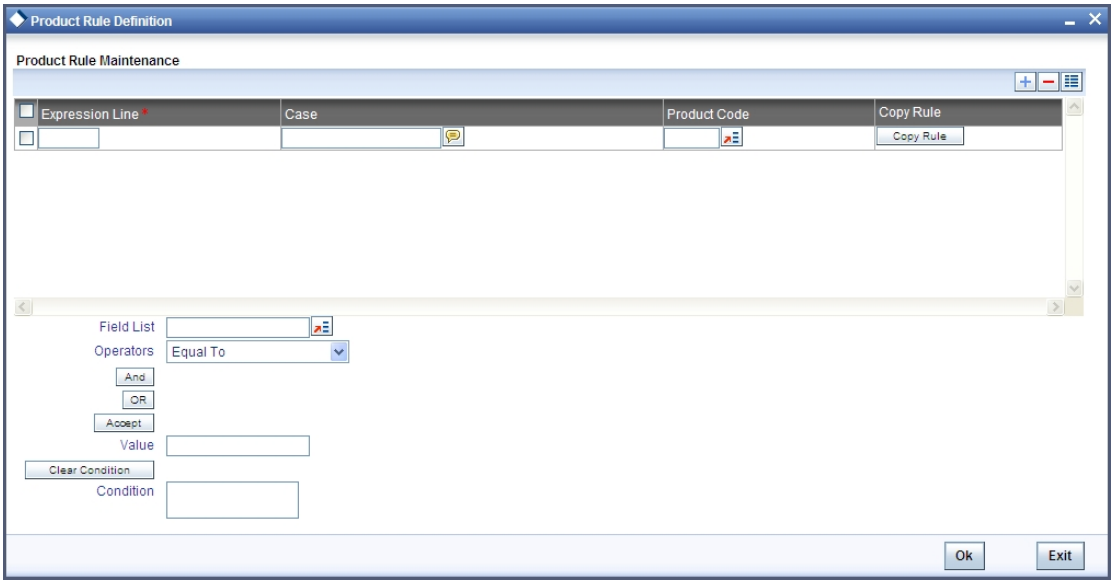
You have to associate an event code to each policy selected. Whenever the event is triggered, the associated policy gets executed.

For details on maintaining policy details, refer the section titled 'Maintaining User Defined Policies' in the 'Maintenances and Operations' chapter of this User Manual.

4.2.1 Defining Product Rules

Product Rules are a mechanism to automatically resolve the product based on your specifications in the Finance Application. Application details such Finance, Finance Amount, Tenor, and Customer Category can decide a particular product under the category. You can maintain these as expressions/rules based on which the system resolves the product when funding the application.

To create a rule, click 'Product Rule' button in the screen above. The 'Product Rule Definition' screen is displayed.



Case

Specify the case(s) for defining the rule in this field. The case will hold the expression using which the system will resolve the product. You can define a rule/case using the 'Elements' (SDEs), 'Mathematical Operators' and 'Logical Operators' provided in the respective drop-down boxes.

Each case is identified by a unique Case Number/Sequence Number. The conditions are evaluated based on this number. This is mandatory to save the case/condition.

Product

Here, you have to associate a product for the case defined. At the time of account creation, depending on the case/condition that the finance satisfies, the corresponding product is attached.

Elements

The System Data Elements (SDEs) required to build a product rule is available in this drop-down box. These include:

- Finance Amount
- Rate
- Tenor
- Customer Category

Mathematical Operators

Operators are symbols that you would use to build mathematical expressions for defining a rule. The following is a list of symbols that you would require to build the rule.

Operator	Description
+	Plus
-	Minus
/	Division
*	Multiplication

Logical Operators

Logical Operators are indicators of certain conditions that you specify while building a rule.

The following is a list of logical operators that you would require to build a rule:

>	Greater than
> =	Greater than or equal to
<	Less than
< =	Less than or equal to
< >	Not equal to

The following product categories are factory-shipped:

- IJARAH
- MURABAHA
- ISTISNA
- BBA

You will not be able to modify them.

4.3 Setting up a product

As mentioned at the beginning of this chapter, within a category you may have finances that differ in amount, tenor or other preferences.

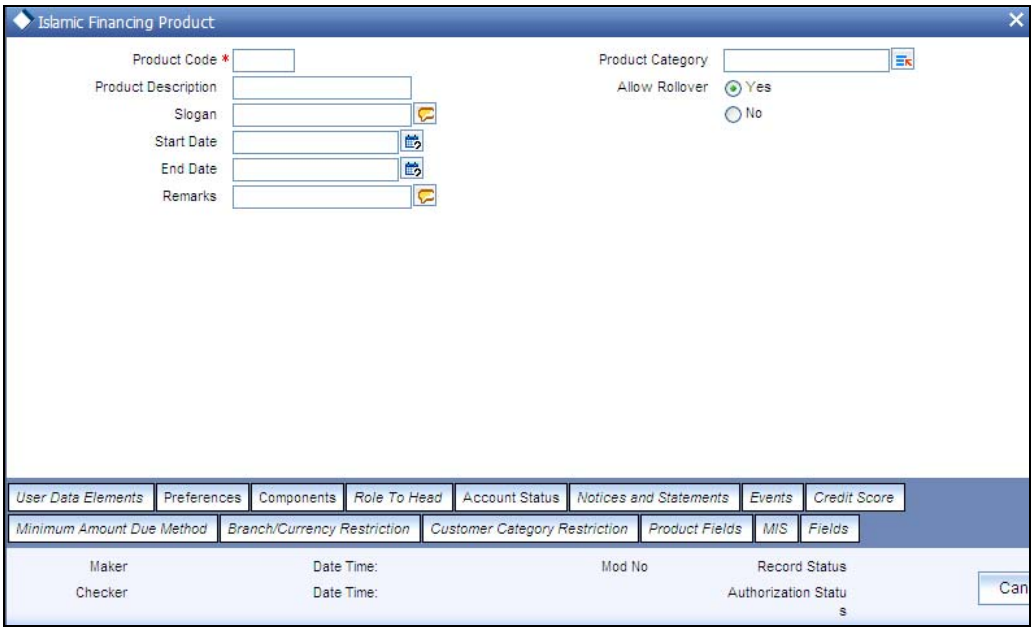
These may be categorized into products. The finance product is derived from the product category based on the product rule that it satisfies.

Product Categories and Products are created at the Head Office (HOB) and you can create accounts under the products at branch level.

The branches that can offer the products are further determined by the branch restrictions defined for the products.

You can capture product details in the 'Islamic Financing Product' screen.

You can invoke this screen by typing 'CIDPRMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, you can enter basic information about a product such as the Product Code, the Description, etc. Information related to specific attributes of a product such as accrual details, tenor, account roles and heads, the events etc. have to be defined in the respective sub-screens.

4.3.1 Specifying the basic product details

Basic details include the following:

Product Code and Product Description

The code you enter for a product identifies it throughout the module. You can follow your own conventions for devising the code. However, it must have a minimum of four characters.

When defining a new product, you should enter a code. This code is unique across the Islamic Financing module of Oracle FLEXCUBE. For instance, if you have used VA01 for a product in this module, you cannot use it as a product code in any other module.

You should also enter a brief description of the product. This description will be associated with the product for information retrieval.

Product Category

Products can be categorized into groups, based on the common elements that they share. For example Vehicle Finances, Personal Finances, Home Finances, and so on. You must associate a product with a category to facilitate retrieval of information for a specific category.

The categories defined through the 'Product Category Maintenance' are available in the option-list provided.

Slogan

You can specify a marketing punch-line to be associated with the product. This slogan will be printed on all the advices that are sent to the customer.

Allow Rollover

A rollover is a renewal of a deal. Instead of liquidating a deal on maturity, you can roll it over into a new deal. The outstanding principal of the old deal is rolled over with or without the profit outstanding on it. When a deal is rolled over (renewed), it is processed in the following manner:

- The original deal is liquidated
- A new deal is initiated

You can select yes to rollover a deal that you are processing provided it is allowed for the product the finance involves or else you can select No.

Start Date

A product can be defined to be active for a specific period. When you create a product, you specify a Start date for it. The product can be used with the start date and the end date (the date after which the product cannot be used).

If you do not specify an end date for the product, it can be used for an indefinite period and the product becomes open-ended in nature.

End Date

A product can be defined to be active for a specific period. When you create a product, you specify an End Date for it. The product can only be used within the specified period i.e. within the Start Date (the date on which the product is created) and End Date.

If you do not specify an end date for a product, it can be used for an indefinite period and the product becomes open-ended in nature.

After you exit this field (press 'Tab' on the keyboard), the following message is displayed:

Will now create default product.

When you click on 'OK' in the message window, the following message appears:

Please populate Default Tenor Details, Account Head and Transaction Codes

When you click on 'OK', the preferences maintained for the default product (the typical characteristics of a finance product) gets associated with the product being defined.

Refer 'Annexure 1' provided at the end of this chapter for details on default product creation.

You can, however, change the default values for a new product.

4.4 Defining other attributes for a product

After specifying the basic details of a product, you can define the other finer attributes for a product in the appropriate sub-screens provided. From the 'Product Maintenance' screen, you can move to the sub-screen of your choice to define these details. Click on the button provided at the bottom of the screen for this purpose. Each button is explained briefly in the table below:

Button	Description
User Data Elements	This button is used to define the UDEs and Components relating to the product.
Preferences	This button is used to indicate your preferences specific to the product.
Components	This button is used to specify the component details, schedule definition and formulae for the product.
Notice & statement	This button is used to specify details of account statements and notices to be issued to customers. These have to be generated for different events in the life cycle of a finance.
Role To Head	This button is used to specify accounting roles and account heads for the product. (The concept of accounting roles and heads is explained later).
Account Status	This button is used to indicate the status preferences for the product.

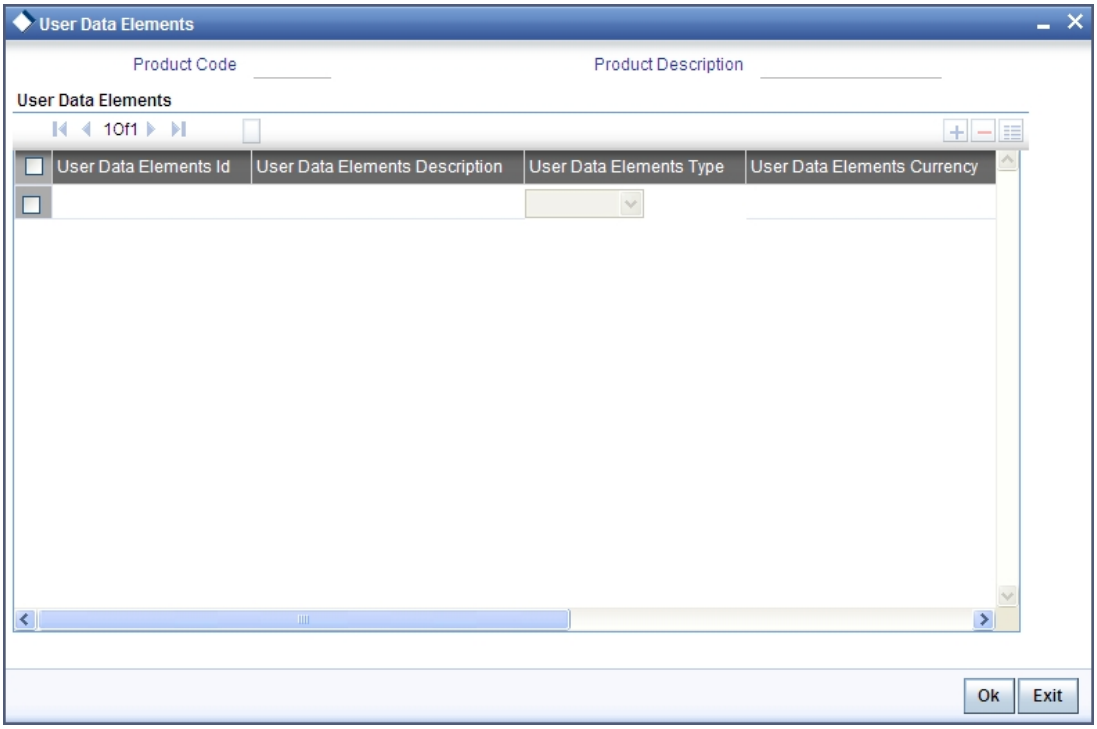
Button	Description
Events	This button is used to specify events.
Branch Currency Restriction	This button is used to define the branch and currency restrictions for the product.
Customer Category Restriction	This button is used to maintain customer category restrictions for the product.
UDF Details	This button is used to associate User Define Fields (UDFs) with the product.
Credit Score	This button is used to maintain ‘Credit Score’.
Minimum Amount Due Method	

There are some fields in the ‘Product Maintenance’ screens, to which input is mandatory. If you try to save a product without entering details in these fields, the product will not be saved. You will be prompted to enter all mandatory details before attempting to save the product.

When you save a product that you have created, your user-id will be displayed in the ‘Input By’ field and the date and time at which you saved the product in the ‘Date/Time’ field. The Status of the product will be updated as ‘Unauthorized’. A product is available for use only after it has been authorized by another user.

4.4.1 Specifying User Data Elements

You can capture the user data elements details of a product by clicking the ‘User Data Elements’ button. The screen is displayed below:



The main details include the definition of ‘Used Data Elements and Components.

To define a User Data Element (UDE), you have to specify the following details:

User Defined Elements ID and Description

Data elements like the rate at which profit has to applied, the tier structure based on which profit needs to be computed etc. are called User Data Elements (UDEs). These are, in effect, elements for which you can capture the values. You have to specify a unique ID to identify the UDE in the system. The UDE maintained here will be available for defining product rules. For instance, for pre-EMI kind of finance, you can define a UDE ‘PERCENTAGE’ to calculate the profit for the grace period.

You can also provide a brief description of the UDE being defined.

User Defined Elements Type

UDE Type will describe the nature of the UDE. A UDE can fall into one the following types:

- Amount
- Number

- Rate
- Rate Code

User Defined Currency

If the UDE type is 'Amount', you should specify the currency of the UDE. The currencies maintained in the 'Currency Definition' screen are available in the option-list provided. You can select a currency from this list.

The UDE names alone are captured here. To capture the values for the UDEs defined for a product, you have to use the 'UDE Values' screen.

Refer the section titled 'Providing UDE Values' in the 'Maintenances and Operations' chapter of this User Manual for more details.

In the 'Component' section, you need to specify the following details:

Component Name

Define the names of the components applicable for the product. For e.g. 'PRINCIPAL', 'PROFIT' 'COMPENSATION' etc. Subsequently, you have to define the parameters for these components in the 'Components' tab of the screen. This is explained under the heading 'Specifying Component Details' in this chapter.

Description

You can add a brief description for the component that you specify for the product.

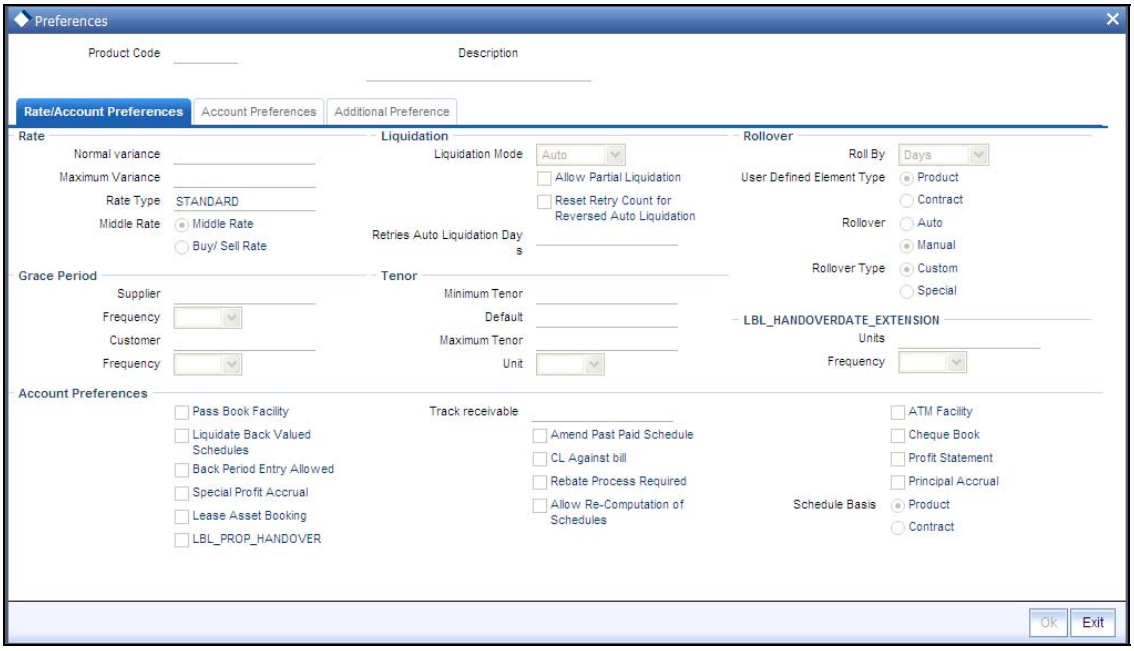
4.4.2 Specifying Product Preferences

Preferences are the options that are available to you for defining the attributes of a finance account product. These could be:

- The manner in which the system should handle schedules falling due on holidays
- Whether rollover should be automatic or with user intervention (manual)
- The tenor details for the finance
- Whether receivables should be tracked for the finance account etc.

The options you choose, ultimately, shape the product. These details are used for finance account processing.

Click on ’Preferences’ button in the ‘Product Maintenance’ screen to invoke the ‘Preference’ screen.



You should maintain the following preferences for the finance product:

4.4.2.1 Rate/ Account Preferences tab

Rate

The rate preferences include the following:

Middle Rate

You have to indicate the exchange rate applicable for the product you are maintaining. The available options are:

- Mid Rate
- Buy/Sell Rate

By default, the Buy/Sell Rate is used.

Rate Type

You have to select the code that should be used for the product from the option list provided. The ‘Rate’ and ‘Rate Type’ are used in combination to determine the actual rate applicable for currency conversion.

The default value for Rate Code is ‘STANDARD’. This means that, if you choose ‘Mid Rate’, the mid rate maintained for the STANDARD code is used for the finances created under the product.

Maximum Variance

When creating a product, you can capture the maximum limit for rate variance. This is expressed in percentage. The variance between the exchange rate (specified for the product) and the rate captured for a finance (at the account level) should not be greater than the value specified here. If the exchange rate exceeds the maximum variance that you have defined for the product, the system will not allow you to save the finance. The transaction is rejected.

This value should be greater the value for ‘Normal Variance’.

Normal Variance

You also need to specify the minimum/normal variance allowed for the rate. If the exchange rate variance between the exchange rate (specified for the product) and the rate captured for a finance exceeds the value specified here, the system will display an override message before proceeding to apply the exchange rate. The normal variance should be less than the maximum variance.

For back valued transactions, the system applies the rate on the basis of the exchange rate history. The variance will be based on the rate prevailing at that time.

Account Preferences

As part of specifying the account preferences, you can indicate whether the finance account holder can avail of the following facilities:

- A checkbook facility – determines if Checks can be written against the Finance account
- A passbook facility – indicates that Passbook can be issued to the finance account holder
- An ATM facility – makes the Finance account accessible for ATM operations

By default, all the above facilities are allowed for a finance account product.

Amend Past Paid Schedule Allowed

This option, if checked, allows you to perform value dated amendments to profit rate, installment amount etc with effective date beyond the last paid schedule. In such a case, the increase/decrease in the profit amount, as a result of the amendment, will be adjusted against the next available schedule after the current system date (date on which the amendment was performed) even if unpaid (overdue) schedules are present for the finance.

Track Receivable

If the track receivable option is checked for the finance account, the system will track the receivables for the finance account if sufficient funds are not available in the account.

In other words, the system will track the account for receivables (credits). As and when a credit happens, the funds will be allocated against the unpaid dues, for liquidation.

Back Period Entry Allowed

This option facilitates back valued transactions. If you select this option, you will be allowed to process transactions with a value date less than the current system date.

Profit Statement

You have to select this option to facilitate profit statement generation for the account.

Liquidate Back Valued Schedules

If you select this option, on initiation of a back value dated finance, all the schedules with a due date less than the system date will be liquidated.

Special Profit Accrual

If you check this box, accrual of profit is done on the basis of the formula specified for a component. Otherwise, profit accrual will be done based on the number of days in the schedule.

CL Against Bill

Check this box to indicate that the finances linked to this product should be associated to a *Murabaha* Bill.

Principal Accrual

Check this box to indicate that accrual of principal is required. It is possible only if the lease type is ‘Financial Lease’ and has the Asset Product details.

Lease Asset Booking

Check this box to indicate that the underlying asset has to be booked on financial leasing transaction.

Rebate Process Required

Check this option to facilitate rebate processing for the account.

Allow Re-Computation of Schedules

Check this box to indicate that the re-computation of EMI is done at VAMI/Pre-payment. This field is applicable for *Murabaha and Istisna* products only.

Property Handover

Check this box to indicate that property handover period is applicable for all accounts under this product. This field is applicable for *Ijarah* products only. If you check this box, you will have to maintain three different user-defined formulae for the main profit component.

Refer the section 'Maintaining Formulae for Forward Ijarah' in this chapter for details about the formulae.

Payment Mode

Here you can select the type of payment mode from options given below:

- Payment in Arrears (R) – In this case the payment is done at the end of the schedule. The formula type 'Amort-Payment in Arrears' is maintained to calculate the EMI amount based on the formula given below:

For financial Lease:

Using the formula below you can calculate the EMI amount for the financial lease.

$$EMI = I * \frac{\left[C - \frac{RV}{(1+I)^n} \right]}{1 - \frac{1}{(1+I)^n}}$$

Where,

- C = Amount Financed
- RV = Residual amount
- I = Periodic rate of Profit
- n = no. of payment schedules

For Operational Lease:

Using the formula below you can calculate the EMI amount for the operational lease.

EMI = (Amount Financed – Residual Amount) / No. of Schedules

- Payment in Advance (A) **–** In this case payment is done at the beginning of the schedule. This is possible only if asset tracking is not required. The amortization schedules will start from the value date onwards. The First EMI which falls on the account value date is liquidated automatically. The formula type 'Amort-Payment in Advance' is maintained to calculate the EMI amount based on the formula given below:

For Financial Lease:

Using the formula below you can calculate the EMI amount for the financial lease.

$$EMI = \frac{C - \frac{RV}{(1+I)^n}}{1 + \frac{1 - \frac{1}{(1+I)^{n-1}}}{I}}$$

Where,

- C = Amount Financed
- RV = Residual amount
- I = Periodic rate of Profit
- N = no. of payment schedules

For Operational Lease:

Using the formula below you can calculate the EMI amount for the operational lease.

EMI = (Amount Financed – Residual Amount) / No. of Schedules

Schedule Basis

You should also specify the schedule basis for the rolled over finance. The new finance can inherit the schedules from the finance product or you can apply the schedules maintained for the original finance itself.

Tenor

You can set the minimum and maximum tenor limits for a product. You can also specify a standard or a default tenor.

Minimum Tenor

You can fix the minimum tenor of a product. The tenor of the finance account that involves the product should be greater than or equal to the Minimum tenor that you specify.

Maximum Tenor

Likewise, you can also specify the maximum tenor for a product. The tenor of the finance accounts that involve the product should be less than or equal to the Maximum tenor that you specify.

Default Tenor

The ‘default tenor’ is the tenor that is associated with a finance account involving this product. The value captured here should be greater than the minimum tenor and less than the maximum tenor. You can change the default tenor applied on a finance account during finance processing. However, the new tenor should be within the minimum and maximum tenors maintained for the product.

Units

The tenor details that you specify for a product can be expressed in one of the following units:

- Days
- Months
- Year

Liquidation Preferences

Liquidation preferences include the following:

Liquidation Mode

Specify the mode of liquidation from the drop-down list. The following options are available for selection:

- Auto
- Manual
- Component

Partial Liquidation

In case of insufficient funds in the account, you can instruct the system to perform partial auto liquidation to the extent of funds available in the account. However, if this option is not selected, the schedule amount due will not be liquidated if sufficient funds are not available in the account.

Reset Retry Count for Reversed Auto Liquidation

If you have maintained a limit on the number of retries for auto liquidation, this option will reset the retries count to zero during reversal of auto liquidation. This will be applicable from the date of reversal of payment. Hence, the system will once again attempt auto liquidation till the number of retries allowed. The system will update the status of the reversed payment to ‘Unprocessed’ after which it again attempts auto liquidation.

Retries Auto Liq Days

Capture the number of working days for which the system should attempt auto liquidation. The number of retries per day will depend on the configuration maintained for the ‘Liquidation Batch Process’ - during BOD, EOD or both. For instance, if the batch is configured for both EOD and BOD, and the number of retry days is ‘1’, then, auto liquidation is attempted twice on the same day i.e. once during BOD and another retry at EOD.

Grace period

You can specify the following details.

A grace period is a period of time past the deadline for fulfilling an obligation during which a penalty that would be imposed for being late is waived.

Supplier

Specify the supplier grace period and frequency for all contracts linked to this product, You can specify this value in terms of days, months or years. Choose the appropriate unit from the adjoining drop-down list. Based upon this period the first installment date of the finance contract will be derived. This field is applicable for *Murabaha* products only.

Customer

Specify the customer grace period and frequency for all contracts linked to this product, You can specify this value in terms of days, months or years. Choose the appropriate unit from the adjoining drop-down list. Based upon this period, the first installment date of the finance contract will be derived. This field is applicable for *Murabaha* products only.

Rollover

The rollover specifications for a finance account will apply to all finance accounts opened under the product.

Auto/Manual Rollover

You have the option to rollover the finance manually or instruct the system to do an automatic rollover. If you choose the do an auto rollover, then upon maturity of the finance, the system will automatically rollover the account.

The rollover will happen as part of the Rollover Batch executed at BOD or EOD, depending on your requirement.

For *Ijarah* type of accounts rollover is not allowed.

Rollover Type

The following options are available:

- Custom: This determines if the Rolled over amount will include the unpaid components of the product. The option list provided will display the components relevant to the product from which you can choose the components that are to be rolled over.
- Special: Choose this option to indicate that a special amount is to be rolled over. The amount is captured at the account level when the actual rollover is initiated.

Rollover By

This is applicable if you have opted for automatic rollover. You have to specify the unit based on which Rollover will be triggered. The options are:

- Days
- Months
- Quarters
- Semi Annuals
- Years

Book Unearned Profit

Check this box to indicate whether you want to book upfront the unearned profit amount. If you select this option, the system performs a validation to ensure that the main profit component is not defined with Floating Rate Automatic.

UDE Type

Here, you need to specify whether UDE Values for the new (rolled over) finance should be defaulted from the product or from the original finance account/contract that is being rolled over.

Handover Date Extension

Specify the following details for extension of property handover date.

Unit

Specify the number of days/months or years by which the property handover date can be extended for accounts under this product.

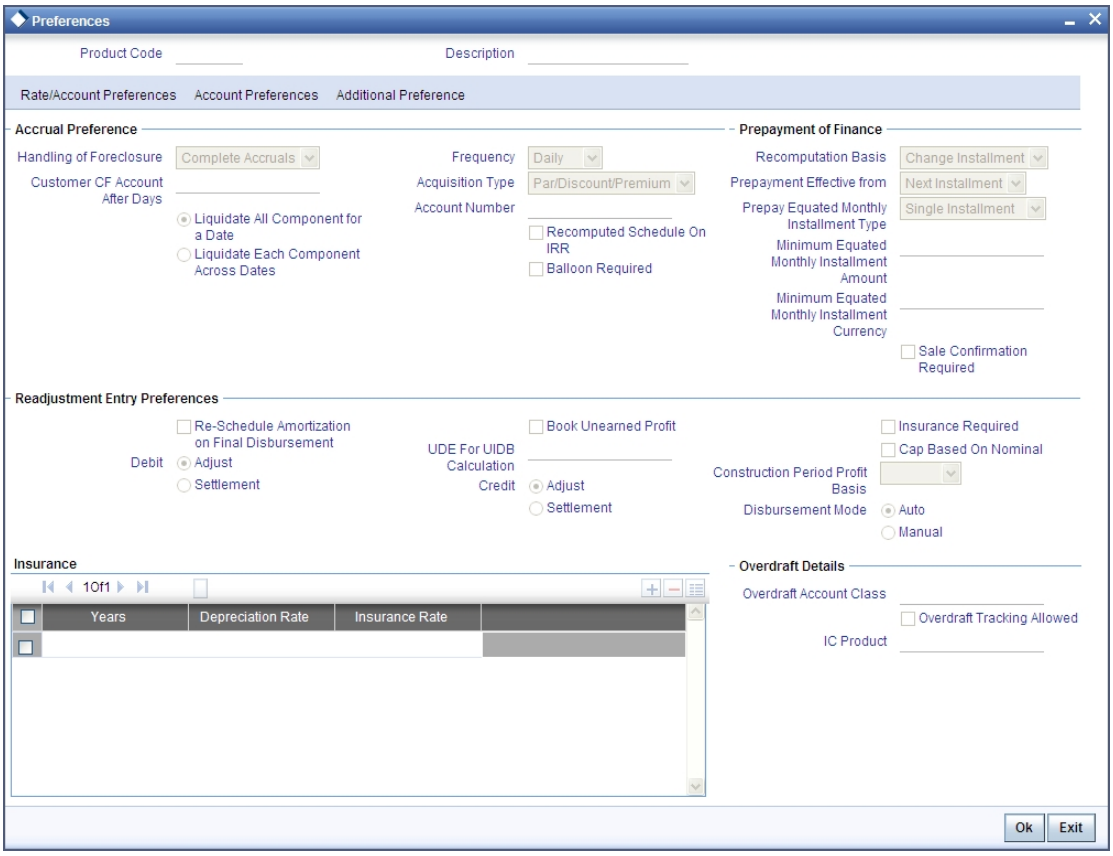
Frequency

Select the frequency for handover date extension from the adjoining drop-down list:

- Days
- Months
- Years

4.4.2.2 Account Preference tab

Specify the account preferences in the ‘Account Preferences’ tab.



Accrual Preference

Here you can specify the following details:

Frequency

Specify the frequency at which IRR accrual should be performed. This can be either Daily or Monthly. Choose the appropriate option from the adjoining drop-down list.

Handling of fore closure

Specify how foreclosures in respect of the finance contracts under the product, must be handled. You can opt for complete accruals or refund. Choose the appropriate option from the adjoining drop-down list.

STOP In case of pre-closure of the finance (prepayment of the total outstanding amount), the fund profit will also get liquidated and thus the accrual entries will get reversed.

Acquisition Type

Specify the acquisition type for the product. You can specify any of the following options:

- Par
- Par/Discount
- Par/Premium
- Par/Discount/Premium

Refer the section titled 'Processing of IRR application on finances' in this chapter to understand the IRR processing for this module.

Customer CIF A/C After: Days

Specify the number of days after which the system should check the customer's other accounts for funds, in case the funds in the primary settlement account are insufficient. During auto liquidation, the system will first check for funds availability in the primary settlement account for the specified number of days. If funds are insufficient, then after the specified days, the system will start looking in the customer's other accounts for funds.

Guarantor CIF A/C After: Days

Specify the days after which system should check the guarantor's account for funds, in case funds are insufficient in the customer's other accounts too. During auto liquidation, in case of insufficient funds in the primary settlement account, the system will look in the customer's other accounts for funds. If funds are still insufficient, the system will look into the guarantor's accounts for funds.

Recompute schedule on IRR

Check this box to indicate that schedules should be re-calculated based on the Internal Rate of Return (IRR) for all contracts linked to this product. You will be able to check this box only if the product is linked to '*Murabaha*' product category.

Balloon Required

Check this box to indicate that balloon payment should be allowed for all contracts linked to this product. You will be able to check this box only if the product is linked to 'Murabaha' product category.

Prepayment of Finance

The following are the preferences based on which prepayment of amortized finance should be processed:

Recomputation Basis

Recomputation of amortized finances as a result of a prepayment can be based on one of the following:

- Recalculate Installment Amount: In this case the tenor remains constant

- Recalculate Tenor: Here, the tenor is recomputed while the installment remains constant
- Recalculate Installment with New Maturity Date: Here, the EMI is recomputed based on the new input maturity date. The new maturity date should be less than the current maturity date.
- Recalculate Installment with New Payment Holiday: Here the EMI is recomputed based on the holiday period. The Holiday period is considered as the period between the prepayment date and next schedule date.
- Advance Maturity with Equal Profit: In this case, the maturity date is reduced with equal profit for each schedule.
- On saving the payment, the system processes the schedules and the installment amount based on the above option maintained and also based on whether the re-computation of schedules is allowed for the contract specified at the contract level. This is applicable for *Murabaha* Products only

Prepayment Installment Calculation Type

For Prepayment of amortized finances, if you have chosen to recompute the Installment Amount keeping the tenor constant, then the Installment calculation can be one of the following types based on future rates:

- Single Installment: A single installment is computed using the future rates
- Multiple Installments: Multiple EMIs are defined if a future rate change is known upfront

Prepayment Effective From

You can choose the date on which the prepayment should become effective. The prepayment can come into effect from the value date of the current installment (the day on which the payment is made) or the Next Installment.

Sale Confirmation Required

Check this box to indicate that sale confirmation is required. This option is applicable only for products under *Murabaha* product category.

Readjustment Entry preferences

You have to specify the manner in which adjustment entries passed due to back dated adjustments should be handled. The options are:

- Settlement: This means that the adjustment is settled directly
- Adjust: In this case, the entries are tracked as a receivable (Cr) or a payable (Dr), to be settled later

You need to select ‘Settlement’ for the credit (receivable) leg, for DSBR event,

Insurance Required

Check this box to indicate that whether the insurance is applicable for the product or not.

Cap Based on Nominal

Check this field to indicate cap based on nominal.

If you check this field, the Construction Period Profit Basis is 'Actual' and the disbursement mode is 'Manual'.

Re-Schedule Amortization on Final disbursement

Check this box to indicate whether you want to reschedule the amortization on final disbursement. If you check this option the system will recalculate the amortized schedules from the date of final disbursement. This value defaults in the 'Re-Schedule Amortization on Final disbursement' field in the 'Account Details' screen. You will not be able to modify this field after the first authorization of the product.

Disbursement mode

The following options are available to make a disbursement:

- **Auto** - Choose this option to instruct the system for automatic disbursement of finance. In this case, disbursement happens based on the disbursement schedule maintained for the product. This is defined in the 'Components' tab. By default, the system does an auto disbursement.
- **Manual** – Choose this option to manually disburse the finance. Here, disbursement happens on demand. In this case, disbursement schedules need not be maintained for the PRINCIPAL component.

  The 'Manual Disbursement' screen is used for this purpose.

For details, refer the 'Making Manual Disbursements' chapter of this User Manual.

Overdraft Details

The basic information for over draft can be specified here.

Overdraft Tracking Allowed

Check this option to allow the tracking of overdraft details.

Overdraft Account Class

Specify the current account class that needs to be associated with the *Murabaha* product.

IC Product

Specify the profit and charge product that needs to be associated with the *Murabaha* product.

After authorization of the product, the aforementioned values cannot be changed.

Insurance

The following details can be captured here:

Years

In this field you can specify the year for which depreciation rates are being defined.

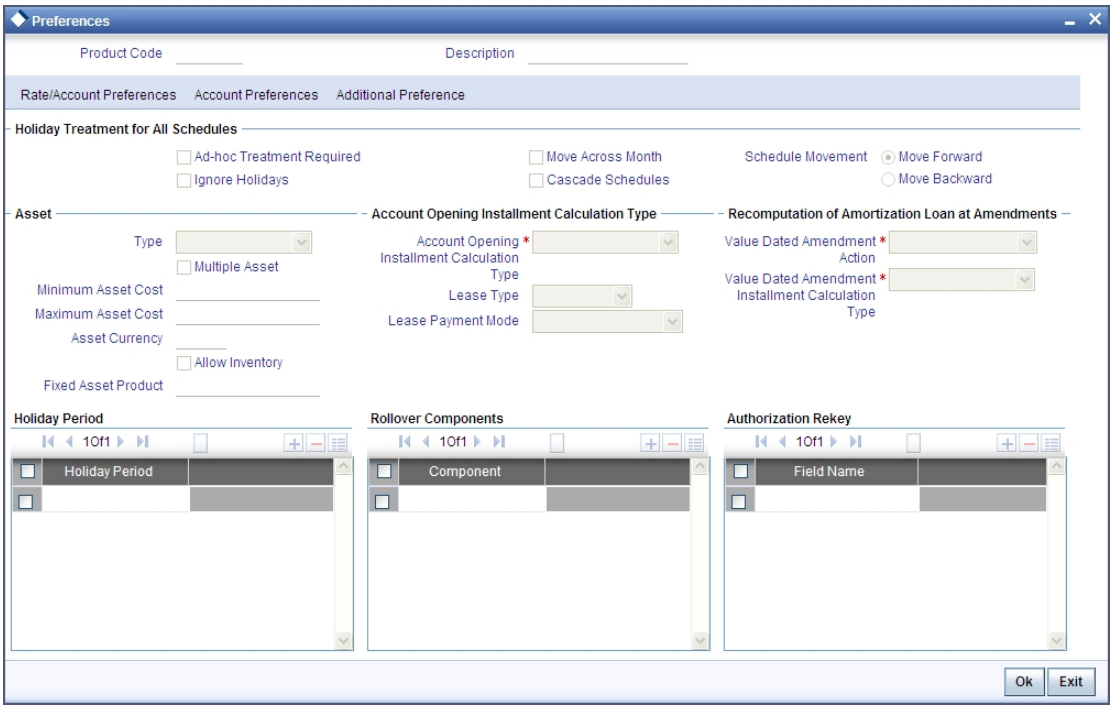
Insurance Rate

Specify the insurance rate applicable during the tenor of the account.

Depreciation Rate

Specify the depreciation rate applicable during the tenor of the account.

4.4.2.3 Additional Preference tab



Holiday treatment for all schedules

You can capture the following details here:

Ignore Holidays

If you check this option, the schedule dates will be fixed without taking the holidays into account. In such a case, if a schedule date falls on a holiday, the automatic processing of such a schedule is determined by your holiday handling specifications for automatic processes, as defined in the 'Branch Parameters' screen.

Cascade Schedules

If you check this option, when a particular schedule falls due on a holiday and hence is moved to the next or previous working day (based on the 'Branch Parameters'), the movement cascades to other schedules too. If not selected, only the affected schedule will be moved to the previous or next working day, as the case may be, and other schedules will remain unaffected.

Example

Assume that you have opted to move holiday schedules to the next working day and a schedule falling due on April 29 is moved to April 30, April 29 being a holiday.

The schedule date for May depends on whether you have chosen to cascade schedules. If you have, chosen to cascade schedules, the schedule date for May will be set as May 30, since the frequency has been specified as monthly. All subsequent schedules will be moved forward by a day.

If you have not specified that schedules have to be cascaded, the date originally specified will be the date for drawing up the remaining schedules. Even if you move the April schedule from 29th to 30th, the next schedule will remain on May 29.

However, when you cascade schedules, the last schedule (at maturity) will be liquidated on the original date itself and will not be changed like the interim schedules. Hence, for this particular schedule, the profit days may vary from that of the previous schedules.

Move Across Month

If you have chosen to move the schedule date of a finance falling due on a holiday, either to the next or previous working day and the movement crosses over into a different month, then this option will determine whether the movement should be allowed or not.

Schedule Movement – Move Forward /Move Backward

If you opt to move the schedule date falling due on a holiday across months, you need to specify whether the schedule date should move forward to the next working day in the following month or move backward to the previous working day of the current schedule month itself.

However, if you opt to ignore the holidays and do not select the 'Move Across Months' option, the system Ignores the holidays and the due will be scheduled on the holiday itself.

Asset

You can capture the following details here:

Asset Type

If you have checked the option 'Multiple Asset', you will have to specify the type of asset that can be captured. You can choose any one of the following options available in the adjoining drop-down list:

- Vehicle Info
- Property Info
- Goods Info

- Building Info
- Equipment Info
- Project Info
- Service *Ijarah* Info
- None

Multiple Asset

Check this option to indicate that multiple assets can be linked to the accounts under this product.

Minimum Asset Cost

Specify the minimum cost for assets linked to accounts under this product.

Maximum Asset Cost

Specify the maximum cost for assets linked to accounts under this product.

Currency

Specify the currency in which the asset cost range should be considered. The adjoining option list displays all valid currency codes maintained in the system. You can select the appropriate one.

Allow Inventory

Check this option to indicate that whether the bank provides commodity for the transaction from the inventory or not. This option will be used only for the purpose of inventory tracking.

Note the following:

- The inventory tracking is not applicable for *Ijara, Musharaka* and *Istisna* product categories
- If 'Use Inventory' option is selected, you need not have to enter the following details:
  - Fixed asset Product
  - Multiple Assets

Account Opening Installment Calculation Type

The Account Opening Installment Calculation Type based on future rates can be:

- Single Installment: A single installment is computed using the future rates.
- Multiple Installments: Multiple EMIs are defined as per the future rates.

Lease Type

Here you can select the type of lease from options given below:

- Financial Lease (F)

- Operational Lease (O)

Recomputation of Amortization Loan at amendments

You have to indicate whether the tenor of the finance should be reduced or the installment should be recalculated whenever a maturity date, principal change or a rate change is made against an amortized finance.

Recomputation basis for amendments

The possible amendments and the recomputation basis are given below:

- For amendment of maturity date of an amortized finance: You can opt to change the tenor, keeping the installment constant or change the Installment keeping tenor constant.
- For amendment of principal amount: You can affect it either as a Balloon additional amount in the last schedule or apportion it across the installments.
- For profit rate change: You can change the tenor keeping the installment constant or vary the EMI and keep the tenor same.
- For installment changes with equal profit component: You can opt to change the schedules with equal profit amount for VAMI, but keep the total profit amount same.

VAMI Installment Calculation Type

For amendments, if the recomputation basis is ‘Change Installment’, then the Instalment calculation can be:

- Single Installment
- Multiple Installment based on multiple future rates

Holiday Period

The value date, schedule date, revision date or the maturity date of a contract might fall on a local holiday defined for your branch or on a holiday specified for the currency involved in the contract.

You need to specify the following holiday parameters, which has to be considered for holiday handling:

Holiday Periods

You can link ‘Holiday Periods’ maintained in the system to finance accounts. Holiday periods refer to repayment holidays when a customer is not expected to make payments even if a schedule exists. The holiday processing will skip the schedules in the holiday period and calculate the dues on the next available schedule date outside the holiday period.

Authorizing Rekey

As a cross-checking mechanism to ensure that you are invoking the right finance for authorization, you can specify that the values of certain fields should be entered, before the other details are displayed. The complete details of the finance will be displayed only after the values to these fields are entered. This is called the re-key option. The fields for which the values have to be given are called the re-key fields.

You can specify the values of a finance that the authorizer is supposed to key-in before authorizing the same.

You can select the fields from the option list provided. If no re-key fields have been defined, the details of the finance will be displayed immediately once the authorizer calls the finance for authorization.

The re-key option also serves as a means of ensuring the accuracy of the data captured.

4.4.2.4 Track Receivable preferences

The following preferences are applicable if you have chosen to track receivables for an account:

Auto/ Manual Liquidation

During auto liquidation, if funds are not available, the system will track the amount to be liquidated as a receivable. Any subsequent credit to the customer's account is then blocked and allocated towards the pending liquidation.

Liquidate All Comp for a Date or Liquidate Each Comp across Dates

During manual payments towards several overdue schedules, you can opt to clear/liquidate all the components of a schedule due on a specific date or only a single component falling under all the schedules.

By default, the system opts to liquidate all components for a date.

4.4.2.5 Disbursement Mode preferences

The following options are available to make a disbursement:

- **Auto** - Choose this option to instruct the system for automatic disbursement of finance. In this case, disbursement happens based on the disbursement schedule maintained for the product. This is defined in the 'Components' tab. By default, the system does an auto disbursement.
- **Manual** - Choose this option to manually disburse the finance. Here, disbursement happens on demand. In this case, disbursement schedules need not be maintained for the PRINCIPAL component.

  The 'Manual Disbursement' screen is used for this purpose.

For details, refer the 'Making Manual Disbursements' chapter of this User Manual.

4.4.2.6 Construction Period Profit Basis

Here you can select the basis for profit computation from options given below:

- Nominal - The Profit computation for construction period is based upon the projected amount and the disbursement is manual.
- Actual - The Profit computation for construction period is based upon the actual amount released and the disbursement can be auto or manual.

If you choose this option to be 'Nominal', then you have to maintain nominal disbursement schedules for PRINCIPAL component in the component tab of this screen.

UDE for Construction Period UIDB

Specify the UDE from the option list, which will be used for calculation of UIDB.

4.4.2.7 Fixed Asset Preferences

FA Product

Here you can specify the fixed asset product in which the fixed asset contract is created from the option list given. All valid fixed asset products are applicable for the selection, provided the 'Financing by Loan' set as 'Yes'. This is enabled only if you check 'Lease Asset booking'.

Description

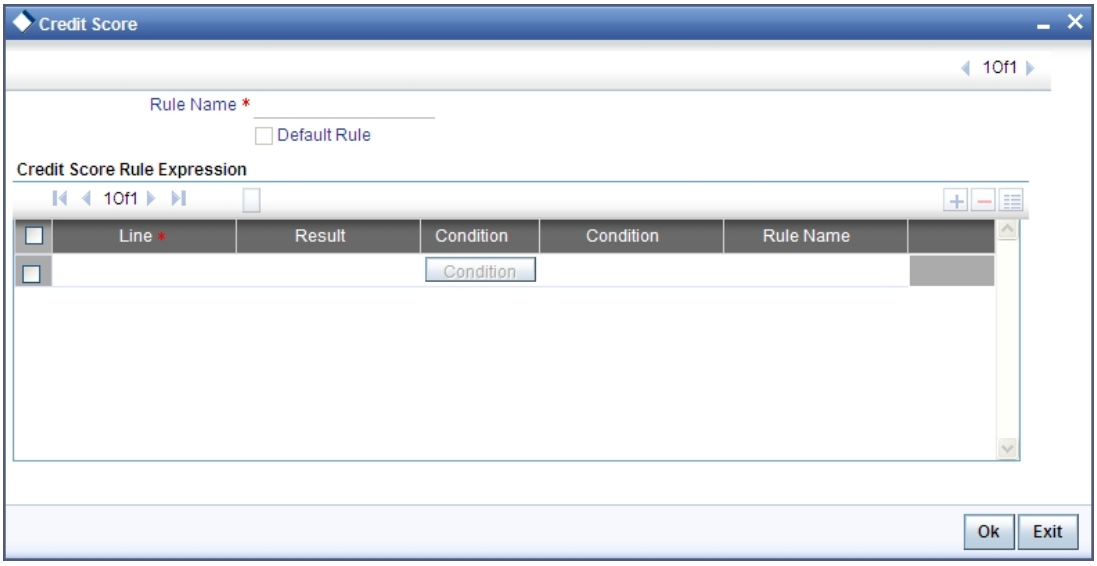
Here the description of the asset product gets displayed once you choose the fixed asset product.

If you check the option 'Insurance Required' you will have to maintain accounting entries for the event 'INSR'.

Refer the chapter 'Annexure A - Accounting Entries and Advices' in this User Manual' for details about the accounting entries.

4.4.3 Maintaining Credit Score Details

You can maintain Credit score details in the ‘Credit Score’ screen. Click on ‘Credit Score’ button in the ‘Islamic Financing Product’ screen to invoke this screen.

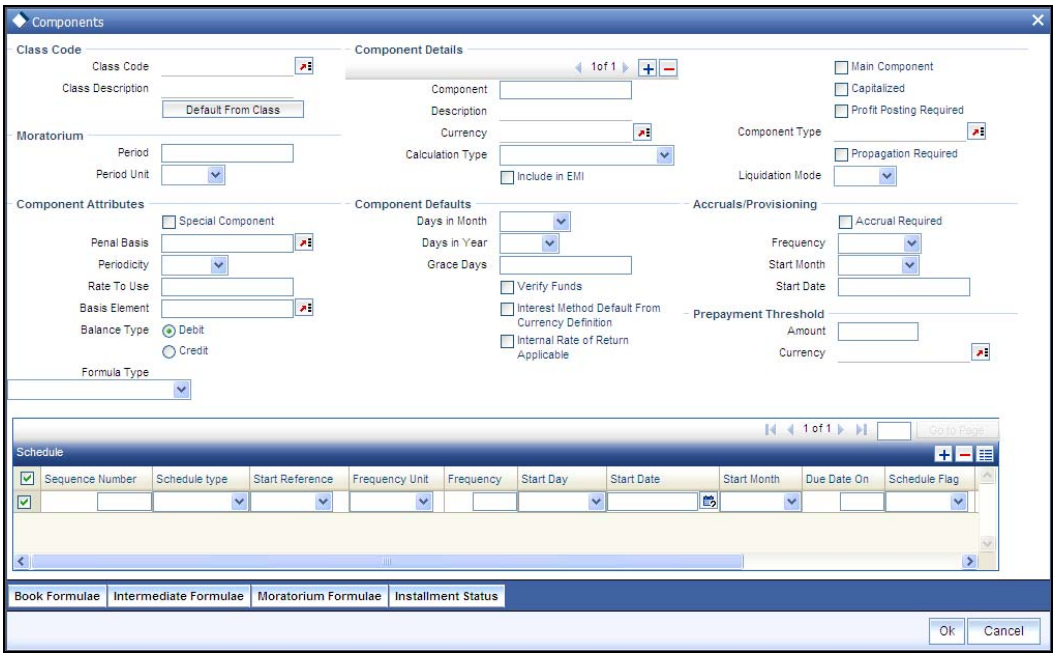


Rule

Select the Rule that you wish to associate with the product from the option list. The questions that have been defined for the Rule selected are displayed. Based on the score for each of the answers you select, the final credit score is computed. You can link only one Rule to a product.

4.4.4 Specifying Component Details

You have already maintained the components of the product in the ‘User Defined Elements’ screen. The features of the components are defined in the ‘Components’ screen. You can invoke this screen by clicking on the ‘Components’ button.



Note that the components defined in the ‘Main’ tab are displayed in the form of a list in the screen above. From the component list, highlight a component and then go on to define the features for the selected component e.g. highlighting the ‘Fund Profit’ component will treat the component as ‘Funding Profit component’.

The relevant accounting entries will be maintained for ACCR and MLIQ/ALIQ events. With this maintenance, the system will pass accounting entries for accrual.

Component

The basic information for a component is specified here. This includes the following:

Component

This option is used to designate a component as the ‘Main’ Profit component. If you enable the ‘Main Component’ option for a particular component, the system treats this component as the main component. Also, you are allowed to define the amortization schedules only for this component.

‘Principal’ is an implicit component that is automatically created for the product.

Capitalized

You can indicate whether capitalization is required for all the schedules for various component of the finance. At anytime, the outstanding profit will be capitalized on the schedule date at the rate prevalent on that day. You can opt for capitalization at the component level or opt for capitalization/non capitalization for a particular schedule at the 'Schedule' level.

You could have more than one type of schedules applicable on a product. In such a case, you can designate one as the capitalized and the other as un-capitalized schedule.

This option is disabled for the contract if you have checked 'Book Unearned Profit' option for the product in the 'Preferences' screen.

Currency

Associate the component with a currency. The component is expressed in the currency selected here. You can select the currency of your choice from the option list provided.

Calculation Type

Specify the manner in which the component should be calculated and liquidated. You can choose one of the following options (the applicable 'Component Type' is also provided):

- Formula with schedule (Component Type - Profit)
- Formula without schedule (Charge)
- Penal Profit
- Prepayment Compensation
- Discount
- Schedule without formula (Principal)
- No schedule No formula (Ad Hoc Charges)
- Compensation Charges

'Compensation Charges' are calculated only once for a 'Compensation basis' schedule. 'Compensation basis' is explained later in this user manual.

Component Type

Indicate the nature of the component. This is also known as the 'Reporting Type'. It defines the manner in which the component should be classified for reporting/accounting purposes. A component can be of one of the following types:

- Reimbursement: these are components which have both Dr and Cr mapped to settlement accounts
- Off-Balance Sheet (OBS): An OBS Component will have balances but these need not be zero when an account is closed
- Fund Profit: This indicates the funding component

- Ad hoc Charges
- Charge
- Tax
- Insurance
- Profit
- Provisioning
- Deposit

The fund profit component gets liquidated on schedule even if the customer does not pay the other components.

Liquidation Mode

You can specify the mode of liquidation of the component from the drop-down list. The following options are available for selection:

- Auto
- Manual

This is applicable only if 'Liquidation Mode' is selected as 'Component' at the product preference level.

Component Attributes

The component attributes include the following:

Periodicity

The periodicity of the component can be either:

- Daily
- Periodic

If you choose the periodicity as 'Daily', any changes to UDE and SDE values will result in recalculation of the component. The recalculation happens as and when a change in value occurs. If maintained as 'Periodic', the values and calculations of the elements will be refreshed on the last day of the period.

Equal Profit

Check this option to distribute the total profit of the component equally to all the schedules while booking the account.

Formula Type

You can specify the type of formula to be used for calculating the component. This formula is applied for the component across all its schedules. It can be one of the following:

- User Defined: This can also include a combination of standard formulae for different schedules of the component or can have a completely user defined formula.
- Standard
  - Simple
  - Amortized Rule of 78
  - Discounted
  - Amortized Reducing
  - True Discounted
  - Rate Only
  - Amort - Payment in Advance
  - Amort - Payment in Arrears

This is not applicable for the 'PRINCIPAL' component.

Compensation basis

You may want to allot the compensation to the recovery of certain components. Once a component is overdue, an appropriate compensation is applied. Therefore, you need to identify the component, which on becoming overdue will trigger the compensation computation. However, the system will calculate the compensation on the component you select in the 'Basis Element' field.

Basis Element

If you select the 'Standard' formula type, you have to specify the component upon which calculation should be performed. The component is denoted by an SDE (e.g. PRICIPAL_EXPECTED) and you can select it from the option-list provided. For an overdue/compensation component, this is the element on which compensation is applied. The following SDEs are available for selection:

This is not applicable if 'Formula Type' is 'User Defined'.

Rate to Use

Here, you need to select the UDE which will define the rate to be used for computing the component. The value of the selected UDE is picked up as per the maintenance in the 'UDE Values' screen.

This is applicable only for components defined with 'Standard' Formula Type.

Balance Type

Identify the nature of the balance that the component would hold. This can be represented through this field. For instance, for a finance product, the 'Principal' component is expected to have a 'Debit' balance.

Special Component

You can define a component as a 'Special Profit Component'. You can override such components at the account level. You may need to apply a special profit component as a result of customer negotiations. A special profit component is specified as an amount.

The 'Basis Element' for computing fund profit will always be 'Principal Outstanding' and the 'Formula Type' will be 'Simple', independent of the main profit component. The liquidation mode for funding component will always be 'Auto', independent of the Product/Account Liquidation mode.

Moratorium preferences

The following parameters have to be specified:

Moratorium Period and Period Units

If you wish to provide a moratorium on a finance, you need to mention the moratorium period and moratorium unit for each component. This refers to a repayment holiday at the beginning of the finance. When you input a finance in Oracle FLEXCUBE, the repayment start date of each component will be defaulted based on your specifications here. The moratorium unit should be in terms of:

- Days
- Months
- Years

4.4.4.1 Profit Computation Methods

For computing profit, you have to specify the following:

Days in Year

You can specify the number of days to be considered for a year during computation of a particular component. This could be:

- 360: This means that only 360 days will be considered irrespective of the actual number of calendar days
- 365: In this case, leap and non leap year will be 365
- Actual: In this case, leap year will be 366 and non leap year will be 365

This value corresponds to the denominator part of the profit method.

Days in Month

Here, you have to specify the number of days to be considered in a month for component computation. The options available are:

- Actual: This implies that the actual number of days is considered for calculation. For instance, 31 days in January, 28 days in February (for a non-leap year), 29 days in February (for a leap year) and so on.
- 30 (EURO): In this case, 30 days is considered for all months including February, irrespective of leap or non-leap year.
- 30 (US): This means that only 30 days is to be considered for profit calculation for all months except February where the actual number of days is considered i.e. 28 or 29 depending on leap or non-leap year.

The value selected here corresponds to the Numerator part of the Profit method.

Profit Method Default from Currency Definition

You also have the option to use the profit method defined for the currency of the component. In this case, the profit method defined in the 'Currency Definition' screen (for the component currency) will become applicable to the finance. By default, this option is checked.

Accruals/Provisioning preferences

To perform accrual of the components, you have to capture the following details:

Accrual Required

You can use this option to indicate that the component has to be accrued and provisioning is applicable. For the components that have been marked for accrual, you need to specify the accrual frequency, start month and start date in the respective fields.

If the 'Calculation Type' is 'Compensation Charges' for a component, the 'Accrual Required' option is disabled.

Accrual Frequency

If you have opted for accrual and provisioning for the components, you have to specify the frequency for the same. The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

Accrual Start Month

If you set the accrual/provisioning frequency as quarterly, half yearly or yearly, you have to specify the month in which the *first* accrual has to begin, besides the date.

Accrual Start Date

In the case of monthly, quarterly, half yearly or yearly frequencies, you should specify the date on which the accrual/provisioning has to be done. For example, if you specify the date as '30', accruals will be carried out on the 30th of the month, according to the frequency that you have defined.

Prepayment Threshold preferences

This includes the threshold amount and currency, explained below:

Amount

Here, you can maintain the minimum limit for allowing prepayment of schedules. If the residual amount after prepayment against a schedule is less than the threshold amount you specify here, the system will disallow the prepayment.

Currency

If you specify the threshold amount, you also have to indicate the currency in which the amount should be expressed. You can select the currency from the option-list provided.

Component Defaults

In addition to the component attributes maintained above, you can also specify the following:

IRR Applicable

Check this option to indicate that the chosen component needs to be considered for Internal Rate of Return (IRR) calculation. This option is applicable to profit, charge, adhoc charge, prepayment compensation, compensation and upfront fee components.

If a charge component is to be considered for IRR, the charge will be accrued using the FACR (Upfront Fee Accrual) batch.

The following components cannot be considered for IRR calculation:

- Off-balance sheet component
- Provision component

If you check this option, then you have to check the 'Accrual Required' option.

For bearing type of component formula, you can check this option only if the 'Accrual Required' option is checked.

For discounted or true discounted types of component formula, this option will be enabled irrespective of the whether the 'Accrual Required' option is checked or not. If this option is checked and 'Accrual Required' is not, the discounted component will be considered as a part of the total discount to be accrued for Net Present Value (NPV) computation. If both 'Accrual Required' and 'IRR Applicable' are checked, then discounted profit will be considered for IRR computation.

Verify Funds

You can indicate whether the system should verify the availability of sufficient funds in the customer account before doing auto liquidation of the component.

Grace Days

The grace days refer to the period after the repayment date, within which the compensation profit (if one has been defined for the product) will not be applied, even if the repayment is made after the due date. This period is defined as a specific number of days and will begin from the date the repayment becomes due. However, if the customer fails to repay even within the grace period, compensation will be applied and calculated from the repayment due date.

However, in case a compensation charge is defined for a compensation basis component under an Islamic Financing product, the 'Grace Days' is defined as part of itself. The schedule due date for the compensation charge is then computed by adding the 'Grace Days' to the corresponding schedule due date of the compensation basis component.

Schedule

In the 'Component' section of the screen, you need to maintain the applicable schedule details for each component:

Sequence Number

You can define more than one schedule for a component. The sequence number determines the order in which the individual schedule should be applied on a component. For instance, you can define a schedule structure consisting of a moratorium schedule and a normal schedule. The moratorium schedule, if defined for a component, should necessarily be the first schedule. You cannot have moratorium schedules in between normal schedules.

Type

This is the kind of schedule you want to define. The options are:

- Payment: This is used to define a repayment schedule. You can capitalize a payment schedule. If the 'Capitalized' option (under Component Definition) is checked, the 'Capitalized' option at the schedule level will also be checked for payment schedules. You can, however, uncheck/check this option for a schedule.
- Disbursement: You can maintain a disbursement schedule for finance disbursement if the 'Disbursement Mode' is automatic (this is maintained on the 'Preferences' tab). For auto disbursement, you have to maintain at least one disbursement schedule.
- Nominal Disbursement: The profit computation for construction period is based upon the projected amount. The formula for this computation is @simple (projected_amount,(mora_rate),days,year,compound_value).

- Rate Revision schedules: This will capture the schedule at which the rates applicable to the component should be revised.

Start Reference

This is used to capture the reference to arrive at the due date of the schedule. The options are:

- Calendar: If you select this option, you should also specify the 'Start Date' for the schedule. For example, if an account is created on 15th Sept with a 'Monthly' schedule frequency and the Start Date is 1st, then the schedule due dates would be 1st Oct, 1st Nov and so on.
- Value Date: If you select value date, the schedule due dates will be based on the Value Date of the account. For instance, if an account is created on 15th Sept and the schedule frequency is 'Monthly', then the schedule due date would be 15th October, 15th Nov and so on.

For a component, you can define schedules based on both value date and calendar date.

Unit

Here, you have to capture the unit to define the schedule. The unit can have the following values:

- Daily
- Weekly
- Monthly
- Quarterly
- Half Yearly
- Yearly
- Bullet

If the schedule unit is 'Weekly', you should also capture the 'Start Day'. Similarly, for units 'Quarterly', 'Half Yearly' and 'Yearly', you should also specify the 'Start Month'.

Frequency

This is used in combination with 'Unit' explained above, to define non-standard frequencies. For instance, a 'Monthly' unit and frequency 2 implies that the schedule is bi-monthly (occurring every two months).

Start Day

If the schedule unit is 'Weekly', you should specify the start day to initiate the schedule. The drop-down box lists the days of the week.

Start Month

This is applicable if the schedule unit is one of the following:

- Quarterly

- Half Yearly
- Yearly

The drop-down box lists the months in a year.

Start Date

Here, you can specify a value between 1 and 31. This is applicable if the schedule unit is 'Monthly'.

Due On

You can use this to define a schedule on a particular date of the month. A value between 1 and 31 can be used for this purpose. If you specify a value here, the system will build the schedules based on this date even if you have indicated the 'Start Date' for the schedule.

Formula

You have to select the formula applicable for component value calculation. The Booked and Intermediate formulae defined for the component are available in the option list. With a user-defined formula maintained through the rule builder, you can define a schedule with multiple formulae.

Flag

You can define a non-repayment schedule or a repayment schedule. This field is used to identify the schedule type:

- Normal: This refers to a repayment schedule. Repayment happens as and when the schedule falls due.
- Moratorium: This refers to a non-repayment schedule or a repayment holiday at the beginning of a finance.

If grace period details are specified at the preference level, the system will default the 'Schedule Flag' as 'Moratorium' for this period.

Number of schedules

The value captured here determines the number of times a schedule frequency should recur. For example, a 12 monthly schedule would have a 'Monthly' unit and number of schedules as 12.

If grace period details are specified at the preference level, the number of schedules will be defaulted as 1.

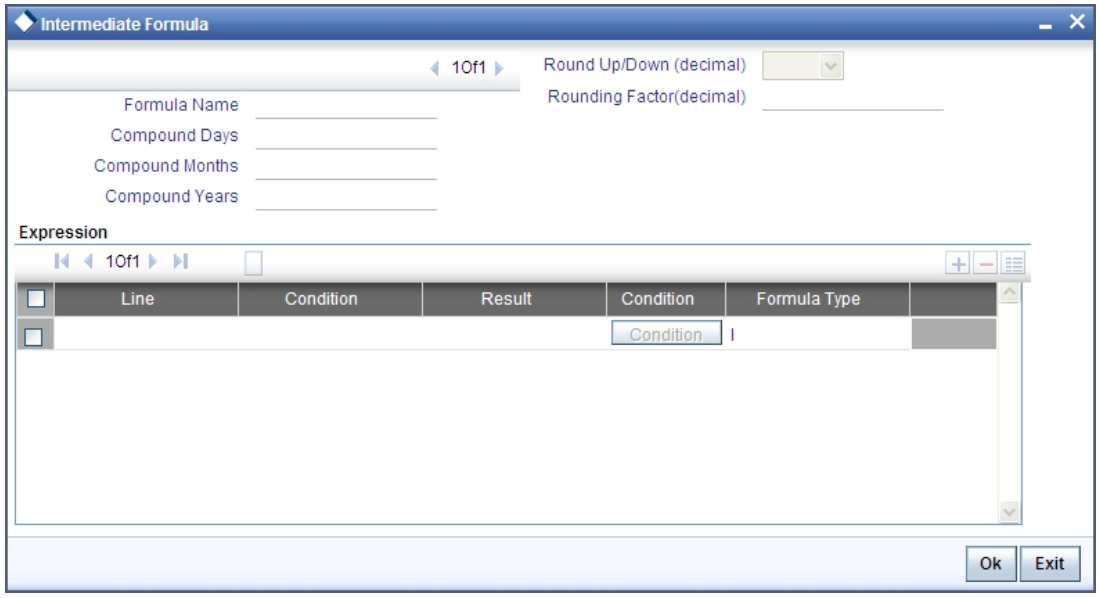
Capitalized

Check this option to specify capitalization of the component for a particular schedule. If the 'Capitalized' option (under Component Definition) is checked, the 'Capitalized' option at the schedule level will also be checked for payment schedules. You can, however, uncheck this option for a schedule.

4.4.4.2 Intermediate Formula

Intermediate Formulae are used as building blocks for more complex formulae. An intermediate formula is used to create a Booked/Moratorium formula as an intermediate step. It will not be associated directly to any schedule.

To define an intermediate formula, click 'Intermediate Formula' button in the 'Component' screen. The 'Intermediate Formula' screen is displayed.



Formula Name

Specify a suitable name to identify the formula that you are defining. After you specify the name you can define the characteristics of the formula in the subsequent fields. You have to use the name captured here to associate a formula with a schedule. The name can comprise of a maximum of 27 alphanumeric characters.

Round Up To

If you want to round off the results of an intermediate formula, you can indicate the number of digits upto which the results should be rounded-off to. Compound Days/Months/Years

If you want to compound the result obtained for the intermediate formula, you have to specify the frequency for compounding the calculated profit.

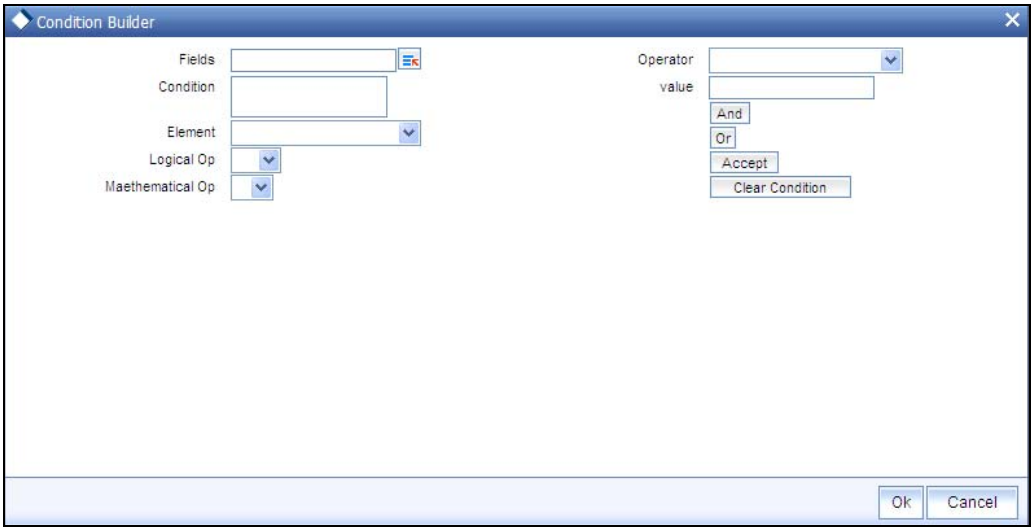
The frequency can be in terms of:

- Days
- Months
- Years

If you do not specify the compound days, months or years, it means that compounding is not applicable.

Condition and Result

A formula or calcualtion logic is built in the form of expressions where each expression consists of a 'Condition' (optional) and a 'Result'. There is no limit to the number of expressions in a formula. For each condition, assign a unique sequence number/formula number. The conditions are evaluated based on this number. To define a condition, click on 'Condition' button in the screen above. The following screen is displayed:



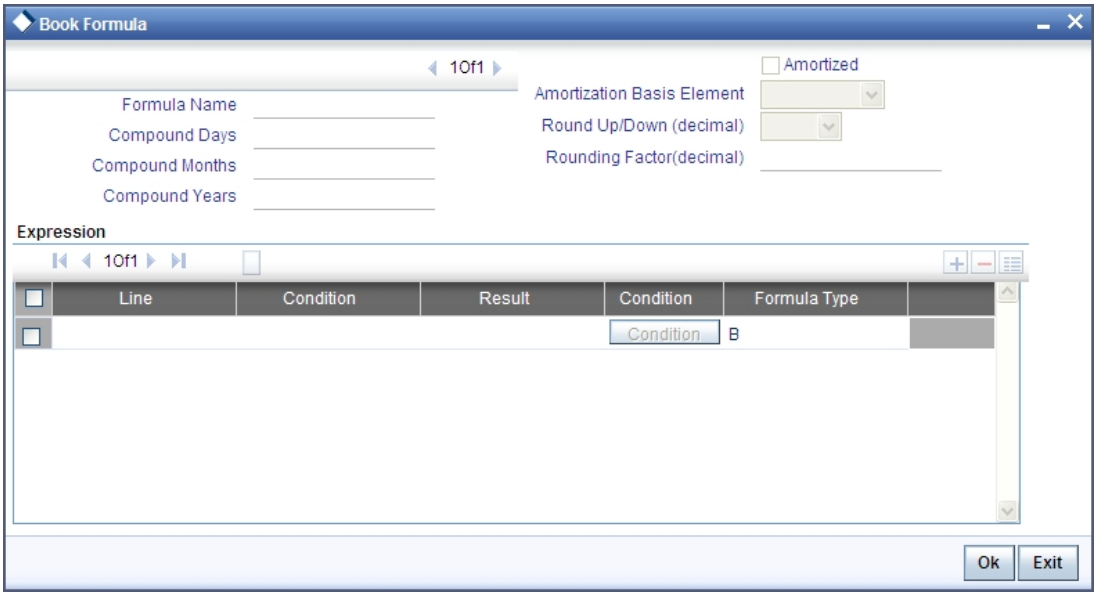
In this screen, you can use the elements, operators, and logical operators to build a condition.

Although you can define multiple expressions for a component, if a given condition is satisfied, subsequent conditions are not evaluated. Thus, depending on the condition of the expression that is satisfied, the corresponding formula result is picked up for component value computation. Therefore, you have the flexibility to define computation logic for each component of the product.

The result of the formula may be used as an intermediate step in other formulae.

4.4.4.3 Booked Formula

Booked Formula refers to the formula used to compute a component value for a particular schedule. You can use intermediate formulae to create a ‘Booked’ formula. To create the formula, click ’Book Formula’ button in the ‘Component’ tab of the screen. The following screen is displayed:



The SDEs available will be shown in the Condition Builder. The Booked formula so created will be linked to a schedule.

The parameters required to create a ‘Booked’ formula is similar to the ones explained for an Intermediate formula.

Amortized

Select this option to specify that the schedules of the component should be amortized.

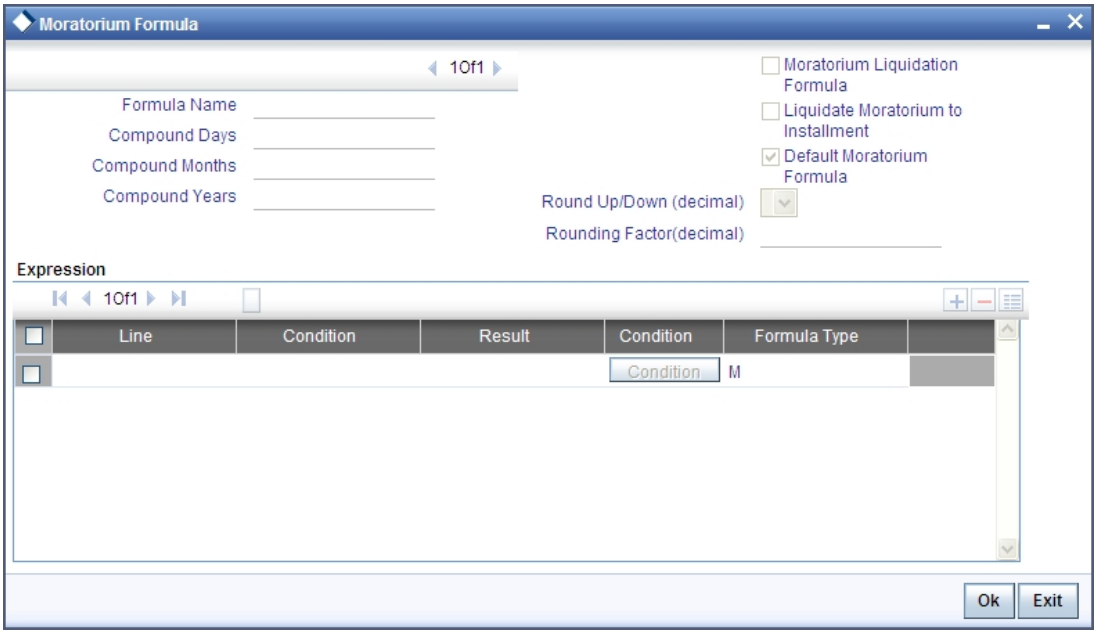
Amortization Basis

If you opt to Amortize the schedules of the component, you have to identify the element based on which the component is amortized. For example, if it is deposit profit, the amortization basis would be ‘Principal’. The components are available in the option list provided.

4.4.4.4 Moratorium Formula

Moratorium refers to the repayment holiday given during the period between the value date of the finance and the first repayment date. While no repayment will happen during this period, computation will continue. The Moratorium formula is used for the computation of profit for the moratorium period.

To define the formula, click 'Moratorium Liq Formula' button in the 'Component' tab of the screen. The 'Moratorium Formula – Expression Builder' screen is displayed:



The procedure is as explained for Intermediate and Booked formulae. The following additional fields are also applicable for a moratorium formula:

Moratorium Liquidation Formula

The formula used for computation of profit for the moratorium period is called 'Moratorium Formula'. The Profit calculated using the moratorium formula should be liquidated for the lifetime of the finance by apportioning it across all the installments. Therefore, you need to maintain a formula for liquidating the moratorium profit.

Check this option to indicate that the formula being maintained is for Moratorium liquidation.

Liquidate Moratorium to Installment

This option is applicable only if you are defining a 'Moratorium Liquidation Formula'. If you check this option, the moratorium profit amount is added to the first installment amount and collected along with the schedule on the day the schedule falls due.

If you do not check this option, the moratorium amount is allocated from the Installment due. The principal component of the EMI is liquidated towards the moratorium. Therefore, Principal repayment does not begin until complete settlement of the moratorium amount.

Default Moratorium Formula

If you want to create a default moratorium formula, check this option. By default, the system will attach this formula to a moratorium schedule. You can, however, change it to a different moratorium formula.

4.4.4.5 Maintaining Formulae for Forward Ijarah

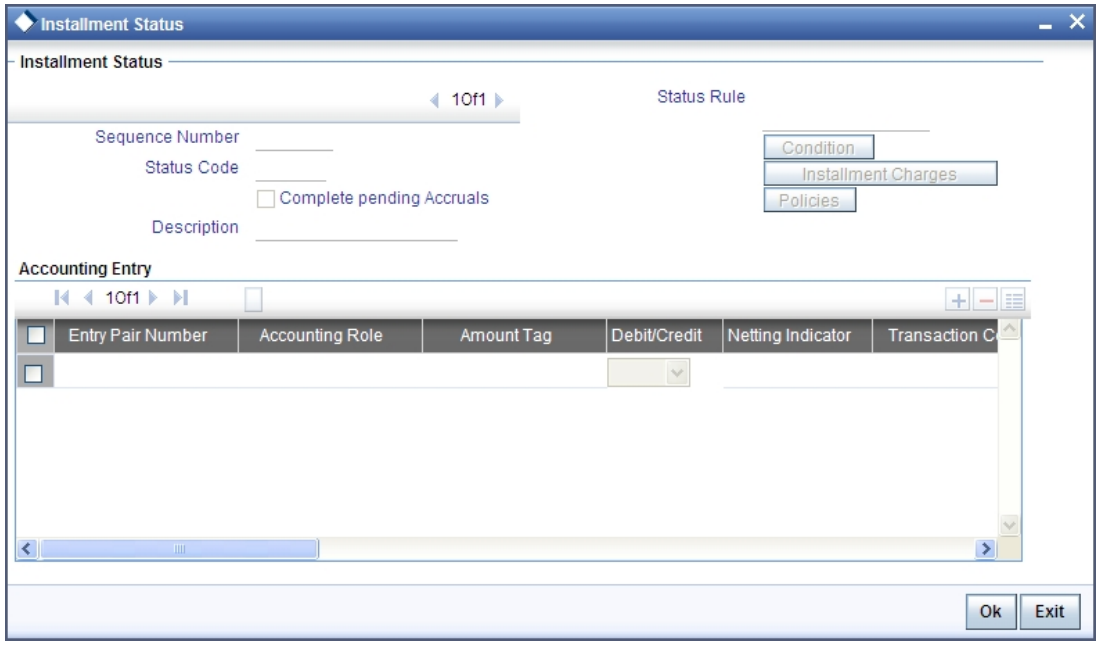
For an *Ijarah* product, if you have checked the box 'Property Handover', you will have to maintain the following user-defined formulae for the main profit component:

- Construction Period Profit - You need to maintain a moratorium formula and moratorium repayment schedule for the main profit component to calculate the construction period profit. You should maintain the payment schedule for the moratorium profit within the moratorium period. However, you should not maintain any moratorium liquidation formula.
- Handover Period Profit - You need to maintain a simple booked formula for this period. This period can have the bullet payment schedule to pay the handover period profit on the handover date. This formula is used to calculate the profit for the period from construction end date to the handover date. You should manually maintain the payment schedule for this period.
- Post Construction Period Profit -You should maintain a simple booked formula to calculate the profit for the period from the handover date to the maturity date.

4.4.4.6 Installment Level Status

For a component, you can maintain Schedule/Installment level status change parameters. You can also specify the account Heads and Roles to be used whenever an installment changes from one status to the other.

To define the installment level status change details, click 'Installment Level Status' button in the 'Components' screen - the 'Installment Status' screen is displayed:



The following details have to be captured here:

Sequence Number

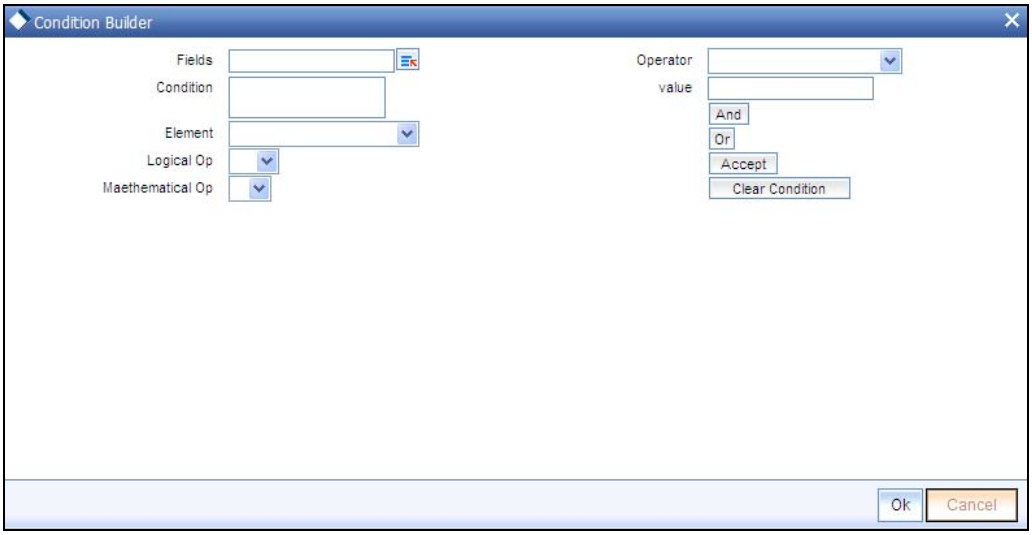
The number you capture here is used to identify the adversity level of an installment. It should not overlap with that of an account status, expect for the first factory shipped status 'NORM' (Normal).

Status

The status that an installment will go through is specified here. The sequence number determines the order when the installment would attain this status. The status codes defined in the 'Status Codes Maintenance' screen are available in the option-list provided.

Status Rule

The rule defined here will determine the movement of the installment to the selected status (in the 'Status' field). You can build multiple conditions for a rule. To do this, click on 'Condition' button in the screen above. The 'Condition Builder' screen is displayed.



You can build the conditions using the elements (SDEs), operators and logical operators available in the screen above.

For details on building a condition using the options available in the screen, refer the section titled 'Defining UDE Rules' in the 'Maintenances and Operations' chapter of this User Manual.

The installment will move to the status selected if the associated status rule is satisfied.

Complete Pending Accruals

Check this box to indicate if the pending profit accruals need to be completed before the Installment status changes. This is applicable only if Accrual Frequency is any one of the following:

- Monthly
- Quarterly

- Half yearly
- Yearly

This check box will not be enabled if Accrual Frequency in the ‘Product Maintenance’ screen is ‘Daily’.

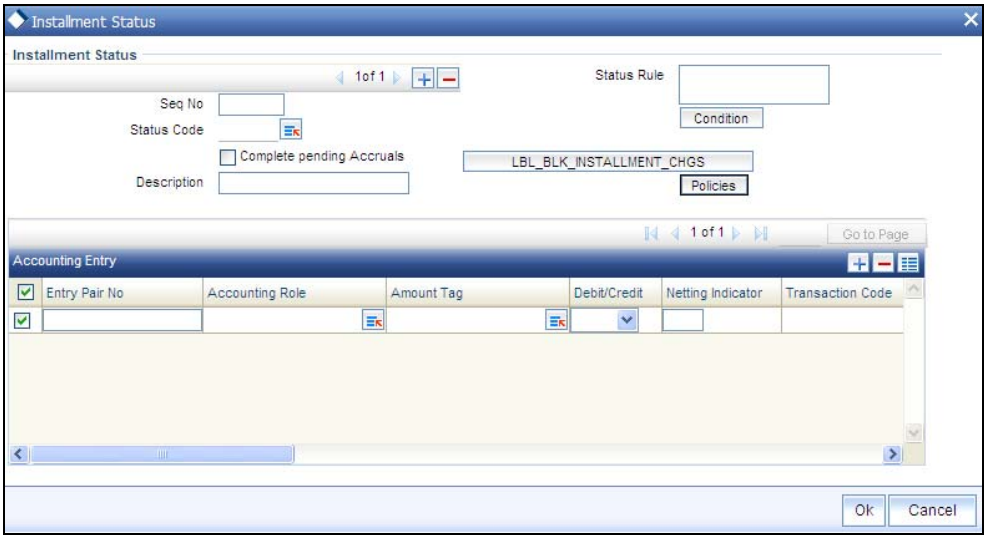
Accounting Entries

For each status of the installment, you can specify the accounting entry preferences. Whenever an installment attains a status, the entries are passed as per the setup maintained for that status. Therefore, the entries will be moved from the active GLs to the status specific GLs. However, when the actual payment occurs, the system will automatically resolve the appropriate GLs.

For more details on setting up accounting entry preferences, refer the section titled ‘Maintaining Event details’ in this chapter.

4.4.4.7 Specifying Policy preferences

You can associate policies at an installment level. Policies are user defined validations that are fired when an event is triggered. To link a policy, click ‘Policies’ button in the ‘Installment Status’ screen – the following screen is displayed:



Specify the following in this screen:

Policy Code

The Standard Policies (defined through the ‘Policy Maintenance’ screen) and the Policies associated with the product category are available in the option list provided. Policies are used to handle special validations and operations on a finance.

Execution Type

You can associate a policy at one of the following points in time in a finance -event lifecycle:

- Before Event
- After Event
- Both

The policy is executed appropriately.

For details on maintaining policy details, refer the section titled 'Maintaining User Defined Policies' in the 'Maintenances and Operations' chapter of this User Manual.

4.4.4.8 Processing at Installment Level

At the installment level, if there is a change in the installment status, Oracle FLEXCUBE will first check if accrual is required for the installment components. When the accrual frequency for a component is not 'Daily', Oracle FLEXCUBE will validate if the installment status changes before accrual execution date. If it changes, Oracle FLEXCUBE will trigger catchup accrual for the component till the installment status change date. Subsequent to this, Oracle FLEXCUBE will process the installment status change.

The following example will explain the Complete Pending Accrual functionality. This is applicable for both Installment Level as well as Account Level Status change.

Example

Let us assume an accrual frequency for a component MAIN_INT. The schedules for this component are as follows:

- Value Date – 05-Jan-06
- Schedule Dates:
  - 05-Jan-06,
  - 05-Feb-06
  - 05-Mar-06
- Accrual Execution Dates:
  - 31-Jan-06
  - 28-Feb-06

If the installment status or account status changes on 15-Jan-06, Oracle FLEXCUBE will trigger catchup accrual if 'Complete Pending accrual' is checked.

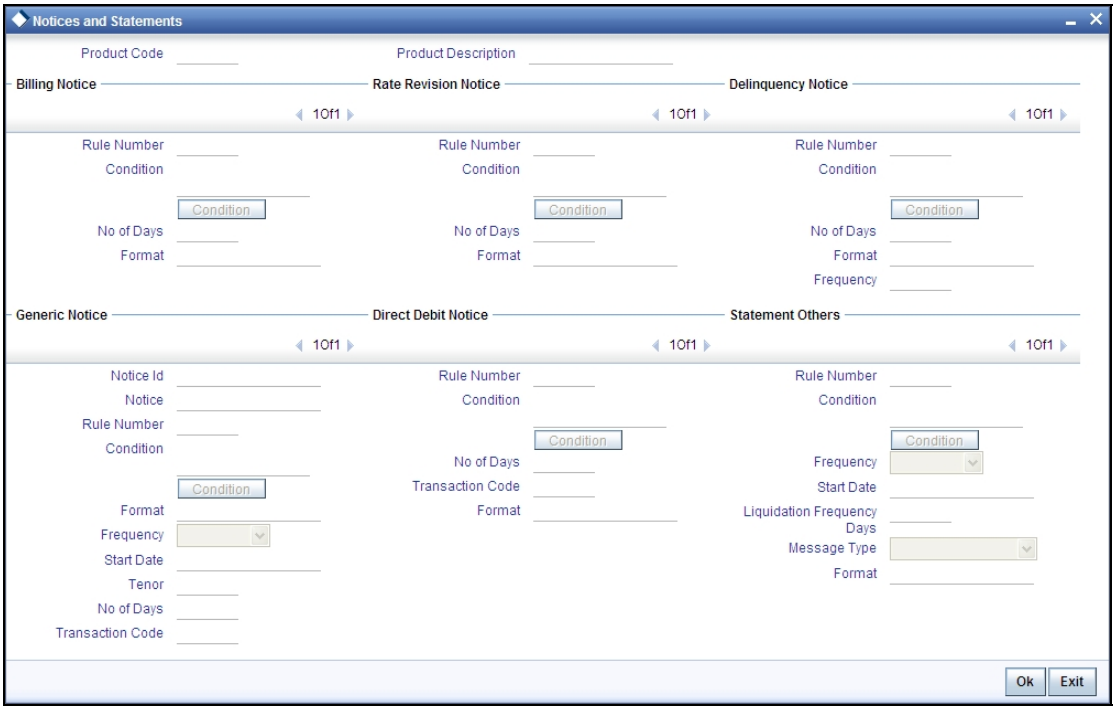
Note the following:

- An installment status change will not change the next execution date of unprocessed ACCR events
- A status change is applicable for both manual and automatic installment status.
- If you delete an Installment level status change, it will delete the catch up accrual accounting entries also

- You can reverse an installment level status change by inputting another installment level status change. For example, if installment status changes from NORM to OVD1, reversal of the same can be done by doing installment status change from OVD1 to NORM. In this case no processing will be done

4.4.5 Specifying Notice and Statement details

Just as you define components that should become a part of the product, so also you can associate Notices and Statements with a product. The actual communication/correspondence, however, is handled by the Messaging Module of Oracle FLEXCUBE. Click on 'Notices and Statements' button in the 'Product Maintenance' screen.



In this screen, you need to maintain the preferences for Billing Notices, Delinquency Notices and Statements. Also, you can associate multiple formats for the generation of notices and statements. The selection of a particular format is based on the condition.

Rule No/Condition No

You can assign a unique number for each rule/condition that is being maintained for notice and statement generation.

Condition

Define the conditions/rules for notice and statement generation. The system will evaluate the conditions and based on the one that is satisfied, the corresponding advice format is selected for notice/statement generation.

To maintain a condition, click 'Condition' button in the screen above. The 'Condition Builder' is displayed.

For details on building a condition using the options available in the screen, refer the section titled 'Defining UDE Rules' in the 'Maintenances and Operations' chapter of this User Manual.

Number Days

The Number of days indicates the period before the due date, when the system starts sending the Billing/Delinquency notices to customers.

This period is defined as a specific number of days and will begin before the date the repayment becomes due.

Trans Code

Specify the transaction code for auto allocation of funds here, for which the direct debit notice has to be generated.

The direct debit request preferences are captured here and this is applicable for finance accounts marked for auto GIRO (direct debit) mode of payments.

Format

For the condition defined, select the format in which the advice should be generated. The system will select the specific format of the message type when the condition maintained evaluates favorably. Frequency Days

Specify the frequency (in days) for generation of Delinquency Notices. The first notice is sent on the basis of the 'Num Days' maintained. For instance, if the 'Num Days' is four and the payment due date is 4th April 2004, the first notice will be sent on 31st March '04 (4 days before due date). Subsequent generation of the same notice is based on the frequency days maintained. If the 'Frequency Days' is '2', the second notice will be sent on 2nd April '04 i.e. the notice is sent once in two days only.

The following information is applicable to Statement generation:

Frequency

Indicate the frequency in which the Statements have to be generated. The available options:

- Daily
- Monthly
- Quarterly
- Half Yearly
- Yearly

Frequency Days

The frequency captured here is used to get the next date for statement generation subsequent to the first statement. This will be used in combination with the 'Frequency' explained above.

Start Date

The date entered here is used as a reference to start generation of the statement.

The following example illustrates the manner in which the 'Frequency', 'Frequency Days' and 'Start Date' are used together:

Assume that you have maintained the following preferences for Statement generation:

- Frequency: Monthly
- Frequency Days: 2
- Start Date: 1st Jan 2005

You open a finance account on 15th Jan 2005. The first statement for this finance will be generated on 1st February 2005 (Based on the Start Date and at a Monthly frequency). The second statement will be generated on 1st April 2005 (once in two months – based on the frequency days).

Message Type

Specify the type of Statement that should be generated. Statements are of the following types:

- Profit Statements
- Finance Statements

4.4.5.1 Profit Rate Revision within the Rate Revision Period

The Rate Revision Notice section allows you to maintain the number of days for the generation of the advice, prior to the scheduled date of rate revision. During End of Day if the notification date is less than or equal to schedule date, a Rate Revision Advice is generated.

The four different conditions for the rate revision will be handled in Oracle FLEXCUBE as follows:

- Condition 1:

Once the profit revision date is reached, the system continues to use the same profit rate code, till the next revision date.

- Condition2

If the request for change in profit rate is received a few days before the scheduled revision date, the profit rate code of the finance account is changed by value dated amendment, with the effective date as the scheduled profit revision date. On the effective date, the system changes the rate code and picks up the new profit rate

- Condition 3

If the request is for a future dated prepayment of the finance account there is no change in the profit rate , the principal is changed depending on the prepaid amount and once the payment is available in the settlement account, you can liquidate the finance manually with the requested effective date.

An outstanding component breakup of prepayment compensation charges if applicable is sent to the customer.

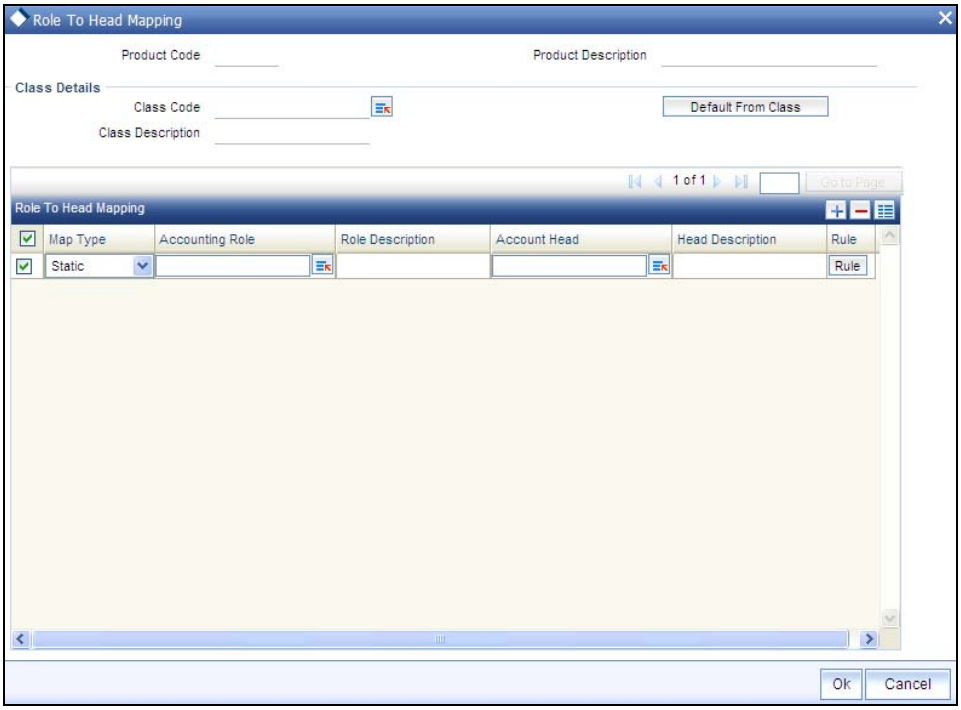
- Condition4

If the request for profit rate revision is made much before the scheduled revision date, you can change the profit rate code of the finance account by value dated amendment with effective date as requested.

The rate revision will be applicable on the total principal outstanding amount.

4.4.6 Maintaining Role to Head mapping preferences

You can define the accounting roles for a product in the 'Role to Head' tab of the 'Product Maintenance' screen. A list of accounting roles that are applicable to the product being maintained is provided. This list also includes the accounting roles that you have maintained for the module using the 'Accounting Role and Head Maintenance' screen.



The following details are captured in this screen:

Map Type

The mapping between an accounting role and account head can be of the following types:

- Static: If the map type is static, you can link an accounting role to only one accounting/GL head (one to one mapping).
- User Defined: For a user defined map type, you can maintain multiple linkages under different conditions using a case-result rule structure (one to many accounting).

Accounting Role and Description

Accounting role is used to denote the accounting function of a GL or Account. To map an accounting role to an account head, select a valid accounting role from the option list provided. This list will display the roles available for the module.

Once you choose the accounting role, the description maintained for the role is also displayed in the adjacent field.

If you do not want to select a role from the option list, you can also create an accounting role for a product and specify a brief description for the same.

The GLs (Account Heads) for the Dr/Cr Settlement Bridge Role will default as per your selection in the 'Branch Parameters' screen.

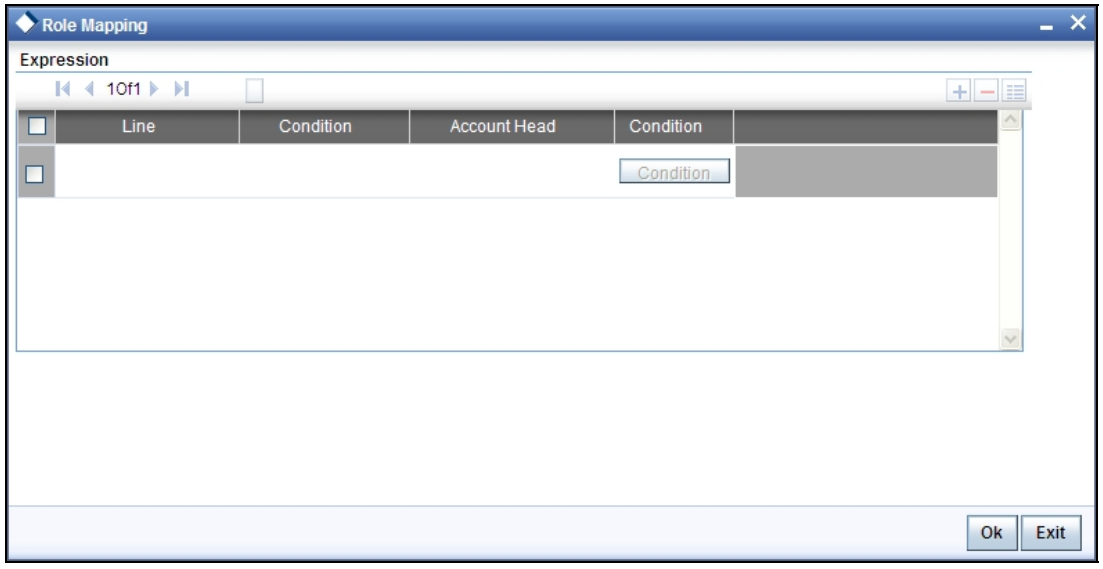
Account Head and Description

The account head identifies the GL or Account to which the accounting entries would be posted. Based on the type of accounting role you select (Asset, Liability etc.), the list of Account Heads (General Ledger heads) that are of the same type as that of the accounting role, becomes available in the option list provided. You can select an accounting head from this list and thus, create a role to head mapping. On selection of the Account Head, the description is also displayed in the adjacent field.

Click on add button to create subsequent mappings for the product. If you would like to delete a role to head mapping, click on delete button.

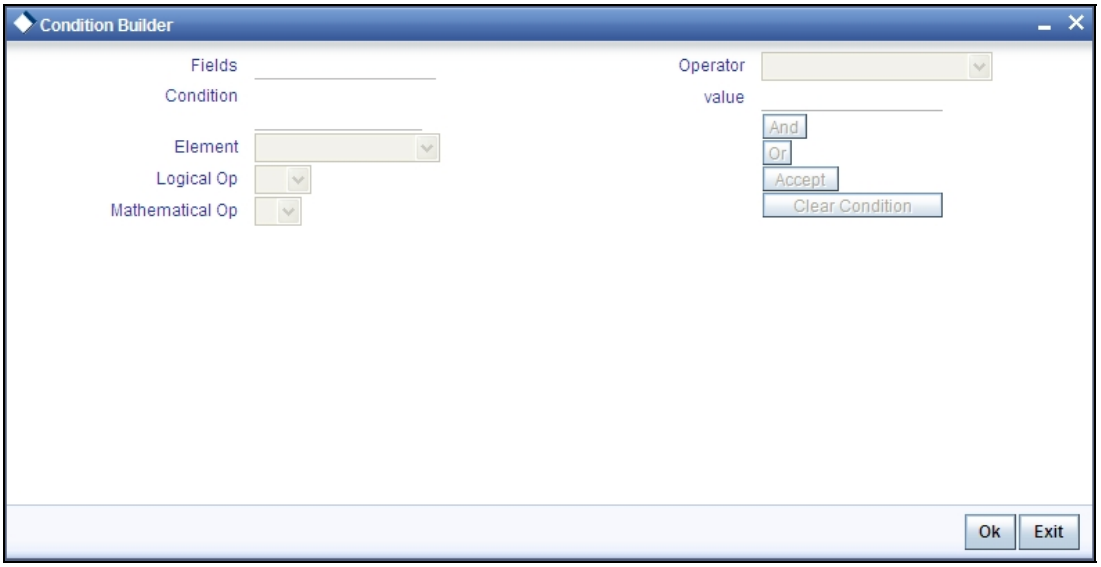
Rule

If the 'Map Type' is 'User Defined', you can create a case-result rule structure based on which the entries are posted to the appropriate account head. To create a rule, click 'Rule' button in the 'Role to Head' tab of the product screen.



You can define multiple conditions and for each condition you can specify the resultant 'Account Head'. This way you can maintain one to many mappings between an accounting role and an account head. Depending on the condition that is evaluated favorably, the corresponding account head is used for posting the entries.

To build a condition, click on ‘Condition’ button in the screen above. The ‘Condition Builder’ is displayed.



You can build the conditions using the elements (SDEs), operators and logical operators available in the screen above.

For details on building a condition using the options available in the screen, refer the section titled ‘Defining UDE Rules’ in the ‘Maintenances and Operations’ chapter of this User Manual.

The system ensures that all accounting roles that are applicable for the Product and which have been used in the definition of the accounting entries are necessarily linked to an account head. If the mapping is not complete, an error message is displayed when you attempt to save the product.

4.4.6.1 Dynamic creation of accounting roles for a component

For each component you define for a product in the ‘Main’ tab, six accounting roles are dynamically created by the system. For example, if you have defined a component ‘MAIN_INT’, the following accounting roles are created:

- MAIN_INTINC - Component Income
- MAIN_INTEXP - Component Expense
- MAIN_INTRIA - Component Received in Advance
- MAIN_INTPAY - Component Payable
- MAIN_INTREC - Component Receivable
- MAIN_INTPIA - Component Paid in Advance

For a detailed list of Events, Advices, Accounting Roles and Amount Tags, refer ‘Annexure 1’ of this User Manual.

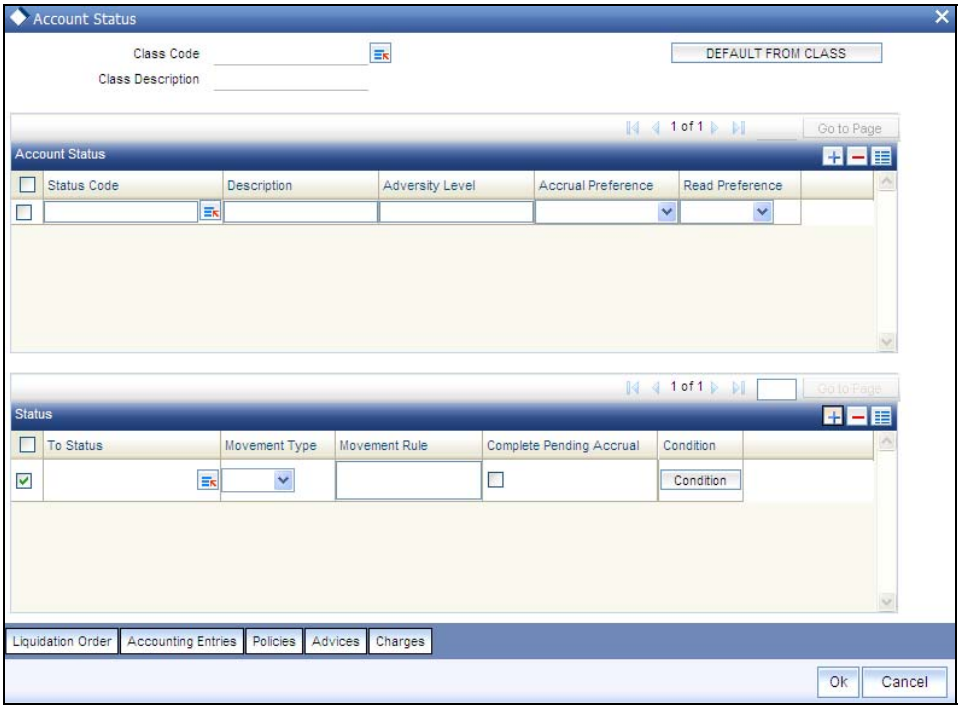
4.4.7 Maintaining Account Level Status preferences

Ideally, when setting up a product, you should identify all possible status that finances involving the product would move into.

A status can apply either to a finance installment or the entire finance account. Installment level status change preferences are maintained in the 'Component' screen.

For more details, refer the section titled 'Specifying Component Details' in this chapter.

You can maintain account level status movement preferences in the 'Account Status' button.



In this screen, you can specify the following:

- Define a status derivation rule to resolve a status
- Define accounting entries, advices etc. which need to be fired for a status
- Specify the liquidation order for a status
- Associate charges, if applicable, for a status
- Policies to be triggered for a status change

Status Code

When setting up a product, you should identify all possible statuses that finances involving the product would move into. By default, the 'NORM' (Normal) status is defined for the product. You can select the relevant status codes from the option list provided. The status codes defined through the 'Status Codes Maintenance' screen with 'Status Type' as 'Account' is available in this list.

When you select a status, the associated description is also displayed in the adjacent field.

Adversity Level

This signifies the adversity level of the status. The Status 'NORM' has an adversity level of '1' and is the most favorable. This is the default status for a finance.

Accrual Preference

For a status, you have to indicate the manner in which accounting entries should be posted when the finance moves to the status. The options are:

- Stop Accrual – accruals are frozen
- Reverse Accrual – accruals till date are reversed by transferring them to an expense GL.
- Continue Accrual – accruals continue as in the previous status as per the Role to Head maintained for the status and as per the accounting entries defined.

After you specify the status codes applicable for the product, you need to specify the manner in which the status movement should occur.

From Status and To Status

When you highlight a status from the list of status codes maintained for the product, the selected status becomes the 'From Status'.

In the option list provided for the 'To Status', the status codes applicable for the product is displayed. Select the relevant status into which a finance should move from the 'From Status'.

Movement Type

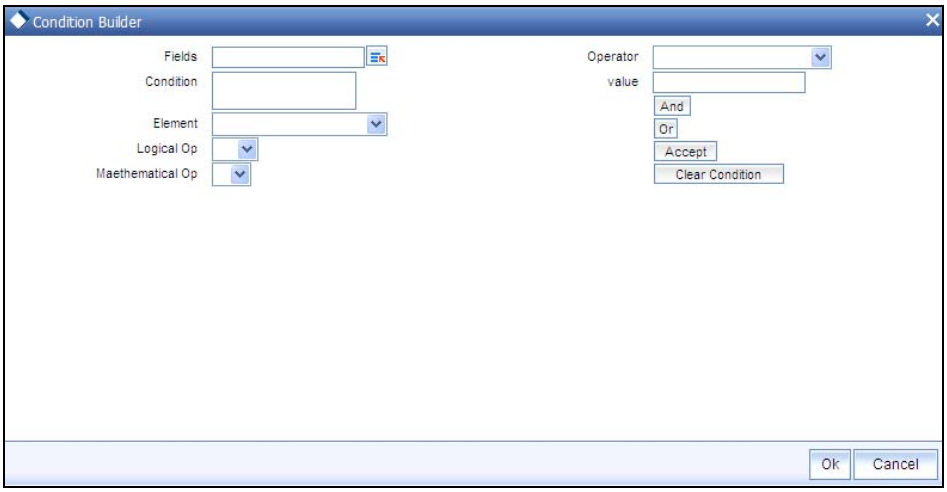
You have to indicate the type of movement of a finance from the current status (From Status) to the next status (To Status). The movement can be:

- Automatic
- Manual
- Both

Movement Rule

You have to define the status derivation rule which will determine the movement of a finance from one status to the other. This is the condition based on which the status movement occurs. If a finance satisfies all the rules defined due to which it can move to several statuses at a time, it will identify the most adverse status and move to that status.

To define a derivation rule, click on 'Condition' button in the screen above. The 'Condition Builder' screen is displayed.



You can build the conditions using the elements (SDEs), operators and logical operators provided in the screen above.

For details on building a condition using the options available in the screen, refer the section titled 'Defining UDE Rules' in the 'Maintenances and Operations' chapter of this User Manual.

Example

Assume that the current status of a finance is 'ACTIVE' and you want the finance to move to the 'OVERDUE' status if the overdue months exceeds zero. To meet this requirement, you can define the following parameters:

- From Status: Active
- To Status: Overdue
- Movement Type: Automatic
- Rule: If FINANCE_STATUS = 'ACTIVE' AND OVERDUE_MONTHS > 0

If the finance satisfies the rule, it automatically moves to the 'Overdue' Status.

Complete Pending Accruals

Check this box to indicate if the pending profit accruals need to be completed before the Account status changes. This is applicable only if Accrual Frequency is any one of the following:

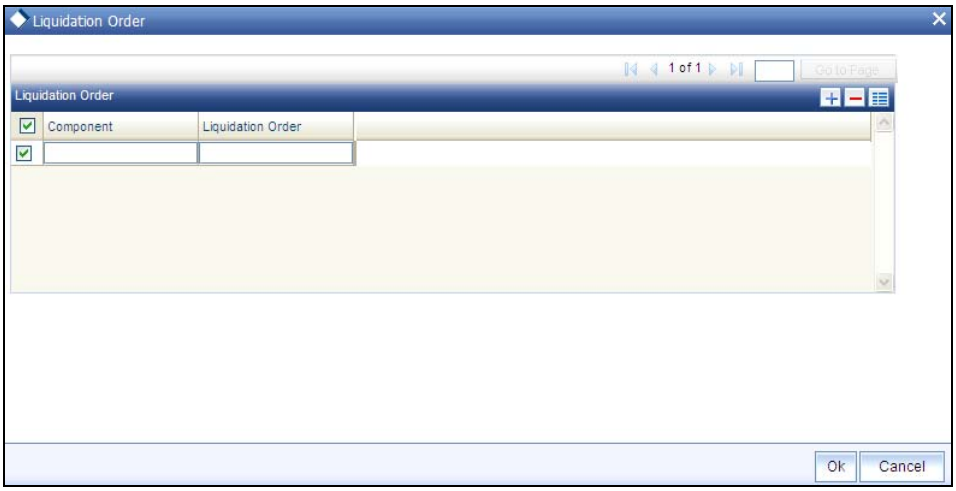
- Monthly
- Quarterly

- Half yearly
- Yearly

This check box will not be enabled if Accrual Frequency in the ‘Product Maintenance’ screen is ‘Daily’.

4.4.7.1 Specifying the liquidation order

You can prioritize the liquidation of the various finance components at a status level. To maintain liquidation order of components, click ‘Liquidation Order’ button in the ‘Account Status’ tab of the screen – the following screen is displayed.



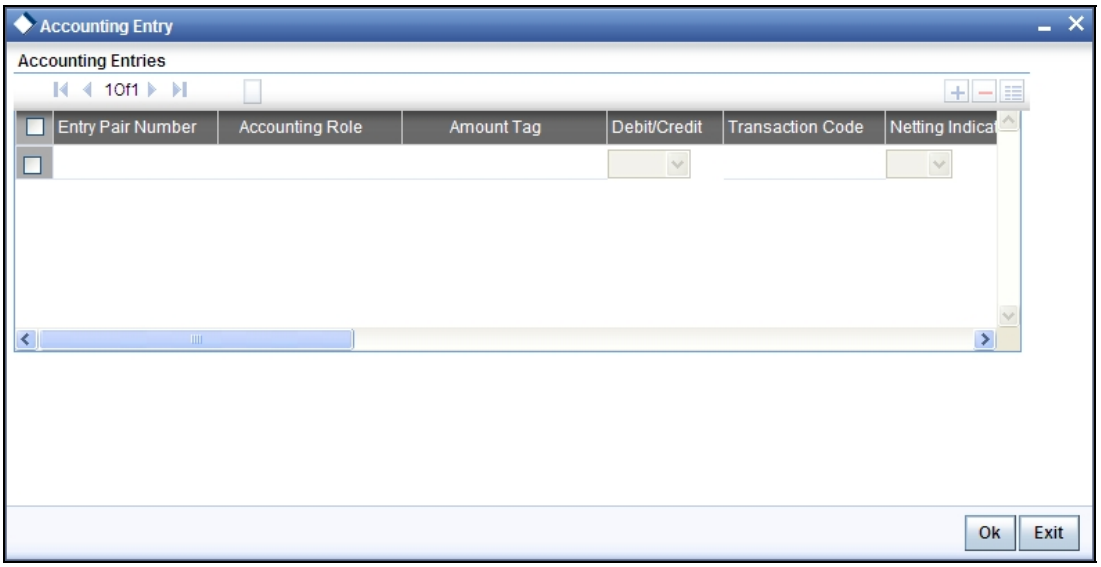
When a finance attains an adverse status, you may want to allot priority to the recovery of certain components. For example, you may want to recover the Principal first and then the Profit type of components.

The components maintained for the product are available in the option list provided. Select a component and then specify the order of liquidation for the component.

Click on add button to maintain the liquidation order for the next component.

4.4.7.2 Specifying the accounting preferences

You can specify accounting preferences at a status level. You may have a GL structure under which finances in ‘Normal’ status should report. You can maintain a different structure for finances in other status. To do this, click ‘Accounting Entries’ button in the ‘Account Status’ screen– the following screen is displayed:



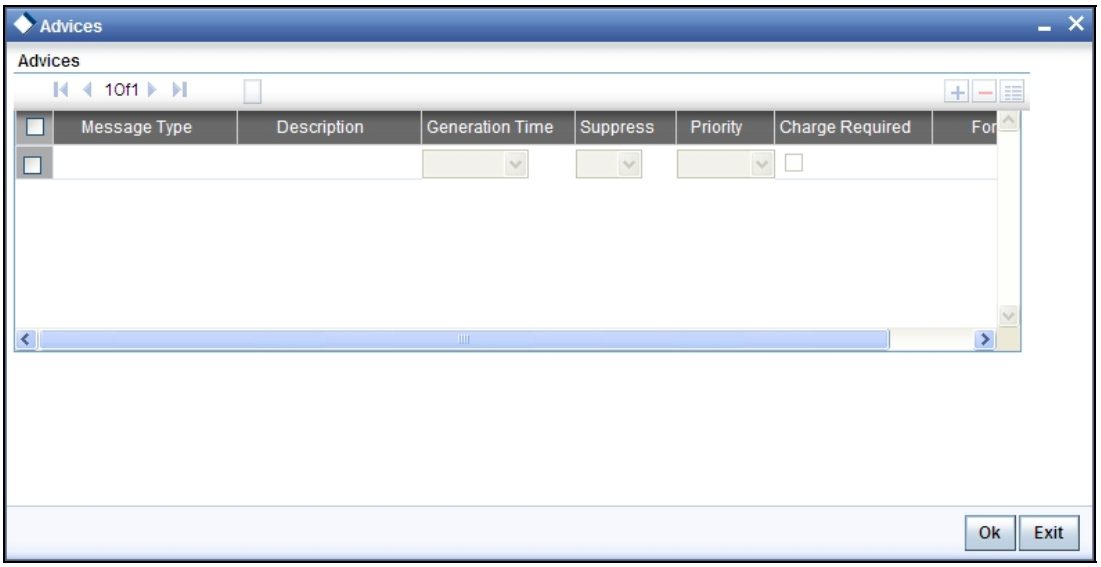
Also, for a status, you may not want to change accounting roles but change only the accounts/GLs. The accounting roles will be the same. To achieve this, you can create a rule based ‘Role to Head’ mapping. The SDEs like ’Account Status’ can be used to create the rule and if a finance satisfies the rule i.e. moves to the status maintained in the rule, the Account Head selected for the rule is used for posting the entries.

Refer the section titled ‘Maintaining Role to Head mapping preferences’ for details on creating a ‘Role to Head’ mapping.

4.4.7.3 Specifying Advices

You can also specify the advices that should be generated when a status change occurs. For instance, when a finance moves from an ‘ACTIVE’ status to an ‘OVERDUE’ status, you can choose to send an advice to inform the customer of the status change and request for payment.

The advices can be maintained in the ‘Product Event Advices Maintenance’ screen - click ‘Advices’ button in the ‘Account Status’ tab to invoke it.

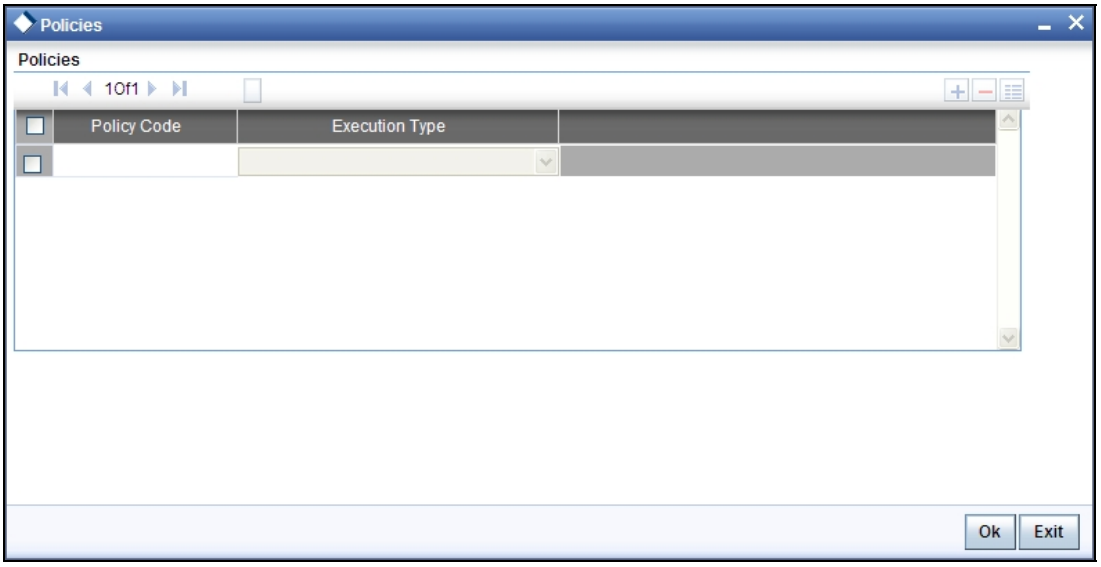


You can associate advices at an event level also.

For more details on maintaining advice preferences, refer the 'Maintaining Event details' section of this User Manual.

4.4.7.4 Specifying Policy preferences

Just as you associate policies at an installment level, you can also associate policies for a finance account status. To do this, click 'Policies' button in the 'Account Status' tab of the product screen – the following screen is displayed:



Specify the following in this screen:

Policy Code

The policies defined in the 'User Policy' screen are available in the option list provided. Policies are used to handle special validations and operations on a finance.

Execution Type

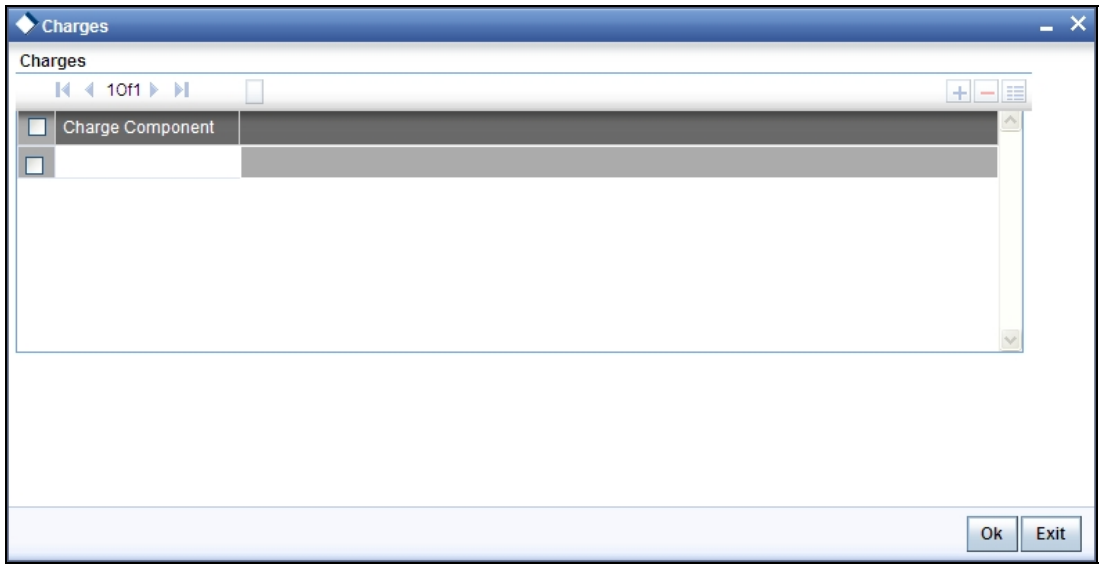
You can associate a policy at one of the following points in time in a finance-event lifecycle:

- Before Event
- After Event
- Both

The policy gets executed appropriately.

4.4.7.5 Associating charges

Whenever a finance undergoes a status change, you can apply charge on the finance. You need to associate charge components at a status level. To do this, click 'Charges' button in the 'Account Status' tab of the screen – the following screen is displayed:



The charge type of components defined for the product (in the 'Components' tab of the screen) are displayed in the option list. Select the component you wish to associate with the finance. The charge is applied when the finance moves to the status and is debited to the customer account.

4.4.7.6 Processing at Account Level

At the account level, when there is a change in the status, Oracle FLEXCUBE will first check if accrual is required for the components. When the accrual frequency for a component is not 'Daily', Oracle FLEXCUBE will validate if the installment status or the account status changes before accrual execution date. If it changes, Oracle FLEXCUBE will trigger catchup accrual for the component till the installment status and the account status change date. Subsequent to this, Oracle FLEXCUBE will process the installment status change and account status change.

Note the following:

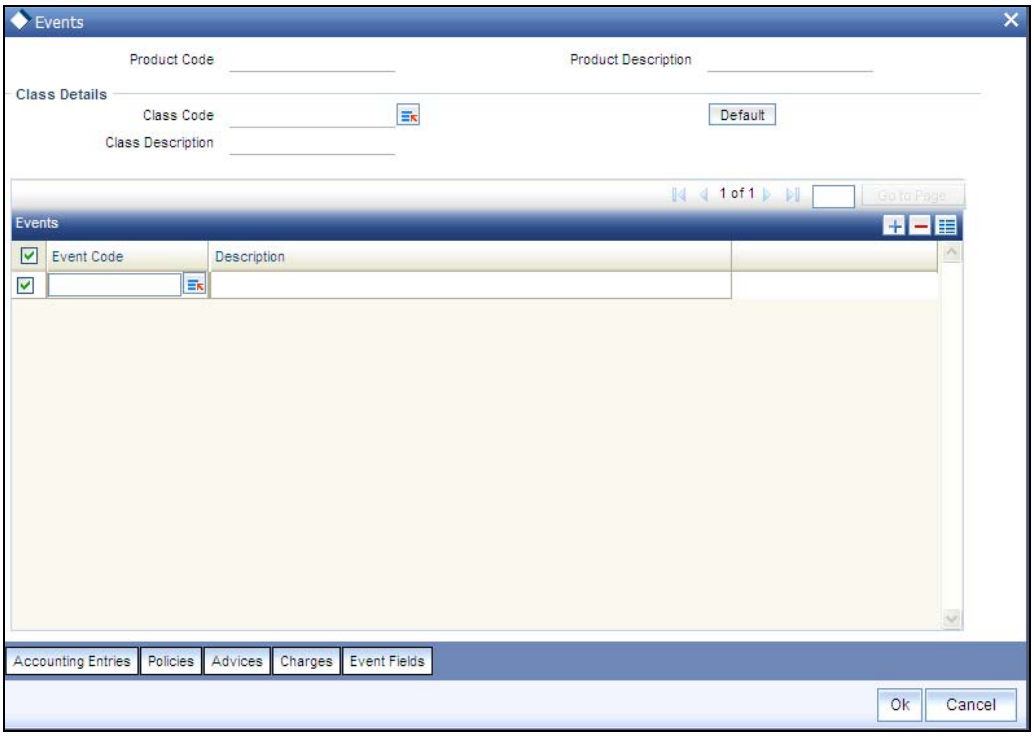
- An installment status change will not change the next execution date of unprocessed ACCR events.
- A status change is applicable for both manual and automatic account status
- If you delete an account level status change, it will delete the catch up accrual accounting entries also
- If you reverse an account level status change, it will reverse the catch up accrual accounting entries as well

4.4.8 Maintaining Event details

A contract goes through different stages in its life cycle. In Oracle FLEXCUBE, the different stages a contract passes through in its life cycle are referred to as 'Events'.

At an event, typically, you would want to post the accounting entries to the appropriate account heads and generate the required advices. When setting up a product, you can define the accounting entries that have to be posted and the advices that have to be generated at the various events in the life cycle of finances involving the product.

Therefore, for the required events you have to specify the Accounting entries, Charges, Policies and Advices. To do this, click the 'Events' tab in the 'Product Maintenance' screen – the following screen is displayed.



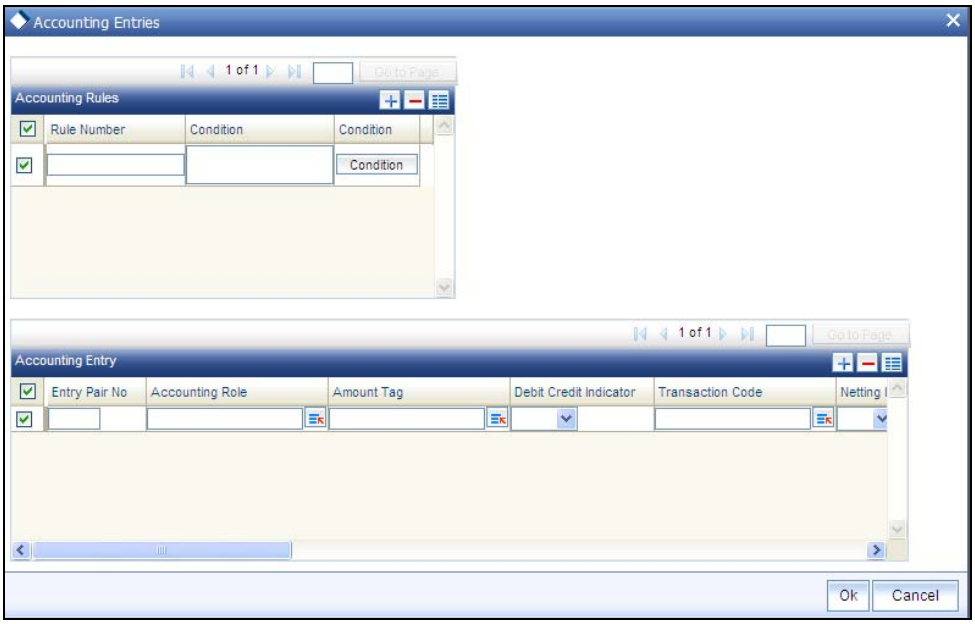
Event Code and Event Description

These are the events for which the accounting entries, advices, policies and charges will be maintained, individually. The event codes applicable for the module are available in the option list provided. This list also includes user defined events set up for the module. Select the relevant events for the product from this list.

The description for the event chosen is also displayed.

4.4.8.1 Accounting Entries

To define accounting entries for an event, click 'Accounting Entries' in the 'Events' tab – the 'Event Acc Entry' screen is displayed.



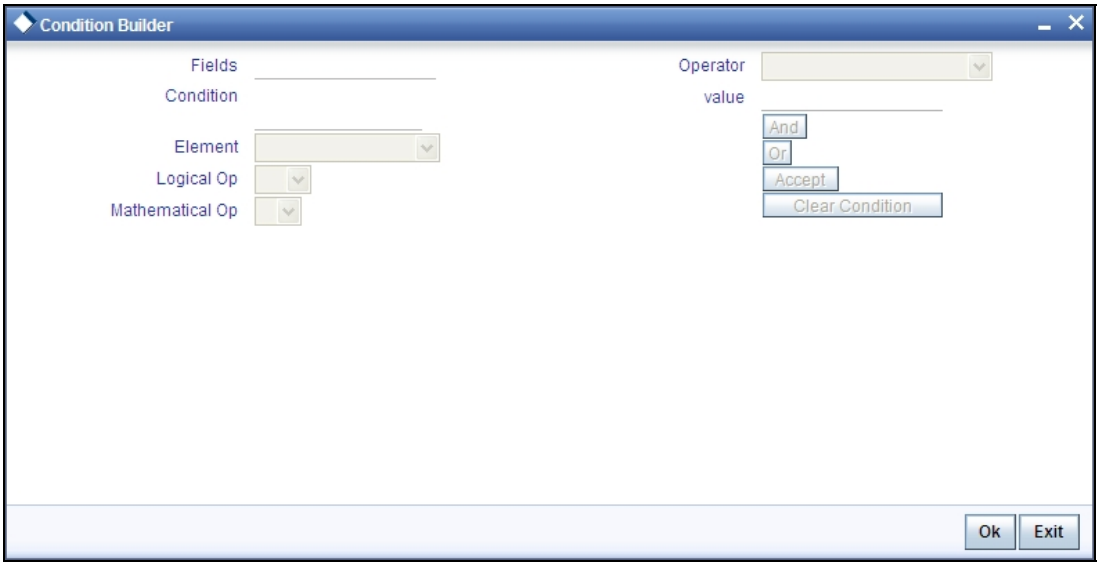
With the Rule definition builder, you can maintain different set of accounting entries for different conditions.

Rule Number

Every rule/condition you define for a product should be assigned a unique number. The rule number can consist of a maximum of 5 digits.

Rule Definition

You can use the ‘Condition Builder’ to define a rule. Click on ‘Condition’ button in the above screen to invoke it.



You can define a rule using the SDEs like Tenor, Customer Risk Category and other UDFs.

If you do no specify a rule/condition, the accounting entries become applicable to all conditions.

For details on building a condition using the options available in the screen, refer the section titled 'Defining UDE Rules' in the 'Maintenances and Operations' chapter of this User Manual.

Accounting Role

Specify the accounting role that should be used at the event. The option list displays all the accounting roles specified for the product in the 'Role To Head' tab of the 'Product Maintenance' screen. Select the role appropriate for the event.

Amount Tag

Specify the amount tag applicable for the Accounting Role. An amount tag identifies the amount/value that is actually due for a component. Depending on the components defined for the product, the system dynamically creates a set of amount tags. For instance, if the component is 'MAIN_INT', the following amount tags are automatically created:

- MAIN_INT _RESD - Component Amount Residual
- MAIN_INT_ADJ - Component Amount Adjustment
- MAIN_INT_LIQD - Component Amount Liquidated
- MAIN_INT_ROLL - Component Amount Rolled over
- MAIN_INT_CAP - Component Amount Capitalized
- MAIN_INT_ACCR - Component Amount Accrued
- MAIN_INT_DLIQ - Component Amount Paid against Due Schedules/future not-due schedules
- MAIN_INT_OLIQ - Component Amount Paid against Overdue Schedules
- COMPONENT_DP - Insurance Down Payment

The '_DLIQ' and '_OLIQ' tags will be generated only for the events LIQD and ROLL.

Select the appropriate amount tag from this list.

Debit or Credit

Here, you have to specify the type of accounting entry to be posted – the entry can be a debit entry or a credit entry.

Transaction Code

Every accounting entry in Oracle FLEXCUBE is associated with a Transaction Code that describes the nature of the entry. Specify the transaction code that should be used to post the accounting entry to the account head. You can group all similar transactions under a common transaction code. The transaction codes maintained in the 'Transaction Code Maintenance' screen are available in the option list provided.

Netting

Specify whether accounting entries should be netted at an event. You can net the accounting entries that are generated at an event by selecting 'Yes' from the drop down list. The system will then net the entries and show the resultant value in account statements. If you do not net, the entries will be shown separately in the statements.

MIS Head

An MIS Head indicates the manner in which the type of entry should be considered for profitability reporting purposes. This classification indicates the method in which the accounting entry will be reported in the profitability report. It could be one of the following:

- Balance
- Contingent Balance
- Income
- Expense

You can also link a product to an MIS Group if you do not want to define individual entities for the product.

Refer the section titled 'Associating an MIS Group with the product' in this chapter for more details.

Revaluation Required

Online Revaluation refers to revaluation done on transaction amounts during transaction posting, and not as part of an end-of-day process. The Revaluation profit /loss are booked to the Online 'Profit GL' or Online 'Loss GL' that you maintain for the GL being revalued.

You can opt for online revaluation by selecting the 'Reval Reqd' option.

Profit GL and Loss GL

If you have opted for online revaluation and the result of revaluation is a profit, the profit amount is credited to the Profit GL you select here. Similarly, if the result of revaluation is a loss, the loss amount is credited to the Loss GL you specify here.

Reval Txn Code

If you opt for online revaluation, you need to associate the transaction code to be used for booking revaluation entries. The system will use this transaction code to track the revaluation entries.

Holiday Treatment

Specify whether holiday treatment is applicable for processing accounting entries falling due on holidays. Select one of the following:

- Yes

- No

Rate Type Indicator

Select the rate type indicator used for revaluation purpose from the drop-down list. Following are the options available in the drop-down list:

- Mid
- Buy
- Sale

GAAP

Indicate the GAAP indicators for which the accounting entry is required for reporting under multi GAAP accounting. The adjoining option list shows all the GAAP indicators maintained in the system. Choose the appropriate one.

The system will then post entries into the specified books (GAAP indicators) during the different events that occur in the lifecycle of the finance. You can retrieve the balance for a certain component in an account in a specific status, for a given GAAP indicator, in a certain branch, reporting to a certain GL. The system will show the real and contingent balances accordingly.

Split Balance

Specify whether you need the balances to be split or not. If you check this option, the system will store the balance break-up for the specified GAAP indicators. You can then retrieve the balances separately for the different GAAP indicators to which accounting entries are posted for the finance.

Balance Check in Batch

Indicate whether the balance check is required for the batch operations/online processing.

The options available are:

- Reject – The transaction is rejected if there is insufficient fund to process the transaction.
- Delinquency Tracking – The transaction is processed. If you have specified delinquency tracking for the accounting entries, the tracking is done according to the parameters you have defined for the Delinquency Product.
- Force Debit – The transaction is processed. However, no delinquency tracking is done even if the account goes into overdraft.
- Partial Liquidation – The transaction is processed. If you have specified partial delinquency, the system liquidates upto the available amount and the delinquency tracking is done on the remaining amount only.

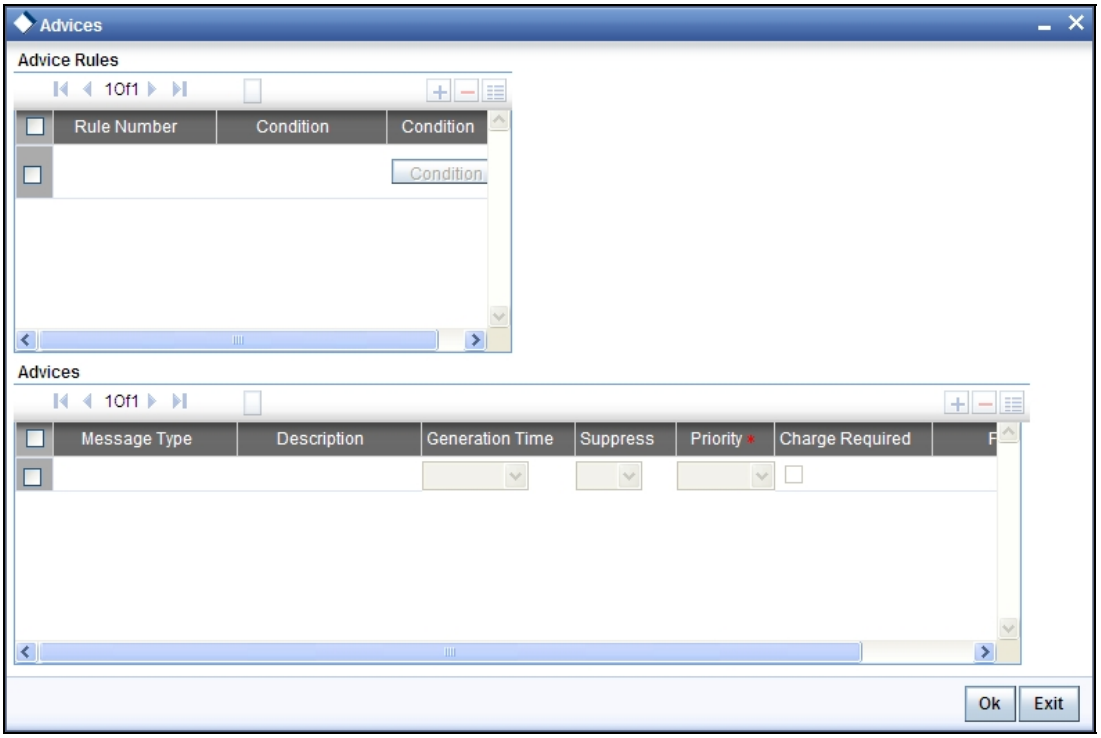
Delinquency Product

In case you have specified delinquency tracking for balance check type, you need to specify the delinquency product under which the entry is tracked. The option list displays all the delinquency product codes maintained in the Oracle FLEXCUBE. Select the appropriate from the option list.

4.4.8.2 Advices for an event

You can select the advices that should be triggered for various events. These advices can be simple Debit /Credit advices when any payment or disbursement is made, Rate Revision advices, Finance advices etc.

To specify the advices for an event, click 'Advices' button in the 'Events' tab of the 'Product Maintenance' screen – the following screen is displayed.



The following advice details have to be maintained in the screen:

Advice Name

Select an advice from the option list provided. The advices applicable for the module are available in this list. When you select an advice, the description is displayed in the adjacent field.

Trigger

The 'Trigger' indicates the appropriate time at which the advice is to be generated. You can indicate whether the advices specified for the product should be generated when the event takes place (Input) or at authorization.

Suppress

This option may be used if you want to suppress the generation of some advices.

Priority

You can indicate the importance of the advice generation. The priority may be:

- High
- Medium

- Low

Charges

You may check this option to collect charges for advice generation.

You can specify a definite format for advice generation. The formats maintained through the 'Format File Maintenance' are available in the option list. Select the appropriate format from this list.

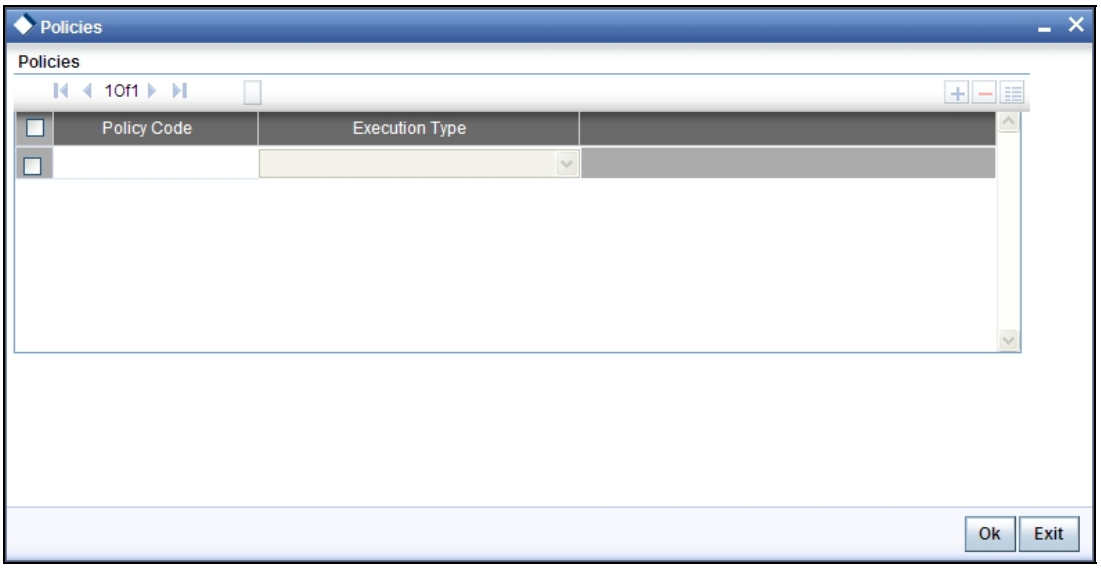
For a detailed list of Events, Advices, Accounting Roles and Amount Tags, refer 'Annexure 1' of this User Manual.

4.4.8.3 User Defined Policies

Policies are user defined validations that will be fired when any event is triggered. These can even be policies which govern the firing of an event under certain conditions.

For example, if an operation called payment is being done and the customer is paying an amount greater than his current overdue and one additional installment, you can associate a policy to disallow the payment. Therefore, you have to associate policies to an event.

Click on 'Policies' button in the 'Events' tab of the screen to define the policies that should be executed for an event.



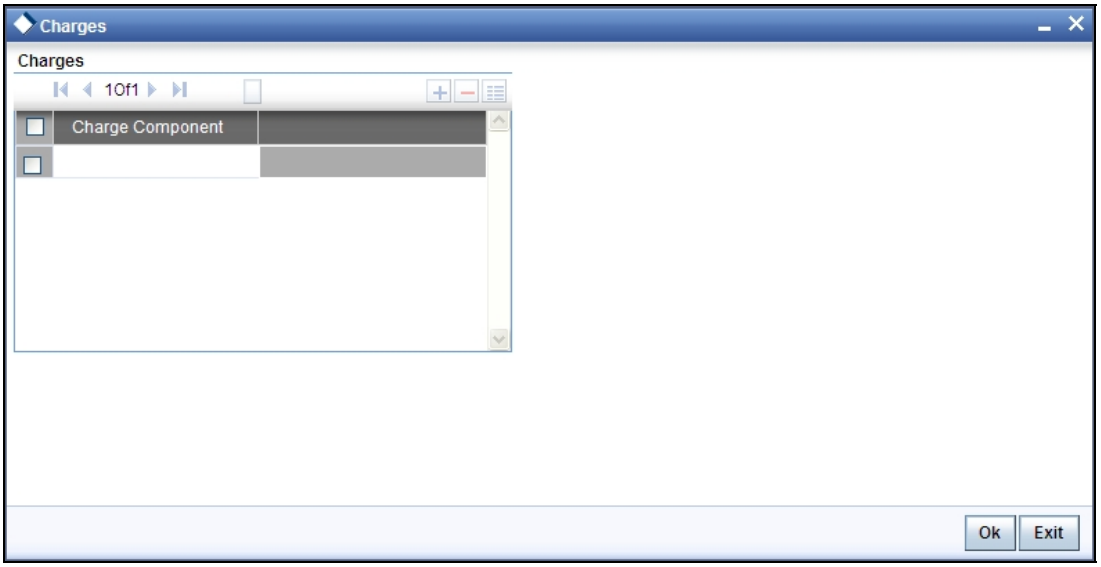
You can select the appropriate policy from the option list provided. The policies defined in the 'User Policy' screen are available in this list. You should also specify the instance when the policy should be triggered for the event. The options are:

- Before Event
- After Event
- Both

4.4.8.4 Charges

You can associate charges to an event. Linking a charge to an event implies calculating the value of the charge.

To associate charges, click ‘Charges’ button in the ‘Event’ tab of the screen.



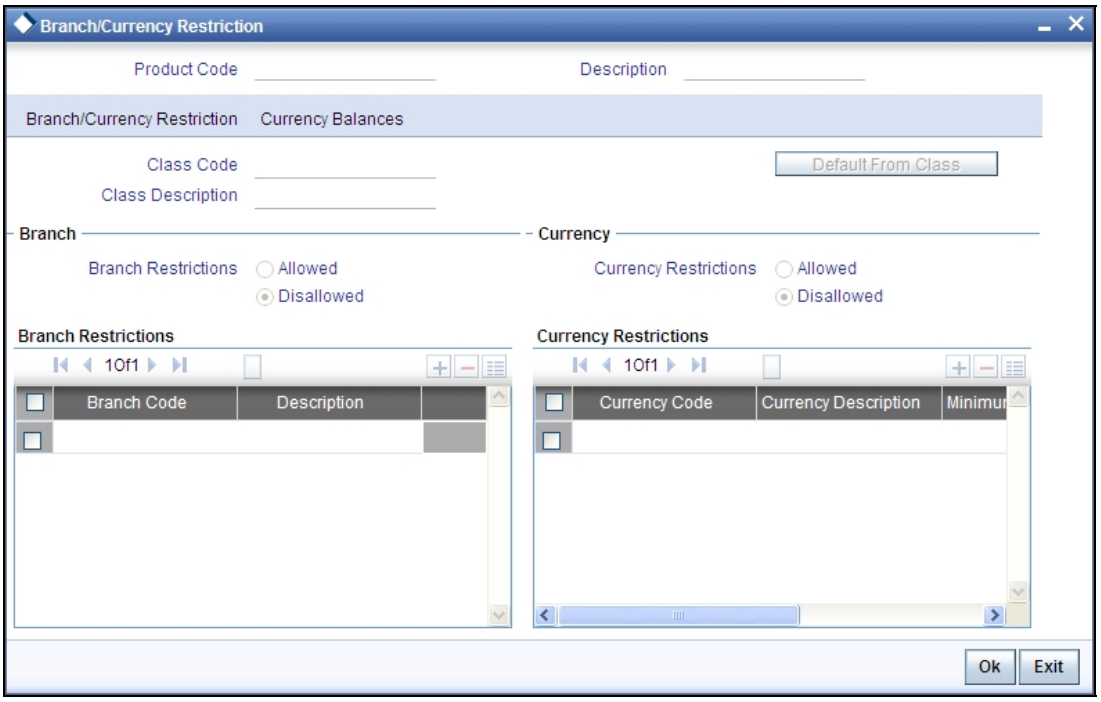
The charge type of components defined for the product (in the ‘Components’ tab of the screen) are displayed in the option list. Select the component you wish to associate with the event.

4.4.9 Defining Branch/Currency Restrictions

The finance products created in the Head Office Bank (HOB) are available across all the branches subject to the branch restrictions maintained for the product. Likewise, you also restrict the products to select currencies.

To achieve this, you can maintain a list of allowed/disallowed branches and currencies.

Click on the ‘Branch /Currency Restriction’ button in the product screen.



4.4.9.1 Branch/Currency Restrictions tab

Under Branch and Currency Restrictions respectively, two columns are displayed.

- Allowed List
- Disallowed List

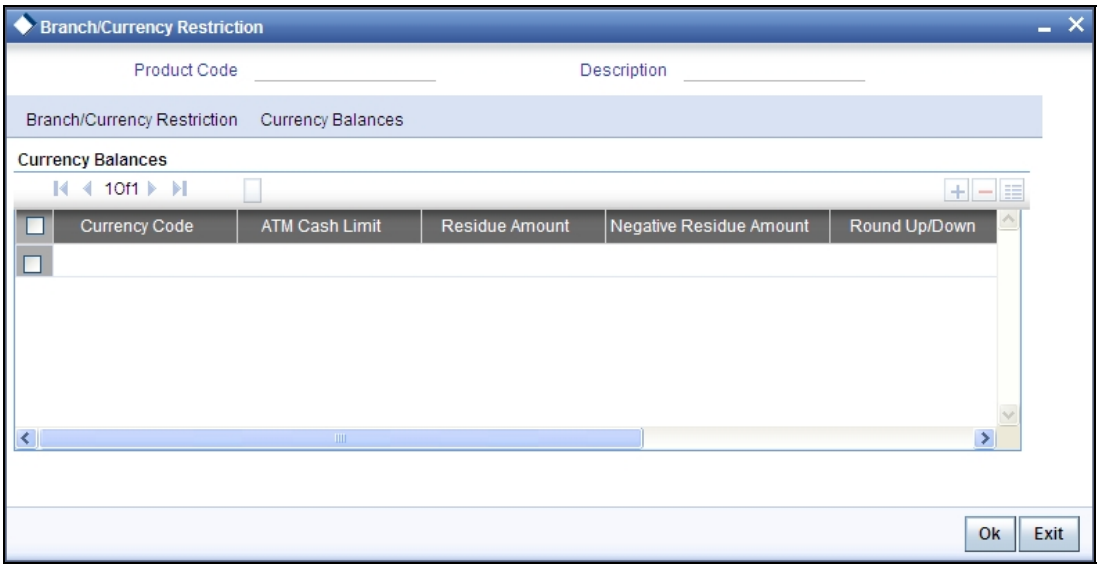
The allowed or disallowed column that is displayed would depend on the list type that you choose to maintain. For instance, if you choose to maintain an allowed list of branches, the column would display the branches that you can opt to allow.

In the Branch Restriction and Currency Restriction Section, click on option list to invoke a list of bank codes and currencies codes respectively that you have maintained in your bank. Select an appropriate code.

Using the Add or Delete buttons, you can add/delete a branch or currency from the corresponding allowed/disallowed column that you have maintained.

When you create a product, it is, by default, available to all the branches of your bank, in all currencies, and for all customers unless restrictions are explicitly specified for the product.

4.4.9.2 Currency balances Restriction tab



You can maintain the following currency balance details:

Currency Code

You can specify the transaction limit for a currency while defining currency restrictions for a product. Choose the currency code from the option list.

Residual amount

Here, you have to capture the minimum amount by which, if a component of a schedule becomes overdue, the system will consider it as paid.

Neg Residue Amount

If the difference between the amount paid (COMPONENT_EXPECTED) and the amount due is less than the residue amount specified here, then the difference is treated as an income otherwise the transaction is rejected.

In the case of an income, the installment schedule is marked as completely settled/paid and the income is posted to the residual suspense GL. This triggers the event called 'RESD' (Residual) and the following entries are passed:

Accounting Role	Amount Tag	Dr/Cr
Loan Account	RESIDUAL_AMOUNT	Cr
Residual Suspense	RESIDUAL_AMOUNT	Dr

ATM Cash limit

Here, you can enter the maximum non- Cash transaction amount for the currency that you have defined. The ATM transaction amount cannot exceed the value given here.

Emi Round Up Down

Indicate whether the EMI should be rounded up or down.

- Choose ‘UP’ in case you want to round the number to the next decimal value
- Choose ‘DOWN’ if you want to truncate the number to the previous decimal value

The principal component of the EMI is adjusted based on the rounded EMI amount.

Rounding Factor (EMI)

Specify the rounding factor if the EMI is to be rounded.

It is mandatory for you to specify the rounding factor if you have maintained the rounding parameter.

Numerator Method

Specify the day count method for the numerator for each currency applicable to the product. The following options are available in the drop-down list:

- Actual
- 30 Euro
- 30 US

Choose the appropriate one. This value will be used for calculation of the Net Present Value (NPV).

Denominator Method

Specify the day count method for the denominator for each currency applicable to the product. The following options are available in the drop-down list:

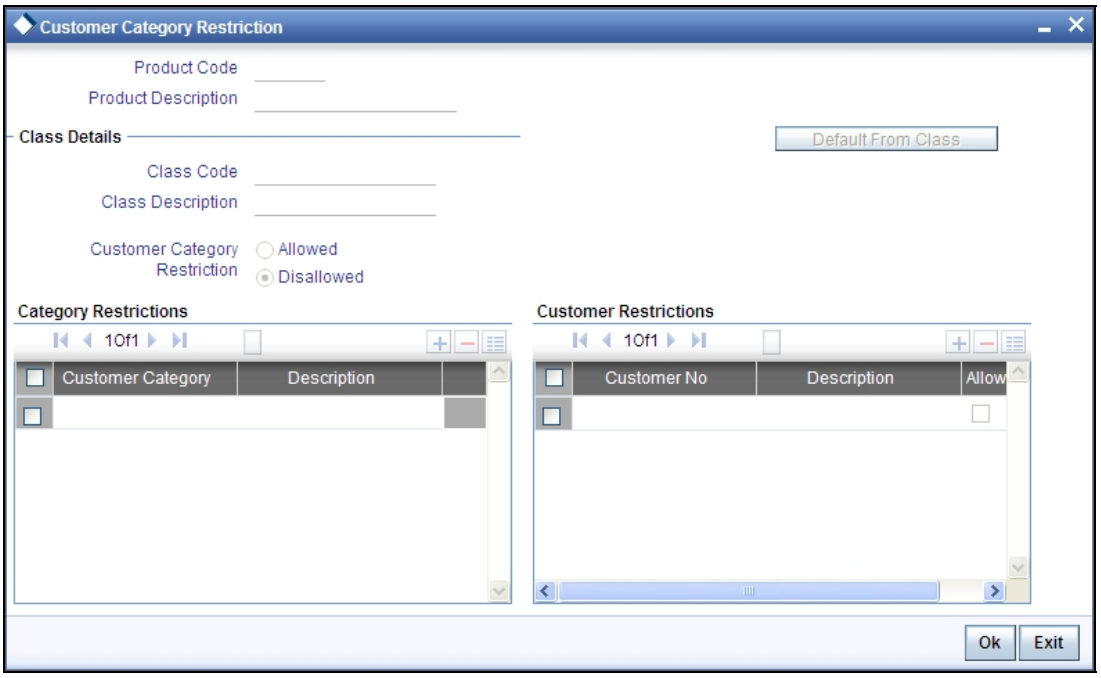
- 360
- 365

Choose the appropriate one. This value will be used for calculation of the Net Present Value (NPV).

4.4.10 Defining Customer Category Restrictions

Just as you can maintain a list of allowed/disallowed branches and currencies for a product, you can maintain a list of allowed/disallowed customer categories.

You can maintain several restrictions for each customer category.



You can restrict customers from availing a product by maintaining an 'allowed' list or a 'disallowed' list of customer categories.

Only customer categories that are a part of an allowed list maintained for a product *can* avail the product. Likewise, customer categories that are part of a disallowed list *cannot* avail the product or service.

The allowed or disallowed column that you view depends on the list type that you choose to maintain. For instance, if you choose to maintain an allowed list, the column would display those customer categories that you choose to allow.

You can move a category to the allowed/disallowed column, using the Add or Delete buttons.

4.4.10.1 Allowing access to special customers

Depending on the customer restriction you specify – allowed or disallowed, you can further maintain a list of customers who are allowed (for a 'Disallowed' list) or specific customers who are not allowed to use the product (in the case of an 'Allowed' list). For example, you may disallow the customer category 'CORPORATES' from availing a certain finance product. However, you may want to allow 'Cavillieri and Barrett' (belonging to the category 'CORPORATES') to avail the product.

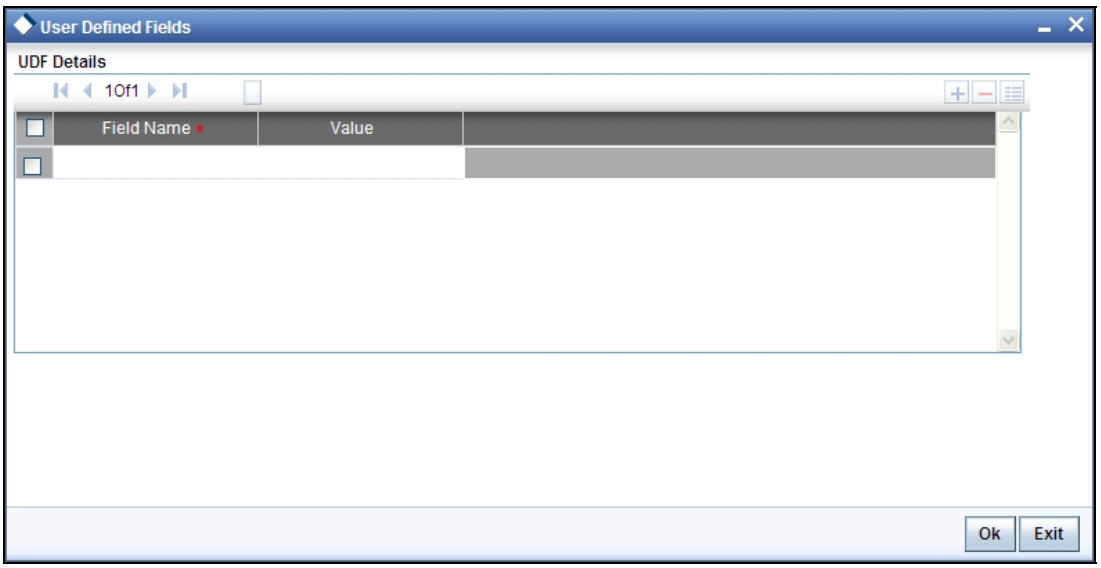
Select the name of the customer from the option list provided. The ‘Customer Name’ is displayed after you select the customer id.

If the selected customer belongs to a category which is ‘Disallowed’ for the product but you want to allow the customer, check the ‘Allowed’ option. Similarly, if the customer belongs to a category that is ‘Allowed’ but you want to disallow the customer, do not check the ‘Allowed’ option.

4.4.11 Associating User Defined Fields (UDFs) with the product

UDFs are additional fields that are available for use depending on the bank’s requirement. You can define UDFs in the ‘UDF Details’ tab.

In the ‘UDF’ tab of the screen, you can associate these custom fields with the product.



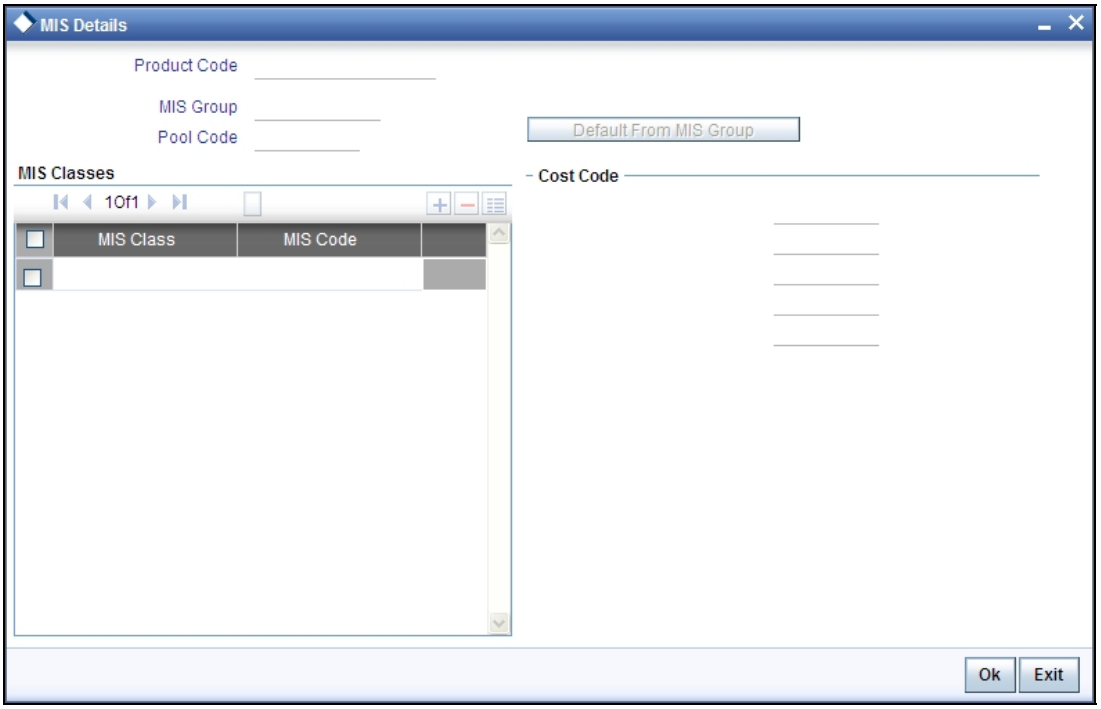
The UDFs are segregated based on the ‘Field Type’, into the following:

- Character Fields
- Number Fields
- Date Fields

When you select an UDF from the option list, the description is also displayed in the adjacent field.

4.4.12 Associating an MIS Group with the product

You can associate MIS details with a product in the ‘MIS Details’ screen. Click ‘MIS’ button in the ‘Product Maintenance’ screen to invoke it.

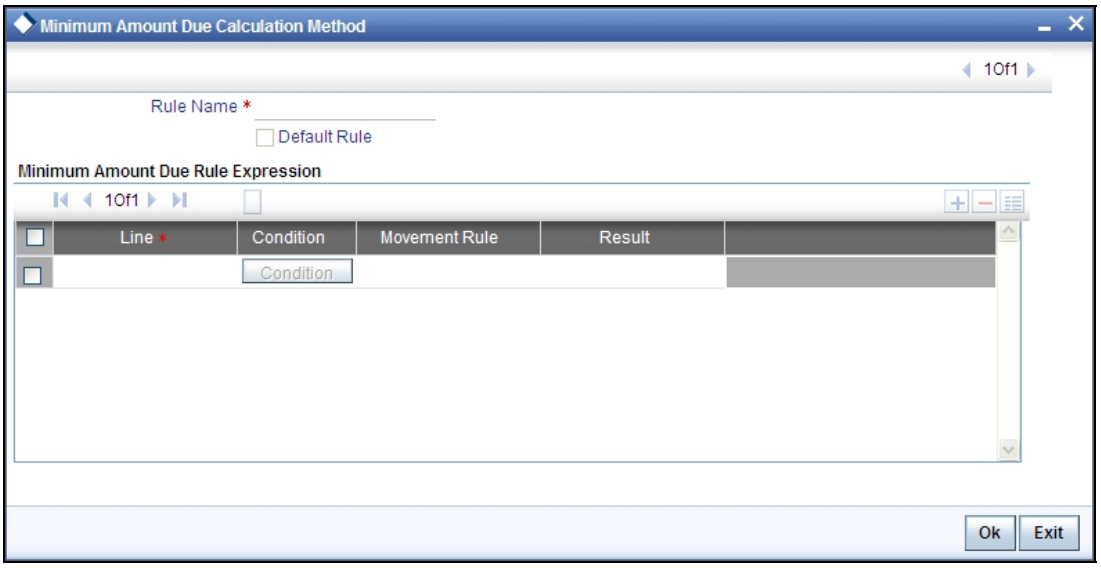


In this screen, you can associate an ‘MIS Group’ to which the product should be linked (if it is applicable; if not, you can define the individual entities under which the product should be reviewed).

To associate a group, check the ‘Link Group’ option. If a group is linked, the entities defined for the group will be displayed. Only the Transaction MIS Code will be applicable to a product. The specific MIS entity (in the form of an MIS Code) will be picked up by default only if you have defined them for the group. If not, you have to indicate the appropriate MIS code for each applicable MIS class.

4.4.13 Maintaining Minimum Due Calculation method

You can invoke this screen by clicking on ‘Minimum Amount Due Calculation Method’ button on the Islamic Product Financing screen.



4.5 Processing of IRR application on finances

The internal rate of return is the profit rate received for an investment consisting of payments (negative values) and income (positive values) that occur at regular periods. It is computed for a series of cash flows represented by the numbers in values. These cash flows may not be even, as they would be for an annuity. IRR is computed only when the cash flows occur at regular intervals, such as monthly or annually.

IRR is closely related to NPV - Net Present Value. The rate of return calculated by IRR is the profit rate corresponding to a 0 (zero) NPV. NPV measures the additional market value that the management expects the project to create (or destroy) if it is undertaken. It is computed using a discount rate and a series of future payments (negative values) and income (positive values).

IRR for finance accounts (where applicable) is calculated when the YACR event is triggered and the corresponding batch is run. You need to set up certain specific accounting entries for this event.

Refer the chapter titled ‘Annexure A: Accounting Entries and Advices’ in this User Manual for the details of the accounting entries.

The system identifies the acquisition type of the product during account creation. For the account, it derives the acquisition type based on the following parameters:

For asset accounts (finances), if:

- Inflow>Outflow, then Acquisition type will be ‘Discount’
- Inflow=Outflow, then Acquisition type will be ‘Par’

- Inflow<Outflow Acquisition type will be 'Premium'

It calculates the constant yield or IRR during the initial disbursement of account using the following formula:

$$\left[\sum_{i=1}^{N} \frac{CF_i}{(1+IRR)^{(\frac{d_i-d_1}{D})}}\right] = 0$$

Where:

- **N** - Number of cashflows including the net cash flow on the contract value date (Initial disbursement record)
- **CF$_i$** - i^{th} Cashflow
- **IRR** - Internal Rate of Return for the contract
- **d$_i$** - Date of i^{th} Cashflow
- **d$_1$** - Date of 1st Cashflow (the first disbursement date)
- **d$_i$-d$_1$ -** Number of Days based on the Numerator Daycount Method
- **D** - Denominator Daycount Method

The IRR is computed in an iterative method by taking the contract profit rate as the initial guess. In case of finance amendment and prepayment, the cash flows are re-computed and used for IRR calculation post amendment/prepayment. The formula used for recomputation is the same as that used for the initial computation.

4.5.1 Recalculation of IRR with new effective date

In case of Bearing and Amortized accounts, IRR recalculation will be done using a new effective date, during the following events:

- Manual disbursement
- Value Dated Amendment with schedule redefinition
- Prepayment
- Floating Rate Revision
- Value Dated Increase of Principal
- Value Dated Maturity Date Change
- Value Dated Rate Revision
- Rollover

- Version reversal
- Up-front fee Amendment

For such accounts, s new charge is levied on the following events:

- Value Dated Amendment Initiation (VAMI)
- Rollover (ROLL)
- Partial prepayment(MLIQ)
- Account status change (STCH)
- Installment status change (STSH)

In case of Discounted accounts, IRR will be re-calculated using a new effective date, during the following events:

- Rollover
- Up-front fee Amendment

For such accounts, a new charge is levied on the following events:

- Value Dated Amendment Initiation (VAMI)
- Rollover (ROLL)
- Partial prepayment(MLIQ)

During the event 'Value Dated Amendment with Schedule Re-definition', IRR is recalculated with the currently active IRR effective date.

IRR re-calculation has to be done during reversal of partial and full prepayment, if the prepayment triggered recalculation of IRR.

In case of partial prepayment, if the payment value date is less than or equal to an existing IRR effective date, then IRR will be recalculated as of the earliest IRR effective date and all future dated IRR will be deleted.

IRR re-calculation does not happen in following cases:

- Regular Payment
- Overdue Payment
- Reversal of Regular Payment
- Reversal of Overdue Payment

Note the following:

- Catch-up of discount accrual during various events like amendment leads to recalculation (i.e. principal change/maturity date change/rate change/schedule redefinition), rate revision, liquidation, rollover, reversal of prepayment, etc. This is similar to the catch-up of profit liquidation in this module.
- During full repayment, outstanding accruals are passed unconditionally with the YACR event.
- During full prepayment, if there is a charge associated for the LIQD liquidation event, the charge amount will be populated with %LIQD amount tags.
- During foreclosure of the account the same processing as that of discount is followed for premium. This means that either complete pending accrual or refund happens based on the preference specified at the product level in the 'IRR Accrual Preference' screen. This implies that either the unaccrued discount for the entire tenor of the account will get accrued (in case of 'Complete Accrual' preference) or the refund happens to the customer for the unaccrued amount (in case of 'Refund' preference).
- In case of 'Par' acquisition type, there is no refund. Only the pending accruals are completed.

4.5.1.1 Processing during the account status change

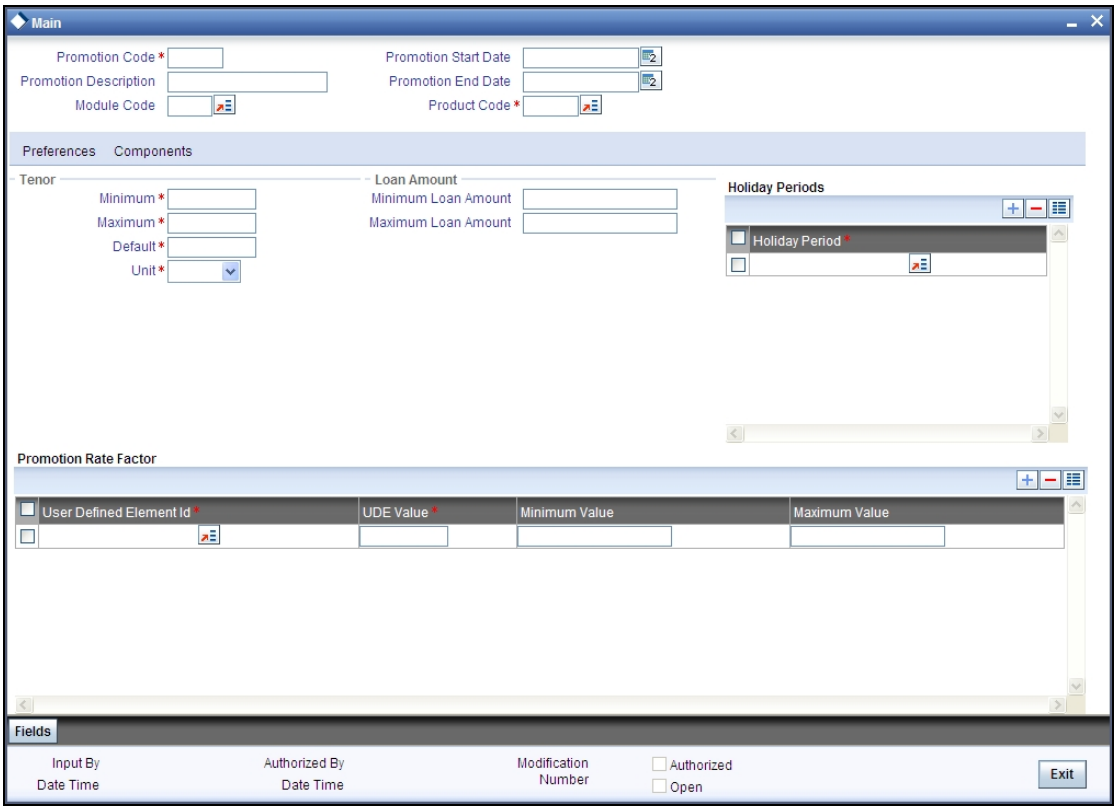
During status change the system:

- Makes all discount accrual accounting roles available for transfer
- Identifies the balances to be transferred as 'Premium TBA – Premium Accrued' and 'Discount TBA – Discount Accrued'.
- Stops the discount accrual and ensures that the YACR event doesn't pass any entries when the option 'Stop Accrual' is checked for a contract.
- Reverses the balances for 'Premium Accrued' and 'Discount Accrued' when the 'Reverse Accruals' option is checked for a contract.
- Cash flow for charge components being liquidated while booking of the finance (BOOK) or initiation of the finance (INIT) are populated with due date equal to first disbursement date.
- For charge components wherein the charge currency is different from the contract currency, the charges are calculated in the specified charge currency at the product component level. These charges are liquidated during the BOOK or INIT events. The charge amount in the account currency is then arrived at based on the exchange rate as of account booking date.
- In case the charge currency not the same as the account currency, but the account currency is the same as the settlement account currency, the exchange rate input in the 'Settlements' screen will be used to convert the amount to account currency.
- IRR calculation is done during booking of the account (the BOOK event) instead of value date of the account (the INIT event) for future dated accounts.

4.6 Defining customized products

The Islamic Financing module gives you the flexibility to create customized products for promotional and special offers whereby you can offer special incentives/ concessions to certain or all categories of customers. Such products are referred to as ‘Promotions’. A promotion can have a different set of preferences, schedules etc. You can associate a finance with one or more promotions.

You can create customized promotion products in the ‘Promotions’ screen available in the Application Browser. Note that these customized products will be applicable for the Retail lending module as well. You can invoke this screen by typing ‘CLDPROMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The screen has two tabs: Preferences and Components. By default, the ‘Preferences’ tab is displayed when you invoke the screen.

4.6.1 Basic details

First, capture the following basic information about the promotion:

Promotion Code and Description

You have to specify a unique 4-character alphanumeric code to identify the promotion in the system.

Provide a brief description of the promotion. This description will be associated with the promotion product for information retrieval purposes.

Promotion Start Date and End Date

Specify the life span of the promotion. The promotion is valid for the period maintained here. By default, the current date is the ‘Start Date’ of the promotion. You can change it to a date in the past or future.

If you do not specify an end date for the promotion, it can be used for an indefinite period and the product becomes open-ended in nature.

4.6.2 Specifying Promotion preferences

As part of promotion preferences, you have to:

- Specify tenor details
- Associate holiday periods
- Select the relevant UDEs and specify their values

4.6.2.1 Tenor Preferences

You can set the minimum and maximum tenor limits for the promotion. You can also specify a standard or a default tenor.

Minimum Tenor

Specify the minimum tenor applicable for the promotion. If you associate the finance to the promotion being maintained, the tenor of the finance account should be greater than or equal to the minimum tenor specified here.

Maximum Tenor

Likewise, you can also specify the maximum tenor for the promotion. The tenor of the finance accounts associated with the promotion should be less than or equal to the Maximum tenor that you specify here.

Default Tenor

The 'default tenor' is the tenor that is applied to the finance account upon association with the promotion. The value captured here should be greater than the minimum tenor and less than the maximum tenor. You can change the default tenor applied on a finance account during finance processing. However, the new tenor should be within the minimum and maximum tenors maintained for the promotion.

Units

The tenor details that you specify for a promotion can be expressed in one of the following units:

- Days
- Months
- Years

It is mandatory to define the tenor details before specifying the holiday periods for the promotion.

4.6.2.2 Holiday Periods

You can maintain holiday periods for the promotion. Holiday periods or repayment holidays refer to the time when customers can avail repayment holidays owing to other expenses during the period. Holiday periods are defined in the 'Holiday Period' screen and the same are available for association with the promotion being maintained.

For more details, refer the section titled 'Maintaining Holiday Periods' in the 'Maintenance and Operations' chapter of this User Manual.

Select the appropriate holiday periods from the option list provided.

4.6.2.3 Promotion Rate Factor

You have to specify the special profit rates that are applicable for the promotion:

UDE Id

Select the UDEs (User Data Elements) for the promotion being maintained. The UDEs defined in the 'Main' tab of the 'Product Maintenance' screen are available in the option list.

UDE Value

Specify the value of the UDEs selected. The value specified here is used in the formula defined for profit calculation. The UDEs maintained for the Promotion takes precedence over the product level UDEs. At the account level, the UDEs get defaulted from the promotion in the order of priority, the highest priority promotion being applied last.

Maximum Value

Specify the maximum value for interest rate component type.

Minimum Value

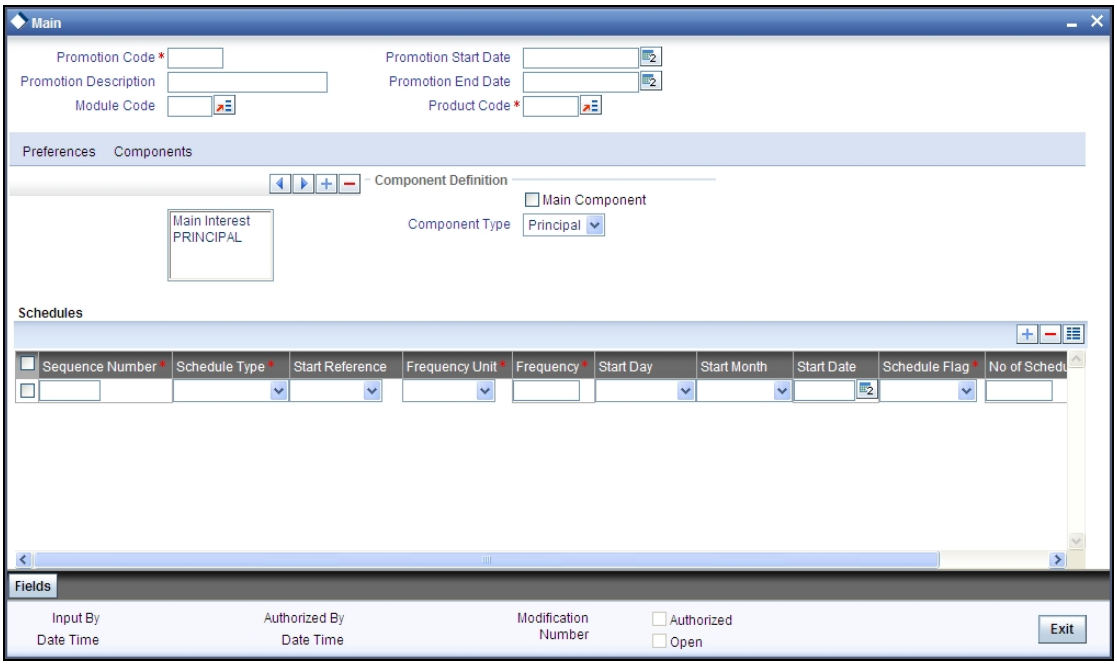
Specify the minimum value for interest rate component type.

The system will validate the final interest rate (after application of RP) against the minimum and maximum interest rate maintained at the promotions level. If the value of the interest rate is greater than the maximum value, then the system will compute the maximum value. If the value of the interest rate is lesser than the minimum value, then the system will compute the minimum value.

For more details on finance accounts, refer the 'Account Creation' chapter of this User Manual.

4.6.3 Specifying Component details

To specify the component details, go to the 'Component' tab of the screen.



The following components are automatically defined for the promotion:

- MAIN_INT: This component is designated as the ‘Main Component’ and the ‘Component Type’ is ‘Profit’.
- PRINCIPAL

You cannot modify the components or define additional components for a promotion.

4.6.3.1 Schedules

Maintain the schedule details for the two components in this section of the screen. These include the following:

- Sequence Number
- Schedule Type
- Start Reference
- Unit and Frequency
- Start Day
- Start Month
- Start Date
- Flag (Normal or Moratorium)
- Number of schedules
- Whether capitalization of the component is applicable or not

For more details on the schedule preferences, refer the section titled 'Specifying Component Details' in this chapter.

After the promotion is saved and authorized, it becomes available for association with finance accounts.

You can associate one or more promotions to a finance account in the 'Account Details' screen. The tenor details, holiday periods, UDEs and component details maintained for the promotion get defaulted to the account in the order of the priority level specified for the promotions. The promotion that has the highest priority level will be applied last.

For more details on associating promotions to a finance account, refer the 'Account Creation' chapter of this User Manual.

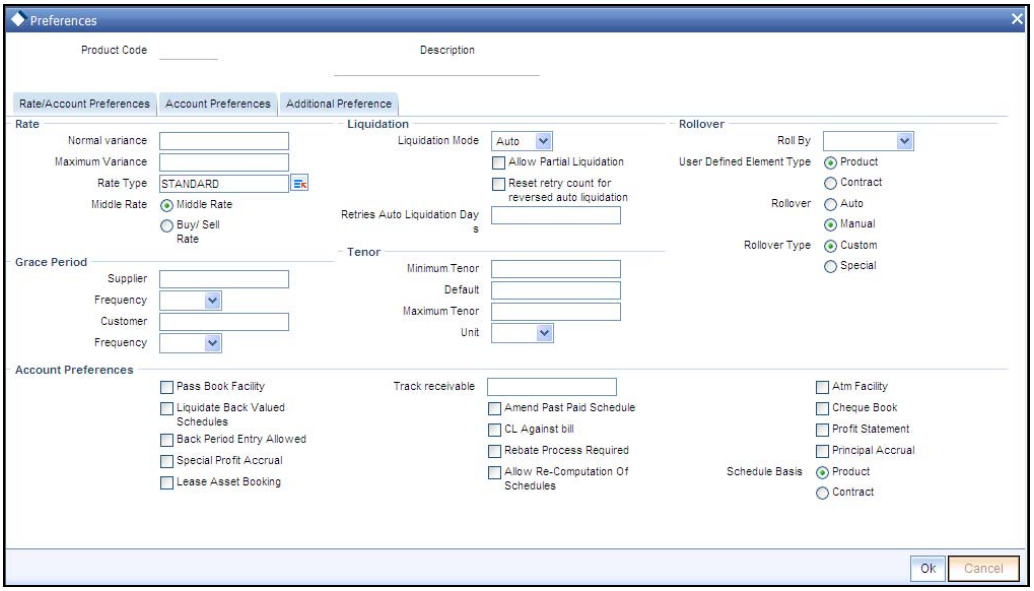
4.7 Creating products for Islamic Banking

The Islamic Financing module allows you to create special products for servicing finances as per the *Shariah*. You can create separate products each with a different type of profit and schedule computation.

4.7.1 Profit and schedule computation using a flat rate

In this case, the system will calculate the profit using the simple Flat rate method i.e. (Principal * Flat Profit % * Tenor). The EMI will then be computed as Repayment Amount/No. of Schedules.

4.7.1.1 Specifying product preferences



While specifying preferences for this product, you need to specify certain details as under:

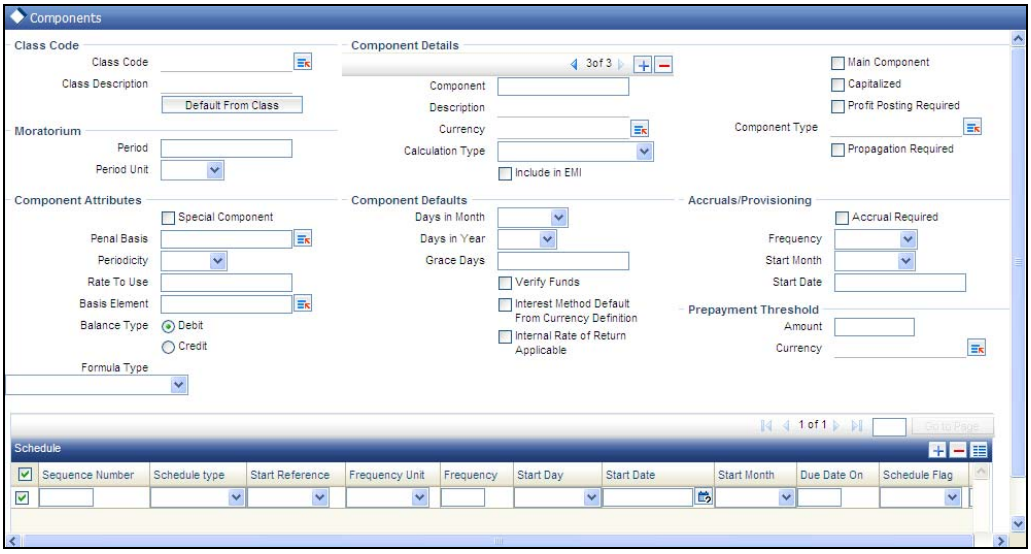
VAMI Action

Choose the option 'Installment Changes with Equal Profit'.

Prepayment Recomputation Basis

Choose the option **'**Advance Maturity with Equal Profit**'.**

4.7.1.2 Specifying component details



While specifying component details for this product, you need to specify certain details as under:

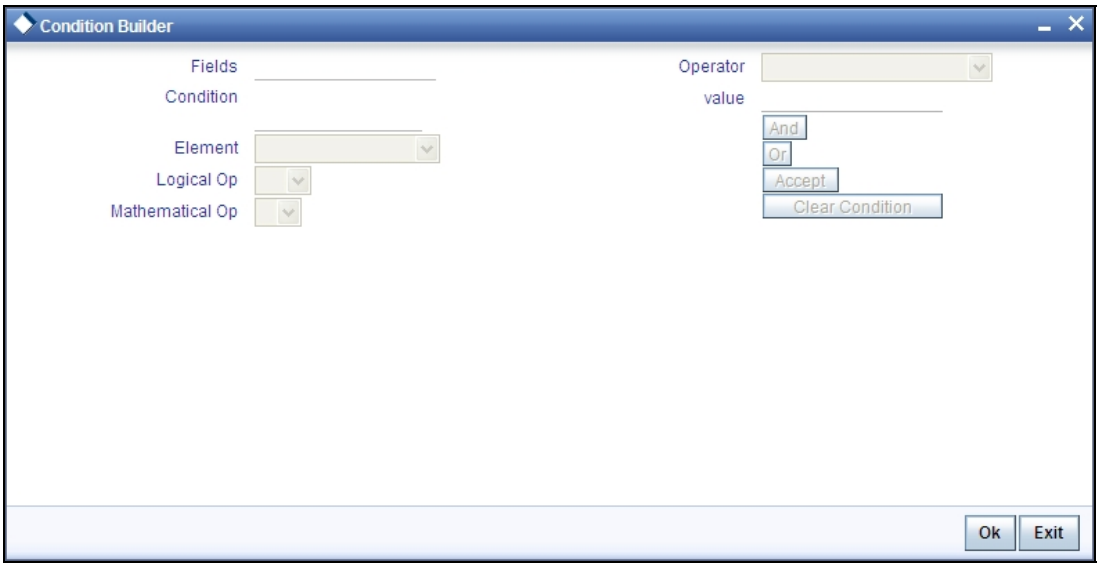
Formula Type

Select the option 'User Defined'

4.7.1.3 Creating the Booked Formula

You need to create the booked formula as given below:

@FLAT_RATE(AMOUNT_FINANCED - STAFF_FINANCED,
INTEREST_RATE,DAYS,NO_OF_RPMNT_SCHS,YEAR)

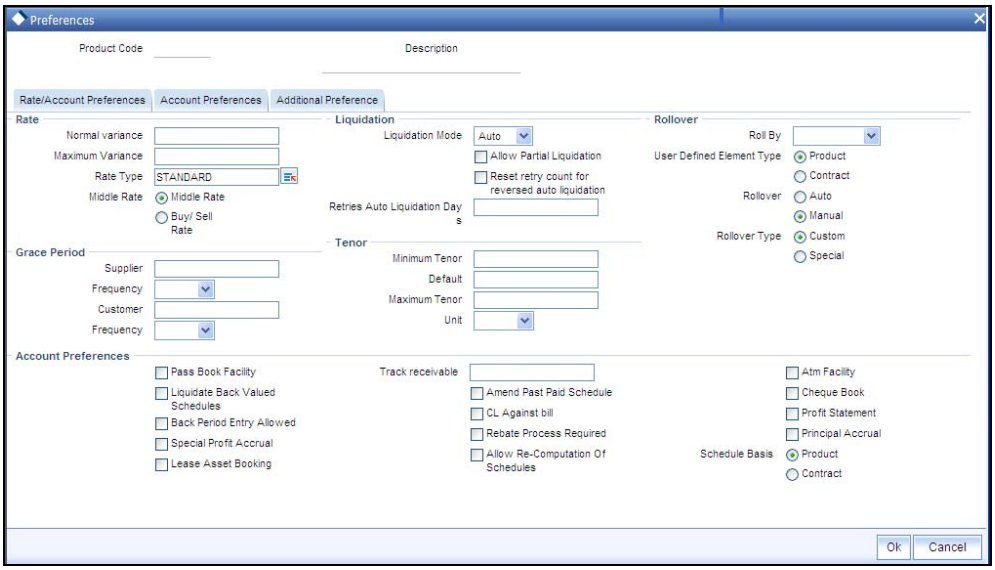


4.7.2 Profit and schedule computation using reducing balance with fixed principal

If you choose this option, the system will compute the profit and payment installment amount as under:

- The principal will be divided equally across the repayment frequency.
- The profit amount will be computed on the total outstanding principal for the first repayment schedule. From thereon, the outstanding principal will be reduced to the extent of payment made and profit will be computed on the remaining principal for the tenor.
- The yearly profit calculation will be done as total profit for the contract tenor/tenor (number of years).
- The installment amount will be computed as (total principal amount + total profit amount)/ number of payment schedules.

4.7.2.1 Specifying product preferences



While specifying preferences for this product, you need to specify certain details as under:

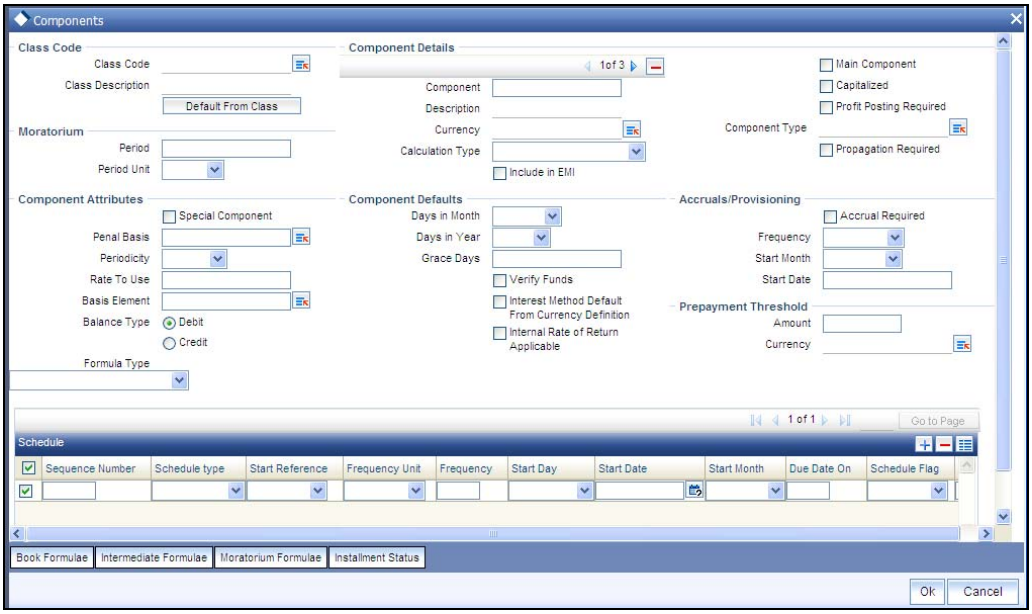
VAMI Action

Choose the option 'Installment Changes with Equal Profit'.

Prepayment – Recomputation Basis

Choose the option **'**Advance Maturity with Equal Profit**'.**

4.7.2.2 Specifying component details



While specifying profit component details for this product, you need to specify certain details as under:

Formula Type

Select the option ‘Simple’.

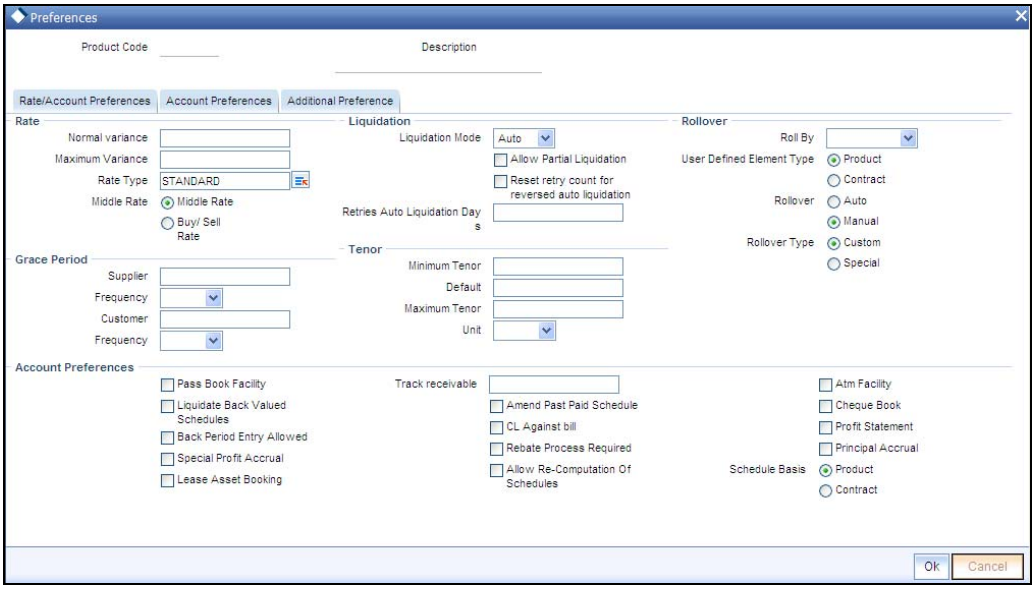
Equal Profit

Check this box.

4.7.3 Profit and schedule computation using reducing rate with fixed installment amount

If you choose this option, the system will compute the profit and payment installment amount as it would do for an amortized finance. Additionally, the system will also consider special type of components while computing profit for Customer grace period, Advance payment period etc.

4.7.3.1 Specifying product preferences



While specifying preferences for this product, you need to specify certain details as under:

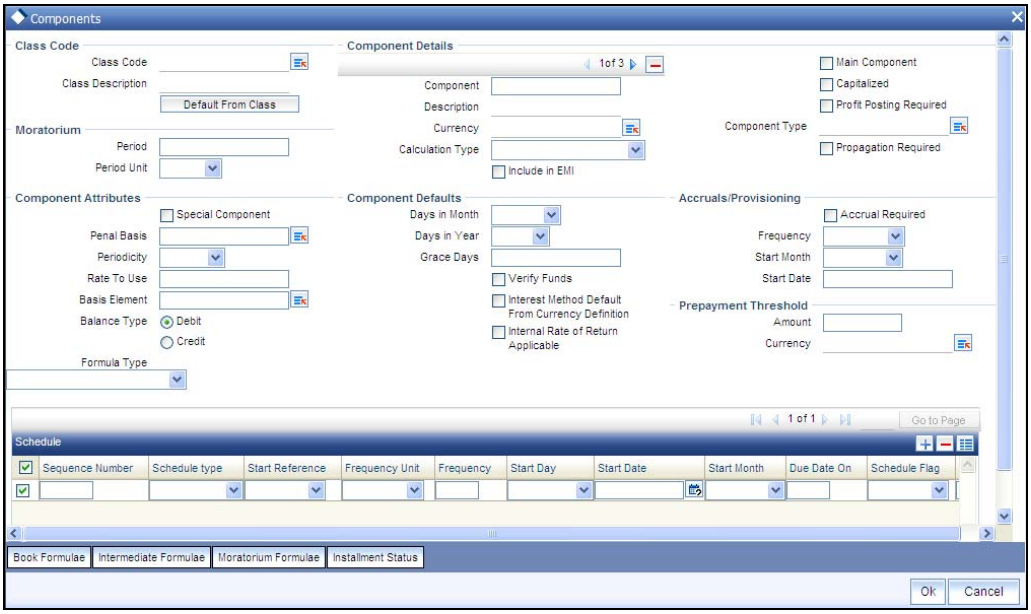
VAMI Action

Choose the option ‘Installment Changes with Equal Profit’.

Prepayment – Recomputation Basis

Choose the option **‘**Advance Maturity with Equal Profit’**.**

4.7.3.2 Specifying component details



While specifying profit component details for this product, you need to specify certain details as under:

Formula Type

Select the option 'Amortized Reducing'.

Refer the section 'Setting up a CL product' in this chapter for details on setting up a product.Annexure 1: Product Defaulting

4.8 Introduction

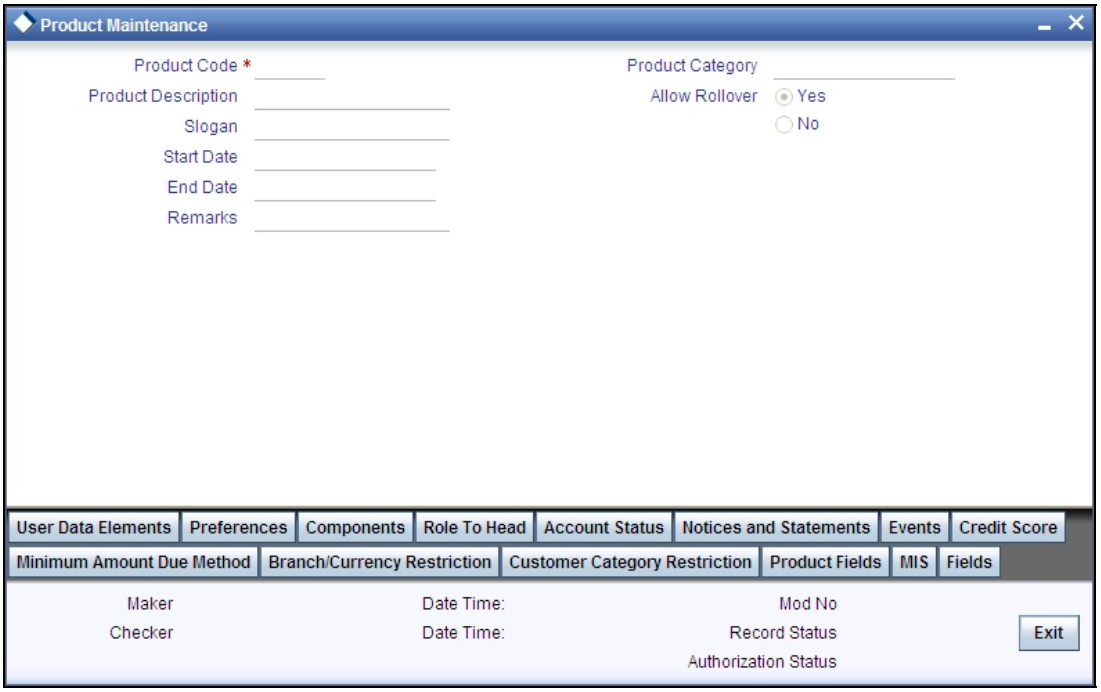
Whenever you create new product, the system will create a default product for the 'Product Code' and 'Product Category' entered. The preferences of the default product are provided in this section.

4.9 Product Creation

The values in the product screens along with the corresponding screen snapshot are provided for reference.

4.9.1 Main tab

After you select the ‘Product Code’, ‘Description’, and ‘Product Category’, click the ‘Default’ button. The screen appears as follows:



Default UDE

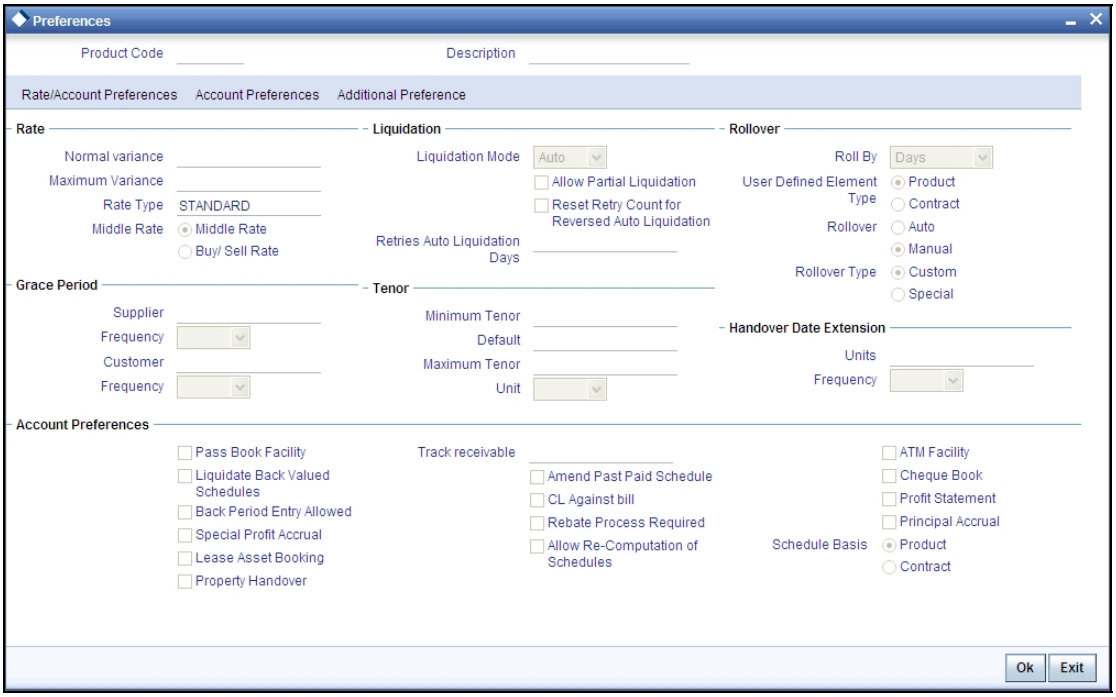
PROFIT_RATE

Default Components

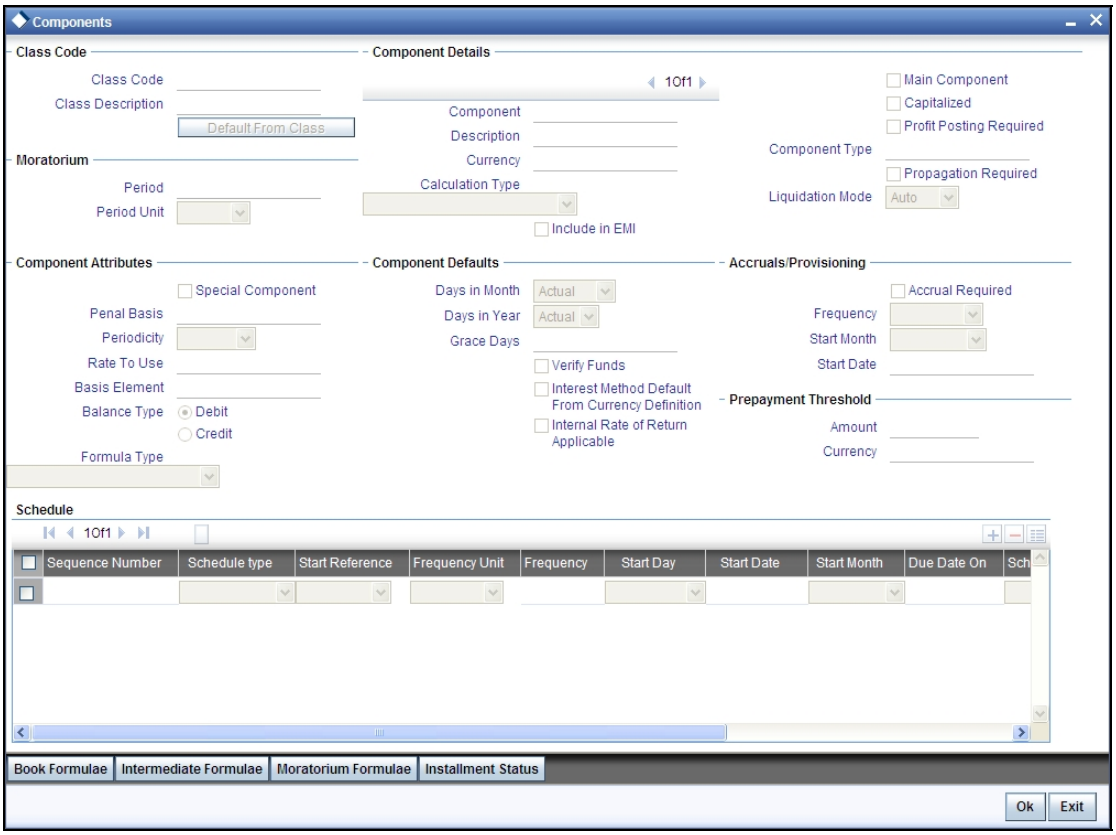
- PRINCIPAL
- MAIN_INT

4.9.2 Preferences tab

You can change the default preferences.



4.9.3 Components tab



The component ‘MAIN_INT’ will have the following details:

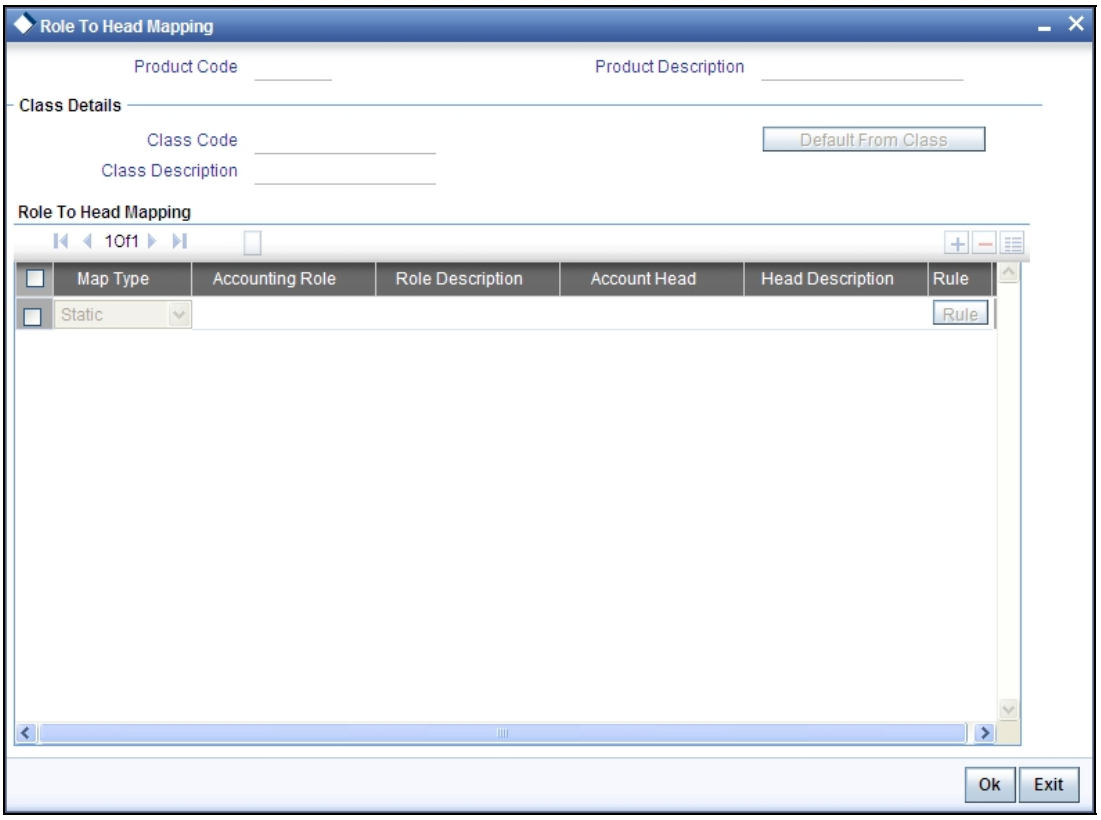
- Schedule Type: Payment which indicates profit payment
- Formula Type: Simple
- Basis Element: PRINCIPAL_EXPECTED
- Booked Formula: @SIMPLE(PRINCIPAL_EXPECTED,(PROFIT_RATE),DAYS,YEAR,COMPOUND_VALUE)

The component ‘PRINCIPAL’ will have default schedule types ‘Disbursement’ and ‘Payment’ and relevant details for these schedules.

4.9.4 Notices & Statement tab

No defaults.

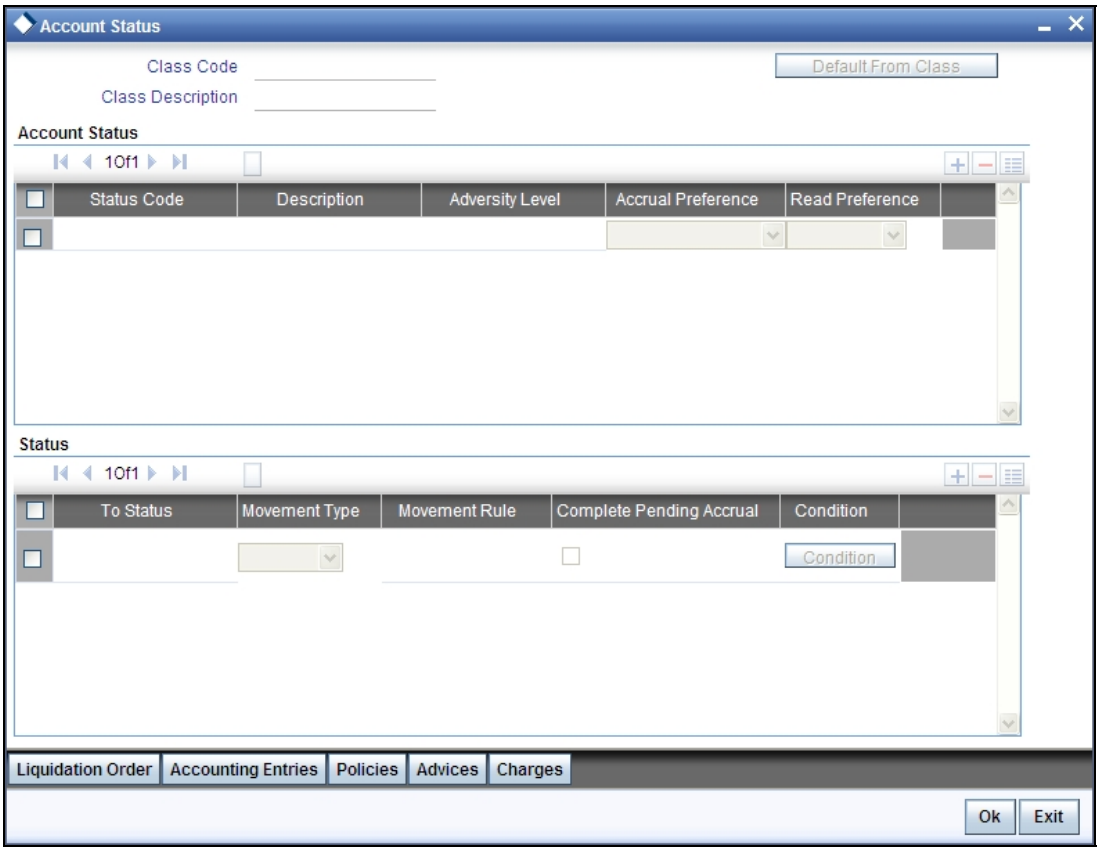
4.9.5 Role To Head tab



The Bridge GLs default from the Branch Parameters.

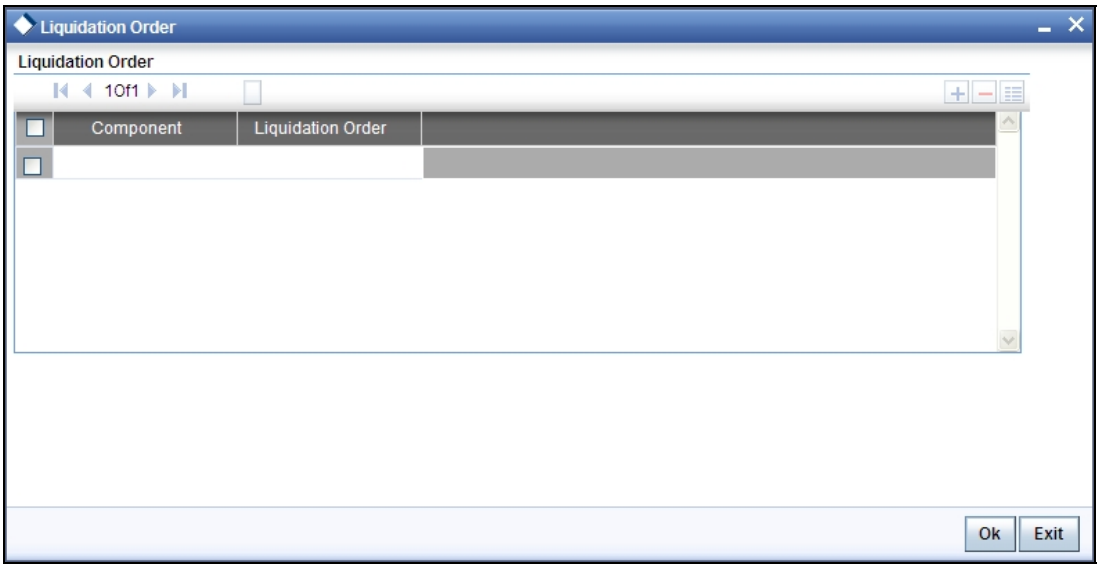
- Accounting Roles: The following roles are defaulted:
  - LOAN_ACCOUNT
  - DR_SETTL_BRIDGE
  - CR_SETTL_BRIDGE
  - MAIN_INTREC
  - MAIN_INTINC
  - MAIN_INTEXP
  - PRINCIPALEXP
  - SROL_SUSPENSE
- Map Type: Static

4.9.6 Account Status tab



The default status is ‘NORM’ which indicates the normal status. You can change the defaulted value and enter new status.

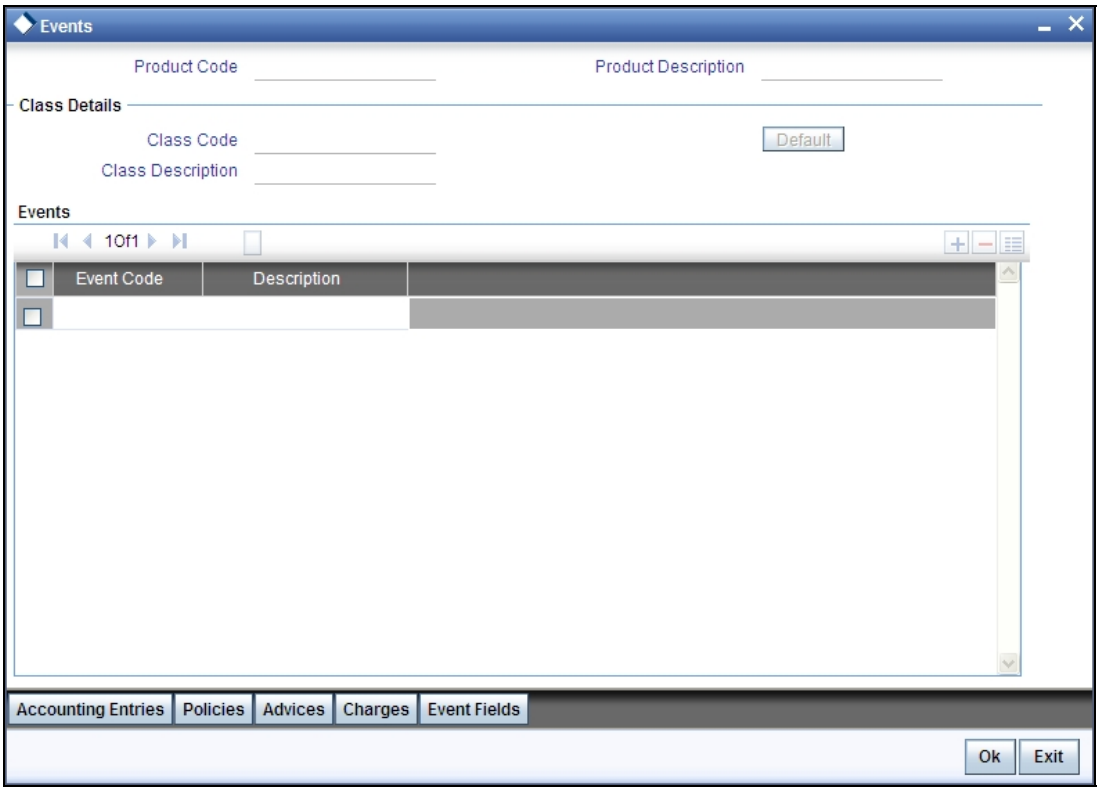
Liquidation order is in the order as displayed in the screen below:



Thus, the Profit will be liquidated first and the Principal next. If funds in the repayment account are not enough to liquidate the Principal, it will be left as outstanding. You can change the default order.

For new components, you should define the liquidation order explicitly.

4.9.7 Events tab



The default events and the corresponding accounting entries are given below:

Event: BOOK (Booking of Contract/Account)

No default accounting entries for this event

Event: INIT (Account/Contract Initiation)

No default accounting entries for this event

Event: DSBR (Disbursement)

The default entries are:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCIPAL	Debit
CR_SETTL_BRIDGE	PRINCIPAL	Credit

Event: ACCR (Accrual)

The default accounting entries for this event are:

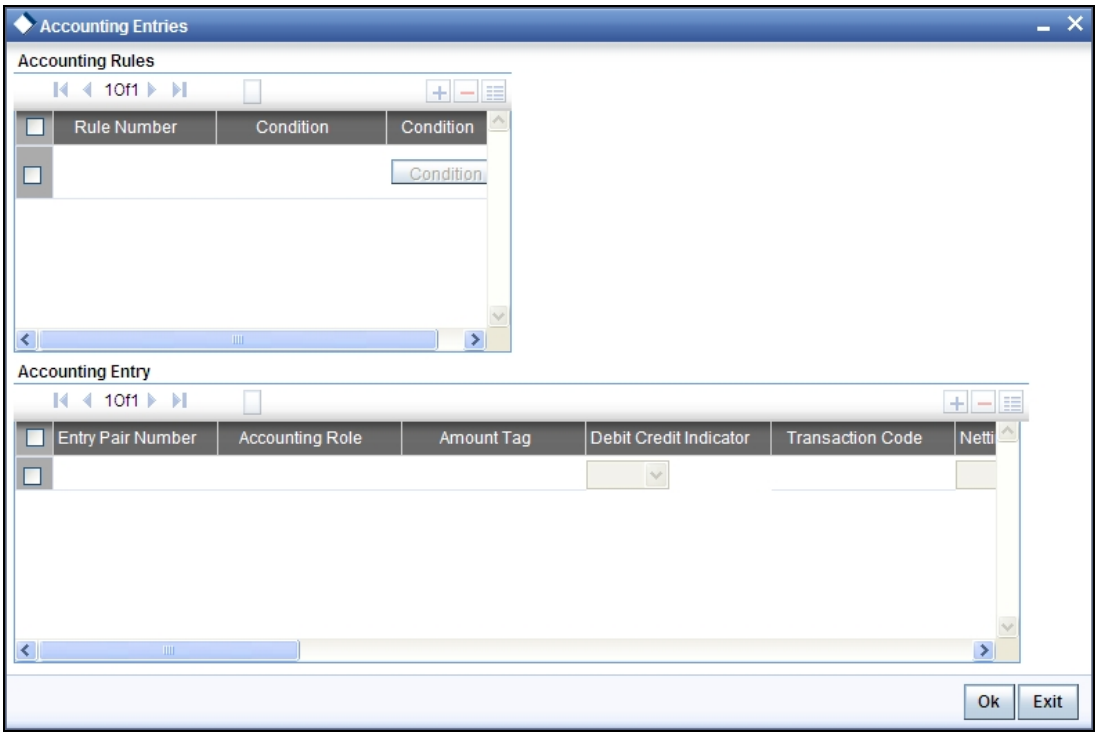
Account Role	Amount Tag	Dr/Cr
MAIN_INTREC	MAIN_INT_ACCR	Debit
MAIN_INTINC	MAIN_INT_ACCR	Credit

Event: ALIQ & MLIQ (Auto/Manual Liquidation)

These events will be fired where the default accounting entries would be:

Account Role	Amount Tag	Dr/Cr
DR_SETTL_BRIDGE	PRINCIPAL_LIQD	Debit
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credit
DR_SETTL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INTREC	MAIN_INT_LIQD	Credit
DR_SETTL_BRIDGE	MAIN_INT_ADJ	Debit
MAIN_INTINC	MAIN_INT_ADJ	Credit
PRINCIPALEXP	PRINCIPAL_WAVD	Debit
LOAN ACCOUNT	PRINCIPAL_WAVD	Credit
User To Fill	PRINCIPAL_CLIQ	Debit
User To Fill	PRINCIPAL_CLIQ	Credit
User To Fill	MAIN_INT_LIQD	Debit
User To Fill	MAIN_INT_LIQD	Credit

A snapshot of the screen is displayed:



Event: VAMB (Value Dated Amendment Booking)

No default accounting entries for this event.

Event: VAMI (Value Dated Amendment Initiation)

The Default Accounting Entries for this event:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCIPAL_INCR	Debit
CR_SETTL_BRIDGE	PRINCIPAL_INCR	Credit

Event: ROLL (Rollover of Contract/Account)

The default Accounting Entries for a Rollover are:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCIPAL_ROLL	Debit
CR_SETTL_BRIDGE	PRINCIPAL_ROLL	Credit
DR_SETTL_BRIDGE	PRINCIPAL_LIQD	Debit

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credit
DR_SETTL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INTREC	MAIN_INT_LIQD	Credit

Event: BADJ (Back Dated Adjustment)

The default Accounting Entries for this event are:

Account Role	Amount Tag	Dr/Cr
PRINCIPALREC	PRINCIPAL_DRAJ	Debit
PRINCIPALINC	PRINCIPAL_DRAJ	Credit
MAIN_INTREC	MAIN_INT_DRAJ	Debit
MAIN_INTINC	MAIN_INT_DRAJ	Credit
DR_SETTL_BRIDGE	PRINCIPAL_DRLQ	Debit
PRINCIPALINC	PRINCIPAL_DRLQ	Credit
DR_SETTL_BRIDGE	MAIN_INT_DRLQ	Debit
MAIN_INTINC	MAIN_INT_DRLQ	Credit
PRINCIPALINC	PRINCIPAL_CRAJ	Debit
PRINCIPALREC	PRINCIPAL_CRAJ	Credit
MAIN_INTINC	MAIN_INT_CRAJ	Debit
MAIN_INTREC	MAIN_INT_CRAJ	Credit
PRINCIPALINC	PRINCIPAL_CRLQ	Debit
CR_SETTL_BRIDGE	PRINCIPAL_CRLQ	Credit
MAIN_INTINC	MAIN_INT_CRLQ	Debit
CR_SETTL_BRIDGE	MAIN_INT_CRLQ	Credit

Event: ROLB (Rollover Booking)

The accounting entries are:

Account Role	Amount Tag	Dr/Cr

Account Role	Amount Tag	Dr/Cr
DR_SETTL_BRIDGE	SETTLE_AMOUNT_LIQD	Debit
ROLB_SUSPENSE	SETTLE_AMOUNT_LIQD	Credit
ROLB_SUSPENSE	SETTLE_AMOUNT_INCR	Debit
CR_SETTL_BRIDGE	SETTLE_AMOUNT_INCR	Credit

Event: SROL (Special Rollover)

The default accounting entries are:

Account Role	Amount Tag	Dr/Cr
DR_SETTL_BRIDGE	PRINCIPAL_LIQD	Debit
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credit
DR_SETTL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INT_REC	MAIN_INT_LIQD	Credit
SROL_SUSPENSE	PRINCIPAL_SROL	Debit
LOAN_ACCOUNT	PRINCIPAL_SROL	Credit
SROL_SUSPENSE	MAIN_INT_SROL	Debit
MAIN_INT_REC	MAIN_INT_SROL	Credit

Event: REOP (Reopen of a Finance Account)

The default accounting entries for REOP are:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCIPAL	Debit
SROL_SUSPENSE	PRINCIPAL	Credit
LOAN_ACCOUNT	PRINCIPAL_INCR	Debit
CR_SETTL_BRIDGE	PRINCIPAL_INCR	Credit

Event: RNOG (Renegotiation)

The default accounting entries for REOP are:

Account Role	Amount Tag	Dr/Cr
DR_SETTL_BRIDGE	PRINCIPAL_LIQD	Debit
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credit
DR_SETTL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INTREC	MAIN_INT_LIQD	Credit
SROL_SUSPENSE	PRINCIPAL_RNOG	Debit
LOAN_ACCOUNT	PRINCIPAL_RNOG	Credit
SROL_SUSPENSE	MAIN_INT_ RNOG	Debit
MAIN_INTREC	MAIN_INT_ RNOG	Credit

Event: NOVA (Novation)

The default accounting entries are:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	OUTSTANDING_BAL	Debit
LOAN_ACCOUNT	OUTSTANDING_BAL	Credit

Event: USGT (Un-Secured GL Transfer)

No default accounting entries for this event

Event: UIDB (Unearned Interest Booking)

Account Role	Amount Tag	Dr/Cr
COMPONENT_REC	COMPONENT_UINT	Debit
COMPONENT_UID	COMPONENT_UINT	Credit

Event: ACCR (Accrual Event Entries)

Account Role	Amount Tag	Dr/Cr
COMPONENT_UID	COMPONENT_ACCR	Debit
COMPONENT_INC	COMPONENT_ACCR	Credit

Event: MLIQ (Manual Liquidation Entries)

Account Role	Amount Tag	Dr/Cr
CUSTOMER A/C (DR_SETTL_BRIDGE)	COMPONENT_LIQD	Debit
COMPONENT_REC	COMPONENT_LIQD	Credit
COMPONENT_UID	COMPONENT_UINR	Debit
COMPONENT_REC	COMPONENT_UINR	Credit

For all accounting entries defaulted, you have to select the appropriate Transaction Codes.

4.9.8 Branch Currency Restriction tab

No defaults

4.9.9 Customer Category Restriction tab

No defaults

4.9.10 UDF Details tab

No defaults

5. Account Creation

5.1 Introduction

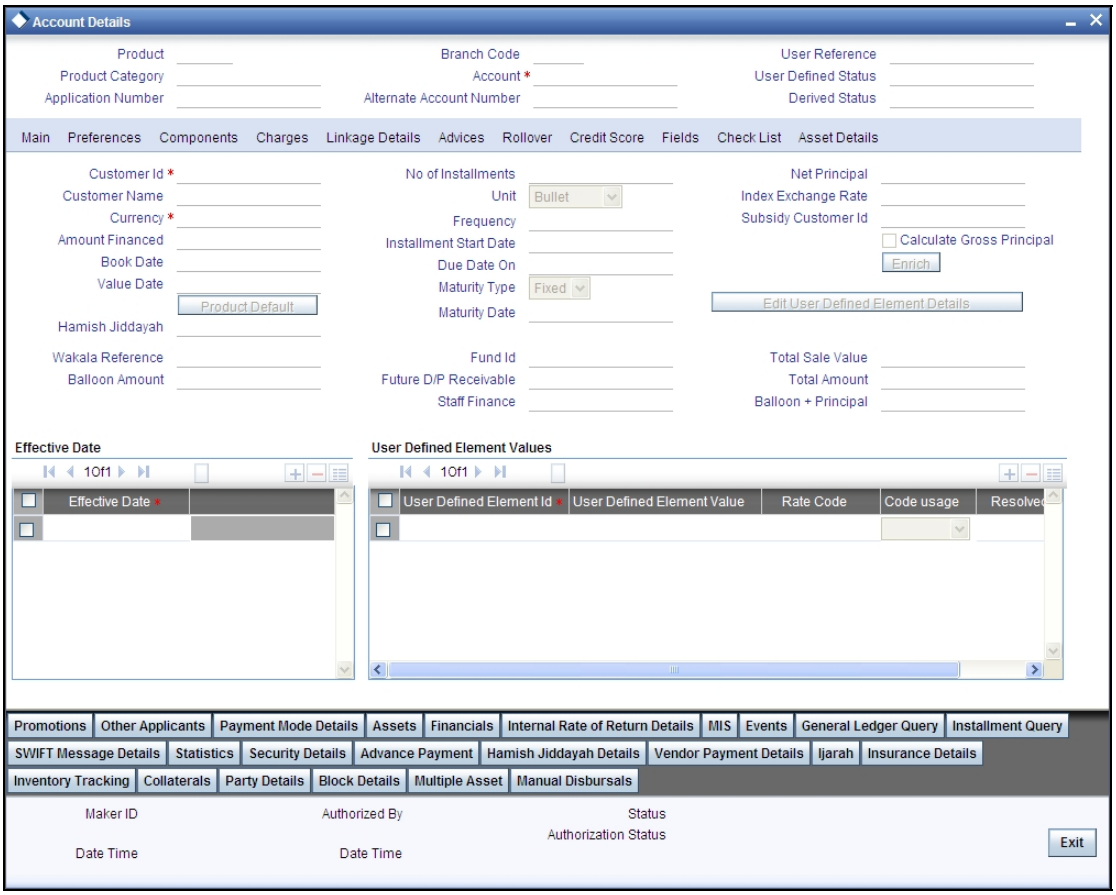
Finance Accounts in the Islamic Financing module represent the receivable accounts that you create while disbursing finance. These accounts derive their feature from the Finance Product. Finance Accounts are mapped to the Asset GL through the accounting Role LOAN_ACCOUNT. This role has to be mapped to the respective Asset GL of the Bank. You can override some product features at the account level.

The system allows you to do the following actions on the Finance accounts:

- Account Main Details Maintenance/Light Finances
- Liability details and UDE Values Maintenance
- Account Preferences/Defaults
- Account Component schedules
- Charges Maintenance and Settlement details
- Linkages Information
- Events, Events Due and Events Overdue

5.1.1 Account Main Details/Light Finances

The account screen accepts the Customer, Currency and Amount Financed and creates a Light Finance. This is a default Finance that takes all other details from the defaults the product provides. For creating simple accounts in the Islamic Financing module, you can follow this simple process. These Finances are called Light Finances in the Islamic Financing module. You can invoke the 'Islamic Account' screen by typing 'CIDACCNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following in the Account Details screen:

Product Code

Click on the option list to select a Product Code from the list of values. Double click on a Product Code to select a particular code. The product codes are maintained in the Product Definition screen.

Click ‘P’ button to populate the Product Category, Value Date, Maturity Date based on the Product Code selected, the main screen will display all these values.

Product Category

The system displays the product category in this field.

Application Number

The system displays the Application Number in this field.

This is applicable only if the origination of the finance is in Oracle FLEXCUBE or is interfaced.

Version Number

The system displays the current Version Number of the account. A new version number is created when changes like Roll over, Amendment are made to a finance.

Branch

The system displays the Branch Code of the branch into which the user has logged in, for which the UDE values are maintained.

Account Number

Based on the parameters that setup at the branch level, the account number would be either auto generated or would have to be captured in this field.

Contract Status

After you enter the account number, the system displays the status of the account in this field. This is based on the products status maintenance rules.

Alternate Account Number

Enter the alternate account number in this field. It can be an account number in the existing system from which the account has migrated to Oracle FLEXCUBE.

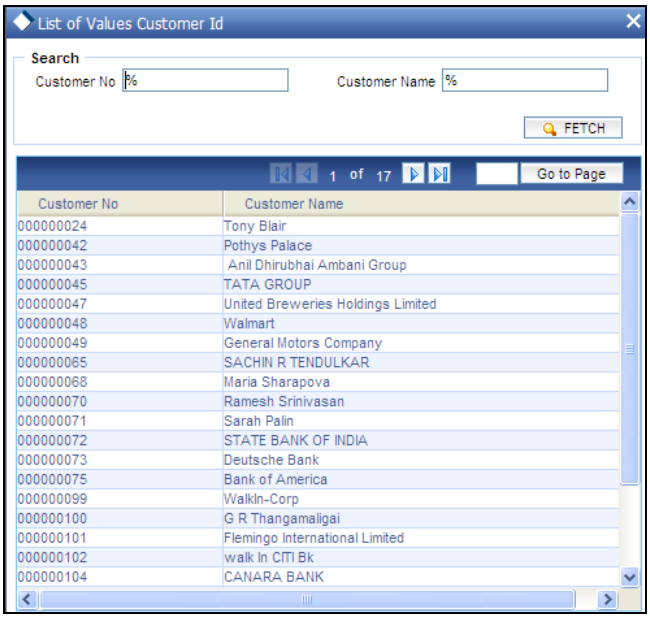
Total Sales Value

The system displays the total of principal and profit amount as of initiation date. If the box 'Recompute schedule on IRR' is checked in the 'Product Maintenance' screen for the linked product and balloon amount is provided, the system will compute this value as the sum of principal, normal profit, balloon principal and balloon profit.

5.1.2 Customer ID Query LoV

The Customer ID can be picked using a query type LoV as shown below. Enter the relevant search conditions and the satisfying set of records can be selected.

The Search Customer pattern can be provided in the main screen and this will be used along with other selections made in the query LoV screen.



You can specify the following Customer details:

Customer ID

To select a customer ID, click on the option list button. A new screen called Find Customer Details is displayed. You can enter search criteria in this screen. For example, you can enter the customer name or number and click on the “Search” button. The system then fetches you all the details corresponding to the Customer name or account. Once you find all the details, click on OK to return to the account details screen.

Fund ID

Specify the Fund Id here. Click on the option list and select the appropriate one from the list of valid Fund Ids. This field will be enabled only for fund branch.

The system populates the fund MIS details for a contract which is linked to the Fund ID.

Currency

To select a currency, click on the option list button. A list of currencies is displayed. Double click to select a currency.

5.1.2.1 Finance Contract Input against *Murabaha* Bills

When a finance is associated to a *Murabaha* bill you need to provide the bill details when you input a finance contract.

Bill Reference Number

Select the Bill reference number from the option list. The option list contains all active, authorized bill contracts that have not been linked to a finance, yet to be crystallized and have the crystallization type set as linked finance.

For such finance contracts, the counterparty is same as that of the bill. The value date of the finance is defaulted to the maturity date of the bill.

The finance amount is computed from the various amounts input in the crystallization preferences of the *Murabaha* bills contract. It is computed as the sum of the bill amount to be crystallized and the charge amount being transferred (if charges are not being liquidated as a part of the bill).

Once a finance is linked to the Bill, amendment of the crystallization parameters for the bill is not allowed. When the bill reference number is linked and the finance is saved, the BLNK event is triggered in the *Murabaha* bill.

Event reversals in Bills/Finances

For linked finances, reversal of specific events is allowed. As the finance comes into existence after the bill is liquidated, subsequently, it is similar to an independent finance contract. Then all events and event reversals allowed for a normal finance are allowed for the linked finance as well.

***Wakala* Reference Number**

Select the reference number of the from the option list. The option list contains all *Wakala* account numbers. The period of *Wakala* is from value date of *Wakala* account to value date of *Murabaha* account.

While booking the *Murabaha* account the system will calculate the profit amount for the *Wakala* period, which is linked with *Wakala* account.

5.1.2.2 Payment and Liquidation of Bills linked to finances

Partial payments of bills with linked finances, is allowed to the extent of the bill outstanding amount minus the amount of the finance.

Partial Liquidation of the bill from collaterals is allowed to the extent of the collateral available with the bill after reducing the collateral that has been earmarked to be used for liquidation during the crystallization.

Effective Date

You can specify the following detail here:

Effective Date

The effective date is used to pick the UDE value and apply it for the given period. The system displays this date from the General UDE maintenance screen.

For a product + currency combination, if the UDE values are not maintained for the effective date, then the system defaults '0'. You can edit it. You can maintain different effective dates for the same UDE with different values. For instance, you can give different effective dates for different rate types maintained for the moratorium UDE.

User Defined Element Values

The UDE values for each Account are maintained here. After clicking the 'Product Default' button, the UDE values default from the UDE values maintenance for the Product, Currency, effective dates combination. The system disables this section. These can be overridden by providing account level UDE values. For this, you need to click the 'Edit UDE Details' button. After changing the details, the system re-computes the schedules. On saving the contract, the system prompts the changed details.

However the UDE are only those defined at the product level. No new UDEs can be introduced at the account level.

The system checks whether the UDE values fall within the minimum and maximum limits specified for the UDEs linked to the product. If a UDE value falls outside the permissible limits, the system will throw an error message,

If there are no product level UDE values maintained, the system will default the UDE value to Zero. However, at the time of saving, if UDE values are zero or any invalid value, then an override will be raised with an appropriate error message. If required this can be configured as an error message. In case of an ERROR, you will have to give a valid value. While if it is an OVERRIDE, you can overlook the message and continue and if it is for an ONLINE AUTHORIZATION the parameter should be authorized appropriately.

You can specify the following details for the UDE values:

User Defined Element ID

To select a UDE Id, click the option list. A list of UDE Ids is displayed. Double click to select a UDE Id.

User Defined Element Values

Specify the Actual Value for the UDE based on the effective Date in this field. The value specified here should fall within the minimum and maximum limits maintained for the UDE linked to the underlying product.

Input to this field is mandatory if you maintain a UDE.

Rate Code

Select the code for the Floating Rates if any and the spread on it applicable in this field by clicking the option list. A list of values is displayed. Double click on a value to select it.

Code Usage

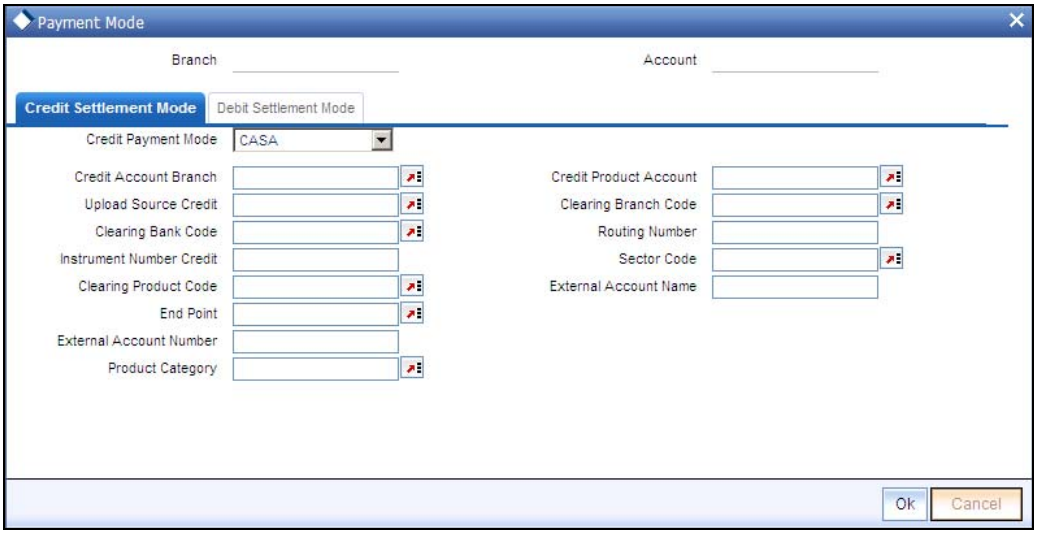
Select the Code usage which can be periodic or automatic in this field.

Resolved Value

This denotes the final value of a UDE. Resolved value = Rate code value taken from Floating Rate Maintenance + the spread [UDE Value]

5.1.2.3 Specifying the settlement mode

You can specify the mode of bill payment in Oracle FLEXCUBE. Click 'Payment Mode Details' button on the 'Account Details' screen and invoke the 'Settlement Details' screen.



Here, you can capture the following details.

Debit and Credit Payment Modes

Specify the mode of payment by which the account is debited and credited, in the respective fields. The option list provides the following values:

- CASA
- Credit Card
- Clearing
- Debit Card
- External Account
- Electronic pay order
- GIRO
- Internal Cheque
- Instrument
- Cash/Teller

The system will allow you to specify the settlement details only if you have checked the option ‘Allow Corporate Access’ in the ‘Branch Parameters – Detail View’ screen. If you have not checked this option, the system will default the values as maintained in the fund branch account. You will not be allowed to modify this.

Debit and Credit product account

Enter the Product / Account to be used for Debit/Credit payments in this field.

Debit and Credit account branch

Click option list to choose the details of the branch where the Dr account resides. A list of values is displayed. Double click on a value to select it.

Click on option list to choose the mode of payment by which the account is credited. The list of values includes a list of values which includes CASA, Cash/Teller, Instrument, External Account, and Clearing.

Amount Financed

Specify the total principal amount of the finance.

If Calculate Gross Principle is checked, then the amount financed is the gross principal.

Net Principal

The Net Principal is the actual principal amount financed. It is system calculated and excludes any other funded components.

Value Date

Enter the Value date of the finance in this field using the date button.

Maturity Date

Enter the maturity date in this field.

If you are not sure of the maturity date, enter the tenor of the finance in either days or months or years as say 3M for 3 Months etc. The system automatically calculates the date after you press the ‘Enter’ button.

Maturity Type

Select the Fixed or Call option to specify the type of finance maturity.

The system by default selects the option Fixed. For the Call option, the maturity date will not be computed upfront.

If you choose the ‘Call’ option, IRR processing will not be applicable to the account.

Index Exch Rate

Enter the exchange rate for index currency in this field.

Hamish Jiddayah

In this field, enter the finance amount paid by the customer upfront– Owners contribution. In case of *Ijarah* contracts, for a financial lease the down payment will be considered entirely towards the principal. In case of an operational lease the entire down payment will be considered as income. Note that the down payment amount cannot be amended after authorization.

Future D/P Receivable

Your customer need not pay the entire down payment amount in a single installment. The customer can pay it in parts. In such cases, you can specify the amount to be received in the future from the customer. The aggregate of down payments received and ‘Future D/P Receivable’ should be equal to the ‘Down Payment’ amount.

For eg: Suppose the down payment is 10000 BHD, down payment received is 8000 BHD and future down payment is 2000 BHD, then Disbursement event will be triggered.

Amount specified in this field cannot exceed the total down payment amount for the contract. This field should be operationally controlled, because the system does not track the ‘Future D/P Receivable’ amount which is received from the customer.

Total Amount

Specify the sum of amount financed and down payment.

Balloon Amount

Specify the amount that is being paid as balloon payment. This value cannot exceed the principal amount of the finance. You will be allowed to specify this value only if the following conditions are met:

- Contract is linked to a *Murabaha* product
- The box ‘Balloon Required’ is checked in the ‘Product Maintenance’ screen for the linked product.
- The box ‘Recompute schedule on IRR’ is checked in the ‘Product Maintenance’ screen for the linked product.

Bank Share%

The system displays the percentage of principal amount that is contributed by the bank. The value automatically increases or decreases based on principal increase or principal payment.

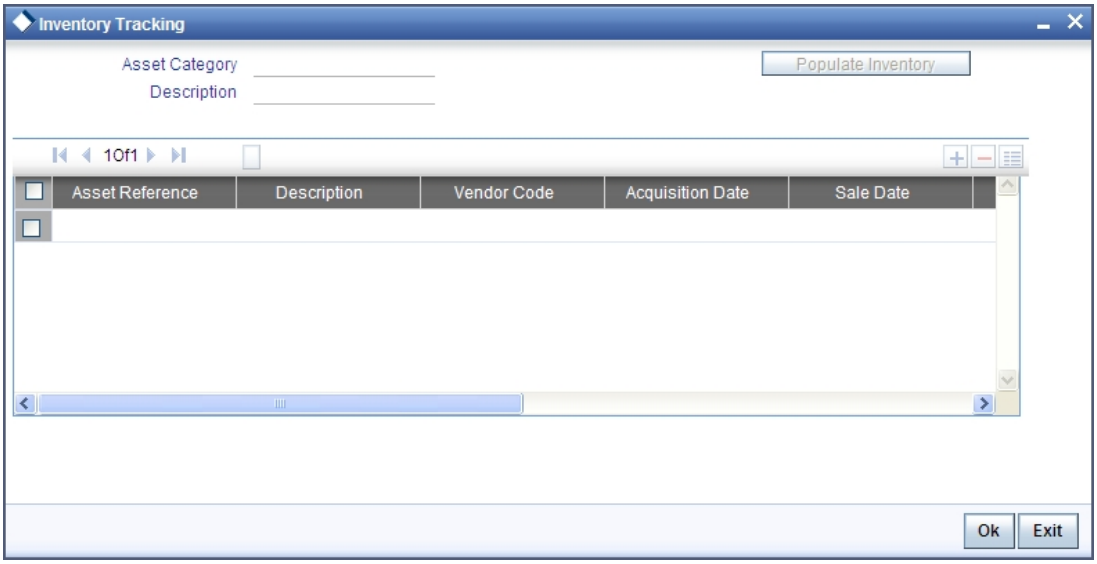
Customer Share%

The system displays the percentage of principal amount that is contributed by the customer based on the downpayment,

The system will modify the bank's share and customer's share percentages if there is any principal increase or principal payment.However the same will be reset to previous values, on reversal of payment.

5.1.2.4 Details of Inventory

Click 'Inventory Tracking' button in the 'Account Details - Main' screen to invoke 'Inventory Tracking Details' screen. This button will be enabled only if the 'Use Inventory' option is selected at the product level.



The following details can be entered in this screen:

Asset Category

Specify the category of the asset from the option list. The option list contains all asset categories where 'Use Inventory' option is checked. Click 'Populate Inventory' button to populate all authorized inventory contracts.

Asset Cost

The system displays asset costs from the inventory contracts.

Quantity

The system displays asset quantity from the inventory contracts.

Unit Price

The system displays unit price from the inventory contracts.

Number Units Required

Specify the number of units required for the inventory contracts. However it depends on available quantity. The number of units required should be less than or equal to available quantity.

Total Cost

The system displays the total cost for each inventory based on the number of units required.

5.1.2.5 Details of Insurance

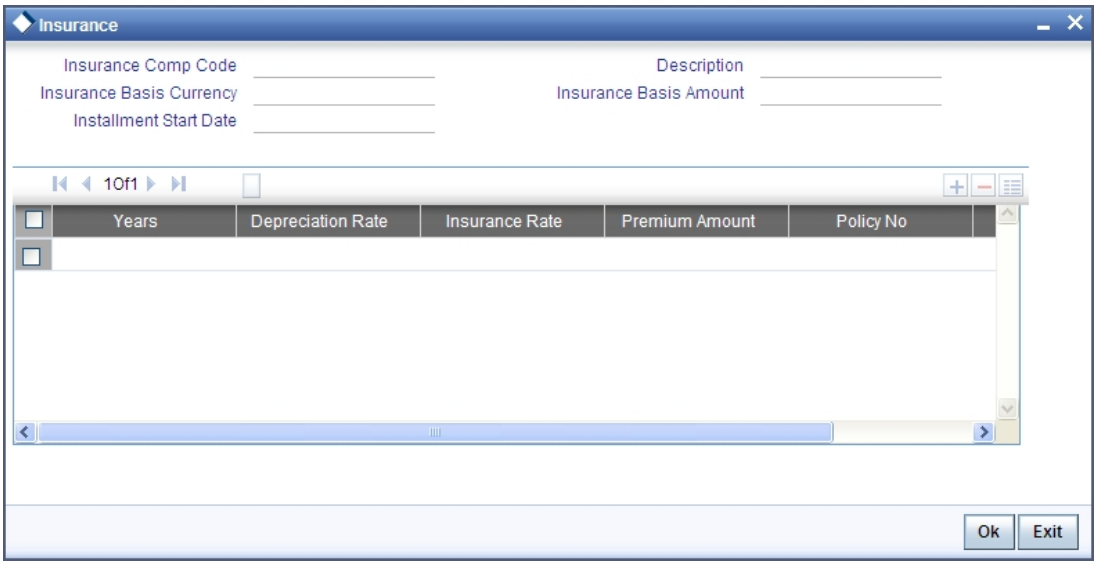
Insurance Required

Check this box to indicate that the insurance is applicable for the account. This value will be defaulted from the product.

Insurance Company

Here you can specify the insurance company.

Click ‘Ins’ button in the ‘Account Details - Main’ screen to invoke ‘Insurance Details’ screen.



The following details can be captured in this screen:

Insurance Company

Here the system displays the insurance company.

Basis Amount

Specify the initial asset cost without considering the depreciation on which insurance amount to be calculated. This will defaults to the asset cost. This can be modified during the account input.

Basis Amount Currency

Here the system displays the account currency.

Insurance Start Date

The start date of the insurance policy is displayed here.

5.1.2.6 Insurance Details

Years

Specify the year for which depreciation and insurance rates are being defined. This is populated from the product till the end of the maturity year of an account.

Depreciation Rate

Specify the depreciation rate applicable during the tenor of the finance. These are defaulted from the product and this can be modified during the booking of an account.

Insurance Rate

Specify the insurance rates applicable during the tenor of the finance. Once the insurance rate is defined for the first year the same is defaulted to the other years and you can change the insurance rate for any year during the booking of an account.

Premium Amount

The system displays the premium amount based on the policy chosen.

Policy Number

Specify the insurance policy number.

Expiry Date

The system computes the expiry date of the policy as 'Policy Start Date + 1 year' and displays the date here.

Note the following:

- The 'Ins' button is enabled only if the 'Insurance Required' check box is selected.
- The depreciation rates and insurance rates can be entered only during the new account input. You cannot enter or modify during the amendment.

- In case of pre-closure of loan, post automatic renewal of policy, the system will display a configurable override and not post the following entries:
  - refund entries (for the ADCH Event)
  - INSURANCE_REC adjustment entries

5.1.2.7 Over draft Details

OD Branch

The branch where the chosen overdraft account is maintained, is displayed here.

Overdraft Account

Specify the overdraft account that should be linked to the *Murabaha* account if the option 'Existing OD Account' is selected. You can select the appropriate one from the adjoining option list. This list displays all accounts under the account class linked to the *Murabaha* product.

OD Rebate Rate

Specify the rebate rate that should be applied to the account.

Rate Code

If the rebate rate is specified as floating, specify the rate code that should be used. If rate code is linked, the system treats the value in rebate rate as spread.

Existing OD Account

Check this option to indicate that an existing overdraft account should be linked to the *Murabaha* account.

The calculation of rebate amount on the unutilized portion is handled using Profit and Charges processing as follows:

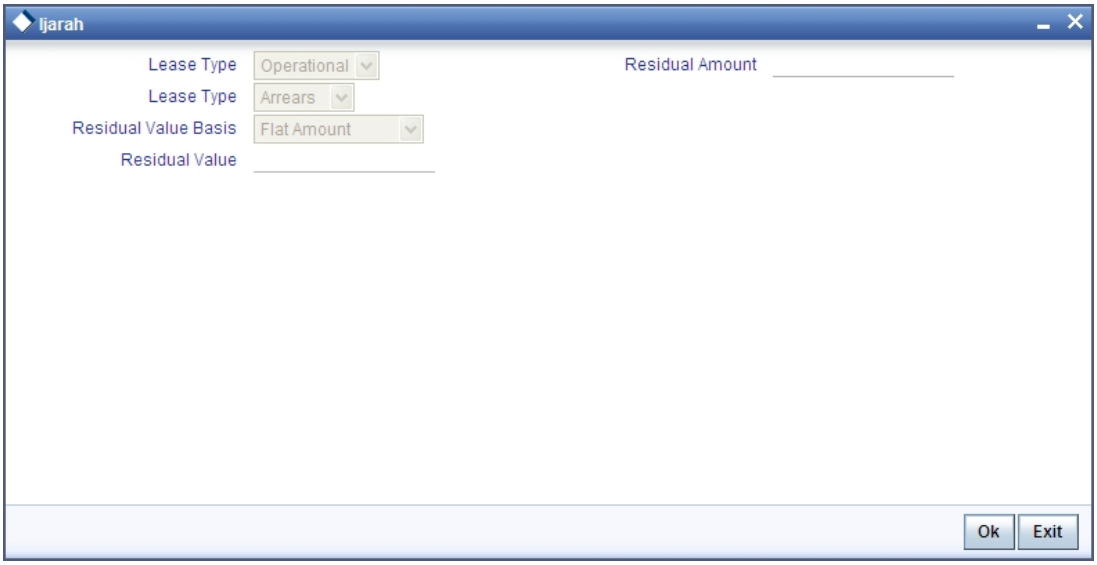
The rebate amount is calculated using the following formula

(OD_BAL_TOD_LIMIT * OD_REBATE_RATE * DAYS) / (YEAR * 100)

The rebate is calculated based on the rate to be applied to the OD account.

5.1.3 Details of Ijarah

Click 'Ijarah' button to capture lease related details.



You can specify the following details:

Dealer

Select one of the valid customers from the option list. Here the dealer settlement account which has to be credited with the lease amount should be maintained as the credit settlement account for the principal component.

Asset Cost

Specify the market price at which the asset has been acquired. Except for the residual amount calculation, there is no processing based on the asset cost. You cannot modify this field.

Residual Value Basis

You can select one of the below options which indicates the basis on which the residual amount has to be calculated:

- A percentage of Asset cost
- A percentage of Amount Financed
- Flat amount

Residual Value

Here you can enter the percentage or flat amount for the residual amount.

Residual Amount

Here the system displays the calculated residual amount and this should be less than the 'Amount Financed'.

On liquidation, this amount will be treated as Principal and Profit.

If a residual amount exists for the finance, then it would be the last schedule of the account with the due date as the maximum date supported. The components will be 'PRINCIPAL' and 'PROFIT'. The residual amount in case of payment in advance includes the profit. For an Operational Lease this amount will be considered fully towards the profit. For a financial lease if the payment mode is 'In Arrears' then the residual amount will be considered fully towards the principal.

Lease Type

Here you can select the type of lease from options given below:

- Financial Lease (F)
- Operational Lease (O)

Lease Payment Mode

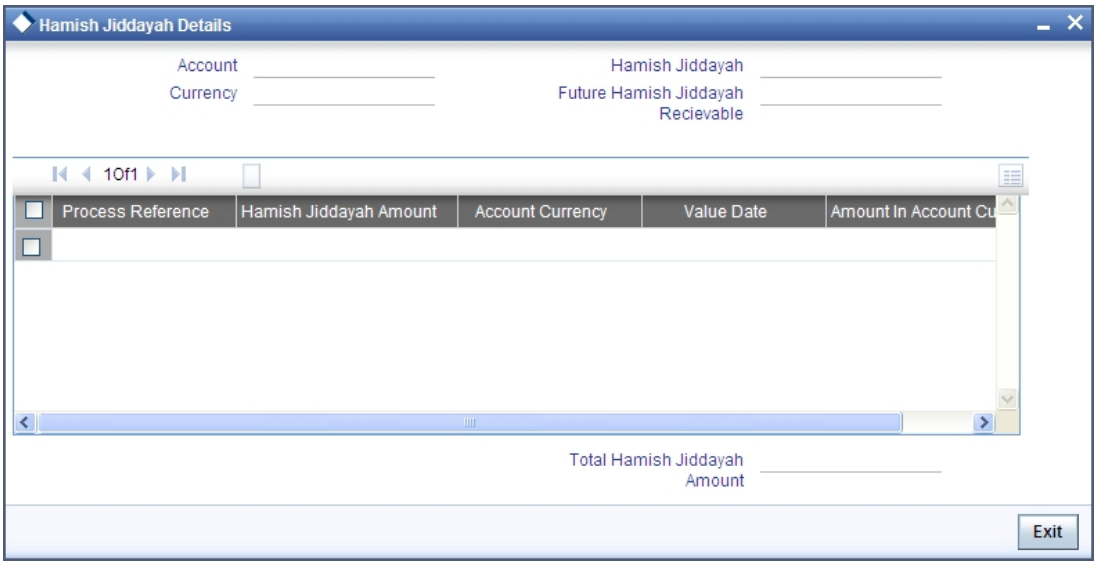
Here you can select the type of payment mode from options given below:

- Payment in Arrears (R) – In this case the payment is done at the end of the schedule. The formula type 'Amort-Payment in Arrears' is maintained to calculate the EMI amount.

- Payment in Advance (A) – In this case payment is done at the beginning of the schedule. The amortization schedules will start from the value date onwards. The First EMI which falls on the account value date is liquidated automatically, this is allowed only if the asset tracking is not required. The formula type 'Amort-Payment in Advance' is maintained to calculate the EMI amount.

5.1.4 Capturing Hamish Jiddayah Details

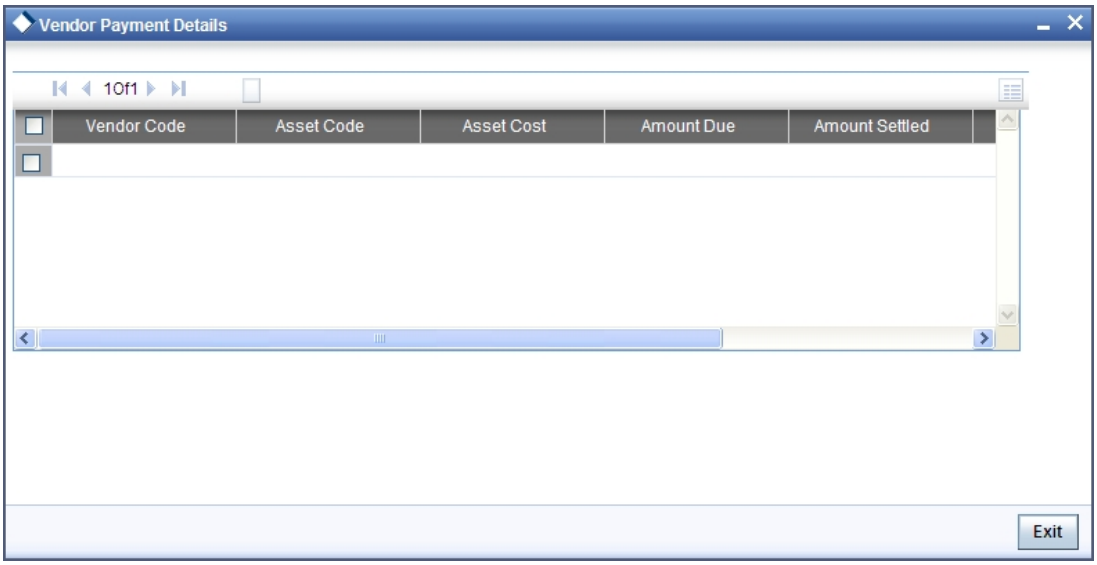
Using this screen, the system captures details of all down payments received against an account. Click ‘Hamish Jiddayah Details’ button in the ‘Account Details - Main’ to invoke ’Hamish Jiddayah Details’ screen. You cannot modify it.



On reversing an account, the system will not reverse the already received down payments.

5.1.5 Capturing the Vendor Payment Details

You can view the vendor payment details at the contract level by clicking ‘Vendor Payment Details’ button in the ‘Account Details - Main’ screen to invoke ’Vendor Payment Details’ screen. You cannot modify it.



For more details about vendor payments, refer the ‘Processing Vendor Payments’ chapter in this User Manual.

5.1.5.1 Default of the Basic Account Details

Once you finish entering all the values, check ‘Cancel’ button. On clicking this button, the basic account details from the Finance Product gets defaulted. Also, the ‘Account Number’ and ‘Version Number’ are created and the ‘Alternate Account Number’ gets defaulted as the ‘Account Number’. This is the Light Finance and can be saved as such or after making changes.

You have to first check this button and then save the details. After you have checked it, you can make further changes only from the Account details. This also holds good only till the first authorization. Any changes can be made only through Amendment operations.

5.1.5.2 Account Statistics

Once you select a Account Number, the system displays the current status of the account in terms of the outstanding principle, the Component Name, the Amount Overdue and the Date since when the amount had been overdue in this field.

5.1.5.3 Account Status Details

The Account creation and change updates the audit trail. In these details, the Account status is also displayed. An Account can be active or uninitiated. Once it is active, it can be reversed, deleted or liquidated based on the operations on it. This is displayed on the screen.

The Account details include the book date, the value date, the maturity date, and down payment amount of the Finance account. In case of Rolled over finances, the original start date is also stored. The details of the liability parties to the account are maintained. The Main Customer and description are displayed. Also other applicants of a finance such as Co-signers, Guarantors etc can be captured. These details of the co applicants, their responsibility as a Cosigner, guarantor etc, and the contribution of the co applicants to the Finance are provided here.

The UDE values for each Account are maintained here. The UDE values default from the UDE values maintenance for the Product, Currency, effective dates combination. These can be overridden by providing account level UDE values. However the UDE are only those defined at the product level.

If there are no product level UDE values maintained, the system will default the UDE value to Zero. However, at the time of saving, if UDE values are zero or any invalid value, then an override will be raised with an appropriate error message. If required this can be configured as an error message. In case of an ERROR, you will have to give a valid value. While if it is an OVERRIDE, you can overlook the message and continue and if it is for an ONLINE AUTHORIZATION the parameter should be authorized appropriately.

You can specify the following details:

Amount Financed

The Amount to be financed will default from the Main screen. If it needs to be changed, enter the new amount that is financed for the finance in this field.

Currency

The Finance Currency defaults from the Main screen. If you want to change it, select the currency by clicking on the option list. A list of currencies is displayed. Click on a value to select it.

Book Date

In this field, the current date when the finance details were entered is defaulted and cannot be modified.

Value Date

The Finance value date from the main screen will be defaulted. To change this, enter the Value date of the finance in this field i.e., enter the Finance initiation date.

Maturity Date

The Finance maturity date from the main screen will be defaulted. To change it, enter the scheduled Maturity date of the finance. The tenor can also be entered to compute the Finance Maturity Date.

Original Start Date

Enter the original start date of the finance in this field. This will be defaulted to the Finance Value date at the time of Finance creation.

For rolled over contract, the system populates the new start date in the Value Date field and this field remains unchanged and will hold the original start date.

Original Construction Date

Capture the original construction date.

Construction End Date

Capture the construction end date. The nominal disbursement schedule end date should not be greater than construction end date. Principal disbursements should not happen beyond this date.

Property Handover

Check the box to indicate that property handover period is allowed for the *Ijarah* account. In case you don't check this box even post the handover date, the system will automatically move the handover date based on the product level extension preferences. Holidays will be ignored while deriving the new handover date.

Handover Date

Specify the date on which the property is scheduled to be handed over. This date should be greater than the construction end date.

If there is no payment schedule on this date, the system will display an error message while saving the account.

Re-Schedule Amortization on Final disbursement

By default, this field displays the value maintained in the 'Re-Schedule Amortization on Final disbursement' field in the 'Consumer Lending Product' screen. You will not be able to modify this field after the first authorization of the account.

In auto disbursement, the amortization schedule start date will be last disbursement date.

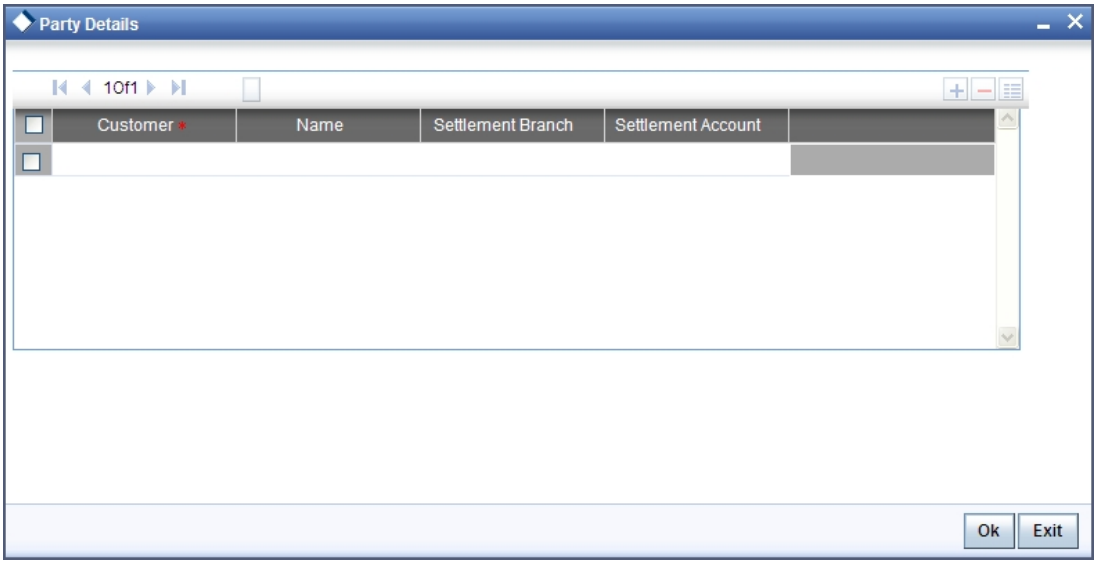
Net Principal

The Net Principal is the actual principal amount financed. It is system calculated and excludes any other funded components. Maintaining the Applicant information.

Allow Multi Party

If you select this option, the system will allow you to capture of contractor details. This is applicable for *Istisna* Accounts only.

You can capture the contractor details by clicking 'Party Details' button in the 'Account Details' screen to invoke the 'Party Details' screen. It will show the contractor details.



You can enter the following details:

CIF

Specify the CIF id of the contractors from the option list.

Settlement Branch

Specify the branch of the bank from the option list, in which the settlement is going to take place.

Settlement Account

Specify the account of the contractor from the option list, through which the settlement is going to take place.

5.1.5.4 Details of the primary applicants

You can maintain the following details of the Primary applicants:

Customer ID

This detail is defaulted from the main screen. Enter the Customer ID of the primary applicant in this field.

Customer Name

After you enter the Customer ID, the system displays the Name of the primary applicant in this field.

5.1.5.5 Details of the Amount Blocked

Oracle FLEXCUBE repays loan from multiple accounts. In Oracle FLEXCUBE, the loan settlement account is the primary account and all the other accounts linked to the primary account in the structure group act as cover accounts. While paying the settlement if the primary account has insufficient amount, the system will check the cover accounts for the remaining amount according to the preference.

In case of single account structure, the primary account will have only one cover account and the cover account will have only one primary account for making the account structure free of duplicate accounts. Every account has its own account structure. While closing an account under an account structure, you need to remove that account from the account structure manually else the system will not allow the closure of the account. If you want to amend an account structure, the system will check whether any amount block is open on the account structure. If any amount block is opened, then the system will throw an error. You can also configure the error code.

Amount Blocked

Check this box to indicate whether any amount block has to be created on the settlement account during the disbursement of the finance.

Amount

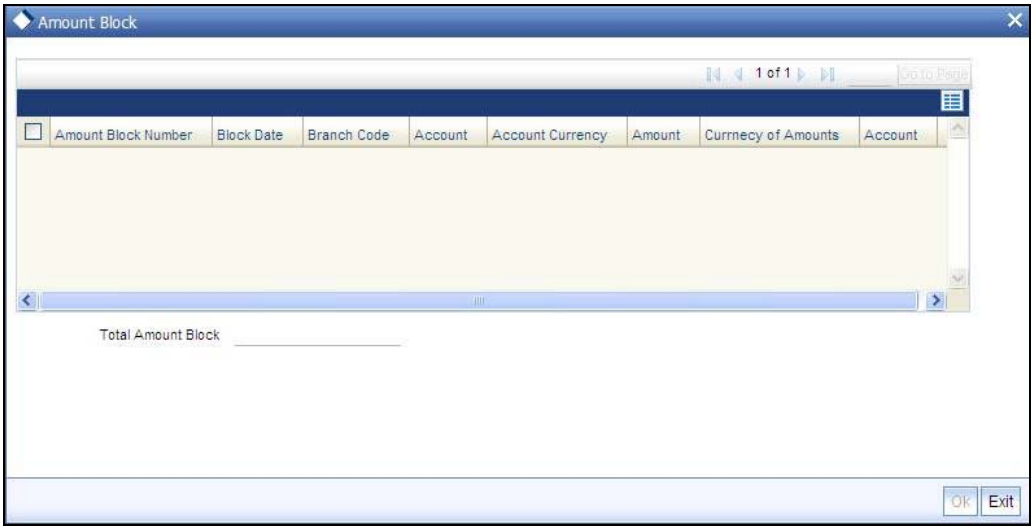
Here you can specify the amount that needs to be automatically blocked.

Remarks

Specify the remarks for the amount blocked. This can be modified.

For further details on amount block, please refer to 'Capturing Escrow Transfer Details' section in the 'Maintaining Customer Accounts' chapter if CASA User Manual

Click 'Block Details' button in the 'Account Details' screen to invoke the 'Amount Block Details' screen. It will show the list of amount blocks created for the account during disbursement.



Sequence Number

Here the system displays a unique serial number for the amount block.

Date

Here the system displays the date on which the amount block is created.

Acc Branch

Here the Branch in which the account is used for amount block is indicated.

Account Number

In this field the system displays the account in which the block is created.

Account Ccy

In this field the system display the currency of the account.

Amount

Here the system displays the amount that is blocked.

Amount Currency

Here the system displays the Account currency.

The 'Block Details' button will be disabled during the new account input.

The following validations have to be done:

- The amount for blocking should be less than or equal to the finance principal amount in the account details.
- The amount block details can be inputted, only if the credit settlement mode for the component 'PRINCIPAL' is CASA in the manual disbursement.
- Amount block details are allowed to enter only during the new account creation and when Amount Blocked is checked.
- Amount block details are allowed to modify only before first authorization of an account.

5.1.5.6 Details of Other Applicants

The details of the liability parties to the account are maintained in this field. Other Applicants of a finance include Co-signers and Guarantors.

You can specify the following details of the Co-applicants:

Customer ID

To select the customer ID of the co-applicant, click on the option list. A list of customer IDs is displayed. Select the customer ID of the co-applicant.

Customer Name

After you enter the name of the Customer, the system displays the name of the customer in this field.

Responsibility

In this field, you can select the details of the co-applicants and their responsibility as a Co-signer or as a guarantor from the option list. You can enter the details like the guarantor, co-signer, main addressee, advice notice receiver, and borrower etc., who is relevant to a joint account relationship. During initiation of the account, the primary customer is defaulted to 'Borrower' with 100% Liability and value date as the effective date. Your are allowed to maintain multiple applicants (customer id) for a finance with the same responsibility (Borrower).

While there is no processing impact, the difference will become important when the original debtor is absconding and the finance is unpaid etc.

Liability %

In this field, you can enter the contribution of the co-applicants to the Finance. You can specify the Liability of the co-applicant if any, in case of a Finance default. You can also specify the percentage of profit split among different co-applicants. It is not made mandatory to maintain 'Liability %' for the responsibility 'Borrower'. There could be borrowers with 0% liability.

The sum of 'Liability %' for all the customers of a finance to be equal to 100%

Liability Amount

The system calculates and displays the upper limit of the liability in terms of the amount in this field. You may override the computed value.

Effective Date

This field is used to capture the date from which the % profit split among co-applicants of the finance will be taken into consideration. During the initiation of the finance, the value date of the finance will be defaulted as the effective date. During VAMI, the same effective date will be retained, you can however edit it.

The effective date can not be a date prior to the finance initiation date. It is also necessary that there is one record for the initiation date. The effective date for all the applicants is the same.

5.1.5.7 Holiday Periods

Ignore holidays

If you select this option, then while processing schedules, the system does not check if a schedule falls on a holiday.

By default, the system selects this option.

Cascade Schedules

If you select this option, then when a particular schedule falls due on a holiday and it is moved to the next or previous working day based on the module level branch parameters, the movement cascades to other schedules too. If not, then only the affected schedule will be moved to the working day and other schedules will be unaffected.

By default, the system selects this option.

Move across Month Allowed

If you select this option, the system allows you to move a schedule/value date etc falling on a holiday to the next / prior working day, which falls in a different month.

By default, the system selects this option.

If Ignore Holidays is False and If Move Across Months is also false, then the system will have an inconsistency and so it will not consider the holidays.

Move across month – Forward /Backward

If you select the option 'Move across month' this option specifies if the movement can be forward or backward.

By default, the system selects this option.

5.1.5.8 Maintaining the UDE values

The system displays the UDE values from that of the UDE values maintenance screen. These values can be overridden by providing account level UDE values. However, the value can be maintained only for those UDEs defined at the product level. No New UDEs can be introduced at the account level.

You can specify the following details for the UDE values:

Effective Date

The effective date is used to pick the UDE value. The system displays this date from the General UDE maintenance screen.

For a product + currency combination, if the UDE values are not maintained for the effective date, then the system defaults “0” which the user can then edit.

UDE ID

To select a UDE Id, click on the option list. A list of UDE Ids is displayed. Double click to select a UDE Id.

UDE Value

Enter the Actual Value for the UDE based on the effective Date in this field.

Mandatory if a UDE is maintained.

Rate Code

Select the code for the Floating Rates if any and the spread on it applicable in this field by clicking on the option list button. A list of values is displayed. Double click on a value to select it.

Code Usage

Enter the Code usage which can be periodic or automatic in this field.

Customer A/C After: Days

Specify the days after which system should check the guarantor’s account for funds, in case funds are insufficient in the customer’s other accounts too.

5.1.5.9 Intermediary Details

You can capture the Intermediary Details at the loan account level to keep track of the accounts created through Intermediaries. Islamic account details screen allows linking of multiple intermediaries to a single loan. In case of multiple intermediaries, you need to maintain the applicable intermediary percentage against the loan.

Intermediary Initiated

Check this box to indicate that the loan has been initiated by an intermediary.

Intermediary Code

If you have checked the box 'Intermediary Initiated', you need to specify the code of the intermediary who has initiated the loan. The adjoining list of values displays all valid and active intermediary codes maintained in the system. You can select the appropriate one. Using this option you can link multiple intermediaries along with the respective percentage for the individual intermediary against the loan amount.

Intermediary Name

The system defaults the name after code and ratio is entered.

Intermediary Ratio

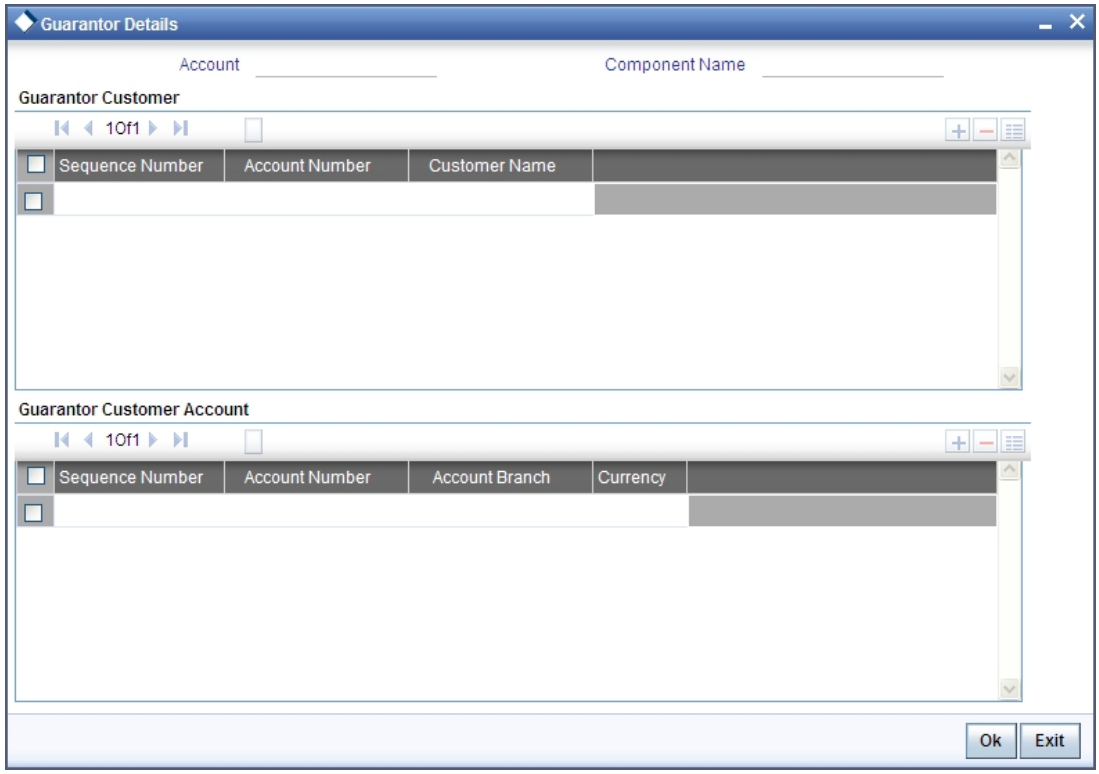
Specify the ratio of individual intermediary contribution against the loan amount.

Sum of intermediary's ratio need not be equal to 100.

5.1.5.10 Guarantor Account Details

While booking an account, you can capture the guarantor's accounts along with the default settlement account. In case of insufficient funds in the default settlement account during any liquidation event, the system will utilize funds from the customer's current or savings account. If funds are still insufficient, the system will look into the guarantor's accounts instead. You can have multiple guarantors for an account. The system will check for funds in all the accounts of one guarantor and go to the other only if the schedule is not liquidated fully.

You can capture the guarantor and guarantor account details in the ‘Guarantor Details’ screen. To invoke this screen, you need to click ’Guarantor’ button in the ‘Account Details – Component’ screen.



5.1.5.11 Guarantor CIFs

Seq No

This is a display only field. It will indicate the order in which the guarantors will be considered for settlement, until the full settlement amount gets covered by the funds available. This means that the system will check for funds availability in all the Current and Savings accounts belonging to a CIF and then move to the next CIF only if the required amount is not achieved.

Customer No

You can select the guarantor’s CIF from the option list. This list displays all valid and authorized CIF ids whose status is ‘Normal’.

Customer Name

Here the name of the customer is displayed based on the CIF id chosen.

5.1.5.12 Guarantor Accounts

Here you need to specify details of the guarantor accounts that have to be considered for settlement. These accounts will be considered only if the schedule amount has not been covered by the funds available across all current and savings accounts belonging to the guarantor CIF specified in the above section.

Seq No

This is a display only field. It will indicate the order in which the guarantor's accounts will be considered for settlement, until the full settlement amount gets covered by the funds available.

Branch

The system displays the branch in which the chosen account resides.

Account No.

Here you can specify the account number that should be considered as the guarantor account for settlement. You can select the account number from the option list which will display all open Current and Savings Accounts.

This account will be debited if the other accounts belonging to guarantor CIF ids are not able to meet the required amount.

Advice generation for guarantor's accounts, if debited, will be processed following split settlements process.

CCY

This is a display only field. The guarantor account currency will be defaulted here.

Customer No

Based on the account chosen, the guarantor's CIF is displayed here.

If the option 'Verify Funds' for the component is selected, the system will first check the default settlement account for availability of funds. In case of insufficient funds, system will liquidate the schedule amount to the extent of available funds in the default settlement account. For the remaining amount, the system will look for funds in the customer's current/savings accounts after the days specified in the 'Customer CIF A/C After: Days' field in the 'Product Maintenance – Preferences' screen. The system will first scan the customer's current accounts followed by the customer's savings accounts for the availability of funds. If sufficient funds are available, the required amount will be liquidated.

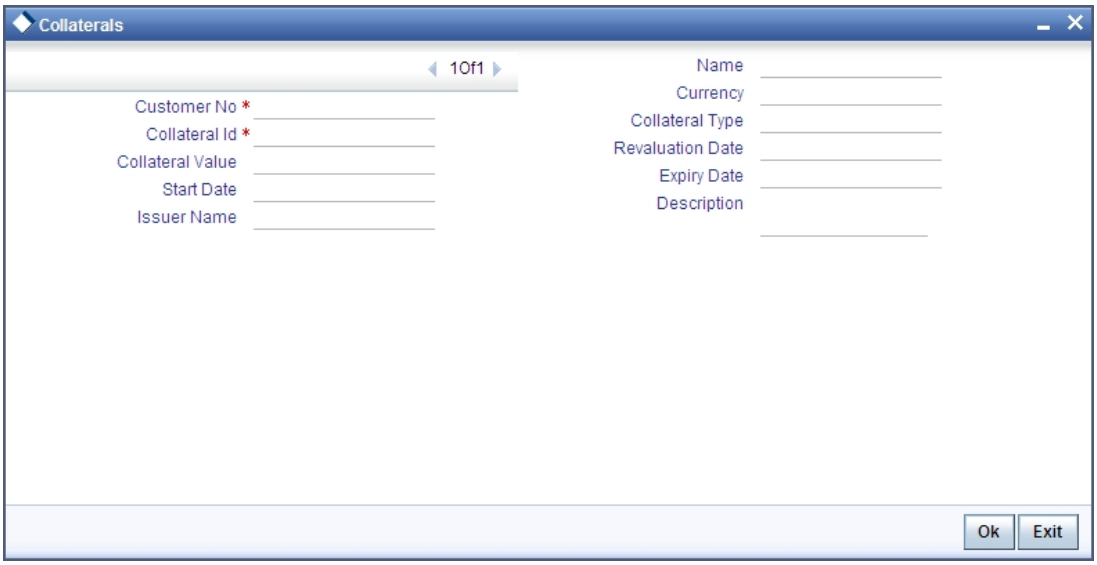
However, if funds are insufficient in the customer's accounts, then after the days specified in the 'Guarantor CIF A/C After: Days' field in the 'Product Maintenance – Preferences' screen, the system will first scan the guarantor's current accounts followed by the guarantor's savings accounts for the availability of funds. The system will look up the relevant accounts based on the maintenance in the 'Guarantor Details' screen. For a guarantor CIF, if there are no accounts maintained in the 'Guarantor Details' screen, then system will process all the current and savings account of the guarantor CIF randomly.

The batch processing will continue following the same pattern if funds are not available at primary settlement account level on the next day too.

If the option 'Verify Funds' for the component is not selected, the system will utilize funds only from the default settlement account and will not consider customer accounts or the guarantor CIF's current and savings accounts.

5.1.5.13 Collateral Details

You can capture details of collaterals associated with the account using the 'Collateral Details' screen. Click 'Collateral' button in the 'Account Details – Account Details' screen to invoke this screen.



Here you can capture the following details:

CIF

Specify the customer ID for which you wish to capture collateral details. The adjoining option list displays all open and authorized CIF maintained in the system. You can select the appropriate one.

Name

The system displays the name of the customer based on the CIF ID selected.

Collateral ID

Specify a unique code to identify the collateral. The code can be alphanumeric and can have upto 16 characters.

Currency

Specify the currency of the collateral. The adjoining option list displays all valid currency codes maintained in the system. You can select the appropriate one.

Value

Specify the value of the collateral.

Type

Specify the type to which the collateral belongs. The adjoining option list displays all types maintained using the 'Types' screen. You can select the appropriate one.

Start Date

Specify the start date of the collateral.

Revision Date

Specify the revision date for the collateral.

Expiry Date

Specify the expiry date for the collateral.

Issuer Name

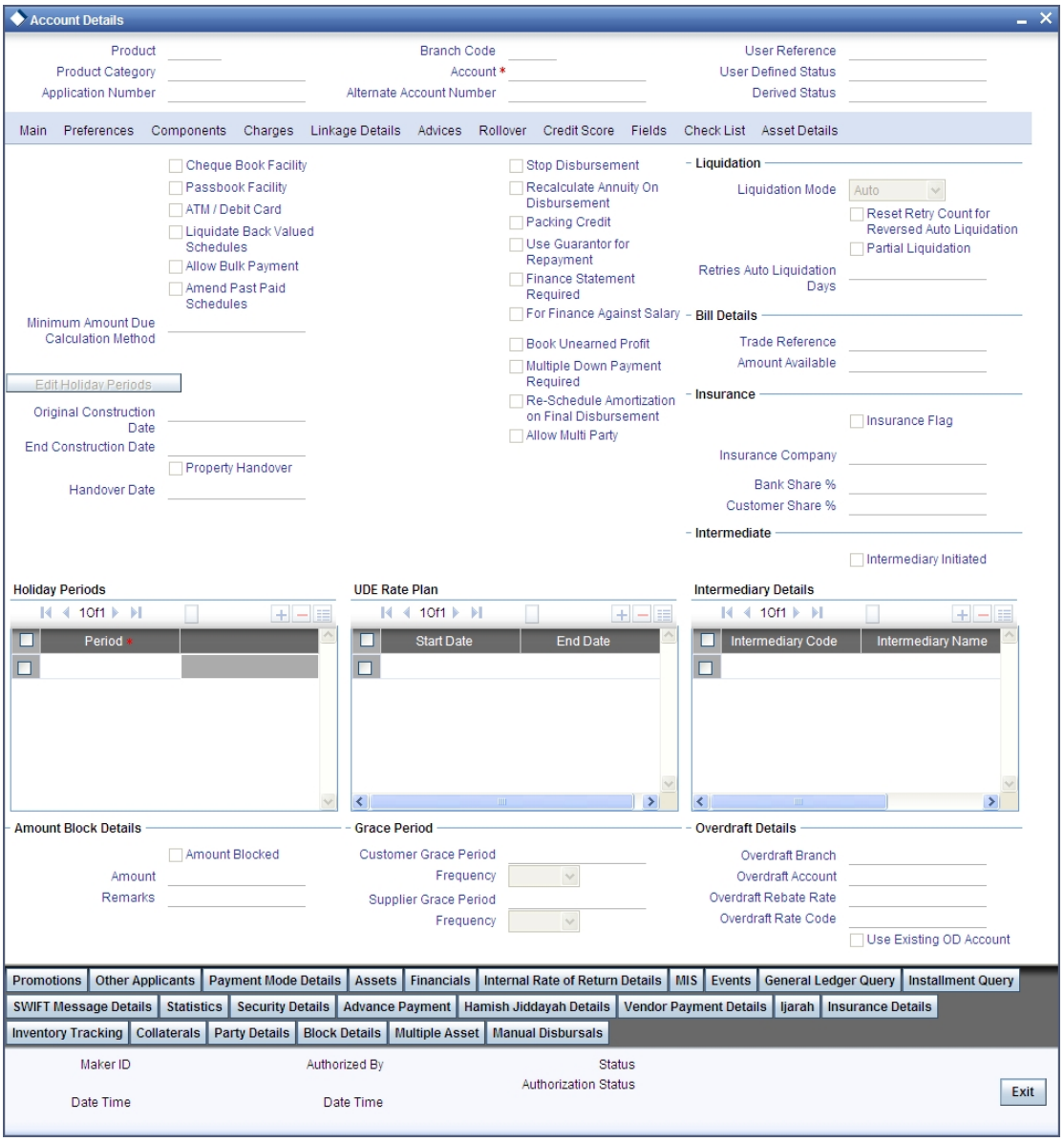
Specify the name of the issuer of the collateral.

Description

Here you can capture additional details for collateral.

5.1.6 Preferences Tab

The defaults are maintained by the bank. Depending upon the combination of various preferences, the bank can have various account preferences. The defaults primarily are based on product definition and can be overridden.



5.1.6.1 Account Preferences

Check Book Facility

If you select this option, Checks or coupon books (for disbursement) can be written against the Finance account.

Atm Facility

If you select this option, you can access the finance account through ATM operations.

Passbook Facility

If you select this option, you can get a Passbook issued to the finance account holder and the passbook operations such as Updating are available for the account.

Amend Past Paid Schedule

This preference determines if you can modify any feature such as profit rate, installment amount which affects already paid schedules. If you select this is option then the paid schedules are recalculated and liquidations on them are recognized as pending as appropriate.

Liquidate Back Valued Sch

While making payments to several schedules that are overdue, you can maintain a default Order upon which all components of a schedule are cleared.

Liquidate Residual Value

If you select this option, the residual amount automatically liquidated with the last EMI schedule.

5.1.6.2 Specifying Grace period

Supplier

The system displays the supplier grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and explode the schedules from the 'Components' tab. The modified schedules will be displayed after explode.

Customer

The system displays customer grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and explode the schedules from the 'Components' tab. The modified schedules will be displayed after explode.

Note the following:

- The grace period and frequency will be disabled for the copy operation
- The grace period and frequency can be kept blank, if you do not want to have the grace period

5.1.6.3 Liquidation Preferences

You can maintain the following liquidation preferences:

Liquidation Mode

The system defaults the mode of liquidation from the product level. However you can modify the same to indicate the mode of liquidation that you are maintaining. You can select one of the following options:

- Manual
- Auto
- Component

Partial Liquidation

If you select this option, system will perform partial auto liquidation.

Auto Liqd Reversed Pmt

If auto liquidation has been reversed in an account, it will be retried depending upon the status of this field. If this option is selected, then the auto liquidation is retried.

Retries for auto Liq

When auto liquidation option is chosen and funds are not available, the number of times the system can retry auto liquidation is determined by this field.

If blank, the number of retries is infinite.

5.1.6.4 Profit Sharing Details

For *Mudaraba* accounts, you can capture profit sharing details between the *Mudarib* and *Rabbul-Mal* using the 'Islamic Account Details - Preferences' screen. Note that the following fields are applicable only for account under products under the *Mudaraba* product category:

- Bank Share %
- Customer Share %

Refer the section 'Creating a Mudaraba Account' in the chapter titled 'Defining Islamic Product Categories and Products' in this User Manual for further details about this screen.

5.1.6.5 Track receivable Preferences

If you select this option, it tracks the amount to be liquidated as a receivable if funds are not available. So upon any subsequent credit, the receivables are blocked and allocated to the pending liquidation.

Auto Liquidation

Selecting this option implies that the Track receivable option is for Auto Liquidations

By default, the system selects this option.

Manual Liquidation

Selecting this option implies that the Track receivable option is for Manual Liquidations

By default, the system selects this option.

5.1.6.6 Rollover Preferences

Auto or Manual

This option is used to determine if the Rollover is system driven or not .If you select the option Auto Rollover, then upon maturity, the Account will be rolled over automatically by the system Rollover batch run in BOD.

If you select the option Manual roll over, then the system does not perform the auto rollover and you can perform a manual rollover.

By default, the system selects the 'Auto' option.

Rollover Type

The options are:

- Special Amount: If your rollover is a special amount, select this option and capture the amount that has to be rolled over.
- Custom: If the rollover type is 'Custom', then select the 'Component Names' that have to be rolled over.

5.1.6.7 UDE Rollover Preferences

If you select this option, you determine if at the time of rollover the UDE value would be defaulted from the product or from the account.

5.1.6.8 Schedule Basis Preferences

This flag will determine if at the time of rollover the schedule would be defaulted from the product or from the account.

Multiple Down Payment Required

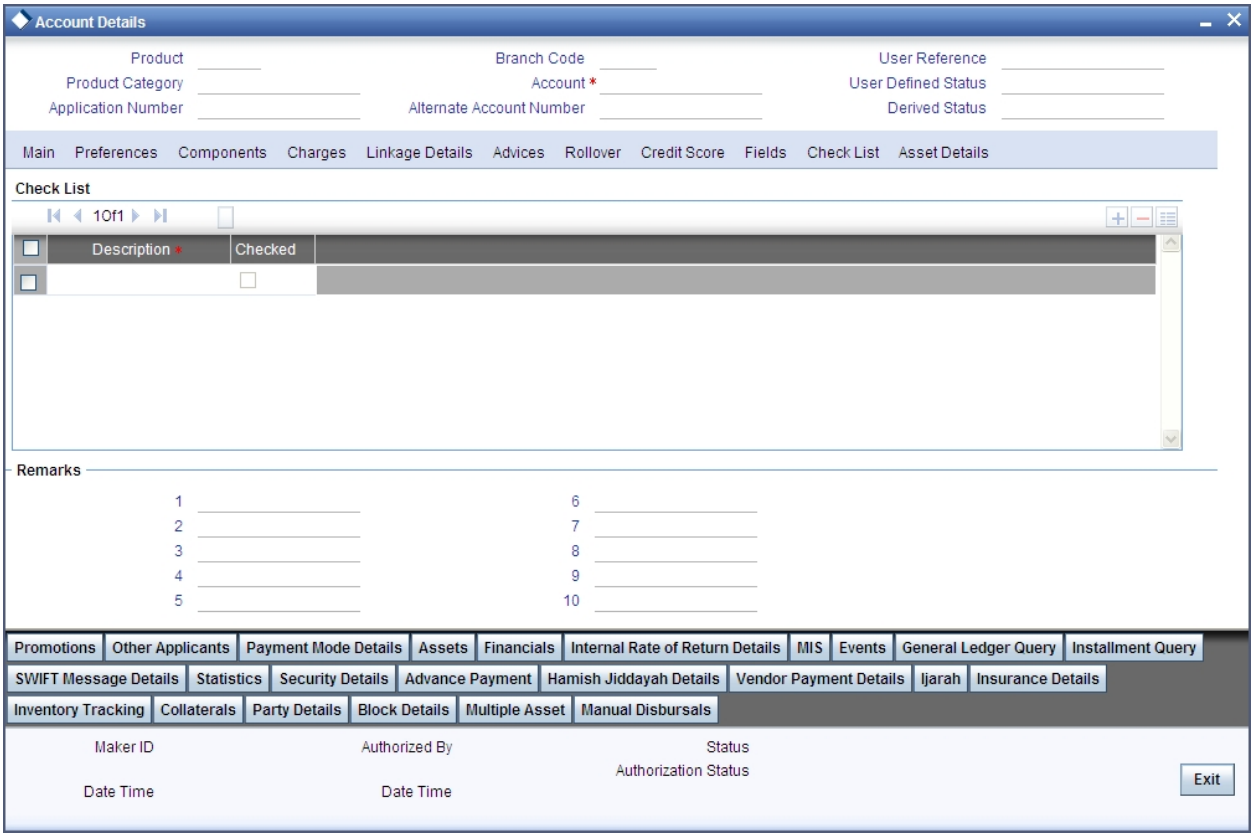
Check this field to do multiple down payments. You can check this field only when Auto disbursement option is selected at product level.

5.1.6.9 Rollover Components

This option is applicable when Rollover Type is Custom. The option list provided will display the components relevant to the account from which you can choose the components that are to be rolled over.

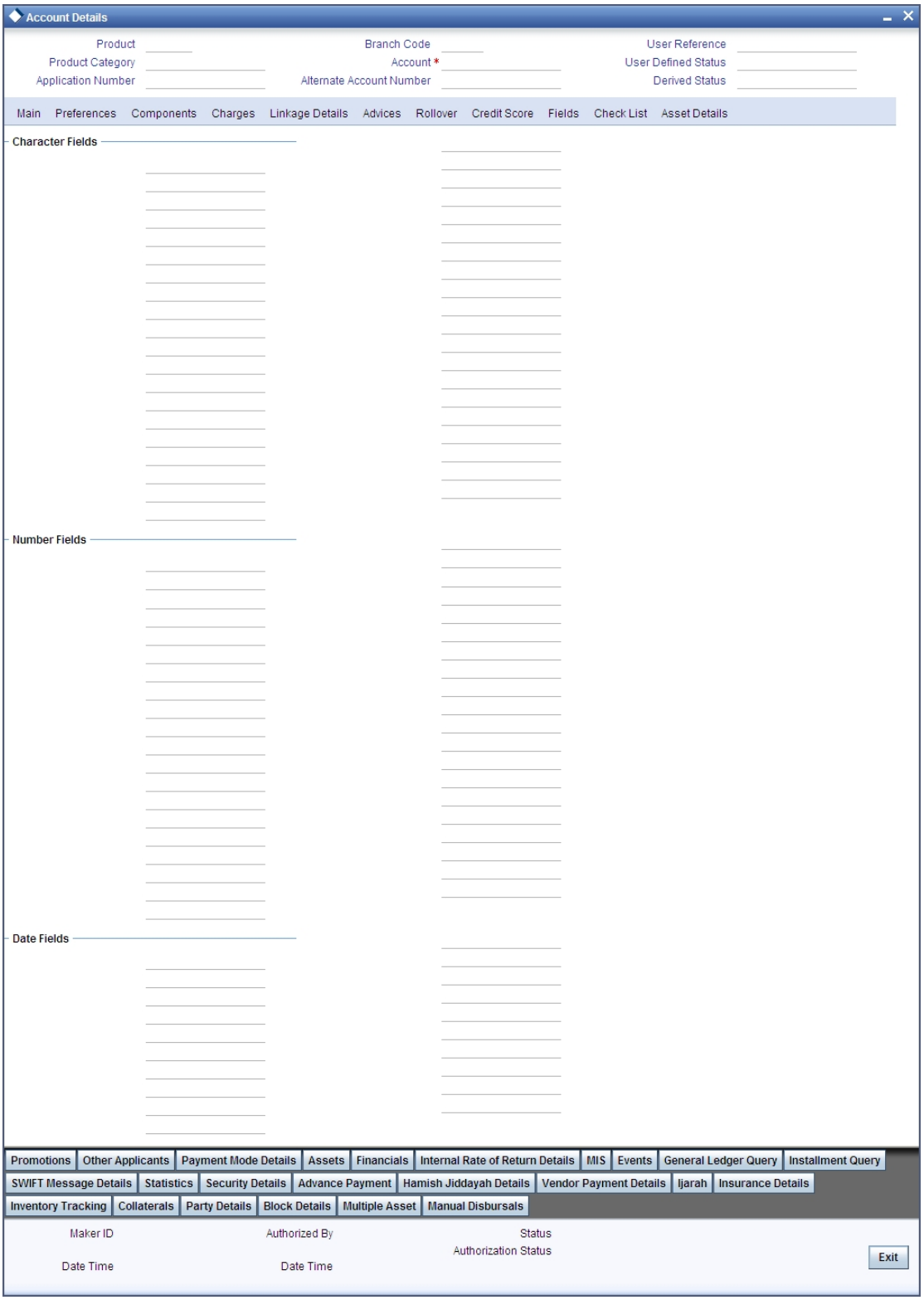
5.1.6.10 Account Check List

The Check lists are defined at the Product level. These fields are available in the ‘Check List’ tab at the time of account creation.



5.1.7 Account UDF

The User Defined Fields are defined at the Product level. These fields are available in the UDF tab at the time of account creation.

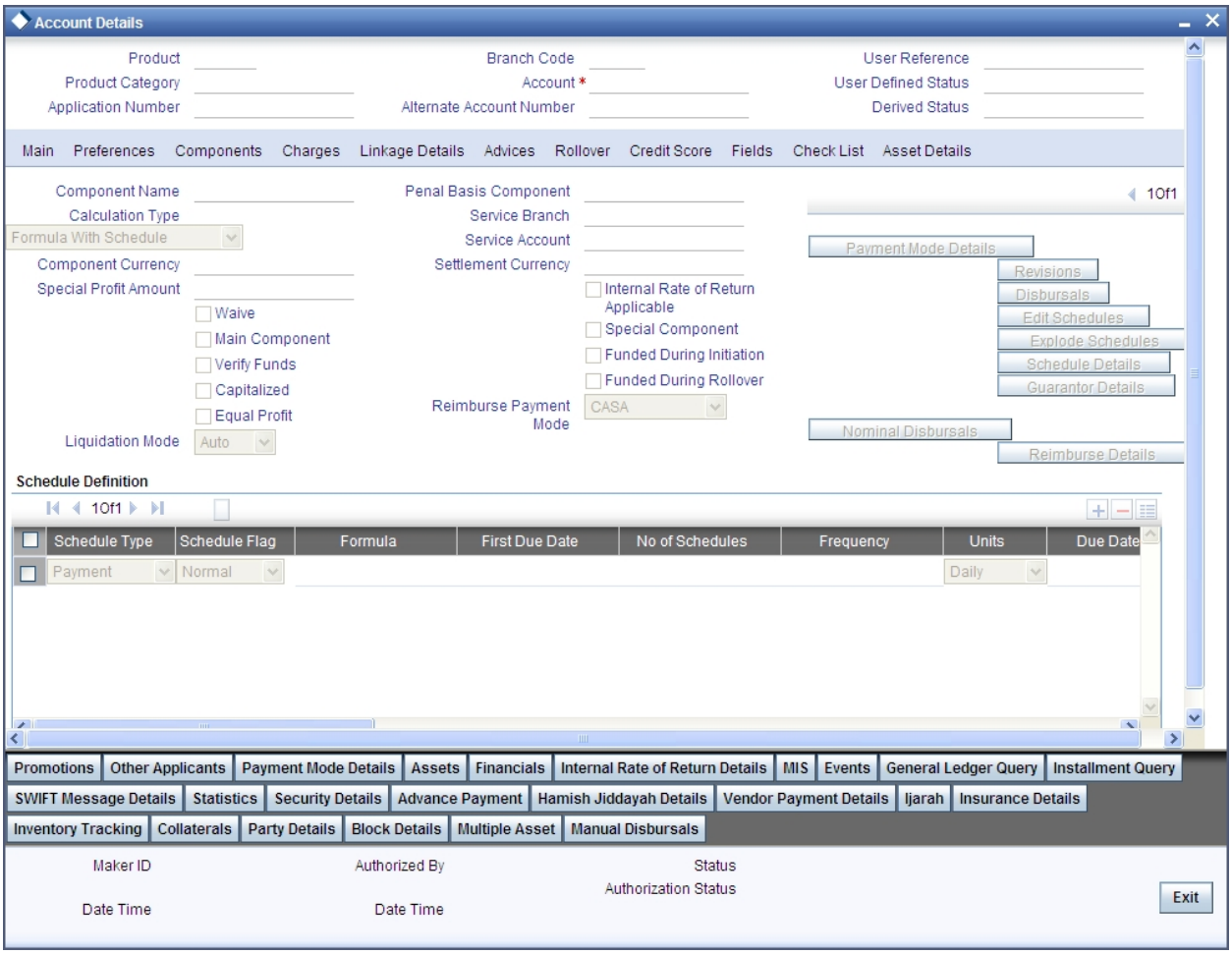


The system shows all the UDF descriptions defined at the Product level.

Enter the UDF value against each field.

5.1.8 Components

Clicking against ‘Components’ tab in the ‘Account Details’ screen invokes the following screen:



You can specify the following details for the components:

Component Name

The components defined for the selected product get defaulted here.

Description

After you specify the component Name, the system displays the description of the component in the adjacent field.

Waive

Select this option to waive the component for the account.

Main component

The system selects the component of the finance designated as main component in the product level in this field.

Capitalized

Select this option if the scheduled amounts are to be capitalized.

Liquidation Mode

The system defaults the mode of liquidation from the product level. However you can modify the same to indicate the mode of liquidation of the component from the drop-down list. The following options are available for selection:

- Auto
- Manual

This is applicable only if ‘Liquidation mode’ is selected as ‘Component’ at the account preference level.

Component Ccy

The system displays the currency associated with the component in this field. The value is defined at Product level.

Penal basis Comp

The system displays the basis for calculating compensation component in this field.

Special Profit

Select this option to denote if the component is a special Profit type. This implies that the computed value of the component can be overridden with the entered value.

Special Profit Amount

Enter the amount for the special profit in this field.

When a value-dated change is made to decrease the account maturity date, outstanding amount in profit and principal is equally divided and added to the remaining schedules. In such cases, the system displays the outstanding profit amount in this field.

Settlement Ccy

Click on the option list to choose a settlement currency from the list of currencies.

Double click on a value to select it.

The settlement currency is maintained as a default for both Credits and Debits.

Payment Mode (Dr/Cr)

The system defaults the values from the payment mode details specified in the ‘Account Details - Main’ screen. However, you can modify this if you have checked the option ‘Allow Corporate Access’ in ‘Branch Parameters – Detail View’ screen. The options for debit mode are CASA, Credit Card, Debit Card, Clearing, External Account, Electronic Pay Order, Internal Check, Instrument, GIRO and Cash/Teller.

The options for credit mode are CASA, Clearing, External Account, Instrument, and Cash/Teller.

The values in these modes are:

- CASA
  - Branch: Click on the option list to choose the branch in which the customer account resides. . Double click on a branch to select it.
- Account: Click on the option list to choose the account in the branch selected. Double click on an account to select it. Credit Card / Debit Card
  - Card Number: This field captures either the Credit No or the Debit No details based on the selection.

The card must be a valid card whose number can be checked with a modulo logic or maintenance file.

- Clearing Network
  - Clearing Bank Code: Click on the option list to select the bank code as per clearing maintenance. Double click on a bank code to select it.
  - Clearing Branch Code: Click on the option list to select the clearing bank branch. Double click on a branch code to select it.
  - Instrument No: Enter the number on the instrument presented for clearing in this field. Double click on a value to select it.
  - Routing No: Enter the routing number of the branch selected for clearing in this field.
  - Clearing Product Code: Click on the option list to choose a product code if the clearing is using a Oracle FLEXCUBE clearing product. Double click on a branch to select it.
  - End Point: This field picks up the end point maintained in the clearing system.
  - Sector Code: Click on the option list to choose the clearing sector code. Double click on a sector code to select it.
- External Account

- Clearing Bank Code: Click on the option list to choose the external bank code as per clearing maintenance.
- Clearing Branch Code: Click on the option list to choose the external bank branch used for clearing.
- Ext Acc No: Enter the external account number in this field.
- Ext Acc Beneficiary Name: Enter the name of the beneficiary of the external account in this field.

- GIRO

- Auto/Manual GIRO – Select Auto GIRO for automatic direct debit or else select Manual.
- Bank/Plus GIRO – Select the GIRO clearing system used, which can be either Bank or Plus.
- GIRO Number – This is applicable only for corporate customers and not for individual customers. You have to enter the GIRO number.
- Payer Bank Name – Specify the name of the bank from which the amount is paid.
- Payer Branch - Specify the branch from which the amount is paid.
- Payer Account - Specify the account from which the amount is paid.
- Payer Bank Address - Specify the address of the bank from which the amount is paid.

- Instrument / Cash / Teller

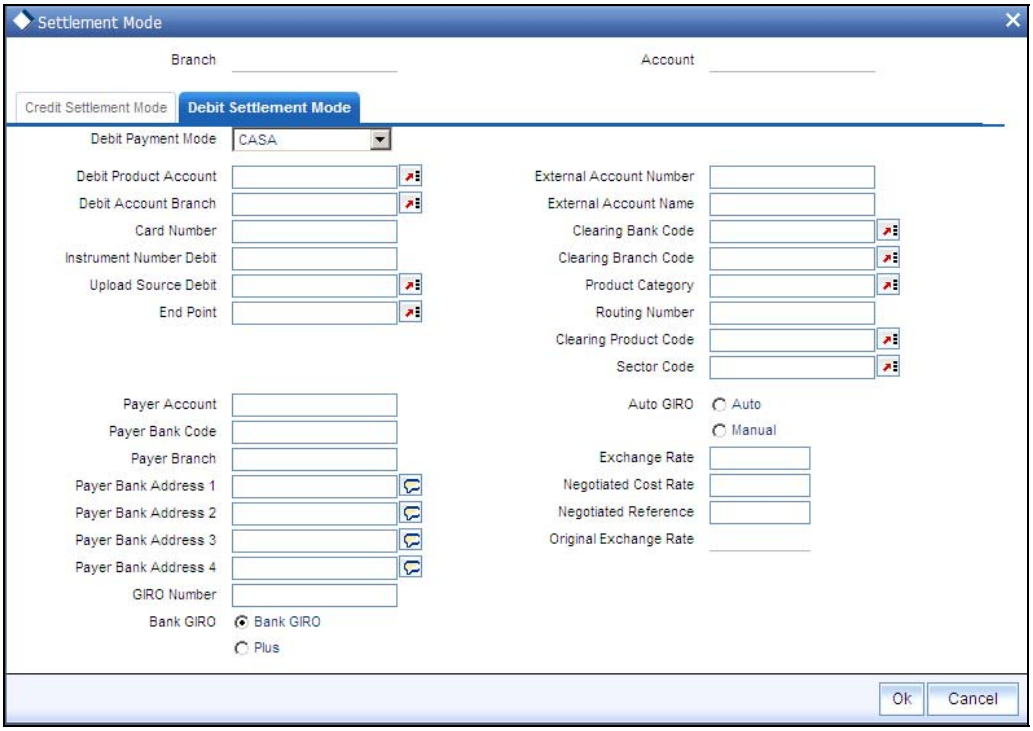
- AC Branch: Click on the option list to choose branch where the account is serviced. Double click on a branch to select it.
- Product or Account: If the payment mode is Account, this field specifies the CASA/GL account to be debited. If the payment is through Instrument/Cash, it denotes the teller product to be used.

The system will allow you to specify the credit and debit payment modes only if you have checked the option ‘Allow Corporate Access’ in the ‘Branch Parameters – Detail View’ screen. If you have not checked the option, the system will default the values as maintained in the fund branch account. You will not be allowed to modify this.

Use Guarantor Details

Check this box to indicate whether the guarantor accounts have to be used for debit settlement.

Click ’Debit Settlement Mode’ tab after clicking ‘Payment Settlement Mode’ button in the ‘Account Details – Components’ screen.



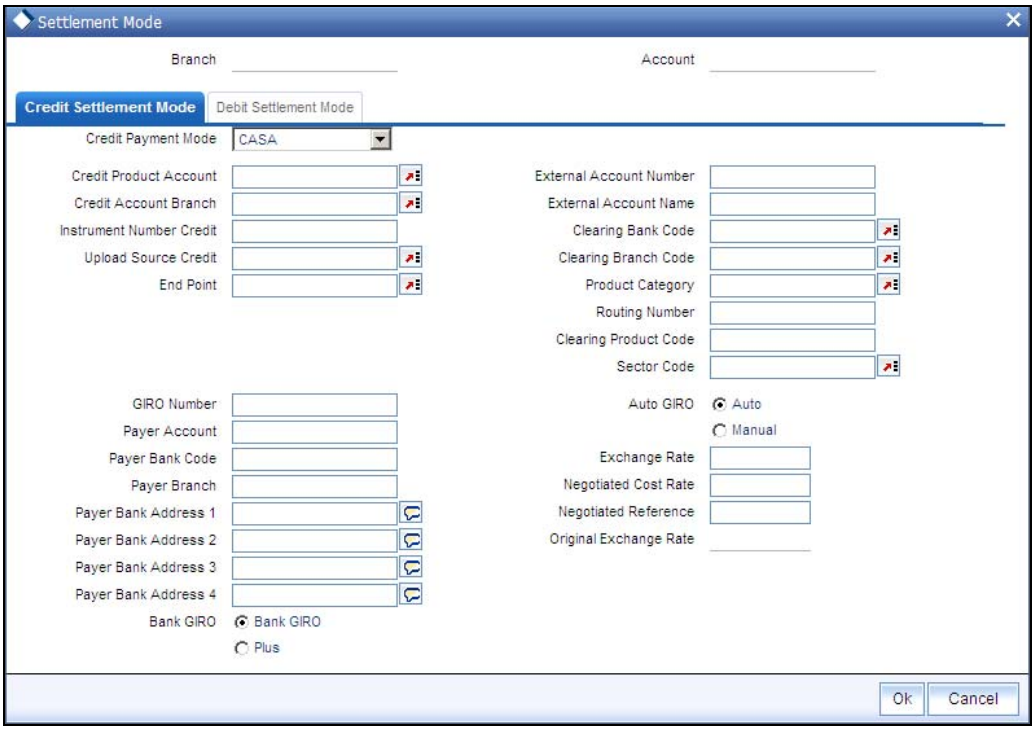
Dr Prod Ac

Specify the product/account used to debit the finance account in this field.

Dr Acc Brn

Click on the option list to choose the branch of the customer account which is to be debited. Double click on a value to select it.

Click ’Credit Settlement Mode’ tab after clicking ‘Payment Settlement Mode’ button in the ‘Account Details – Components’ screen



Here you need to specify the following details:

Cr Prod Ac

Enter the details of the product/account used to credit the finance account in this field.

Cr Acc Brn

Click on the option list to select the branch of the customer account which is to be credited from the list of values.

Double click on a value to select it.

Service Branch

Click on the option list to select the branch the services the customer account.

Double click on a value to select it.

Service Account

Click on the option list to select the account in the service branch.

Double click on a value to select it.

All modes except CASA needs service account. Adjustments, etc. will be settled through this account.

IRR Applicable

Check this option to indicate that the component is to be considered for IRR calculation for the account. This field is applicable to profit, charge and fee components. For adhoc charge, charge, compensation and prepayment compensation components, the value will be defaulted from the product level and you will not be able to modify it.

This field will not be available for input if 'Accrual Required' and 'IRR Applicable' are left unchecked at the product level.

Note the following:

- For bearing type of component formula this option will be enabled only if 'Accrual Required' is checked for the component at the product level.
- For discounted or true discounted type of component formula this option will be allowed irrespective of whether the 'Accrual Required' option is checked or not at the product component level.
- If the option 'Accrual Required' is unchecked and 'IRR Applicable' is checked, then discounted component will be considered as a part of total discount to be accrued for Net Present Value (NPV) computation.
- If both 'Accrual Required' and 'IRR Applicable' are checked, then discounted component will be considered for IRR computation.
- Upfront Fee component will be considered for IRR only when 'Accrual Required' and 'IRR Applicable' both are checked.
- For upfront fee component, if 'IRR Applicable' is checked, then 'Accrual Required' has to be checked.

Funded during Rollover

Select this option if the component can be funded during the rollover process.

Funded During INIT

This field indicates if the component can be funded during the INIT event.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For more details on customer specific exchange rates, refer the section titled 'Specifying Pricing Benefit Details' in Relationship Pricing user manual.

5.1.8.1 Maintaining Schedule Details

Specify the following details.

Type

Select the type of schedule from the option list. Schedule can be a payment, a disbursement or a rate revision schedule.

Schedule Flag

Select the option for the Schedule flag from the option list.

The options are Normal or Moratorium.

Select the option Moratorium if there are no scheduled repayments for the component for the Moratorium period. However the component is accrued for a certain Moratorium period.

Formula

Enter the formula used to compute the component for that schedule.

First Due Date

Enter the first due date for the schedule for the component. The first due date can be defined based on the value date for the finance or a calendar date.

Amortization schedule start date added with a given frequency in 'Maturity Details' screen, will give the first due date.

No.

Enter the number of times the schedule is repeated for a chosen frequency for the schedule. If the Frequency is Monthly and Number is 1, it implies once a month.

Freq

This implies the number of times the schedule will repeat for a Unit. If it is 2 and the Unit is Monthly, it implies twice a month.

Unit

Enter the installment unit for the component for the schedule. The units of frequency definition can be Daily, Weekly, Bullet, Monthly, Quarterly, Half Yearly or Yearly.

Select the unit of the schedule from the option list.

Due Date On

This option may be used to schedule an installment on a particular date of the month.

End Date

End date for the component for the schedule will be computed from the start date, frequency, unit and number for the schedule

Amount

The amount of payment done, disbursement or repayment, is displayed in this field.

Capi

Select this option if the schedule amounts are to be capitalized.

The system by default does not select this option.

Waive

Select this option to specify if you need to allow a waiver of the component payments for the schedule.

The system by default does not select this option.

A schedule can be either applicable or capitalized or waived.

Down Payment Amount

Specify the down payment amount for each schedule.

5.1.8.2 Schedule Details

Click 'Explode' button to view the following Schedule details:

Schedule No

The system generates and displays a sequential schedule number for installments.

Due Date

The system displays the due date of the payments and disbursements in this field.

Amount Due

The system displays the amount due for the schedule in this field.

Amount Settled

The system displays the settlement amount for the schedule in this field.

Emi Amount

The EMI that should be repaid in this schedule is displayed in this field.

Amort Prin

The system displays the principal that has to be amortized in this field. This field will be relevant for the Profit component that is being amortized.

Accrued Amount

In this field, the system displays the amount accrued for the component for the schedule.

Capit

The flag is used to display that the schedule installment is capitalized.

Waive

Select this option to indicate if this particular amount which is due will be waived or not.

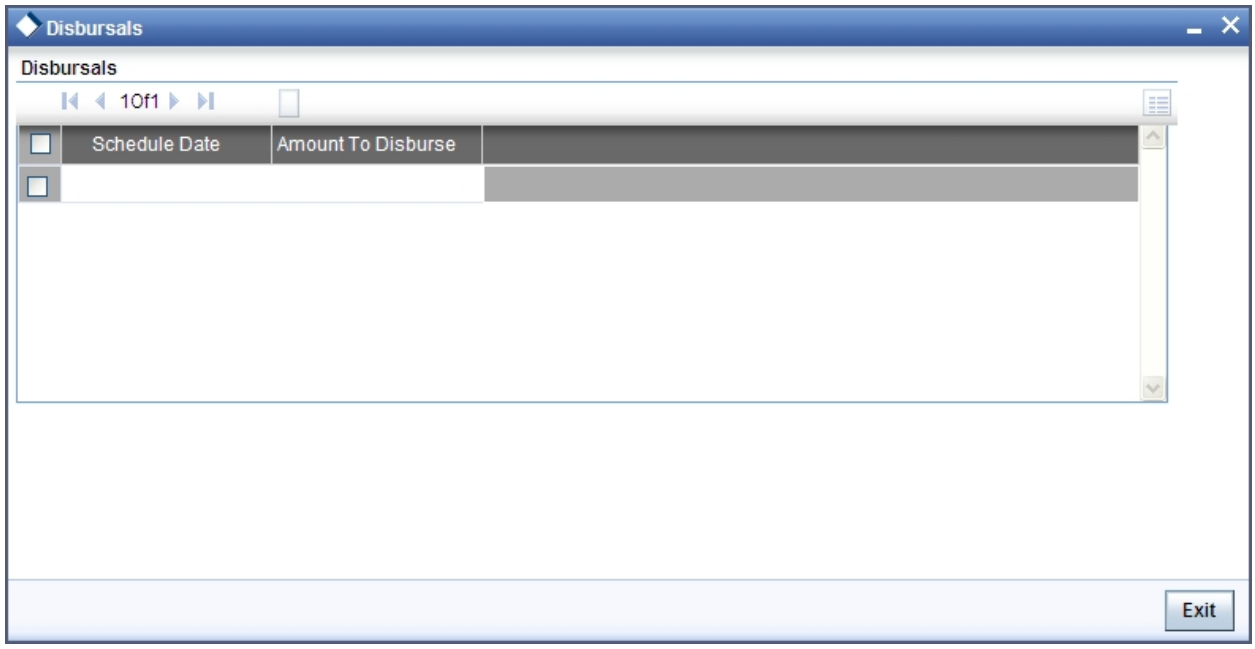
5.1.8.3 Editing the Default Schedule

In case of a forward *Ijarah* having property handover, you need to manually edit the exploded payment schedules for the main profit component. Click 'Edit' button to make any change to the scheduling and after you have made changes, click 'Explode' button to see the changes made.

If you select any component and click 'Edit' button, you can make changes to the schedules which are defaulted from the product to the account. You will have to specify repayment schedules for the profit component during the moratorium period and the handover period.

If you click the ‘Explode’ button, other components will get adjusted according to change made to any of the attribute. The system will also compute the Internal Rate of Return (IRR) on clicking this button. If the box ‘Recompute schedule on IRR’ is checked for the linked product, the system will recalculate schedules based on IRR.

Select the Principal Component. Click on ’Disbursals’ to see the Disbursal schedule. This gives the list of Schedules for the disbursements and their corresponding Disbursement amounts.



You can check the details of the due date of the schedule and the Amount to be disbursed from the ‘Schedule Due Date’ field and the ‘Amount To Disburse’ field respectively.

In this screen, you can also enter the following details of a contractor for each of the disbursals done:

Purpose

Specify the purpose of disbursement from the option list. This can also be maintained in the field ‘Type’ in the ‘Limits Type maintenance’ screen.

CIF Id

Specify the CIF for each contractor from the option list.

Amount

Specify the amount to be disbursed against the CIF Id for the purpose mentioned.

Note the following:

- You can override the settlement details at the ‘Manual Disbursement’ screen

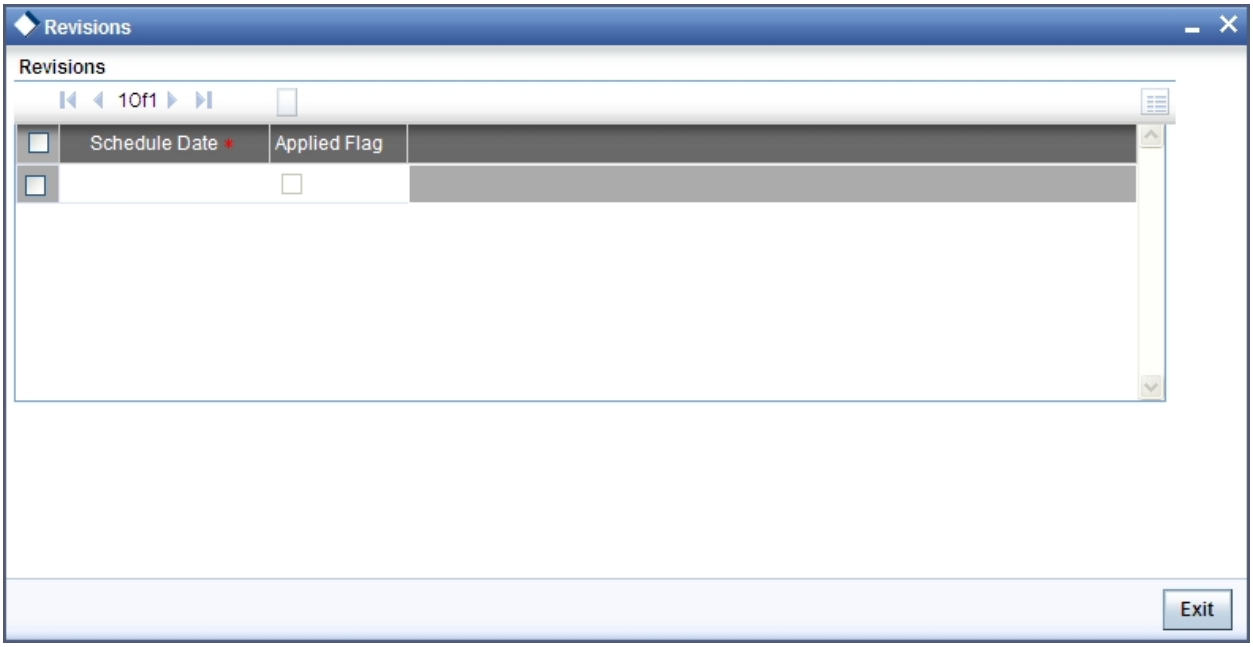
- The system displays an override if the disbursement is done before the projected schedule date

- The system displays an override if the disbursement amount given for a particular contractor is more than the projected amount specified for that schedule.

- The system throws an error if the disbursement amount for a particular contractor is more than the sum of the entire projected amount given for a contract.

- In case of auto-disbursement, if the box 'Property Handover' is not checked, the system will not allow final disbursement.

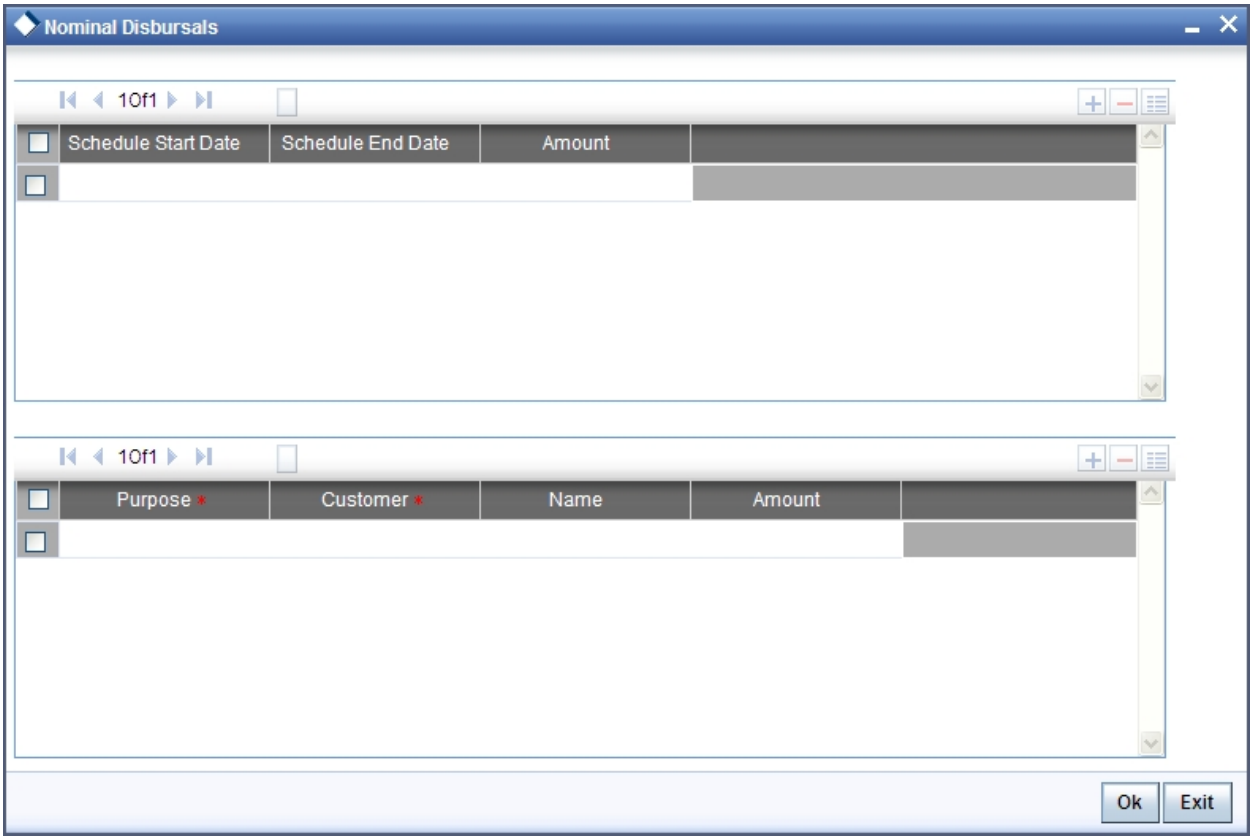
Select a component which has rate revision defined. To view the details of the Rate revision schedule, click on the 'Revisions' button. This lists the details of the revisions done on the Components. This lists the revision date against the component name. This also has an application option which displays if the revision was applied or not.



You can check the details of the name of the component that is revised and the date when it has been revised from the field Component name and Revision date respectively.

5.1.8.4 Maintaining Nominal Disbursal Schedules for Principal Component

If you select the 'Construction Period Interest Basis' as 'Nominal' in the 'Product Maintenance' screen, then it is mandatory to maintain nominal disbursal schedules. Click on the 'Nominal Disbursals' button to capture nominal disbursals.



Start date

The start date of the Disbursement Schedule is defaulted from the product. However, you can modify this date.

End date

The end date of the Disbursement Schedule is defaulted from the product. However, you can modify this date.

Amount

The system equally divides the amount financed across number of disbursal schedules and displays it in this field the following scenario.

- If disbursement mode is ‘manual’ and the construction period profit basis is ‘nominal’
- However, you can modify the disbursal amount in case the construction period profit basis is ‘nominal’ and the disbursement mode is ‘manual’.

Purpose

Specify the purpose of disbursement from the option list. This can also be maintained in the field ‘Type’ in the ‘Limits Type maintenance’ screen.

CIF Id

Specify the CIF for each contractor from the option list.

Amount

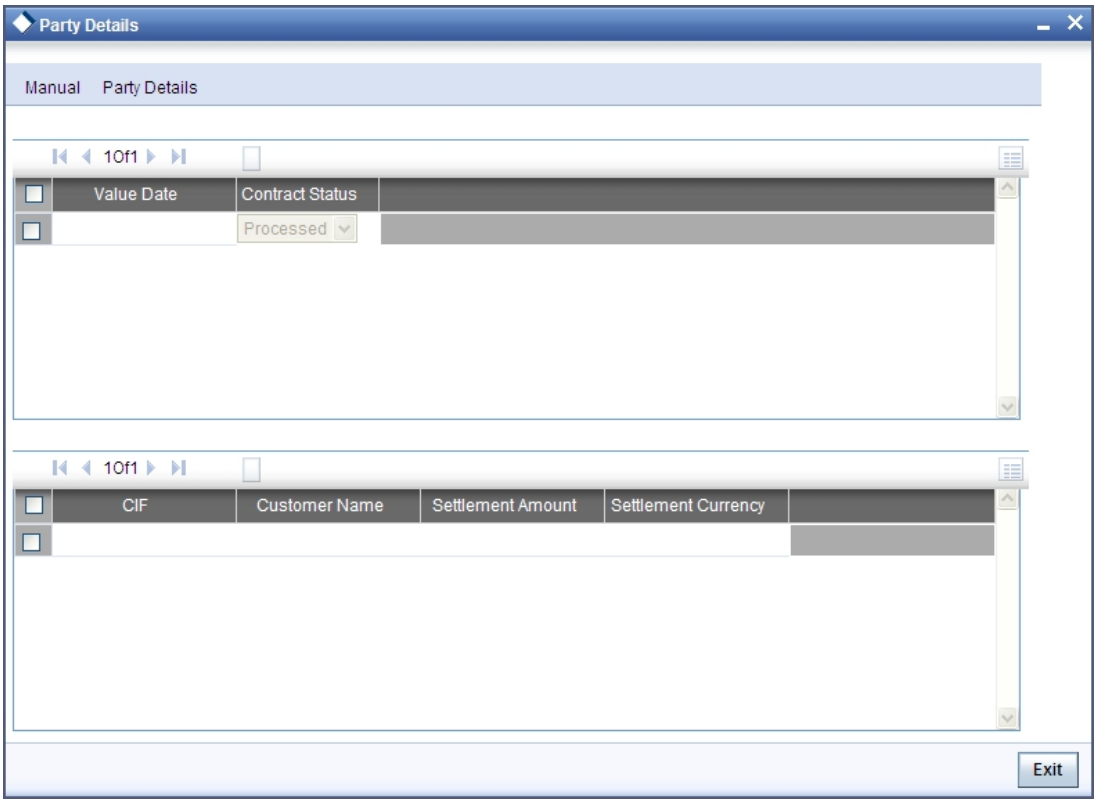
Specify the amount to be disbursed against the CIF Id for the purpose mentioned.

Note the following:

- You can override the settlement details at the ‘Manual Disbursement’ screen
- The system displays an override if the disbursement is done before the projected schedule date
- The system displays an override if the disbursement amount given for a particular contractor is more than the projected amount specified for that schedule.
- The system throws an error if the disbursement amount for a particular contractor is more than the sum of the entire projected amount given for a contract

5.1.8.5 Viewing Manual Disbursal Schedules for Principal Component

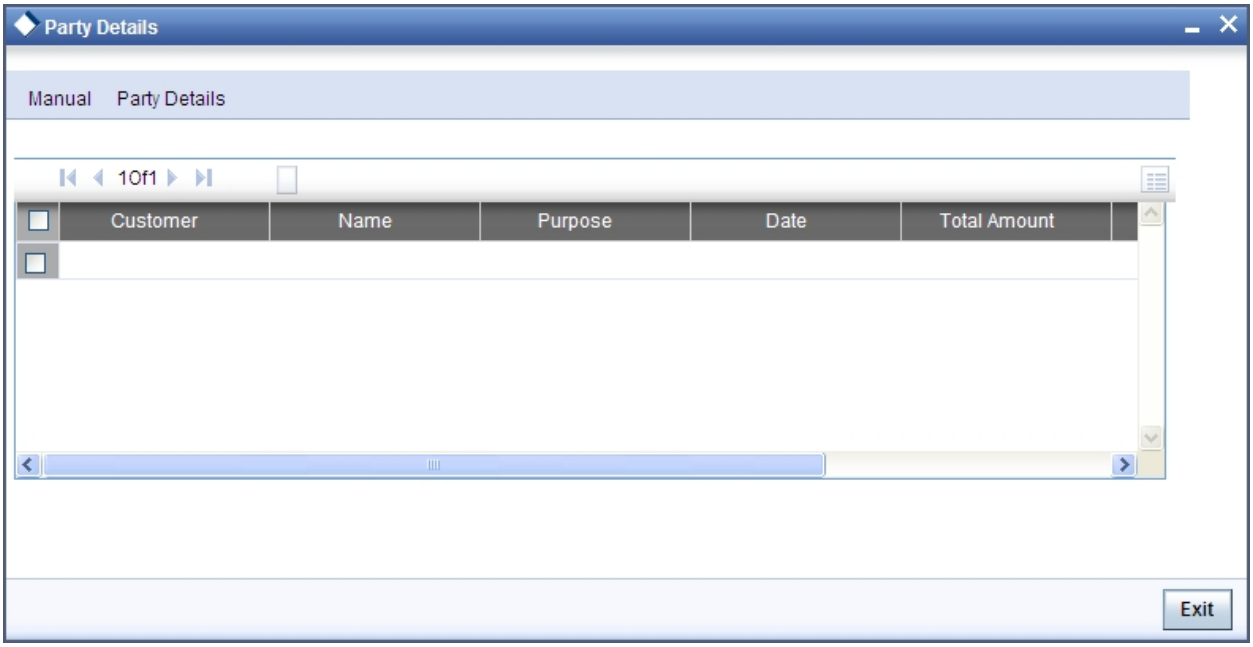
Click on the ‘Party Details’ button to view manual disbursals already done for the contractor. In this screen the system displays the progressive cash outflows that have been done so far and the details of each manual disbursement done by the Bank.



You can view the following details for each of the manual disbursal done:

- Date of disbursement (Value Date)
- Total Amount
- Contract status
- CIF of Contractor
- CIF Name
- Purpose
- Amount for each contractor (Settlement Amount)
- Currency

Click 'Party Details' tab on the 'Manual' screen to view the customer details.



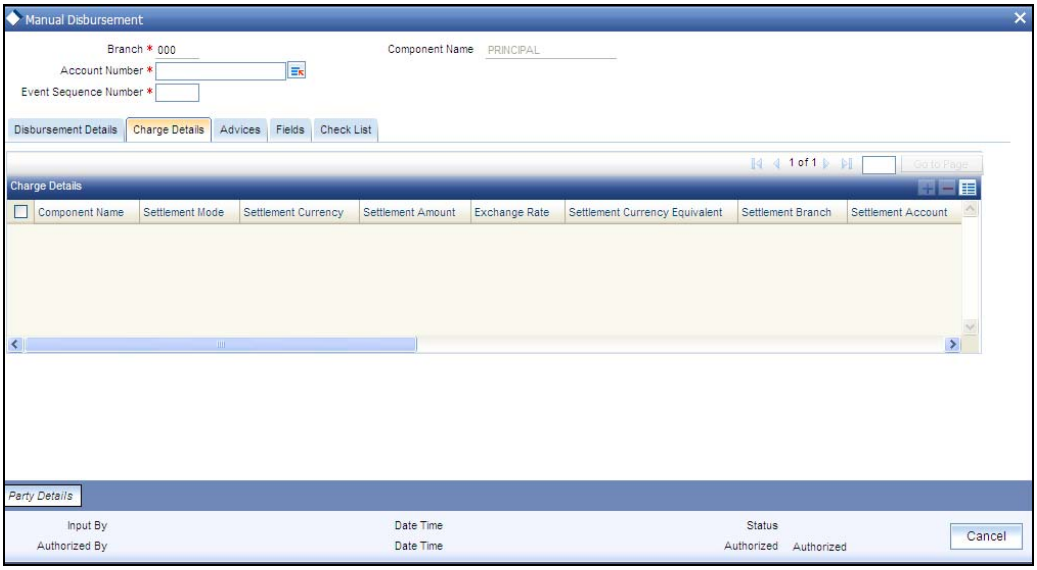
In this screen you can view the folowing details:

- CIF of Contractor
- CIF name
- Purpose
- Date – The latest disbursement value date
- Total Disbursal amount – The total amount to be disbursed throughout the life cycle of a finance
- Eligible Disbursal amount – The amount to be disbursed as of the schedule date of disbursement

- Actual Disbursal amount – The amount which is actually disbursed

5.2 Charges

This module is used for calculating and applying charges on an account. To calculate the charges that we would like to levy on an account, we have to specify the basis on which we would like to apply charges. For example, we may want to apply charges on the basis of the debit turnover in an account. When we define a Charge product, we have to specify the Charge basis. When we apply the charge product on an account or an account class, charges for the account will be calculated on this basis.



The following details are captured:

Component Name

The system displays the name of components defined as type ‘Charge’ for the associated product.

Component Ccy

The system displays the currency associated with the component. The component currency is defaulted from the Product level

Settlement Ccy

Click on the option list to choose the details of the currency in which the payments are to be made in this field. A list of currencies is displayed. Double click on a value to select it.

Dr Payment Mode

Click on the option list to choose the details of the mode of payment (For debit payments) in this field. A list of values includes CASA, Cash/Teller, Instrument, External Account, Electronic Pay Order, Internal Check, Clearing, Debit Card and Credit Card.

The system will allow you to specify the debit payment mode only if you have checked the option ‘Allow Corporate Access’ in the ‘Branch Parameters – Detail View’ screen. If you have not checked the option, the system will default the values as maintained at the fund level. You will not be allowed to modify this.

Cr Payment Mode

Click on option list to choose the mode of payment by which the account is credited. The list of values includes A list of values includes CASA, Cash/Teller, Instrument, External Account, and Clearing.

Service Account

Enter the details of the Product/Account to be used for payments in this field. The adjustments etc will be settled through this account.

Service Branch

Click on option list to choose the details of the branch where the dr/cr account resides. A list of values is displayed. Double click on a value to select it.

Due Date

Enter the date on which the charge is applicable.

Amount Due

Enter the details of the amount due for repayment in this field.

Waive

Select this option to waive off the charges.

Funded during INIT

Select this option if the component can be funded during finance initiation.

Funded during Rollover

Select this option if the component can be funded during the rollover process.

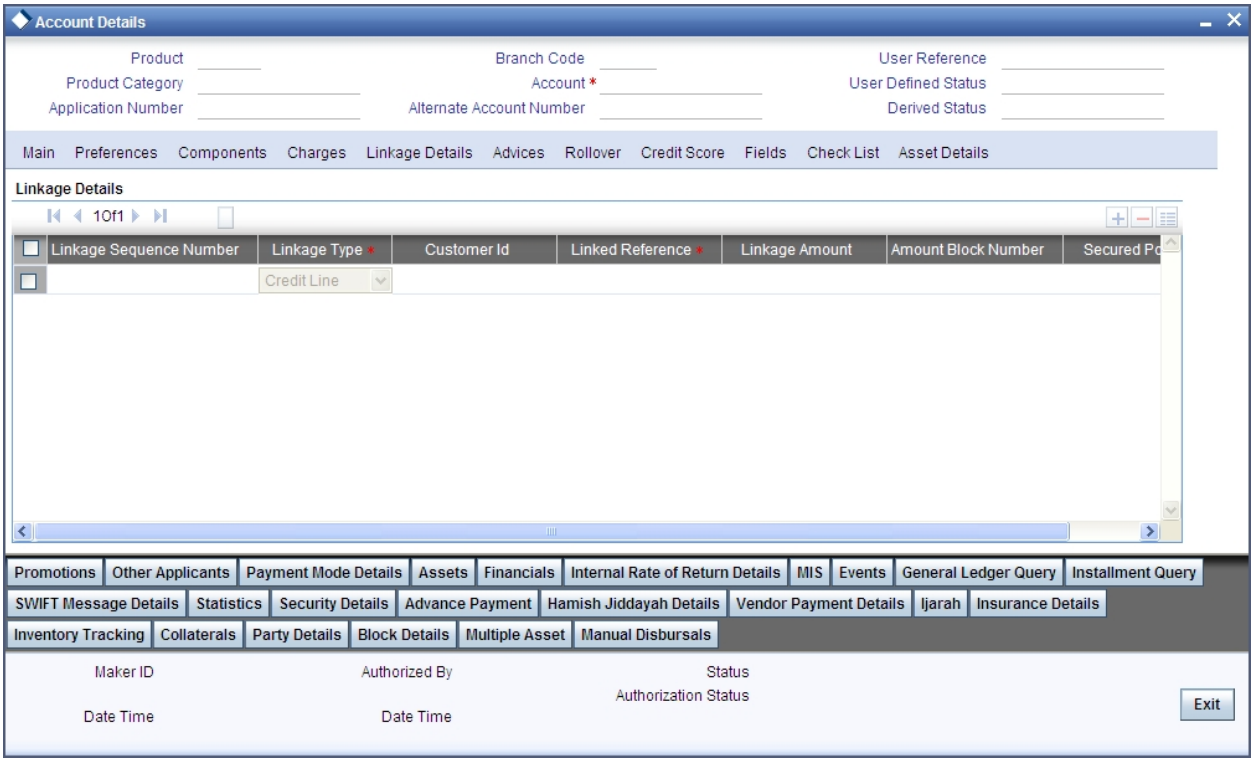
For each component, the following details are displayed:

- Event Code
- Component Name: A component will be of type ‘Charge’
- Amount Due: The amount due for repayment in this field
- Amount Settled: The settled amount in this field
- Schedule Due Date: The scheduled date for repayment in this field
- Waive: If this option is checked, the charge defined for event is waived off

5.3 Linkages

At the time of Finance account capture, the Linkages to securities backing the finance is captured. They include:

- The reference number of the Collateral, Collateral Pool, Line, Account, Amount block, Guarantee Collection Bill is linked.
- The amount which is attributed to the particular reference number is also captured.
- The account input screen captures the Linkages as shown below



You can specify the following Linkage details:

Linkage Type

Click on the option list to choose the details of the linkage type. A list of values is displayed. Double click on a value to select it.

The valid values are Line, Deposit, Guarantee, Amount Block, CASA Account, Collateral Pool, and Collateral.

Customer ID

Click on the option list to choose the ID of the customer to be used for corresponding linkage type. A list of values is displayed. Double click on a value to select it.

A customer can either be the primary applicant or any of the other applicants for which the linkage type has been maintained.

Linked Ref No

Click ‘L’ button to choose linkage reference number be used for corresponding field.

Linkage Amount

Enter the linkage amount in this field.

Secured Portion

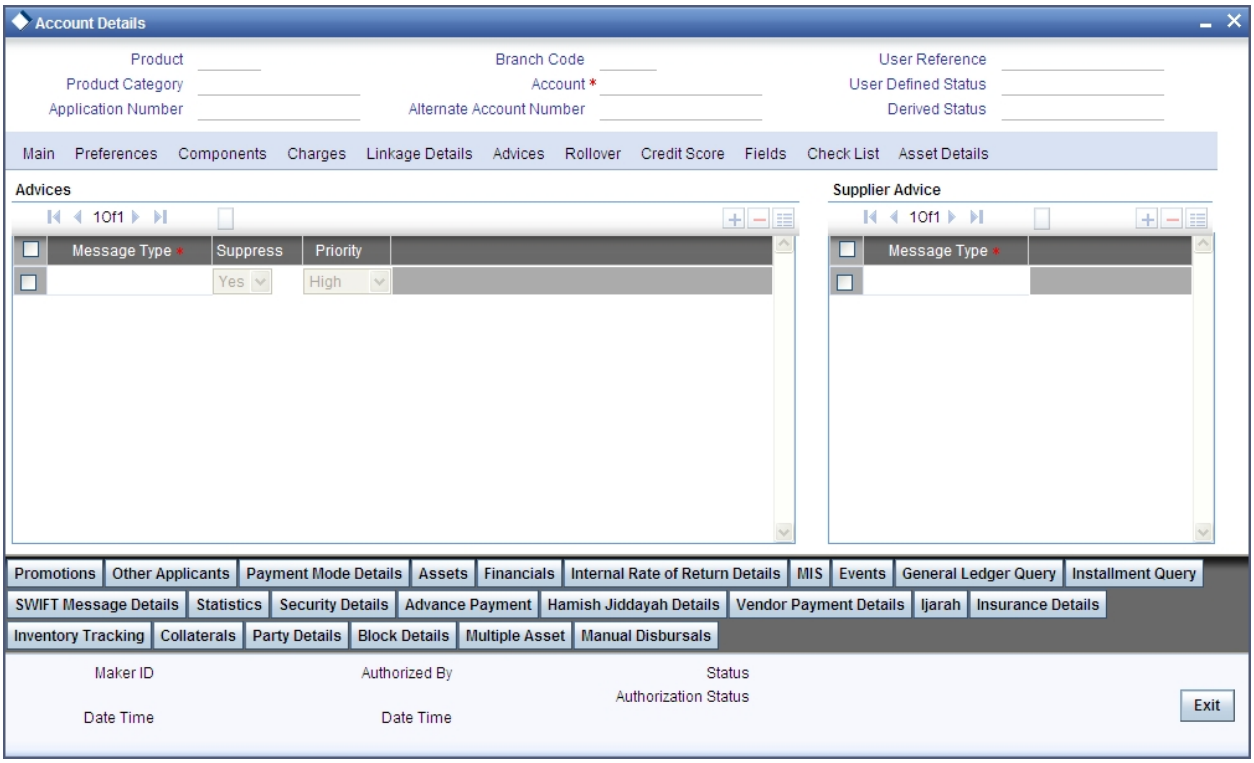
Enter the part of the principal that is backed by some asset in this field.

Amount Block No

Specify the amount block number imposed on the linked account, if applicable.

5.4 Account Advices

Advices that may be generated whenever the account level status changes or whenever a particular event is fired can be linked at the Product level. Priorities of the advice can be changed and also a particular advice for an event can be suppressed. Generation of an advice across the life of the account can also be suppressed.



You can specify the following Advice details:

Msg Type

The system displays all the advices for all the events for the account. The list will include all the advices that are defined at the product level.

Suppress

This field allows the user to suppress the generation of the advice for a particular event. The options are Yes and No.

Priority

Click on the option list to select the priority of generation. A list of values is displayed. Double click on a value to select it.

The options are High, Medium or Low.

5.4.1 Suppress Advices across the Account

The generation of an advice across the life of the account can be suppressed.

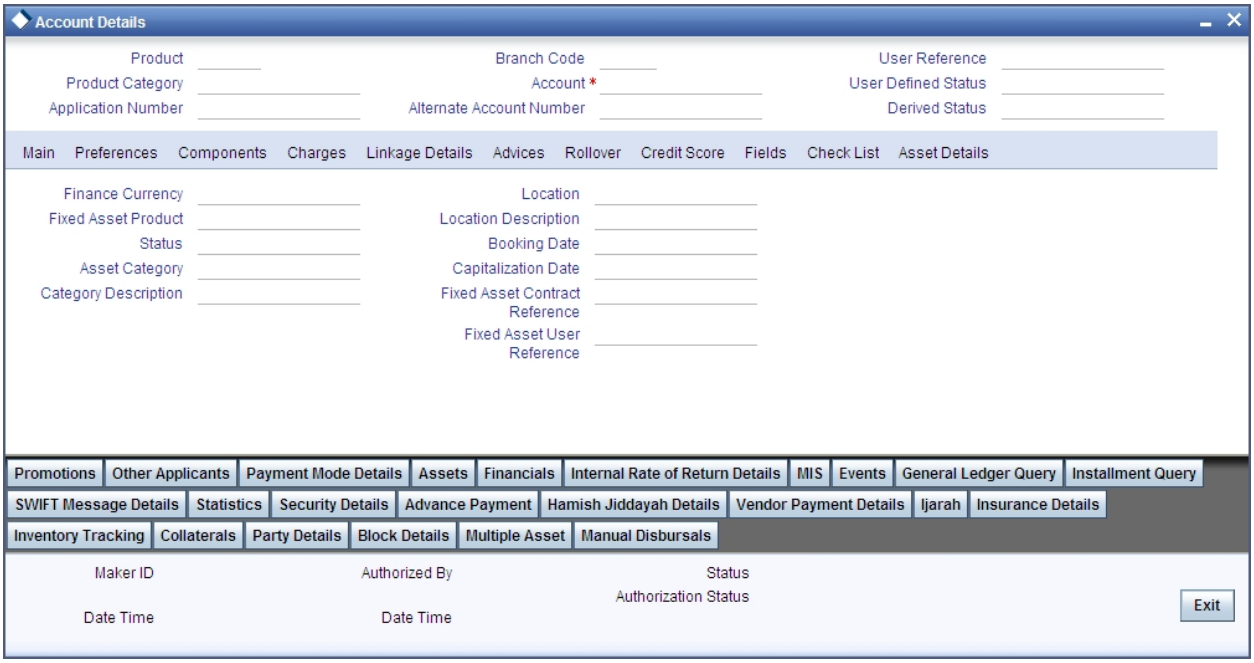
Message Type

Click on the option list to select the type of advice, the generation of which can be suppressed across the account. A list of values is displayed. Double click on a value to select it.

The list includes advices defined at the product level.

5.5 Asset Details

You can capture the fixed asset details using this screen. Click on the ‘Asset Details’ tab to invoke this screen. This screen is enabled provided the ‘Lease Asset Booking’ is checked for that product.



You can capture the following fixed asset details:

Fixed Asset Product

Here the system displays the fixed asset product defined in the Ijarah Lease product.

Fixed Asset Contract Reference Number

This will be a display item that will be used to display the fixed assets contract reference number. The fixed asset reference number would be generated on the launch of the Asset details form.

Fixed Asset User Reference Number

This is a text item. This will be defaulted to the FA contract reference number and can be modified. This will be populated as the user reference number of the asset that will be uploaded.

Finance Currency

Here in this field the system displays the currency of the lease account.

Asset Category

Here you can select one of the valid fixed asset categories from the option list given.

Description

In this field the system displays the description of the chosen category.

Location Code

Here you can select one of the valid fixed assets location codes maintained in the system from the option list.

Description

In this field the system displays the description of the chosen location.

Asset Cost

This field is used to display the cost of the asset created. This cost is nothing but the sum of 'Amount Financed' and the 'Down Payment' for the lease account..

Asset Status

Here in this field the system displays the text 'Capitalized'.

Booking Date

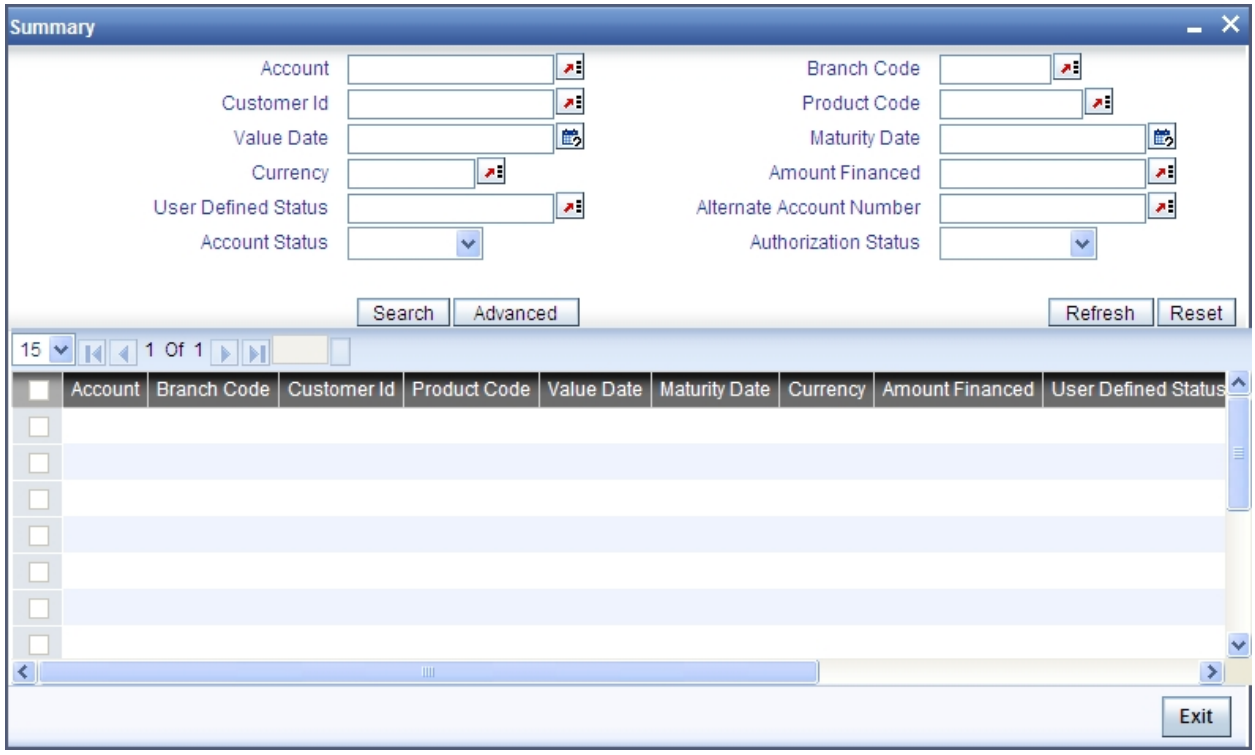
Here the system displays the booking date of the asset. This is nothing but the booking date of the lease account.

Capitalization Date

Here the system displays the capitalization date of the asset. This is same as the value date of the lease account.

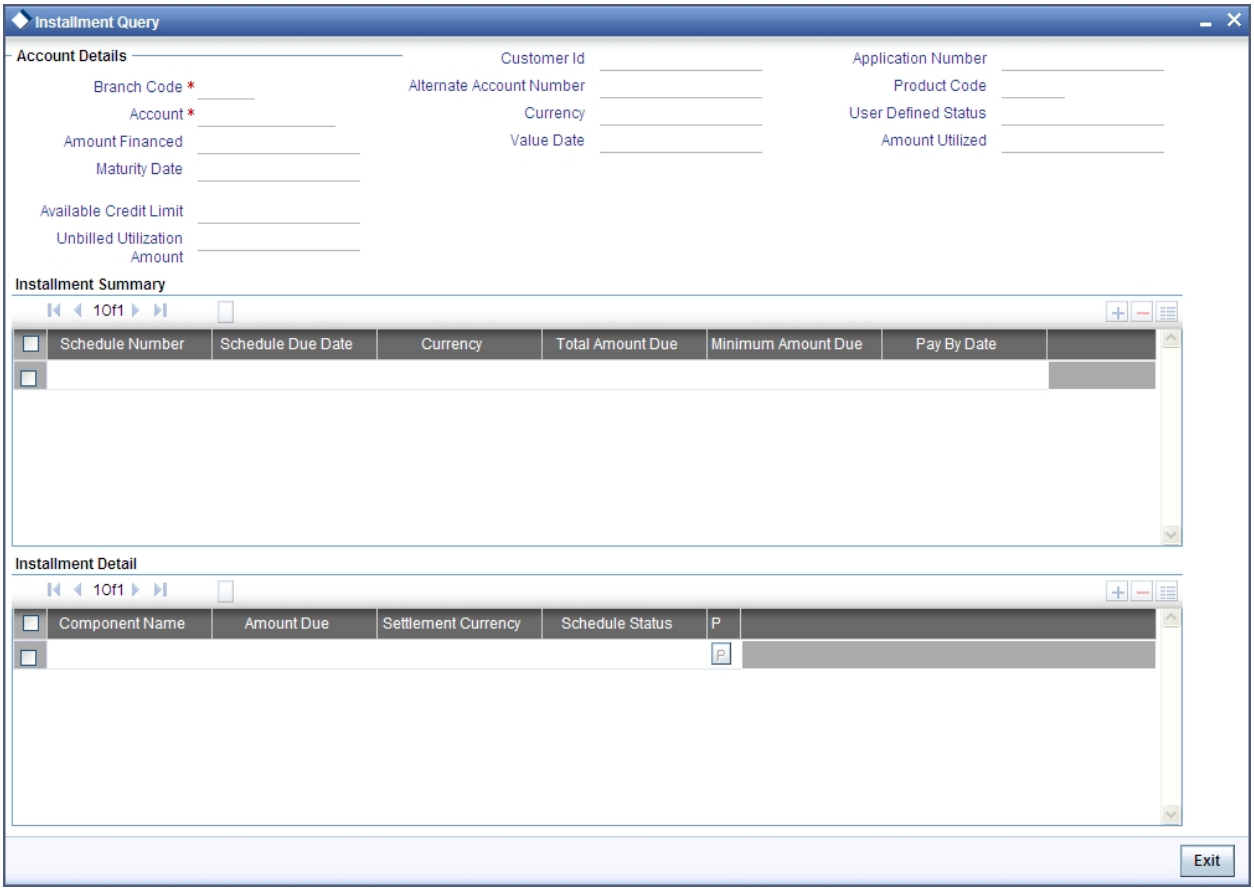
5.6 Viewing Summary for CL Accounts

You can view the summary of the CL accounts using ‘Accounts Summary’ screen. You can invoke the ‘Account Summary’ screen by typing ‘CISACCNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. A screen giving all the details of the accounts is displayed.



5.7 Installments

Click on ’Installment’ button to access the Installments query screen. The installment query screen displays the details of the installments for the account. The information displayed includes the account details, installment details and the installment summary.



The following installment details can be captured:

5.7.1.1 Account Details

Branch

The branch code of the account maintained in the valid tables of consumer lending is displayed here.

Customer id

Applicant's customer Id as maintained in the valid table is displayed here.

Account Number

Applicant's account number, which is auto generated if it is so maintained under the branch parameter is displayed here.

Alt Acc No

Alternate account number of the applicant is displayed here.

Application Number

The application number of the customer is displayed here.

Amount

The total finance amount as maintained in the valid table is displayed here.

Currency

Currency in which the transaction will be conducted for the account is displayed here.

Product Code

Product code of the product associated with the account, is defaulted from Product definition.

Maturity Date

Maturity date for the finance account is displayed here.

Value Date

Value date for the account is displayed here.

Contract Status

The status for the account is displayed here

5.7.1.2 Installment Summary

Due Date

Installment due date is displayed here.

Currency

The currency for the installment is displayed here.

Total Amount Due

The total amount due for the installment is displayed here.

5.7.1.3 Installment Detail

Component Name

Names of all the components that make up a particular installment are displayed here.

Amount Due

Amount due for each of the components of a particular installment is displayed here.

Status

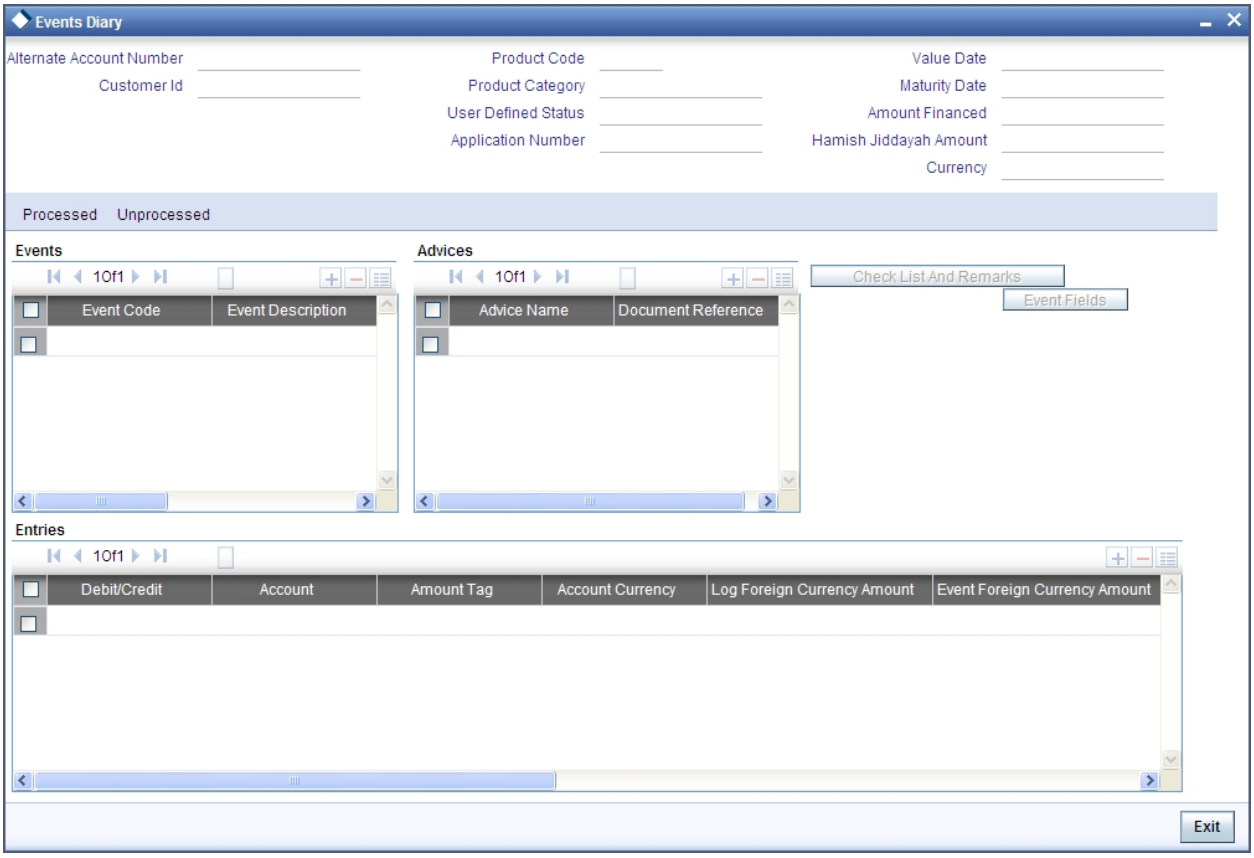
Installment status based on the status maintained at the installment level in the product is displayed here.

5.8 Events Diary

An ‘event’ may be defined as any action starting from application entry to collections. This module captures the details of events applicable to the account. The screen has a separate out the processed and the unprocessed events under two different headings.

5.8.1 Processed Events

The processed events are all the events which have already taken place. This displays the details like the sequence number of the event. The date on which the event was processed, the value date, the event code, a brief description of the event by clicking on ‘’. The screen also displays the details of the events according to the events selected.



The following details are displayed:

Branch Code

The branch code of the account maintained in the valid tables of consumer lending is displayed here.

Account Number

Applicant’s account number, which is auto generated if it is so maintained under the branch parameter is displayed here.

Alt Acc No

Alternate account number of the applicant is displayed here.

Application Num

The application number captured at the time of finance initiation is displayed here.

Customer id

Applicant's customer Id is displayed here.

Product Code

Product code of the product associated with the account, defaulted from Product definition is displayed here.

Product Category

The product category availed by the customer is displayed here.

Amount Financed

The total finance amount is displayed here.

Ccy

Currency in which the transaction will be conducted for the account is displayed here.

Downpayment Amount

The amount paid by the customer upfront is displayed here. This is used for information only.

Maturity Date

Maturity date for the finance account is displayed here.

Value Date

Value date for the account is displayed here.

User Defined Status

The user defined status for the account is displayed here.

5.8.1.1 Events

SEQ NO

The sequence number for the account is displayed here.

PROCESSED DATE

The date on which the event takes place is displayed here. It is the same as system date.

EXECUTION DUE Date

The date of execution of the events as maintained in the valid table that is captured during application entry is displayed here.

Code

The event code is displayed here.

Description

A description for the event occurred is displayed here.

5.8.1.2 Advices

DCN

A system generated number for reference is displayed here.

Msg Type

The type of advice generated for the event is displayed here. This is applicable only if maintained at the product level for the particular event.

5.8.1.3 Entries

Dr/Cr

This field indicates if the event occurring is a Debit or Credit event.

Branch

The branch in which the event occurred is displayed here.

Account Number

The number of the account affected by the event as maintained in the valid table is displayed here.

Ac Ccy

The currency involved in the event is displayed here.

Event Fcy Amount

Foreign currency amount involved with the event, if any.

Exch Rate

Exchange rate associated with the account is displayed here.

Event Lcy Amount

Local currency amount involved with the event, if any is displayed here. These events are maintained in the Event entries table.

Value Date

Value date for the event as maintained in the valid date captured during the application entry is displayed here.

Transation Date

Event transaction date is displayed here. It is same as the system date

Entry Fcy Amt

Netted entry log for the foreign currency amount is displayed here. These values are stored in the daily logs.

Entry Lcy Amt

Netted entry log for the local currency amount is displayed here. These values are stored in the daily logs.

Trn Code

Transaction code is displayed here.

Amount Tag

Amount tag for the transacted amount is displayed here.

Event Seq Number

Event sequence number is displayed here.

Event

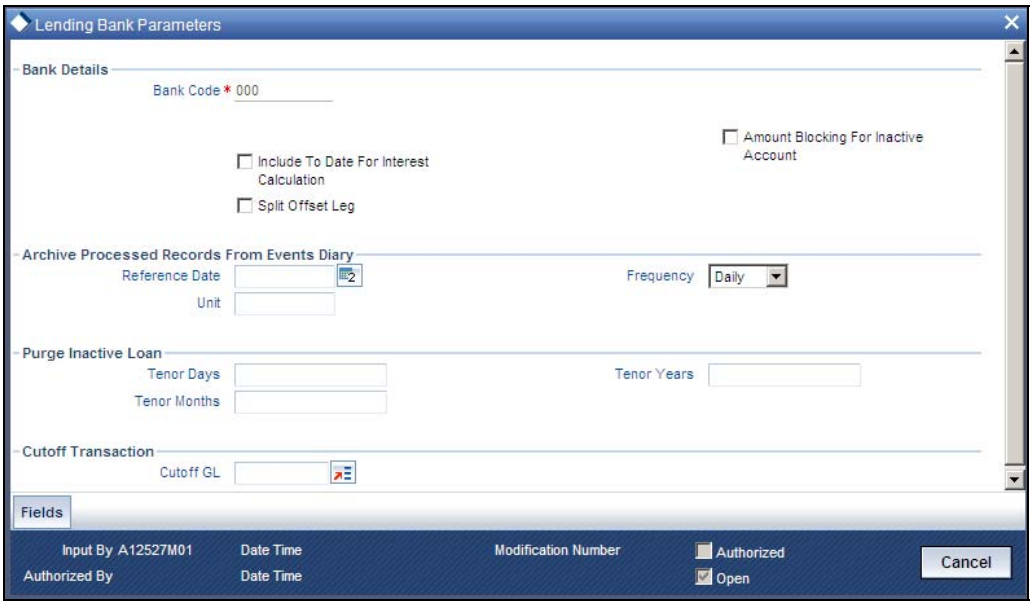
Event name and identifier are displayed here.

GAAP indicator

Generally Accepted Accounting Principles (GAAP) applicable for the accounting entry is displayed here.

5.8.2 Archiving Processed Events

You can archive processed records from the events diary using the ‘Retail Lending - Bank Parameters’ screen.



In this screen, you can specify the following parameters to archive processed events:

Reference Date

This is the first date on which the archival will be initiated. If this date is NULL, no archival will be done.

Frequency

This is the frequency for archival. The options in the drop down list are:

- Daily
- Monthly
- Yearly

Unit

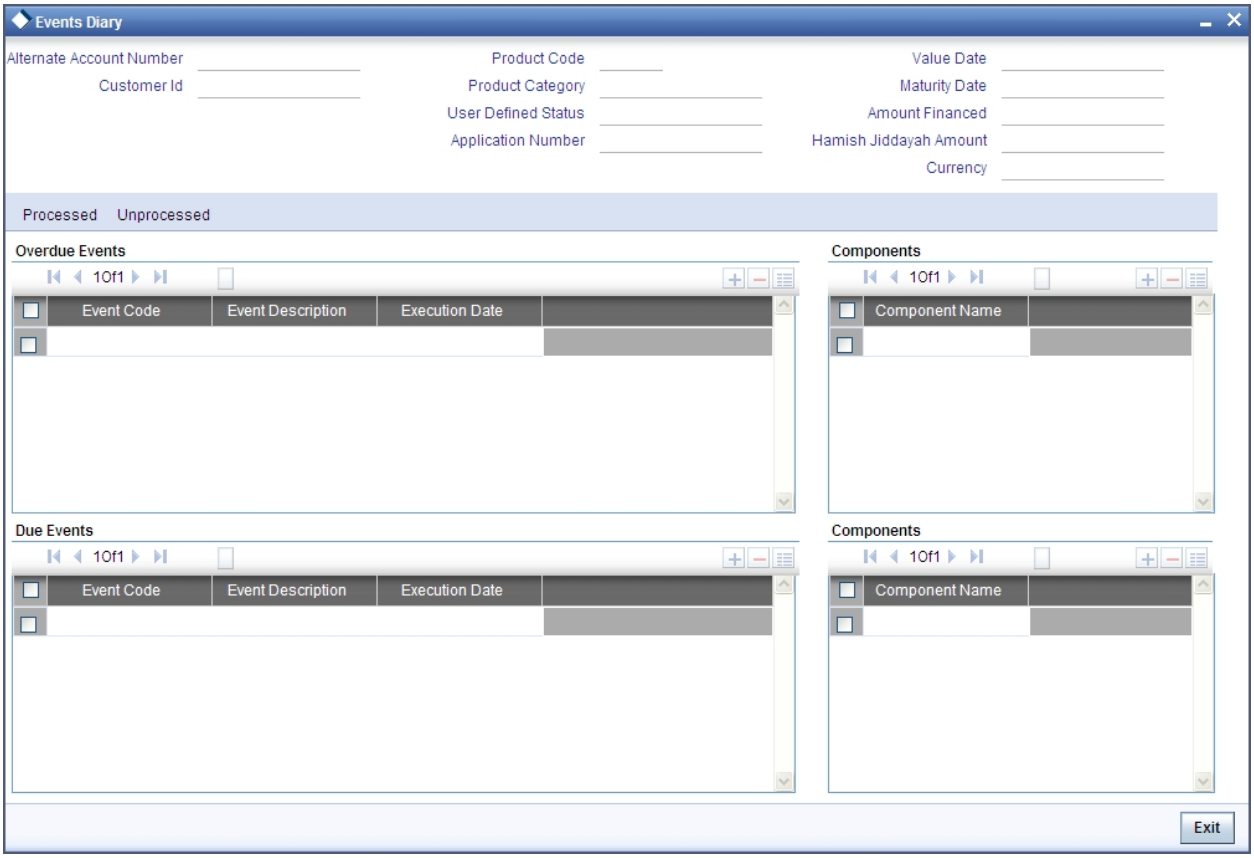
This is a numeric value. Let us suppose you select the frequency as Daily and Unit as 5. In this case archival will be done every 5th day.

A batch process will execute the archival by end of day. However, if you do not specify the parameters, archival will not be executed.

A batch process will execute the archival by end of day. However, if you do not specify the above parameters, archival will not be executed.

5.8.3 Unprocessed Events

The Unprocessed event screen has all the details of the overdue and the Due events for the account.



5.8.4 Overdue Events

An event which has crossed the due date becomes an overdue event. The number of days after the due date is used by the bank to calculate compensation for the event.

The following Overdue event details are displayed:

Event Code

Unique event code is displayed here.

Execution Date

Date on which event occurred is displayed here.

Event Desc

Brief event description is displayed here.

5.8.4.1 Components

Component Name

Name of the component affected by the event is displayed here.

5.8.5 Due Events

The date on which the event is supposed to take place is the due date of the event. In case of repayments, the customer is informed by the bank regarding the due date.

The following details are displayed:

Event Code

Unique event code is displayed here.

Execution Date

Date on which event should have occurred is displayed here.

Event Desc

Brief event description is displayed here.

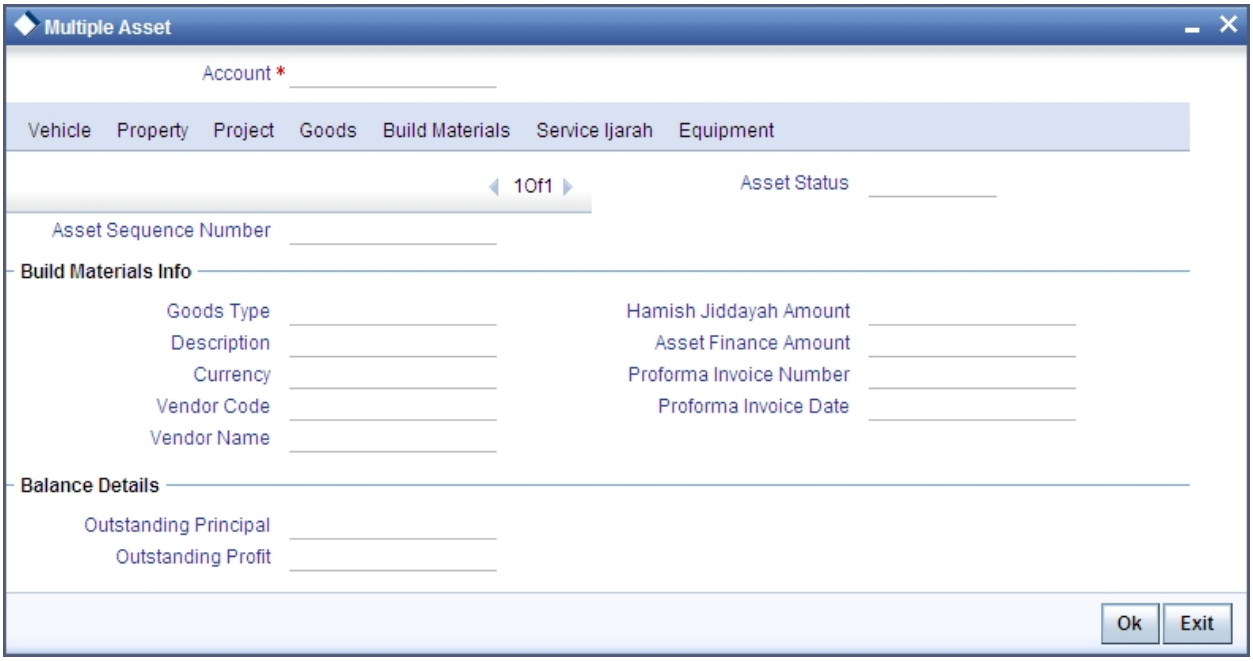
5.8.5.1 Components

Component Name

Name of the component affected by the event is displayed here.

5.9 Multiple Asset Details

Click ‘Multiple Asset’ button to capture additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. For instance, if the asset type defined for the linked product is ‘Building Info’ then the following screen will be displayed on clicking this button.



Here you can capture the following details:

Account Number

The account number is defaulted from the 'Account Details - Main' screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are 'Active' and 'Settled'. During account initiation the status will be 'Active'. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to 'Settled'. An asset can only be completely settled. No partial payment is allowed.

5.9.1 Capturing Building Material Information

Goods Type

Select the type of goods by clicking on the option list. The different types of goods that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Description

Specify a description for the building material to be financed.

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Specify the amount paid as down payment.

Currency

Specify the currency of the account.

Asset Finance Amount

Specify the amount financed for the asset.

Vendor Code

Select the vendor code from the option list. This list displays all vendor codes maintained through the ‘Vendor Maintenance’ screen.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

Proforma Invoice Number

Specify the invoice number here.

Proforma Invoice Date

Specify the date of invoice creation here.

5.9.2 Capturing Balance Details

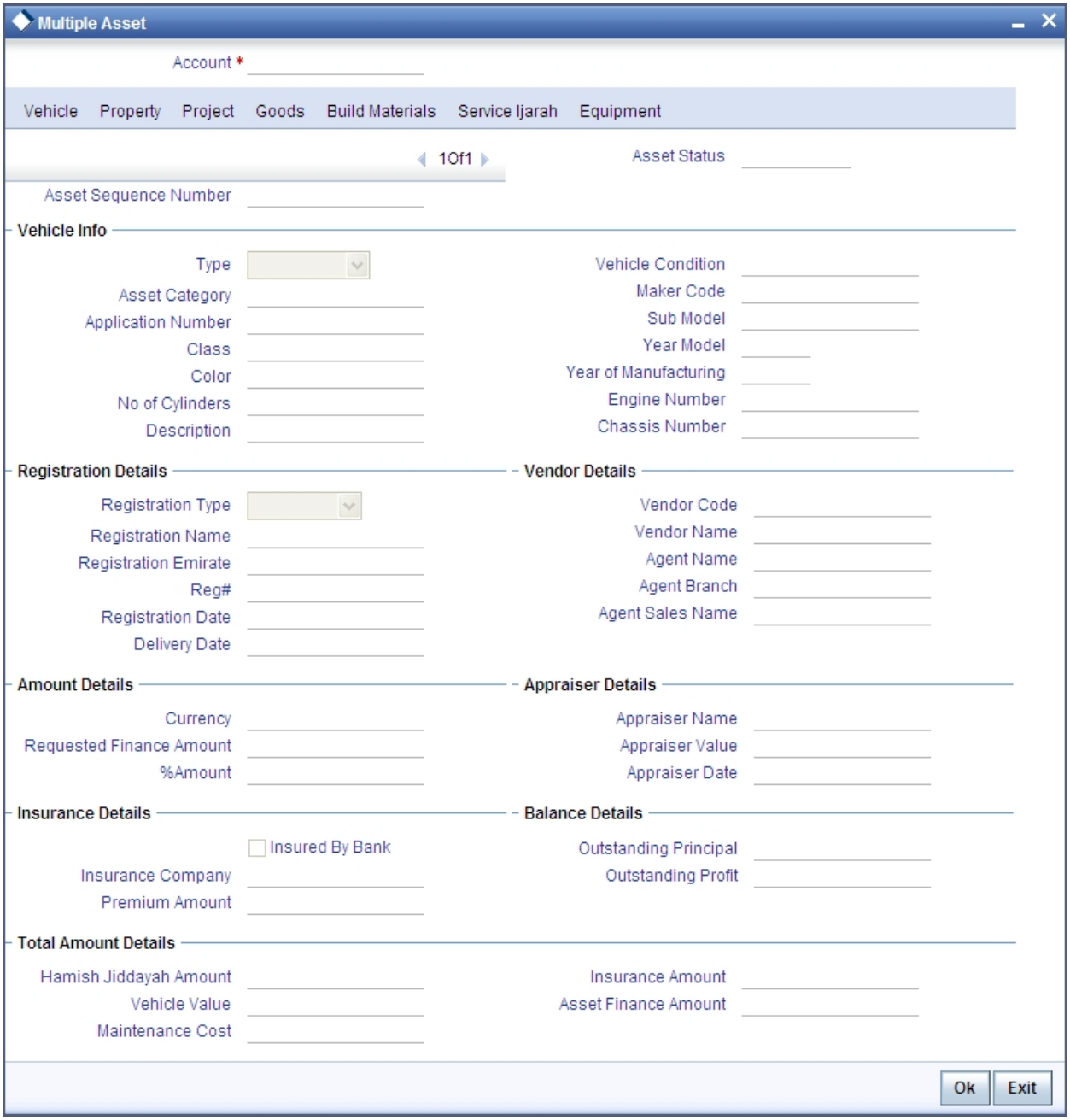
Outstanding Principal

The outstanding principal on the finance contract for this building material is displayed here.

Outstanding Profit

The outstanding profit on the finance contract for this building material is displayed here.

If the asset type defined for the linked product is ‘Vehicle Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

Capturing Vehicle Information

Asset Type

Select the type of asset from the drop-down list. The options available are:

- New - New Asset
- Used - Used Asset

Asset Category

Select the category to which the asset belongs from the option list. This list displays all options maintained using the ‘Limits Type Maintenance’ screen.

Application Number

Specify the application number for the asset here.

Color

Specify the color of the vehicle.

Class

Specify the class of the vehicle.

Number of Cylinder

Specify the number of cylinders for the vehicle. This has to be a numeric value.

Vehicle Condition

Describe the condition of the vehicle.

Vehicle Description

Enter a description for the vehicle. For example: Car, Van etc.

Make

Select the code indicating the make of the vehicle from the option list. All the vehicle maker codes, that you have maintained in the ‘Vehicle Maker Details’ screen, are listed for selection.

Sub Model

Select the sub-model of the vehicle from the adjoining option list. This list displays all models maintained using the 'Vehicle Maker Details' screen.

Year Model

Specify the year when the model was first launched.

Year of Manufacture

Specify the year in which the vehicle was manufactured.

Engine Number

Specify the engine number of the vehicle here. This can be an alphanumeric value.

Chassis Number

Specify the chassis number of the vehicle here.

Specifying Registration Details

Type

Specify the registration type here. You can choose from the following values in the adjoining drop-down list:

- S – Self
- TP – Third Party
- N - None

Name

Specify the name in which the vehicle is registered.

Emirate

Select the emirate in which the vehicle was registered, from the option list. All the emirates maintained using the 'Limits Type Maintenance' screen will be listed for you to select.

Registration Number

Specify the registration number of the vehicle here.

Date

Specify the date on which the vehicle was registered.

Delivery Date

Specify the date on which the vehicle was delivered.

Specifying Vendor Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the 'Vendor Maintenance' screen, are listed for you to select.

Vendor Name

Once the Vendor code is selected the corresponding vendor name is defaulted here.

Agent Sales Staff Name

Specify the name of the agent sales staff.

Agent Name

Specify the name of the agent.

Agent Branch

Specify the agent branch.

Specifying Amount Details

Currency

Specify the currency of the account.

Requested Amount

Specify the amount requested to be financed.

% Amt Financed/Appraised Value

Specify the percentage of amount financed that is appraised.

Specifying Appraiser Details

Appraiser Name

Specify the name of the appraiser here.

Appraised Value

Specify the value appraised.

Appraisal Date

Specify the date on which the appraisal was done.

Specifying Total Amount Details

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Specify the amount paid as down payment.

Vehicle Value

Specify the value of the vehicle.

Maintenance Cost

Specify the maintenance cost of the vehicle.

Insurance Amount

Specify the insurance amount for the vehicle.

Asset Finance Amount

Specify the amount financed for the asset.

Specifying Insurance Details

Insured By Bank

Check this box to indicate that the asset is insured by the bank.

Insurance Company

Select the name of the company through which the assets is insured.

Premium Amount

Specify the premium amount to be paid for the insurance.

Specifying Balance Details

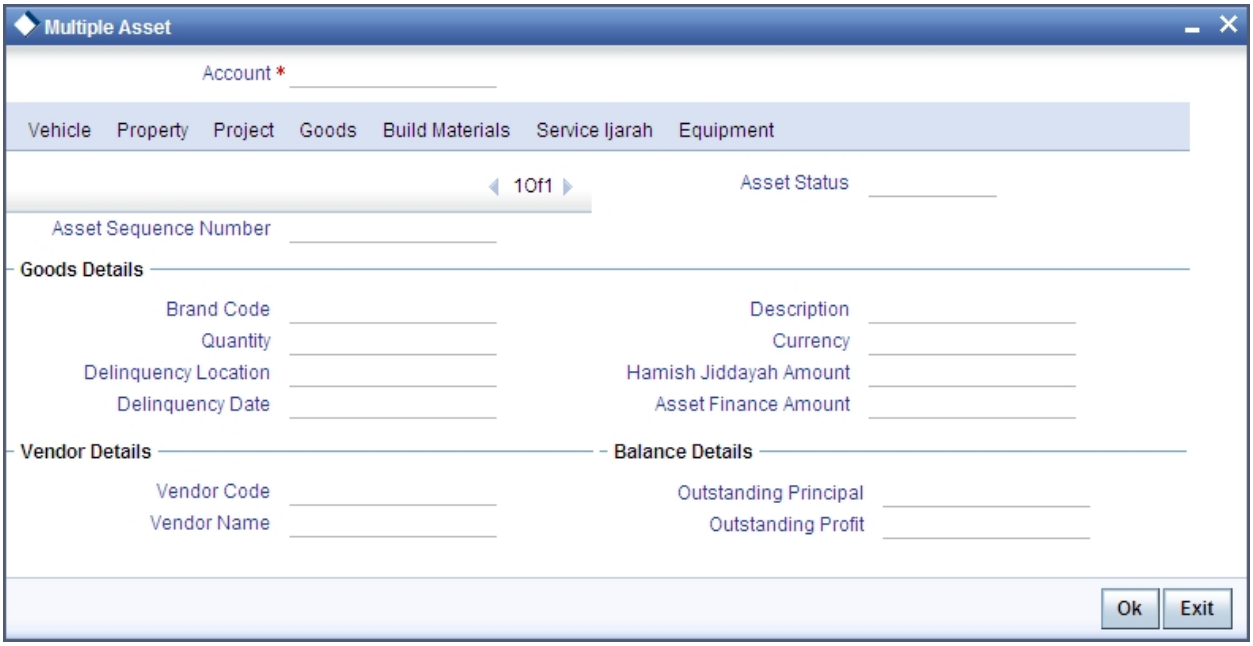
Outstanding Principal

The outstanding principal on the account for this vehicle is displayed here.

Outstanding Profit

The outstanding profit on the account for this vehicle is displayed here.

If the asset type defined for the linked product is ‘Goods Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

Goods Details

Brand

Select the brand of the goods by clicking on the option list. The different brands that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Description

Specify a description for the goods brand.

Quantity

Specify the quantity of good here.

Delivery Location

Specify the location where the goods have to be delivered.

Delivery Date

Specify the date on which the goods have to be delivered.

Currency

Specify the account currency here.

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Specify the amount paid as down payment.

Asset Finance Amount

Specify the amount financed for the asset.

Specifying Vendor Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the 'Vendor Maintenance' screen, are listed for you to select.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

Specifying Balance Details

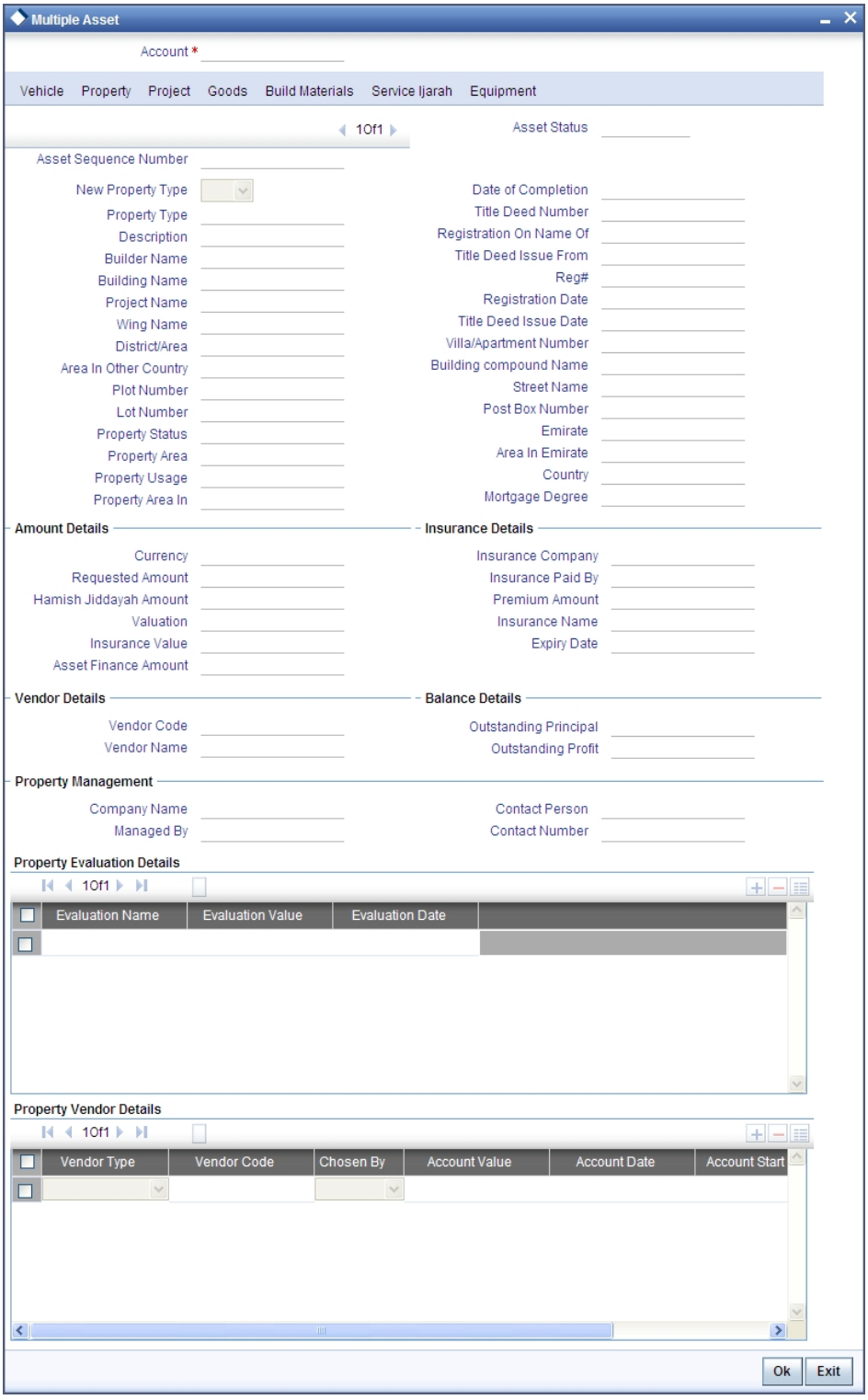
Outstanding Principal

The outstanding principal on the account for the goods is displayed here.

Outstanding Profit

The outstanding profit on the account for the goods is displayed here.

If the asset type defined for the linked product is 'Property Info', then the following screen will be displayed on clicking 'Multiple Asset' button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

5.9.3 Capturing Property Details

Property Type New

Select if the property is new or old. The options available are:

- Y - Yes
- N - No

Type of Property

Select the type of property from the option list. The types of properties that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Description

Specify a description for the property.

Builder Name

Specify the name of the builder of the property.

Project Name

Specify the name of the project.

Building Name

Specify the name of the building for which finance is taken

Wing Name

Specify the name of the wing in which the property is.

District/Area (Hoz Raqam)

Select the district or area within the selected Emirate by clicking on the option list. The different districts within the Emirates that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

City

Select the city where the property is by clicking on the option list. The different cities that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Area in Another Country

Select the area in another country where the property is by clicking on the option list. The different areas in another country that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Plot Number

Specify the plot number here.

Property Status

Specify the status of the property financed.

Property Area

Specify the area of the property.

Property Usage

Specify the usage of the property here. For example: Primary, Secondary etc.

Date of Completion

Specify the date of completion of the property construction.

Title Deed Number

Specify the title deed number. This has to be an alphanumeric value.

Registered on Name

Specify on whose name the property is registered.

Title Deed Issued From

Specify from where the title deed was issued.

Registration Number

Specify the registration number of the property here.

Date

Specify the date on which the property was registered.

Title Deed Issue Date

Specify the date on which the title deed was issued.

Villa/Apartment Number

Specify the number of the villa or the apartment.

Building Compound Name

Specify the name of the compound in which the building is located.

Street Name

Specify the name of the street in which the property is located.

PO Box

Specify the post office box number of the location where the property is located.

Emirate

Select the Emirate where the property is by clicking on the option list. The Emirates that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Area within Emirate

Specify the area within the selected Emirate by clicking on the option list. The different areas with Emirate that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Country

Specify the country where the property.

Mortgage Degree

Specify the degree of mortgage of the property.

Lot Number

Specify the lot number of the property.

5.9.4 Specifying Vendor Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the 'Vendor Maintenance' screen, are listed for you to select.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

5.9.5 Specifying Amount Details

Currency

Specify the currency of the account.

Requested Amount

Specify the amount requested for finance.

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Specify the amount paid as down payment.

Property Value

Specify the value of the property here.

Insurance Value

Specify the amount for which the property is insured.

Asset Finance Amount

Specify the amount financed for the asset.

5.9.6 Specifying Insurance Details

Insurance Company

Select the name of the company from which insurance coverage is taken for the property.

Insurance Paid By

Specify by whom the insurance for the property is paid.

Premium Amount

Specify the premium amount to be paid for the insurance.

Insured Name

Specify on whose name the insurance is taken.

Insurance Expiry Date

Specify the date on which the insurance expires.

5.9.7 Specifying Evaluator Details

Name

Specify the name of the evaluator in this field.

Value

Specify the evaluation value in this field.

Date

Specify the date of evaluation in this field.

5.9.8 Specifying Balance Details

Outstanding Principal

The outstanding principal on the finance contract for this property is displayed here.

Outstanding Profit

The outstanding profit on the finance contract for this property is displayed here.

Vendor Type

Select the vendor type from the drop-down list. The options available are:

- C - Contractor
- N - Consultant
- P - Project Manager

Chosen By

Select by whom the property is chosen from the drop-down list. The options available are:

- B - Bank
- C - Customer

Code

Select the vendor code from the options list available.

Name

The name of the vendor is displayed here.

Account Value

Specify the value of the account here.

Date

Specify the date of the contract here.

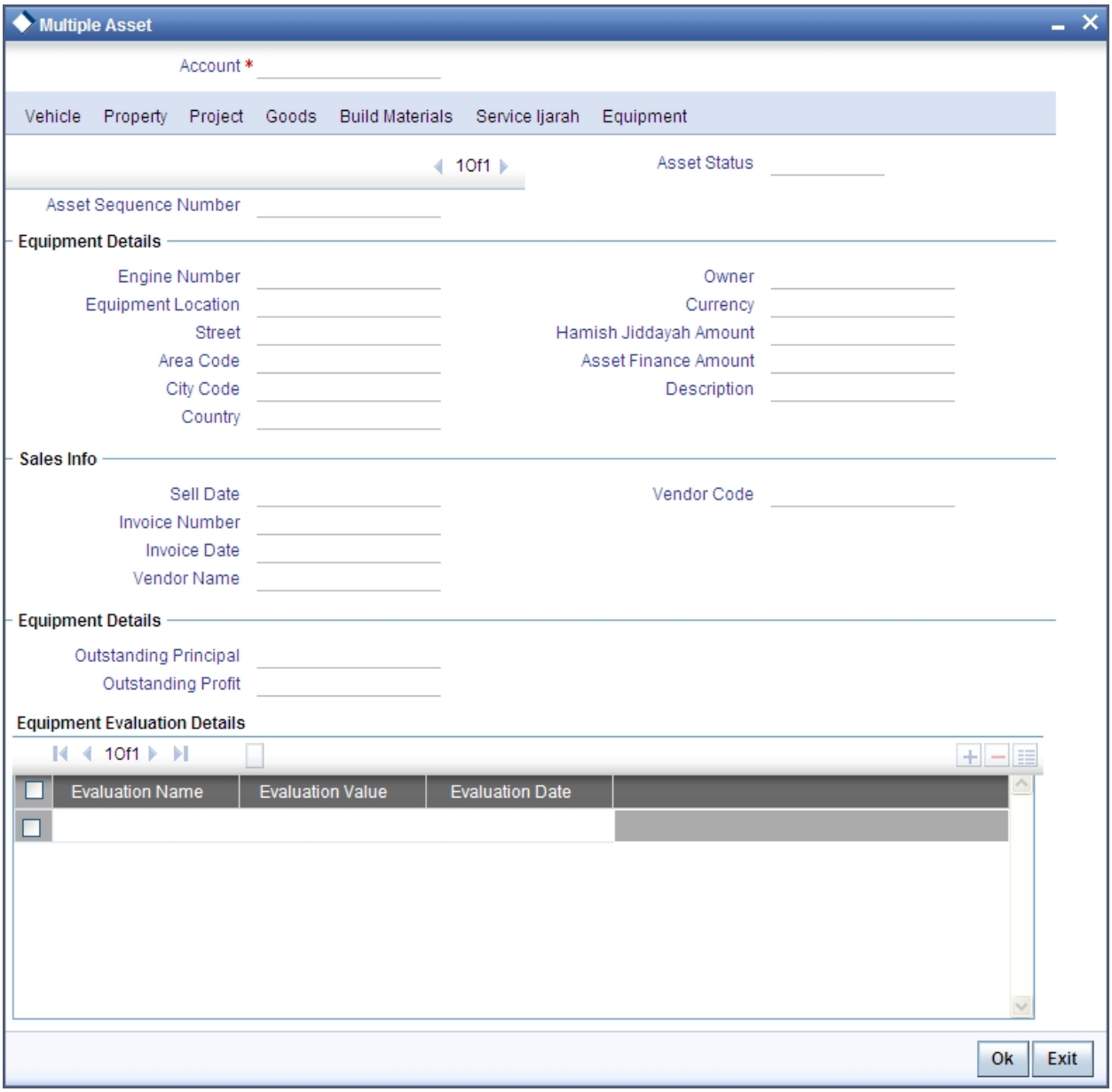
Construction Start Date

Specify the date on which the construction of the property started.

Proposed Completion Date

Specify the proposed date of completion of the property.

If the asset type defined for the linked product is ‘Equipment Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

5.9.9 Specifying Equipment Details

Engine Number

Specify the engine number of the equipment here.

Equipment Location

Specify the location where the equipment is.

Street

Specify the name of the street where the equipment is.

Area

Select the area where the equipment is from the option list. The different areas that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

City

Select the city where the equipment is from the option list. The different cities that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Country

Select the country where the equipment is from the option list. The different countries that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Owners

Specify the name of the person who owns the equipment.

Description

Enter a description for the equipment.

Currency

Specify the currency of the account.

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Specify the amount paid as down payment.

Asset Finance Amount

Specify the amount financed for the asset.

5.9.10 Specifying Seller Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the 'Vendor Maintenance' screen is listed for you to select.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

Selling Date

Specify the date on which the equipment was sold.

Invoice Date

Specify the date on which the invoice was created.

Invoice Number

Specify the invoice number here.

5.9.11 Specifying Balance Details

Outstanding Principal

The outstanding principal on the account for this equipment is displayed here.

Outstanding Profit

The outstanding profit on the account for this equipment is displayed here.

5.9.12 Specifying Evaluator Details

Name

Specify the name of the evaluator here.

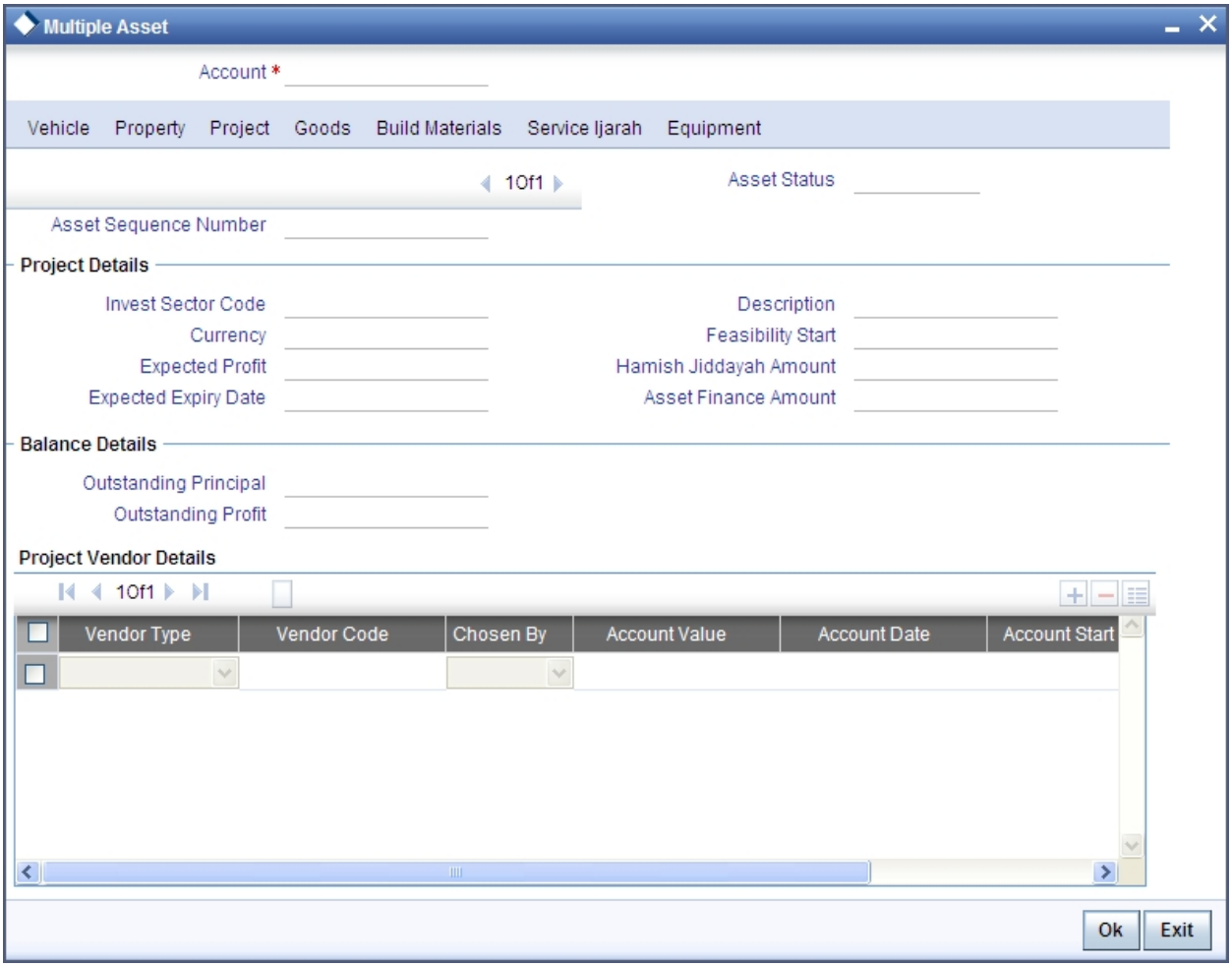
Value

Specify the evaluated value of the equipment.

Date

Specify the date of evaluation.

If the asset type defined for the linked product is ‘Project Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

5.9.13 Specifying Project Details

Sector of Investment

Select the sector of investment from the option list. The different sectors of investment which you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Currency

Specify the currency of the account.

Feasibility Study Initiator

Specify the name of the person initiating the feasibility study.

Expected Profit

Specify the expected profit for the project here.

Hamish Jiddayah

Specify the amount paid as down payment.

Expected Expiry Date

Specify the expected expiry date of the project here.

Asset Finance Amount

Specify the amount financed for the asset.

5.9.14 Capturing Outstanding Details

Outstanding Principal

The outstanding principal on the account for this project is displayed here.

Outstanding Profit

The outstanding profit on the account for this project is displayed here.

Vendor

Select the vendor type from the drop-down list. The options available are:

- C - Contractor
- N - Consultant
- P - Project Manager

Chosen By

Select the entity that chose the project, from the drop-down list. The options available are:

- B - Bank
- C - Customer

Code

Specify the vendor code here. The option list displays all vendor codes maintained through the 'Vendor Maintenance' screen.

Name

The system displays the vendor name here based on the code specified.

Account Value

Specify the value of the finance here. This will be same as the total finance amount.

Date

Specify the date of the account here.

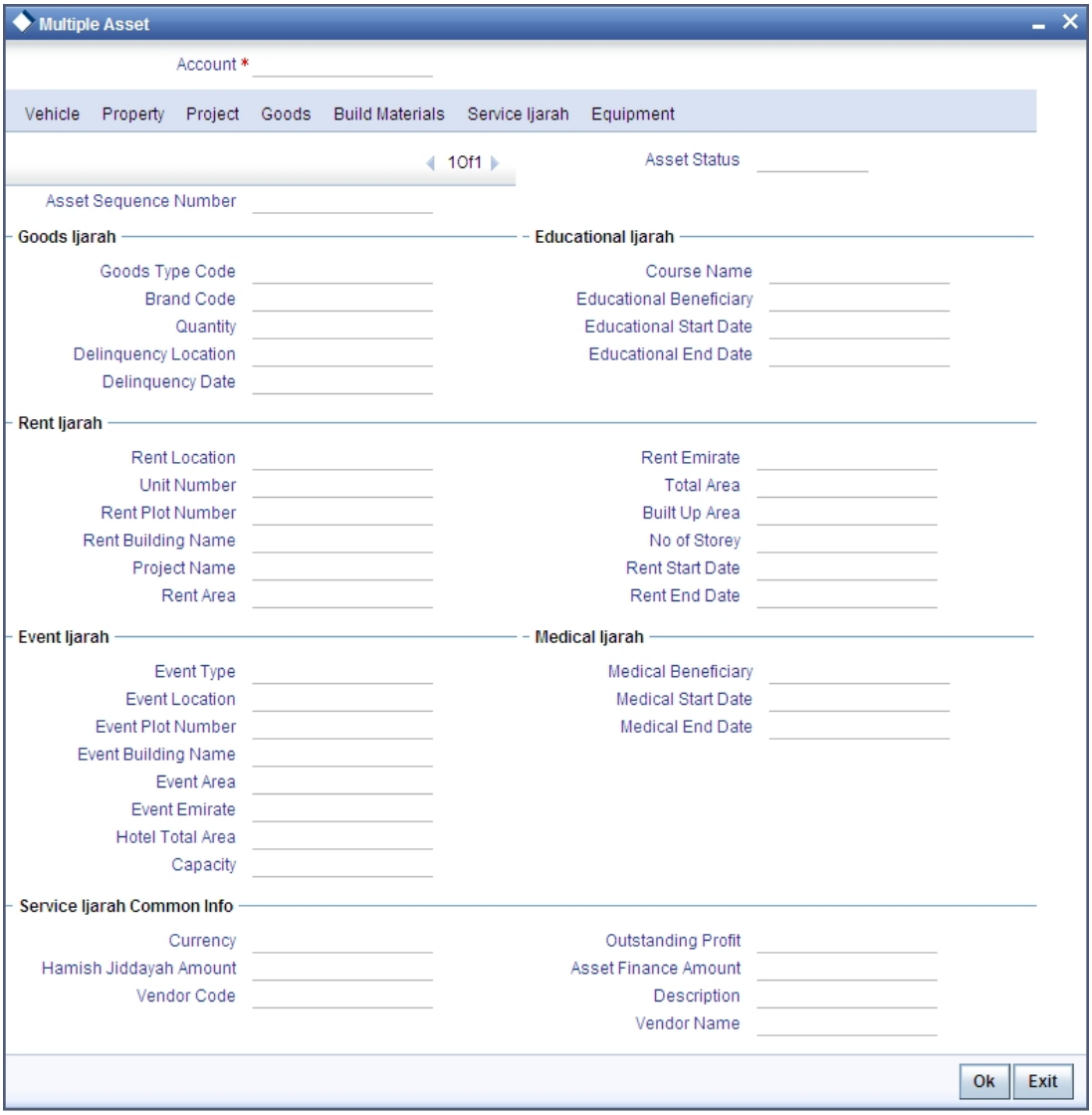
Construction Start Date

Specify the date on which construction had started.

Proposed Completion Date

Specify the proposed date of completion of the project.

If the asset type defined for the linked product is 'Service *Ijarah* Info', then the following screen will be displayed on clicking 'Multiple Asset' button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘A’ (Active) and ‘S’ (Settled). During account initiation the status will be ‘A’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘S’. An asset can only be completely settled. No partial payment is allowed.

5.9.15 Specifying Goods *Ijarah* Details

Type of Goods

Select the type of goods here from the option list. The different types of goods which you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Brand

Select the brand of the goods here from the option list. The different brands of goods which you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Quantity

Specify the quantity of goods here.

Delivery Date

Specify the date on which the goods should be delivered.

Delivery Location

Specify the location where the goods have to be delivered.

5.9.16 Specifying Educational *Ijarah* Details

Course Name

Specify the name of the course here.

Beneficiary

Specify the name of the beneficiary here.

Start Date

Specify the date on which the course starts.

End Date

Specify the date on which the course ends.

5.9.17 Specifying Rent *Ijarah* Details

Rent Location

Specify the location of the rented building.

Unit Number

Specify the unit number of the rented building.

Description

Specify a description for the rented property.

Plot Number

Specify the plot number of the rented building.

Building Name

Specify the name of the rented building.

Project Name

Specify the project name of the rented building.

Area within Emirate

Select the area where the rented property is by clicking on the option list. The areas that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Emirate

Select the Emirate where the rented property is by clicking on the option list. The Emirates that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Total Area

Specify the total area of the rented building.

Built Up Area

Specify the built up area of the rented building.

Number of Storey

Specify number of storey the rented building has.

Start Date

Specify the date from when the building is taken on rent.

End Date

Specify the date till which the building is rented out.

5.9.18 Specifying Events *Ijarah* Details

Type

Specify the type of event.

Location

Specify the location where the event is conducted.

Plot Number

Specify the plot number of the building where the event is going to take place.

Description

Specify a description for the event.

Building Name

Specify the name of the building where the event is going to take place.

Area

Select the area where the building is. The areas that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Emirate

Select the Emirate where the building is by clicking on the option list. The Emirates that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Hotel Total Area

Specify the total area of the hotel where the event is going to take place.

Capacity

Specify the total seating capacity of the hotel.

5.9.19 Specifying Medical *Ijarah* Details

Description

Specify a description of the medical treatment.

Beneficiary

Specify the name of the beneficiary here.

Start Date

Specify a start date for the medical treatment.

End Date

Specify an end date for the medical treatment.

5.9.20 Specifying Common Information

Hamish Jiddayah

Specify the amount paid as down payment.

Asset Finance Amount

Specify the amount financed for the asset.

Description

Enter a brief description for the *Ijarah*.

Vendor Code

Select the vendor code from the option list. All vendor codes maintained through the 'Vendor Maintenance' screen are available for selection.

Vendor Name

The name of the selected vendor is displayed here.

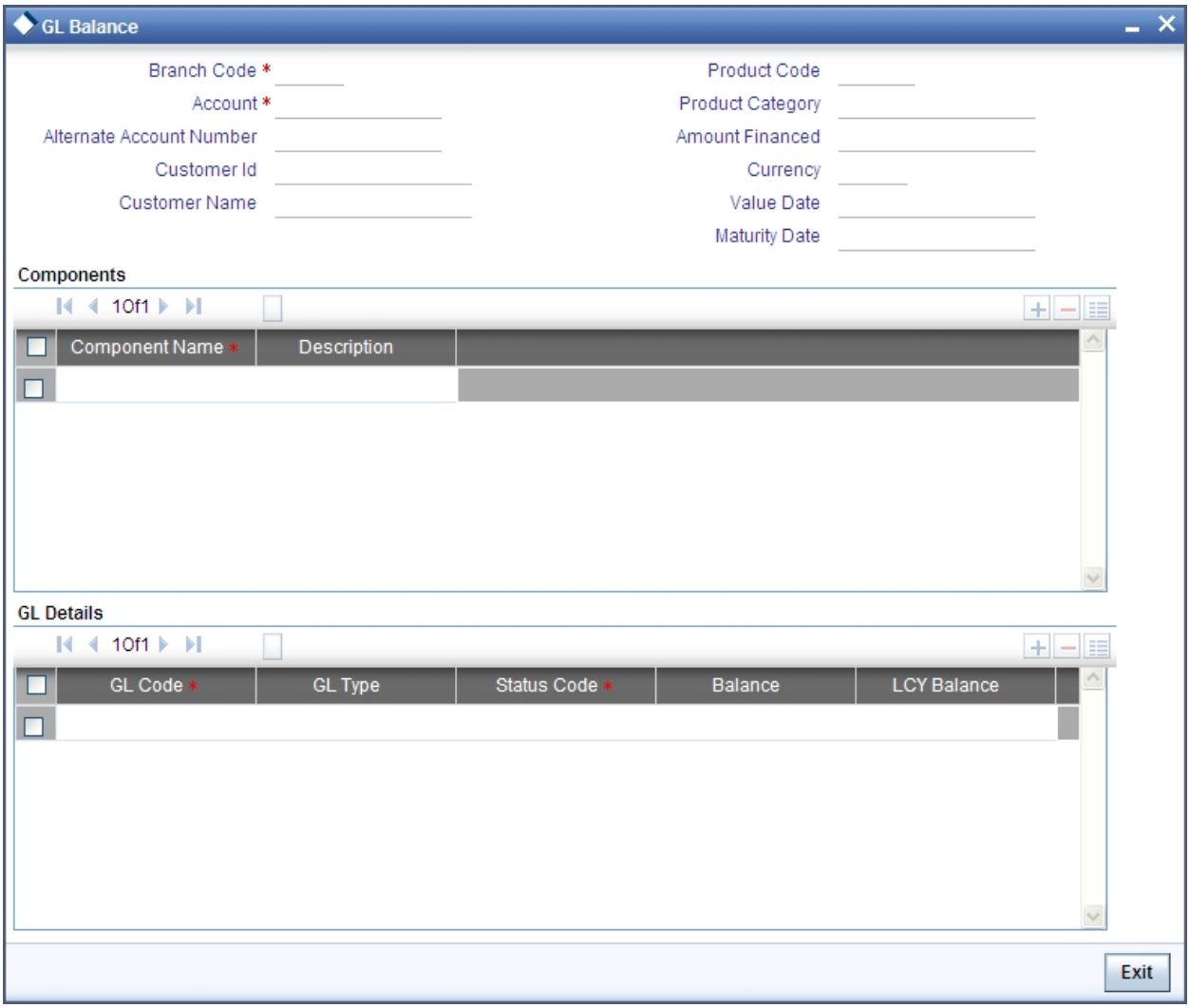
Currency

Specify the currency of the account.

While savings the record, the system will add up the asset value and verify the total asset cost against the range maintained for the product. If the asset cost exceeds the range maintained for the product, the system will display an override message. If the asset currency is different from the currency in which the product level range is maintained, the system will use the standard mid-rate for conversion.

5.10 Account GL Balance

Click 'GL Balance' button to view the 'GL Details' screen. This is a view only screen, which provides a single snapshot of the latest GL balances for the various components that are defined for an account.



The information displayed includes:

5.10.1 Account Details

Branch Code

The branch code of the account maintained in the valid tables is displayed here.

Account Number

Applicant's account number, which is auto generated if it is so maintained under the branch parameter is displayed here.

Alt Account No

Alternate account number of the applicant is displayed here.

Customer ID

Applicant's customer Id is displayed here.

Product Code

Product code of the product associated with the account is defaulted from Product definition.

Product Category

The product category availed by the customer is displayed here.

Amount Financed

The total finance amount is displayed here.

Currency

Currency in which the transaction will be conducted for the account is displayed here.

Value Date

Value date for the account is displayed here.

Maturity Date

Maturity date for the finance account is displayed here.

5.10.2 Components

Component Name

Name of the component defined for the product to which the account is linked is displayed here.

Description

Component description as defined at the Product level is displayed here.

5.10.3 GL Details

GL Code

This is the account head to which the component will be dr/cr. This is defined at the product level.

GL Type

GL category as defined in the GL chart of accounts is displayed here.

Status Code

GL type as defined in the GL chart of accounts is displayed here.

Balance

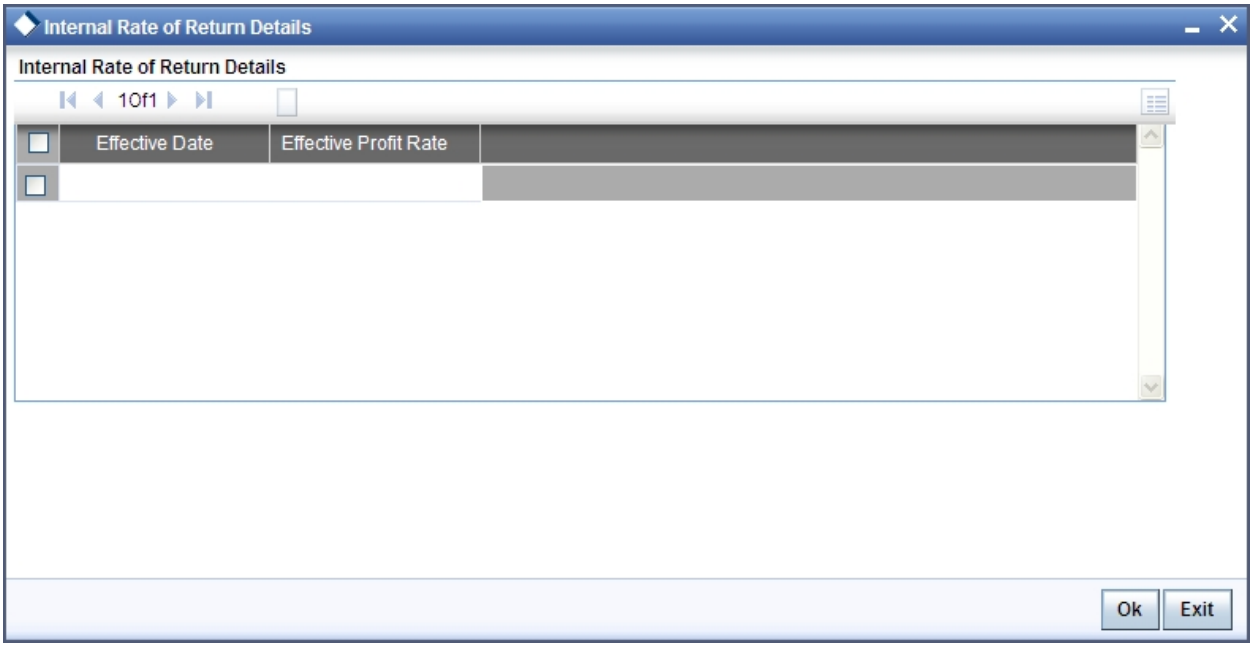
GL balance in terms of the account currency is displayed here.

Local ccy balance

GL balance in terms of the local currency is displayed here.

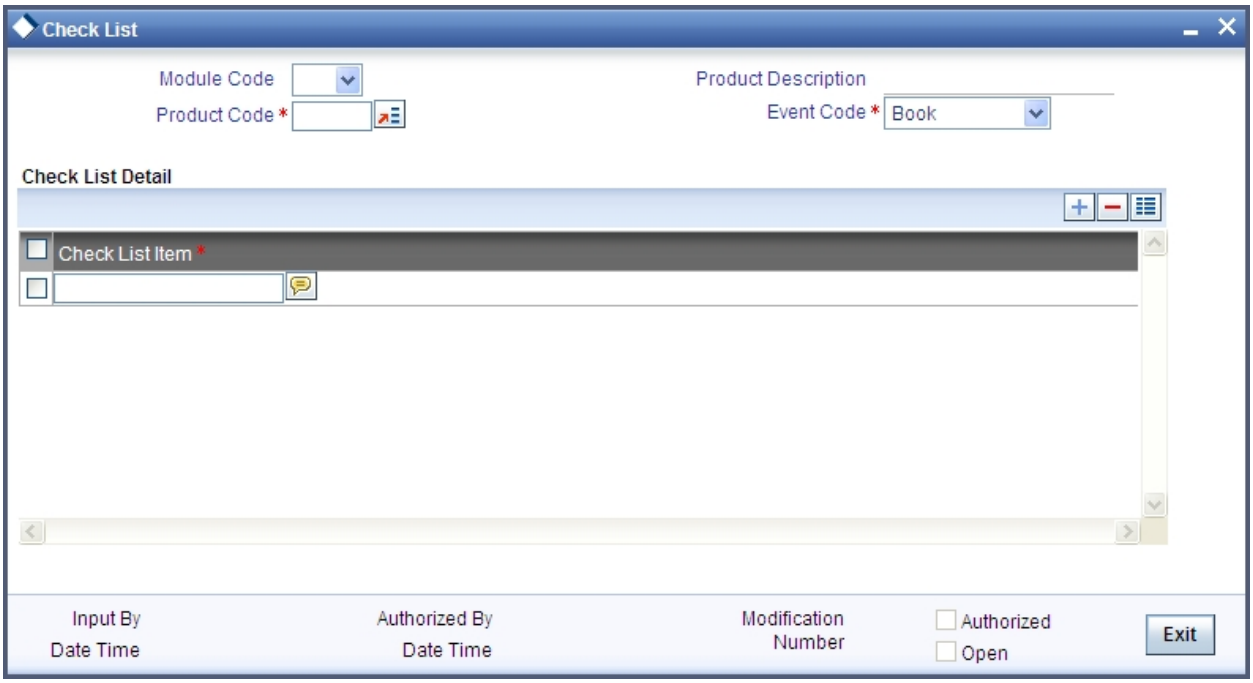
5.11 IRR Details

Click on the 'IRR Details' button and invoke the 'IRR DETAILS' screen. This screen displays the IRR value for the chosen component for different effective dates. The values are displayed in the descending order of the dates.



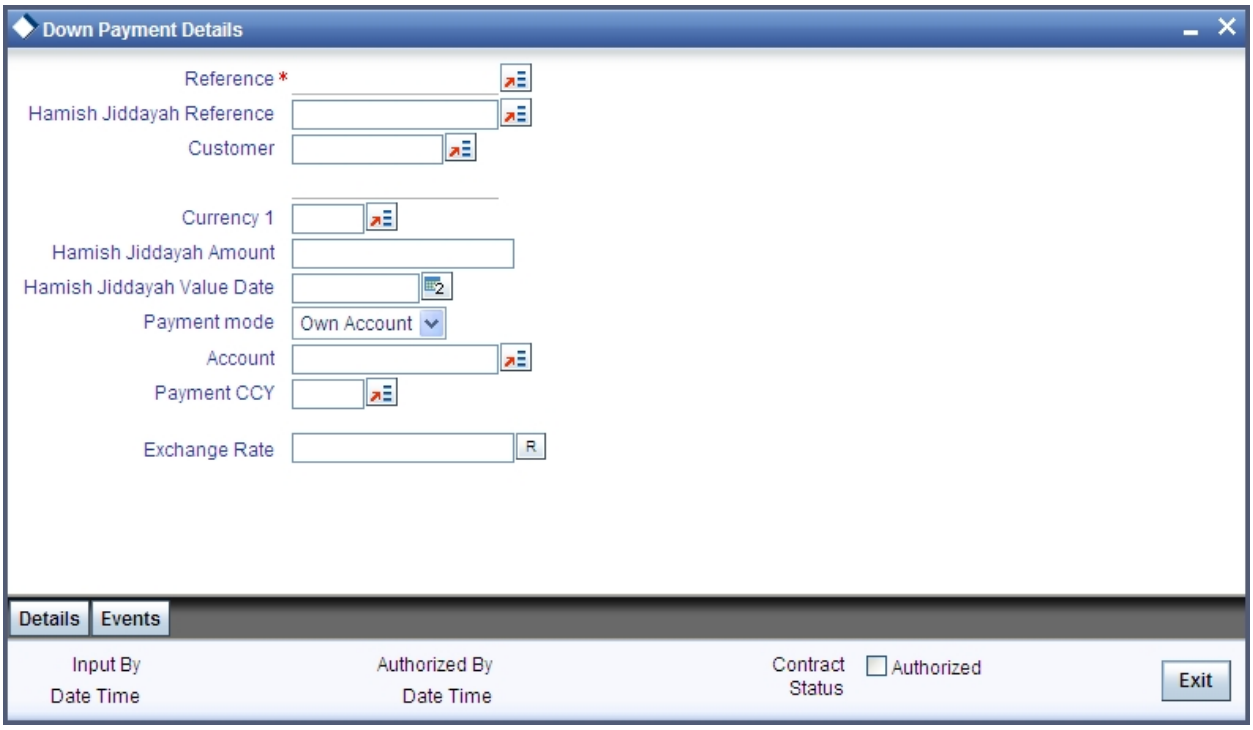
5.12 Event Checklist

Event checklist is a list of items that pops up when an online function is triggered. You can invoke the 'Check List Maintenance' screen by typing 'CLDCHKMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



5.13 Processing Down Payments

You can maintain details of the down payment given by the customer, after the account is booked in the Oracle FLEXCUBE. You can also capture down payment details for an existing account using the 'Islamic Hamish Jiddayah Details' screen. You can invoke this screen by typing 'CIDDPMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you need to specify the following details:

Process Ref No.

The system defaults the process reference number here. You cannot modify it.

Hamish Jiddayah Reference

You can specify the reference number of down payment from the option list. The option list displays all the uninitiated accounts.

Customer

Based on the ‘Down payment ref no.’ captured, the system populates the customer name. You cannot modify it. However, you can select the ‘Customer’ from the option list, if the down payment reference number is not captured.

Account Currency

Based on the ‘Down payment ref no.’ captured, the system populates the currency of the account. You cannot modify it. However, you can select the ‘Account Currency’ from the option list, if the down payment reference number is not captured.

Hamish Jiddayah Amount

You can enter the down payment amount received from the customer in this field.

Hamish Jiddayah Value Date

Here the value date of down payment will get defaulted to application date.

Payment Mode

You can select one of the following payment modes for the down payment of a finance from the drop down list:

- Own Account
- Account to Account
- GL

For each of these payment modes a retail teller product is mapped in a factory shipped table and the 'Track Receivable' option is unchecked from the 'Retail Teller Product Preference 'screen for these Retail Teller products.

For more details about Retail Teller Products refer 'The Retail Teller Module –An Overview' chapter in the Retail Teller User Manual.

Payable GL/Account

You can select payable account from the option list. The option list displays all the accounts/ GLs based on the payment mode selected.

GL/Account Currency

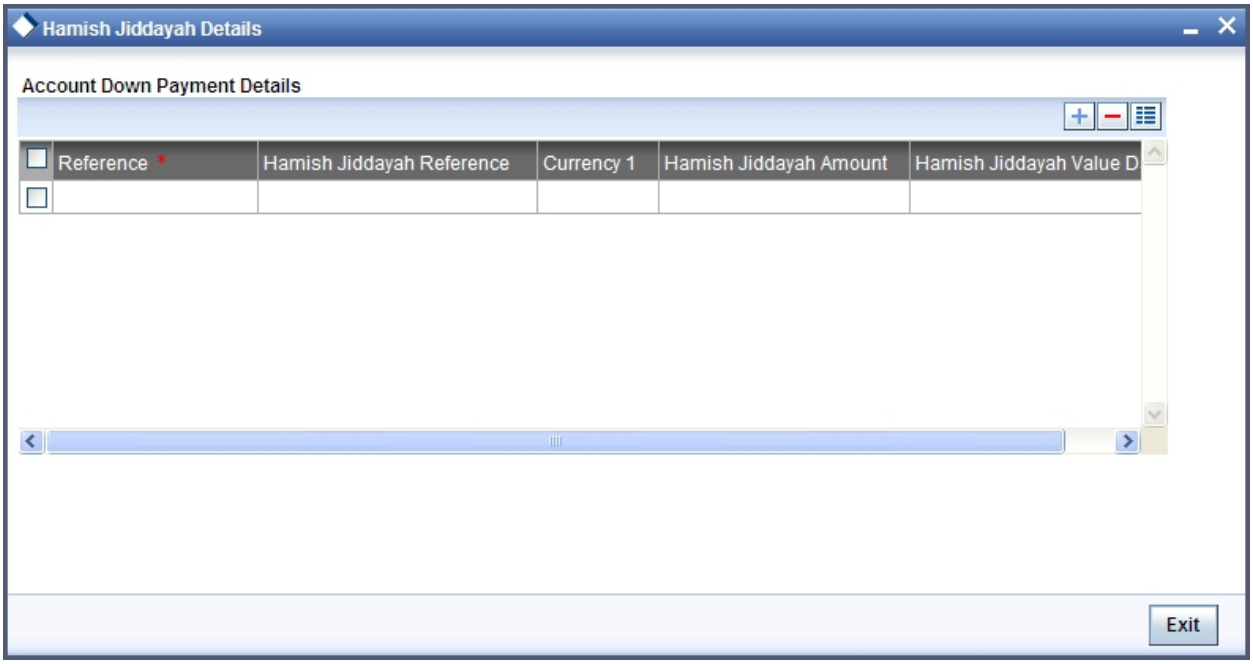
Here the system defaults the account currency for the accounts**.** You cannot modify it**.** However for the payment by GL mode, you can select the account currency from the option list.

Exchange Rate

If the customer's account currency is different from the CL account currency the system defaults the standard exchange rate. You can modify it.

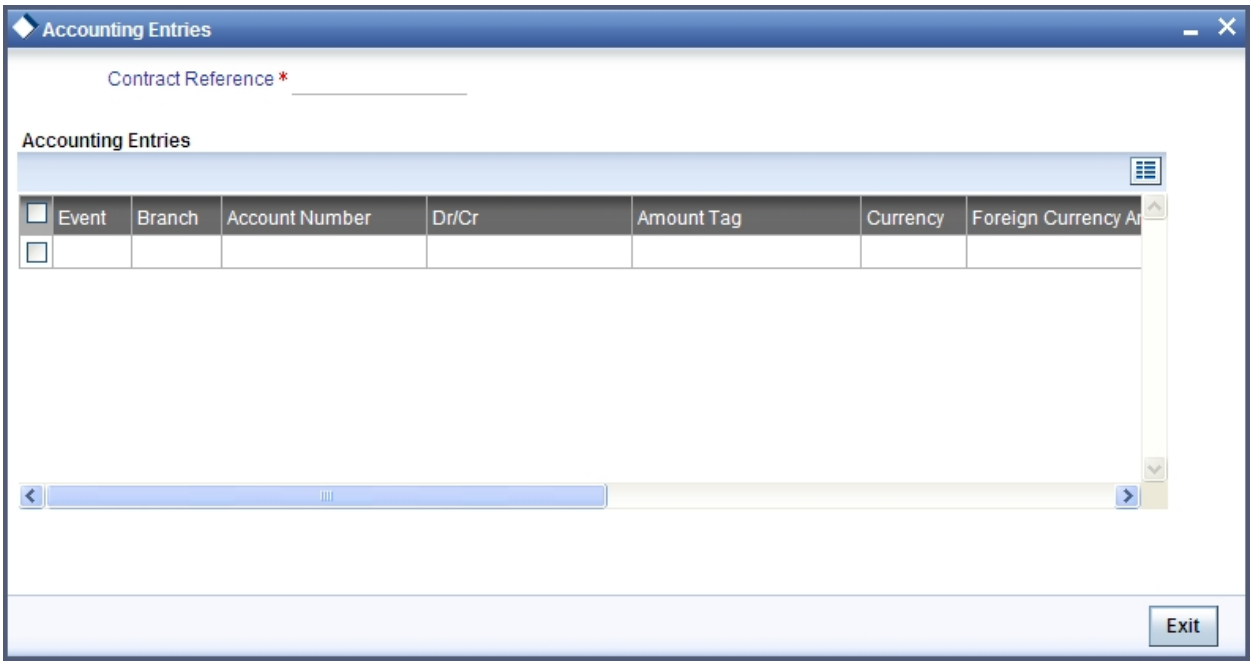
5.13.1 Down Payments Details

Click 'Details' button in the 'Down Payment Details' screen to get the 'Down Payment – Payment Details' screen. Using this screen, you can view the down payments details received against a Down Payment Reference Number.



5.13.2 Accounting Entries

Click 'Events' button in the 'Down Payment Details' screen and view the 'Accounting Entries' screen.



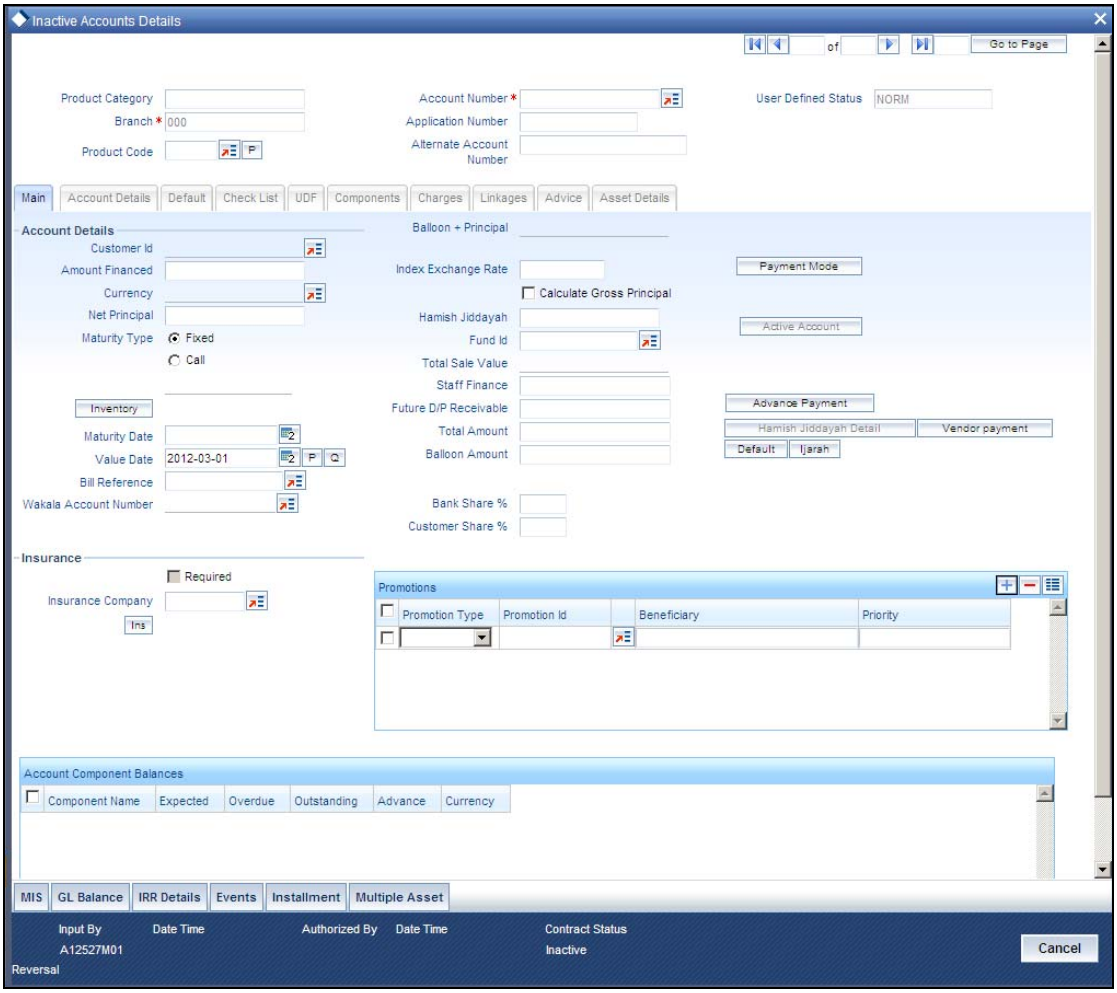
On saving the payment, the system will pass the following accounting entries:

Accounting Role	Amount tag	Dr/Cr
CUSTOMER/GL	TXN_AMT	Dr
DPRCVDGL	OFS_AMT	Cr

While reversing the down payment, accounting entries will also be reversed with the negative values. However the reversal of down payment is not allowed, if the payment is already linked to an account and if the disbursement event of that account is already triggered.

5.14 Inactive Finances

During Finance processing, it is required to capture finance details and not initiate till verification of documents, etc. This module creates a finance account in an inactive state. Inactive finances are input by a separate screen similar to the Accounts screen or by Uploads. After manual verification the account is entered as an inactive account. The account is activated once the requisite documents are received. You can invoke 'Inactive Accounts' screen by typing 'CIDINADT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The system captures the following details and generates an inactive account:

- Finance Reference Number
- Schedule Dates
- Charges
- Installment Amounts

Modifications are allowed on inactive finances even after authorisation and there are no restrictions on inactive finances modifications. Finance details are handed off to other systems. Messages such as Finance advice or Promissory Notes can also be generated.

5.14.1 Operations on Inactive Finances

It is possible to modify an inactive finance and save it even after authorisation. When the account is activated it will be an unauthorized account and behaves like an account directed created /uploaded into the system. It is possible to delete the same too. The user can change all finance account properties.

Click ‘Active Account’ button to activate the finance. This changes the funded status of the finance. Once activated, the account cannot be deleted after authorisation and cannot be unlocked after one save.

Accounting entries and limit updates are not called when the finance is inactive. Accounts queries do not display inactive accounts and Inactive accounts views do not show active accounts.

If an account is created after its value date, it behaves as a Back valued finance entry. If it is created after its maturity date, it behaves like an overdue account.

Inactive finances are created with a sequence that is different from the account mask maintained. Upon activation, the account mask is used to create a new account. Hence the account number of an activated account differs from its inactive version.

5.14.2 Activating Finances and Limit Earmarking

Inactive finances are activated by clicking on Activate Account button or through an upload. Upon finance activation, Limits Utilizations are updated. Accounting entries are passed for disbursement and for any upfront changes as defined in the product.

The earmarked amount field shows the total earmarking and an earmarking reference number is captured. Upon the actual finance initiation, utilization is made on the line and real entries passed.

5.14.3 Deleting Inactive finance

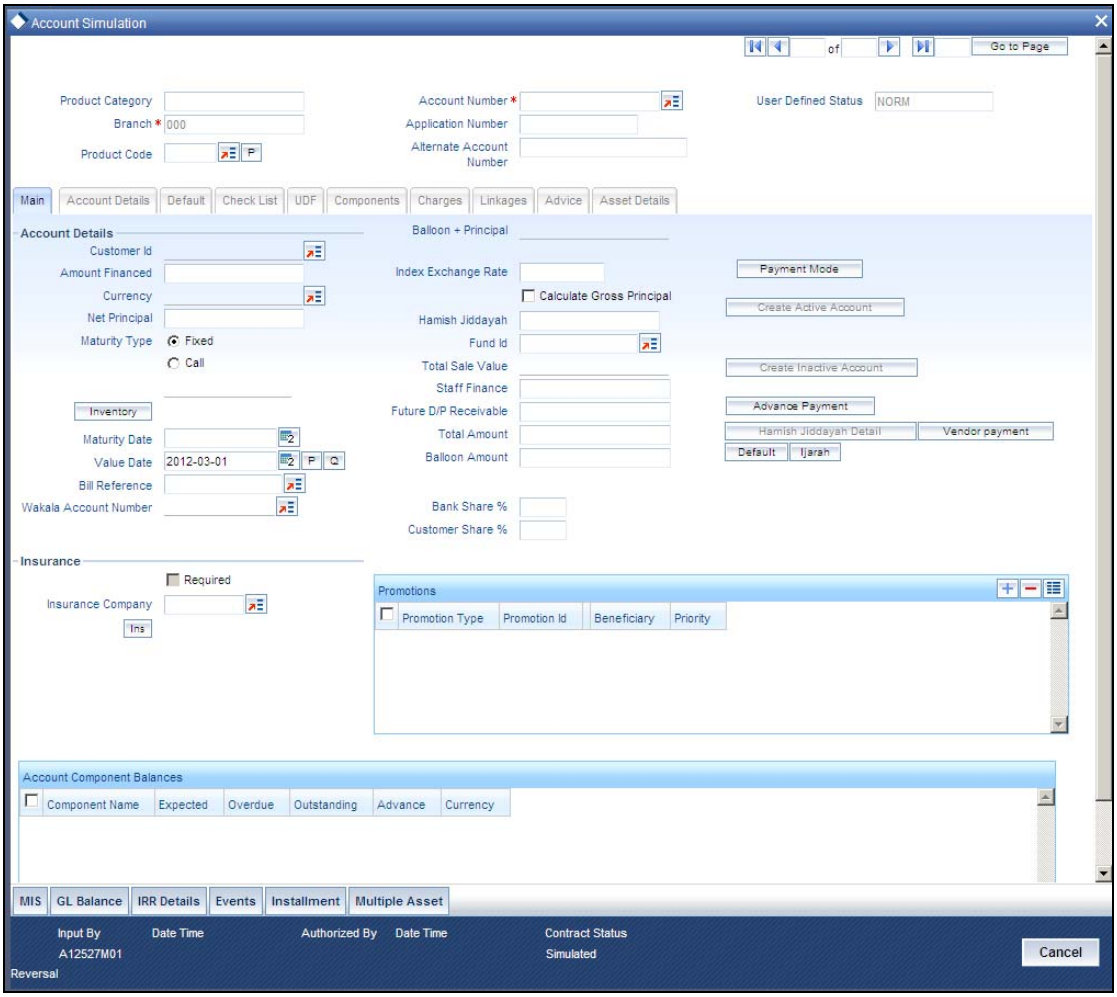
Inactive finances can be deleted even after the authorisation of Inactive finance account. In Bank Parameters, Site specific parameters are provided to control the automatic deletion of Inactive finances. An Inactive Finance processing supports this deletion.

5.15 Finance Simulation

You can simulate finances to answer customer queries especially for new finances and pre-paid finances. The payment schedules of any type of Finance Products can be generated while negotiating with clients during the Presale stage.

5.15.1 Simulating a Finance

You can use the 'Account Simulation' screen to simulate a finance. This screen is similar to the 'Account Details' screen. You can invoke this screen by typing 'CIDSIMDT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Simulation will function in exactly the same way as a regular finance input. All warnings and overrides associated with an actual contract save will come in a simulation. For e.g. if the finance results in the overdrawing of the customers finance line, then an Override will be thrown up. However, no data will be stored in Oracle FLEXCUBE.

Click on 'Create Active Account' button to create a finance directly from the simulator. Only users with rights to invoke Oracle FLEXCUBE finance creation function will be allowed to create finances from the simulation function. The sequence of the Finance account thus created is based on the branch level account mask maintained.

Similarly, click on 'Create Inactive Account' button to actually create an inactive account based on the simulated data.

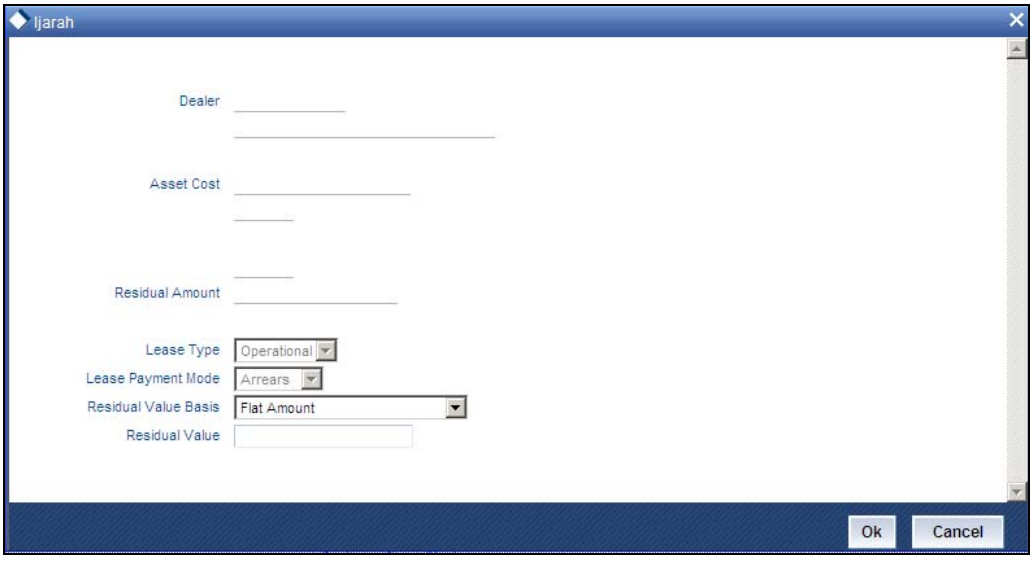
A separate Sequence number is provided to create reference numbers for Simulations. These are one time reference numbers for simulation purposes only and are not used for final finance. The User Defined Reference Number facility of Oracle FLEXCUBE is used to create Finance Simulation Sequences.

If the simulator is launched from Oracle FLEXCUBE, simulations can be run several times to examine the impact of different parameters on the finance. If the simulator is invoked from a channel, all parameters should be specified afresh for each invocation.

Finance advices can be printed from the screen based on the finance account simulated. This is allowed for finance accounts created in the system prior to their being initiated. Subsequently, advices configured through the events screen will be triggered.

5.15.1.1 Ijarah Details

Click 'Ijarah' button in the 'Account Simulation - Main' screen and invoke the 'Ijarah' screen.

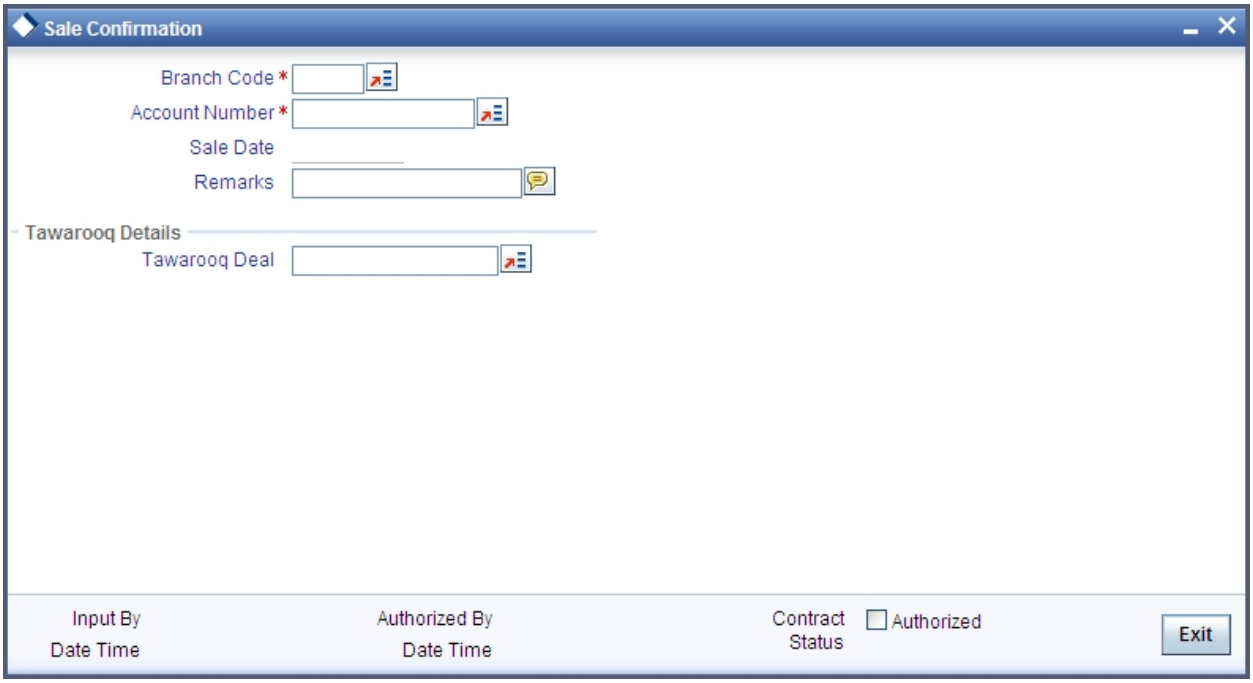


The following details can be captured in this screen:

- Dealer
- Asset Cost
- Residual Value Basis
- Residual Value
- Residual Amount
- Lease Type
- Lease Payment Mode

5.16 Triggering Details of Sale Confirmation

Using this screen the system can trigger the Sale Confirmation (CONF) event for an account. To invoke 'Sale Confirmation Details' screen from the Application Browser. You can invoke this screen by typing 'CIDTSALE' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can maintain the following details:

Branch Code

You can specify the branch code from the option list.

Account Number

You can specify the account number of the customer from the option list. The option list displays all the authorized, uninitiated accounts of the product whose 'Sale Confirmation Required' option is checked in the 'Preference' screen.

Sale Date

In this field the current application date will get defaulted.

Remarks

You can specify the remarks for the sale confirmation. This field is applicable only for the accounts under the product whose 'Sale Confirmation Required' option is checked in the 'Preference' screen.

After authorizing the Screen, the CONF (Sale Confirmation) event will get triggered. However, if the value date of the account is on or before the application date then CONF (Sale Confirmation) event will trigger the Initiate or disbursement events.

6. Making Manual Disbursements

6.1 Introduction

The Islamic Financing Module of Oracle FLEXCUBE supports the following modes for finance disbursements:

- Auto
- Manual

If you select the mode ‘Auto’, the system will automatically disburse the finances based on the disbursement schedule defined for the product.

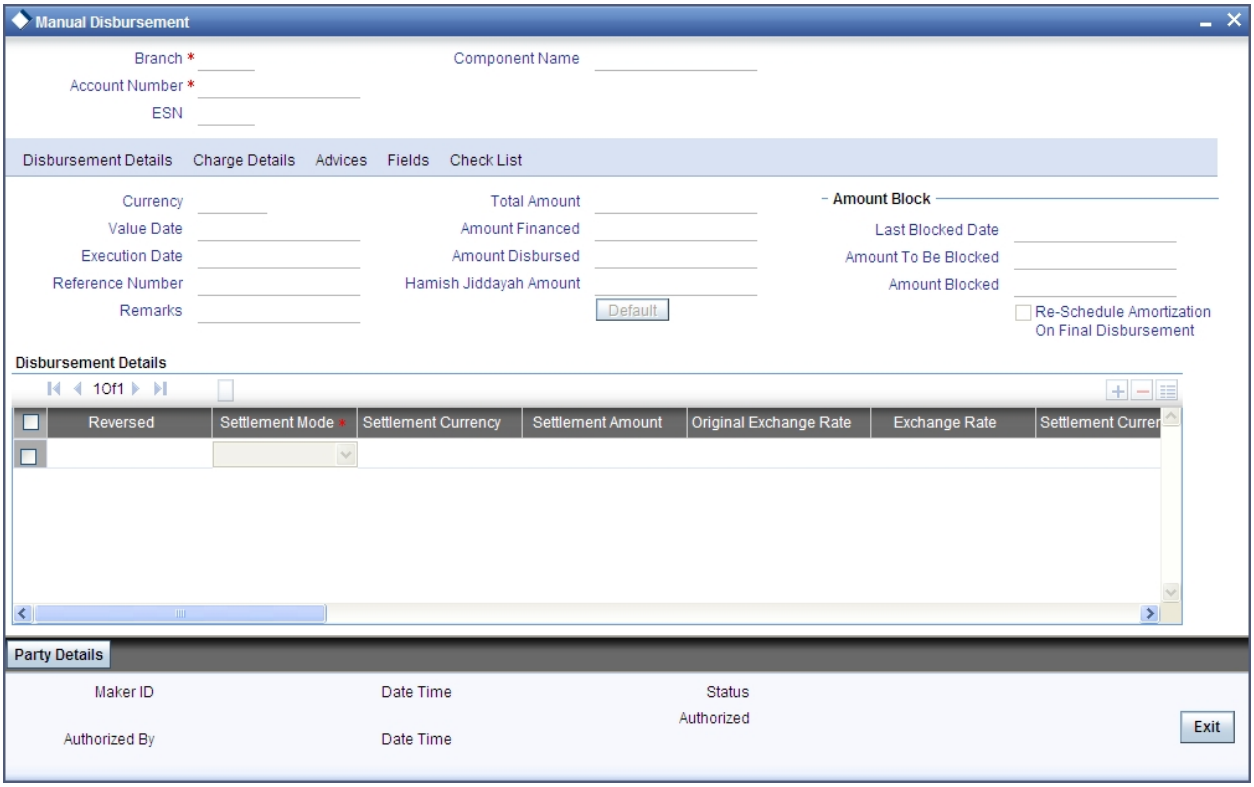
In the manual mode, disbursement happens on demand. In this case, disbursement schedules need not be maintained for the ‘PRINCIPAL’ component. Also, you can collect any applicable charges related to the disbursement at the time of making the disbursement. These charges are defined at the product level.

You have to specify the disbursement mode as a preference at the time of setting up a Consumer Lending product in the system.

Refer the section titled ‘Disbursement Mode preferences’ in the ‘Defining Product Categories and Products’ chapter of this User Manual for details.

6.2 Disbursing a finance through the ‘Manual’ mode

You can initiate a manual disbursement through the ‘Manual disbursement’ screen. You can invoke this screen by typing ‘CIDMNDSB ’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To begin the disbursement, click on the ‘New’ icon in the toolbar of the screen or select ‘New’ from the Actions Menu. Enter the account number and click the ‘Default’ button. The system defaults the details based on product definition and the account maintained by the bank for the account. You can modify the relevant details.

The following information gets defaulted to the screen:

Branch

The code of the login/sign-on branch is displayed here. However, you can select a different branch from the option list provided. It is the branch where the loan account of the customer resides.

Account Number

Select the Loan Account of the customer to which the disbursement is made. All valid accounts are available in the option list. Select the appropriate one from this list.

Component Name

All disbursements are made towards the PRINCIPAL component. You cannot change the component.

Value Date

This is the date when the credit entry (for the disbursement amount) is posted to the Cr Settlement Bridge. The current system date is displayed here.

Execution Date

This is the date on which the disbursement is booked in the system. The current system date is displayed here. You may change the date to a date in the future before the maturity date of the loan.

Reference Number

This is auto generated and used as a reference to identify the transaction in the system.

Capture the following details in the screen:

Remarks

Capture any additional information about the disbursements, if required.

Total Amount

This displays the sum total of the amount disbursed across the various settlement modes. It gets incremented by the amount settled.

On saving the account, the sum total of the amount disbursed in limit currency is validated against the product transaction limit and the user input limit maintained in the system. The system converts the contract amount to the transaction limit amount using the standard mid rate and check against the transaction limit amount maintained for the product if the contract currency is different from the transaction limit currency.

The system displays an appropriate override/error message if the amount exceeds the allowed input limit. It also indicates the level of authorisation required if the transaction the amount is in excess of the transaction limit maintained.

Branch

The code of the login/sign-on branch is displayed here. However, you can select a different branch from the option list provided. It is the branch where the finance account of the customer resides.

Value Date

This is the date when the credit entry (for the disbursement amount) is posted to the Cr Settlement Bridge. The current system date is displayed here.

Execution Date

This is the date on which the disbursement is booked in the system. The current system date is displayed here. You may change the date to a date in the future before the maturity date of the finance.

Component Name

All disbursements are made towards the PRINCIPAL component. You cannot change the component.

Reference No.

This is auto generated and used as a reference to identify the transaction in the system.

Down Payment Amount

Specify the down payment amount in this field.

Capture the following details in the screen:

Label Account

Select the Finance Account of the customer to which the disbursement is made. All valid accounts are available in the option list. Select the appropriate one from this list.

Remarks

Capture any additional information about the disbursements, if required.

Amount Block

Specify the following under amount blocks:

Amount to be Blocked

Here the system displays the amount to be blocked.

Amount Blocked

The system displays the amount blocked till date.

Last Blocked date

The system displays the last blocked date.

Re-Schedule Amortization on Final disbursement

By default, this field displays the value maintained in the 'Re-Schedule Amortization on Final disbursement' field in the 'Account Details' screen. During manual disbursement, if this field is checked, if the amount financed is equal to the amount disbursed and if the amortization starts date is not equal to disbursement date, the system displays the following override message:

Amortization Re-scheduling triggered

During authorization, the system will reschedule the amortization schedules.

Example

Let us assume on 2nd Aug 2000 a CL Account transaction is made with following details:

- Value Date: 02-Aug-2000
- Amount Financed: BHD 15000
- Installment Start Date: 01-Feb-2001
- No. of Installment: 12
- Frequency Unit: Monthly
- Frequency: 1
- Maturity Date: 01-Jan-2002

At the time of booking:

The amortization schedule would be defined at the time of booking the finance from the amortized start date.

Comp Name	Formula Name	Sch.Type	First Due Date	Unit	No.	End Date
Main Profit	Moratorium	Payment	01-JAN-2001	Daily	1	01-JAN-2001
Main Profit	Main Int Formula	Payment	01-FEB-2001	Monthly	11	03-DEC-2001
Main Profit	Main Int Formula	Payment	01-JAN-2002	Bullet	1	01-JAN-2002

- Payment Schedule for Moratorium formula starts on value date 02-Aug-2000 and Schedule ends on 01-JAN-2001. The total Amount Disbursed is BHD 15000.
- Payment Schedule for the Main Profit formula starts on 01-FEB-2001 and ends on 03-DEC-2001. This will be for 11 months.
- Final Bullet Schedule for the Main Profit formula will be on 01-Jan-2002

At the time of final disbursement

Let us assume that the Final Disbursement was made on 29-Sep-2000

Case 1: Re-schedule Amortization on Final Disbursement is checked

The system will recompute the amortized schedules from the date of Final disbursement.

Comp Name	Formula Name	Sch.Type	First Due Date	Unit	No.	End Date
Main Profit	Moratorium	Payment	29-SEP-2000	Daily	1	29-SEP-2000
Main Profit	Main Int Formula	Payment	30-OCT-2000	Monthly	11	30-AUG-2001
Main Profit	Main Int Formula	Payment	28-SEP-2001	Bullet	1	28-SEP-2001

At the time of Authorization if **Re-schedule Amortization on Final Disbursement** flag is checked then the system will trigger the automatic rescheduling.

Case 2: Re-schedule Amortization on Final Disbursement is not checked

Comp Name	Formula Name	Sch.Type	First Due Date	Unit	No.	End Date
Main Profit	Moratorium	Payment	01-JAN-2001	Daily	1	01-JAN-2001
Main Profit	Main Int Formula	Payment	01-FEB-2001	Monthly	11	03-DEC-2001
Main Profit	Main Int Formula	Payment	01-JAN-2002	Bullet	1	01-JAN-2002

On reversal of disbursement, amortization reschedule triggered during the final disbursement is reversed and the amortized schedules and maturity date is restored back to state before the disbursement.

Disbursement Details

The following disbursement details have to be captured in the 'Disbursement Details' section of the screen:

Reversed

When you reverse a manual disbursement, the system automatically checks this option to denote that the particular settlement mode has been reversed.

For reversing a disbursement, a different event, REVD (Reverse Disbursement) is triggered.

Settle Mode

You can make disbursements either through a single mode or by using multiple modes of settlement, depending on the customer's requirement.

The settlement details that need to be captured depend on the mode you select. The list of modes and the applicable settlement details are given below:

- CASA
  - Settlement Branch
  - Settlement Account
- Clearing
  - Upload Source
  - Instrument Number
  - Clearing Product
  - End Point
  - Routing Number
  - Clearing Bank
  - Clearing Branch
  - Sector Code
- External Account

- Upload Source
- Product Category
- Clearing Bank Code
- Clearing Branch Code
- External Account Name
- External Account Number

- Instrument
  - Instrument Number
  - Settlement Branch
  - Settlement Account

- Cash/Teller
  - Upload Source
  - Settlement Product

Atleast one mode is mandatory to make a disbursement.

Settle Currency

After specifying the settlement mode for the disbursement, select the currency in which the disbursement is to be made. The currencies allowed for the branch are available in the option list provided.

Settlement Amount

Here, you have to capture the disbursement amount that is to be settled through the selected mode in the selected currency.

The 'Total Amount' gets incremented by the amount settled and displays the sum total of the amount disbursed across the various settlement modes.

Note that if the box 'Property Handover' is not checked, the system will not allow final disbursement.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For more details on customer specific exchange rates, refer the section titled 'Specifying Pricing Benefit Details' in Relationship Pricing user manual.

Loan Ccy Equiv

As mentioned above, if the Mode Currency and Loan Currency are different, the system calculates the Loan Currency equivalent using the exchange rate applicable for the currency pair.

Negotiated Cost Rate

Specify the negotiated cost rate that should be used for foreign currency transactions between the treasury and the branch. You need to specify the rate only when the currencies involved in the transaction are different. Otherwise, it will be a normal transaction.

The system will display an override message if the negotiated rate is not within the exchange rate variance maintained at the product.

Negotiation Reference Number

Specify the reference number that should be used for negotiation of cost rate, in foreign currency transaction. If you have specified the negotiated cost rate, then you need to specify the negotiated reference number also.

Oracle FLEXCUBE books then online revaluation entries based on the difference in exchange rate between the negotiated cost rate and transaction rate.

Branch Profit for Non Negotiated Transactions

There can be two situations in profit calculation of non negotiated transactions:

- Transaction involves two foreign currencies
- Transaction involves a foreign currency and a local currency

Methods of profit calculation are different based on the currencies involved as discussed in the following examples.

Examples

1 - Profit Calculation of Non Negotiated Transactions Involving a Foreign Currency and a Local Currency

Consider a loan transaction. The currency of the loan is USD and that of the settlement account is AED. The loan amount is 10,000 USD and the transaction is booked at an exchange rate of 3.55.

The mid rate for the revaluation rate code for USD-AED pair is maintained as 3.60 in Currency Rates Maintenance with a buy spread of 0.05 and a sell spread of 0.05. Hence, the cost rate for the branch for this transaction will be 1 USD = 3.60 AED.

The system will pass the following accounting entries in this case.

Dr/Cr	Account	Ccy	FCY Amount	LCY Amount
Dr	Asset-1	USD	10,000	35500
Cr	Customer-1	AED		35500

As a result of this transaction, the branch has made a profit of 500 AED.

10000 x (3.60 – 3.55) = 500

The loan product used for the contract needs to be configured for online revaluation. This will enable the profit of 500 AED to be booked at the time of creation of the contract itself.

The system will pass the following additional accounting entries.

Dr/Cr	Account	Ccy	FCY Amount	LCY Amount
Dr	Asset-1	USD		500
Cr	Income-1	AED		500

You need to maintain the Income/Expense accounts used for booking the branch profit/loss (Income-1, in the above example). As part of the product setup, you need to maintain these general ledgers for online revaluation.

2 - Profit Calculation of Non Negotiated Transactions Involving Two Foreign Currencies

Consider the case of liquidation of an import bill. The currency for the bill is GBP and that of the settlement account is USD.

The system uses USD as the through currency to derive the exchange rate of GBP against AED. The rates of exchange for GBP-USD and USD-AED pairs are maintained in the system as given below:

For GBP-USD pair -

Mid Rate - 1 GBP = 1.5651 USD

Buy Spread = 0.10

Sell Spread = 0.10.

Hence,

Buy Rate = 1.4651

Sell Rate = 1.6651

Similarly, for USD-AED pair -

Mid Rate - 1 USD = 3.60 AED

Buy Spread = 0.05

Sell Spread = 0.05

Hence,

Buy Rate = 3.55

Sell Rate = 3.65

Based on the above details, the system derives the GBP-AED rate as below:

Mid Rate - 1 GBP = 5.6344 AED

Buy Rate = 5.2011

Sell Rate = 6.0776

Consider that a bill for 1000 GBP has been liquidated. The currency of the settlement account is USD and if the transaction rate is 1 GBP = 1.6651 USD. The system will pass the following accounting entries.

Dr/Cr	Account	Ccy	FCY Amount	Exchange Rate	LCY Amount
Dr	Customer-Ac-1	USD	1,665.10	3.6499	6077.60
Cr	Nostro-1	GBP	1,000.00	6.0776	6077.60

As part of online revaluation process, the system evaluates the profit/loss as follows.

Transaction Amount x (Transaction Rate – Cost Rate of CCY1) x Revaluation Mid Rate of CCY2

= 1000 x (1.6651 – 1.5651) x 3.6 = 360 AED

The system will pass the following accounting entries in this case.

Dr/Cr	Account	Ccy	FCY Amount	LCY Amount
Dr	Nostro-1	GBP		360
Cr	Income-1	AED		360

Branch Profit for Negotiated Transactions

There can be two situations in profit calculation of negotiated transactions:

- Transaction involves two foreign currencies
- Transaction involves a foreign currency and a local currency

Methods of profit calculation are different based on the currencies involved as discussed in the following examples.

Examples

1 - Profit Calculation of Negotiated Transactions Involving a Foreign Currency and a Local Currency

Consider a loan transaction. The currency of the loan is USD and that of the settlement account is AED. Following are the particulars:

Loan Amount = 1,000,000 USD

Mid Rate/Cost Rate - 1 USD = 3.60 AED

Deal Rate - 1 USD = 3.55 AED

Since the amount involved is huge, the customer negotiates with the branch to offer a better exchange rate of 3.60. The profit becomes zero in this case. Hence, the user negotiates with Treasury to provide a better cost rate. The Treasury will evaluate the transaction and offer a better cost rate (negotiated cost rate) of 3.65. Based on this, the branch will book the transaction at a deal rate of 3.60 with the negotiated cost rate of 3.65.

When you book the transaction, the system derives the profit from the deal based on the difference between the negotiated cost rate and the transaction rate. The system will pass the following accounting entries in this case.

Dr/Cr	Account	Ccy	FCY Amount	LCY Amount
Dr	Asset-1	USD	1,000,000	3,600,000
Cr	Customer-1	AED		3,600,000

During online revaluation, the system will pass the following entries.

Dr/Cr	Account	Ccy	FCY Amount	LCY Amount
Dr	Asset-1	USD		50,000
Cr	Income-1	AED		50,000

The local currency amount of 50,000 is derived as follows:

(Negotiated Cost Rate – Transaction Rate) x Transaction Amount

EOD Account Revaluation

The system picks up the accounting entries based on the revaluation setup for the branch. Assume that EOD account revaluation happens for the GL used in the above example that involves negotiated cost rate.

During EOD, if the Mid Rate becomes 3.70, the system will pass the following entries.

Dr/Cr	Account	Ccy	FCY Amount	LCY Amount
Dr	Asset-1	USD		50,000
Cr	Income-2	AED		50,000

Here, Income-2 is the Income GL maintained in the Account Revaluation Setup.

The profit generated as part of Online Revaluation will remain in Income-1 GL and the Revaluation Profit generated during EOD operations will remain in Income-2 GL.

2 - Profit Calculation of Negotiated Transactions Involving Two Foreign Currencies

Consider the liquidation of an import bill. The currency of the bill is GBP and that of the Settlement Account is USD.

The system uses USD as the through currency to derive the exchange rate of GBP against AED. The rates of exchange for GBP-USD and USD-AED pairs are maintained in the system as given below:

For GBP-USD pair -

Mid Rate - 1 GBP = 1.5651 USD

Buy Spread = 0.10

Sell Spread = 0.10

Hence,

Buy Rate = 1.4651

Sell Rate = 1.6651

Similarly, for USD-AED pair -

Mid Rate - 1 USD = 3.60 AED

Buy Spread = 0.05

Sell Spread = 0.05

Hence,

Buy Rate = 3.55

Sell Rate = 3.65

Based on the above details, the system derives the GBP-AED rate as below:

Mid Rate - 1 GBP = 5.6344 AED

Buy Rate = 5.2011

Sell Rate = 6.0776

Consider that a bill for 1000 GBP has been liquidated. The currency of the settlement account is USD and if the transaction rate is 1 GBP = 1.532 USD. The system will pass the following accounting entries.

Dr/Cr	Account	Ccy	FCY Amount	Exchange Rate	LCY Amount
Dr	Customer-Ac-1	USD	1,532.00	3.9671	6077.60
Cr	Nostro-1	GBP	1,000.00	6.0776	6077.60

The Negotiated Cost Rate of the transaction is 1.525.

As part of online revaluation process, the system evaluates the profit/loss as follows.

Transaction Amount x (Transaction Rate – Negotiated Cost Rate) x Revaluation Mid Rate of CCY2

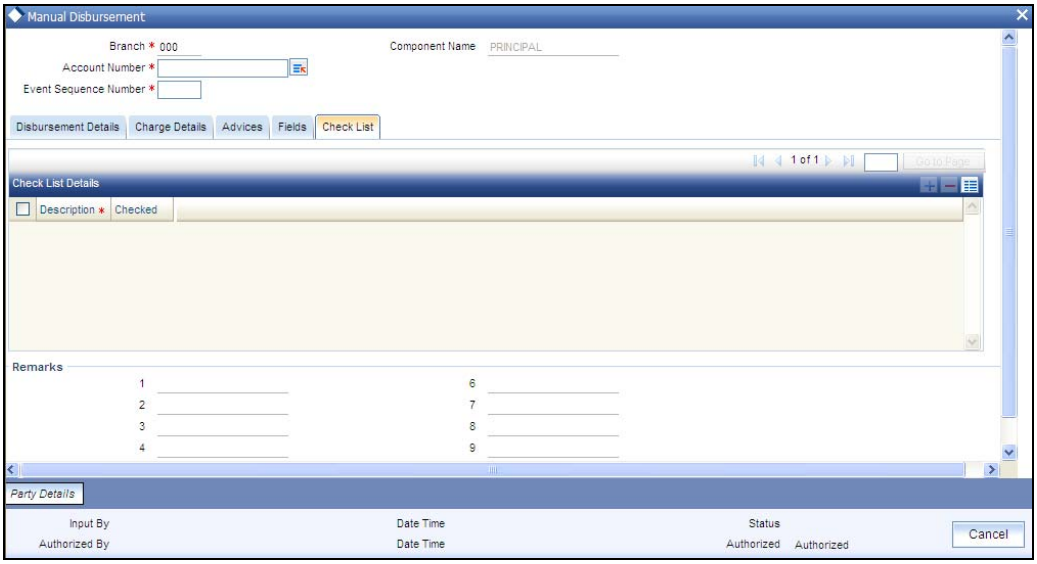
= 1000 x (1.532 – 1.525) x 3.60 = 25.20 AED

The system will pass the following accounting entries in this case.

Dr/Cr	Account	Ccy	FCY Amount	LCY Amount
Dr	Nostro-1	GBP		25.20
Cr	Income-1	AED		25.20

6.2.1 Verifying the Check List items

To every online event, you can associate check list items through the 'Event Checklist' screen. To view the checklist items associated with the 'Disbursement' event (DSBR), click on the 'Check List ' tab.



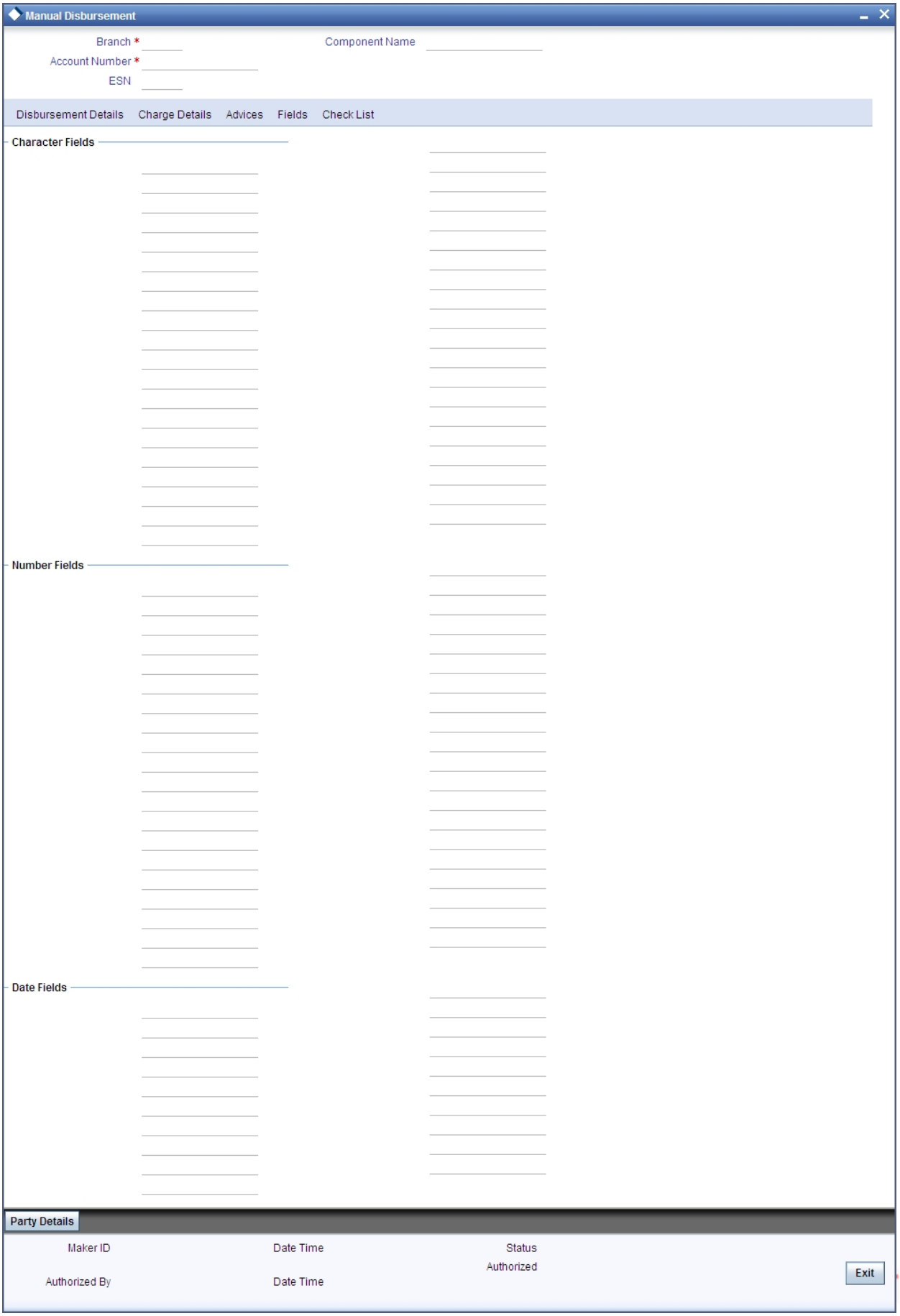
This screen displays the check list items for DSBR. All check list items have to be verified for successful disbursement of the finance. To do this, check the 'Verified' box against each check list item.

You may also capture any additional information/remarks, if required.

Click on 'Ok' button to Save and return to the 'Manual disbursement' screen.

6.2.2 Capturing values for the event level UDFs

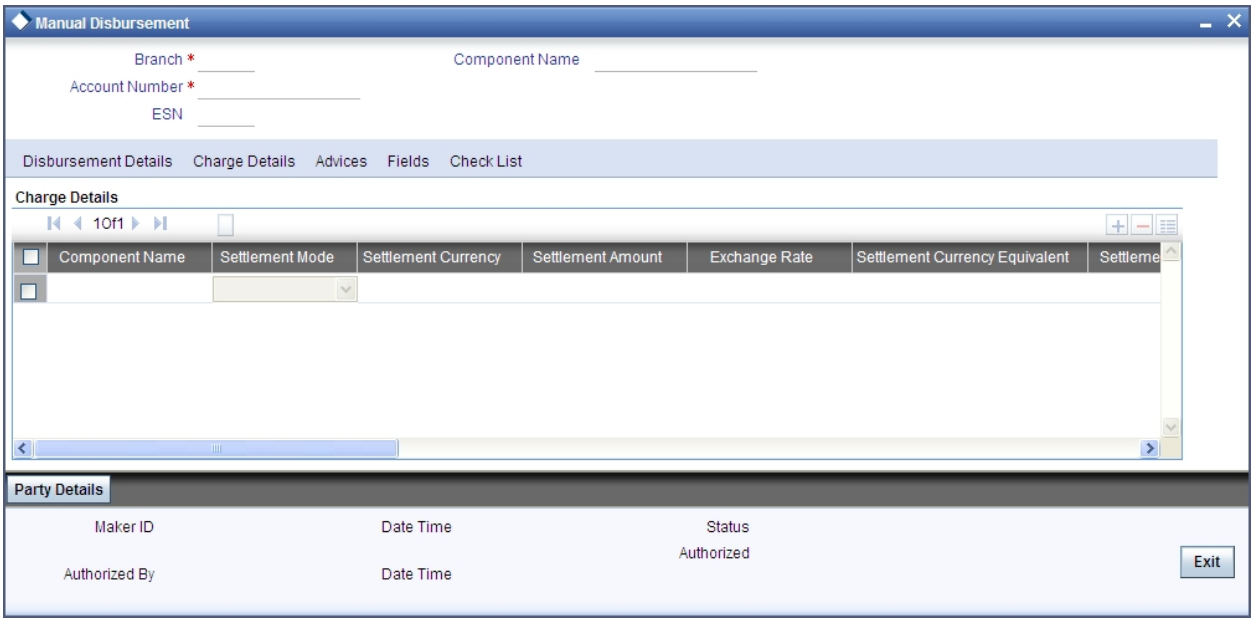
You can enter values for the UDFs that you have associated with the DSBR event in the ‘Account Event UDF’ screen. To invoke this screen, click on ‘ Fields’ tab in the ‘Manual Disbursement’ screen.


Manual Disbursement
Branch *
Component Name
Account Number *
ESN
Disbursement Details
Charge Details
Advices
Fields
Check List
Character Fields
Number Fields
Date Fields
Party Details
Maker ID
Date Time
Status
Authorized
Authorized By
Date Time
Exit

The system allows you to enter different values for the same UDF for events that gets repeated for the same finance account. For instance, if you have multiple disbursements for a Finance Account, you can capture different values for UDFs for different disbursements.

6.2.3 Viewing the charge details associated with the event

When making a manual disbursement, you can apply the charges applicable for the event. To do this, click on the 'Charge Details' tab.



Specify the following details in this screen:

Component Name

Select the charge component from the option list provided. This list displays the components of type 'Charge' that were associated with the event at the time of defining the product.

Settlement Mode

You can use multiple modes of settlement for charge settlement also. The list of modes applicable is same as the one allowed for finance disbursement.

Settlement Currency

After specifying the settlement mode, select the currency in which the charge is to be collected. The currencies allowed for the branch are available in the option list provided.

Settle Amount

If a formula is maintained for charge calculation at the product level, the system calculates the charge on the amount being disbursed using the formula. The same is then displayed in the here.

Exchange Rate and Settlement Currency Equivalent.

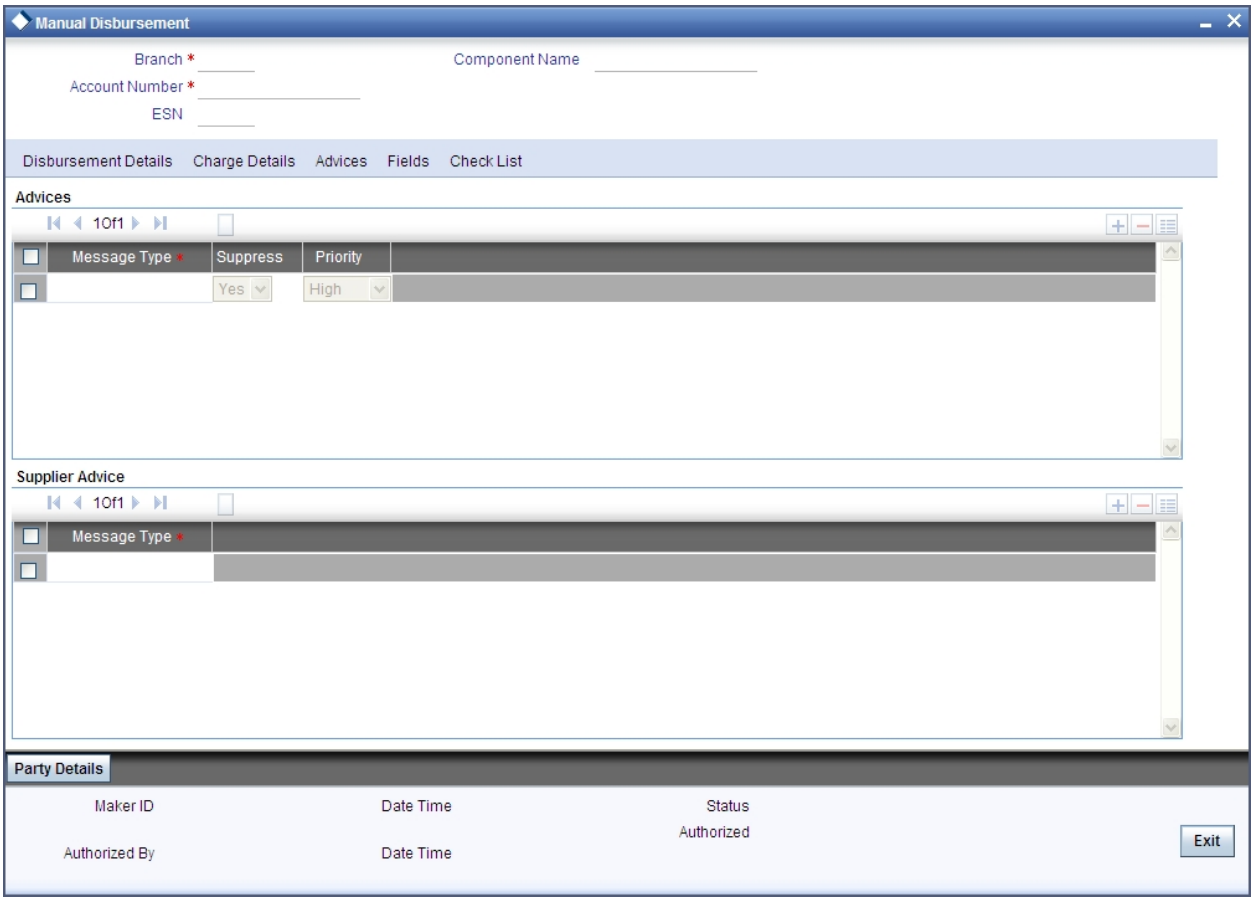
This information is applicable if the Mode Currency is different from the Finance Currency. The exchange rate that is defaulted from the Standard Exchange Rate Maintenance is used to convert the charge amount to the Finance Currency equivalent.

6.2.4 Capturing the Advice related Details

You can view the advices defaulted which also includes the Payment Message in the 'Advices' screen. To invoke this screen, click 'Advices' tab on the 'Manual Disbursement' screen. You can also choose to suppress the messages as required .

You can opt to suppress the Payment Message defaulted in case you do not need a credit through swift message .

The defaulted details can be overriden at this stage and if the settlement mode is changed to anything other than CASA, the swift message is automatically suppressed.



System automatically supresses the payment message under the following conditions:

- If the Principal Credit Settlement account is changed to a GL or if the receiver in Swift Msg Details tab is not valid to receive the message i.e, if the Customer Type of the Receiver party is not a Bank
- If the settlement mode for PRINCIPAL component is changed to anything other than CASA

If the Transfer Type is chosen as blank i.e, neither Customer Transfer nor Bank Transfer and if the Receiver is a bank and the credit settlement account is a current account then the PAYMENT_MESSAGE becomes CREDIT_ADVICE by Swift(MT910).

6.2.5 Accounting Entries

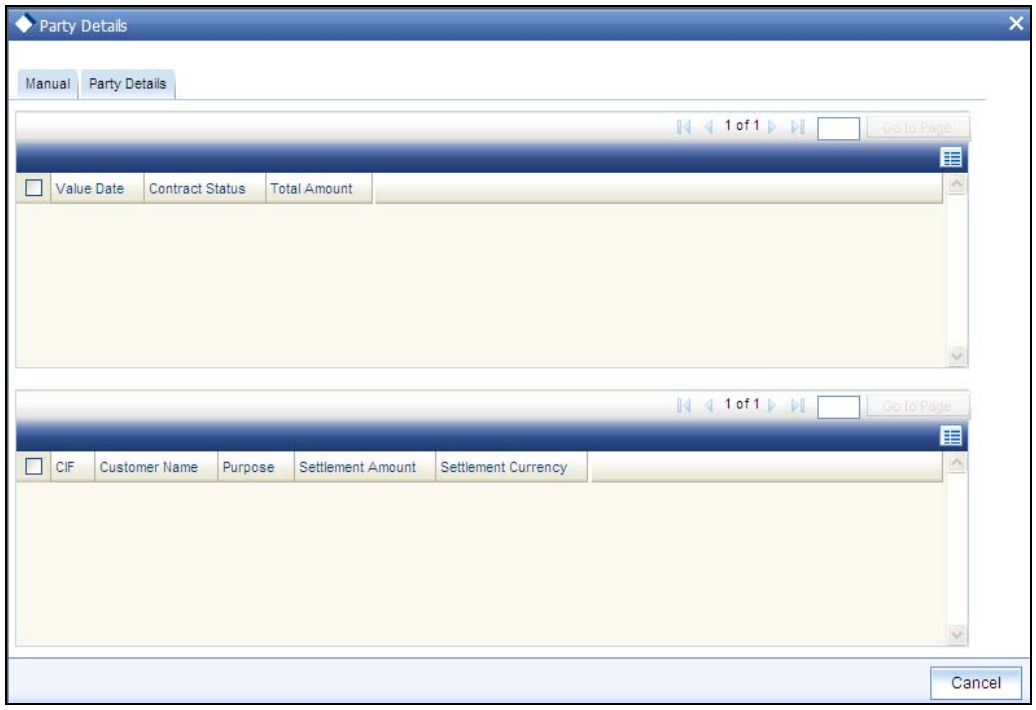
During the disbursement event, the Finance Account is debited while the credit entry will depend on the settlement mode(s) selected for disbursement.

The entries will appear as follows:

Accounting Role	Amount Tag	Cr/Dr
LOAN_ACCOUNT	PRINCIPAL	Dr
CR_SETTL_BRIDGE	PRINCIPAL	Cr

6.2.5.1 Viewing Manual Disbursement Schedules for Principal Component

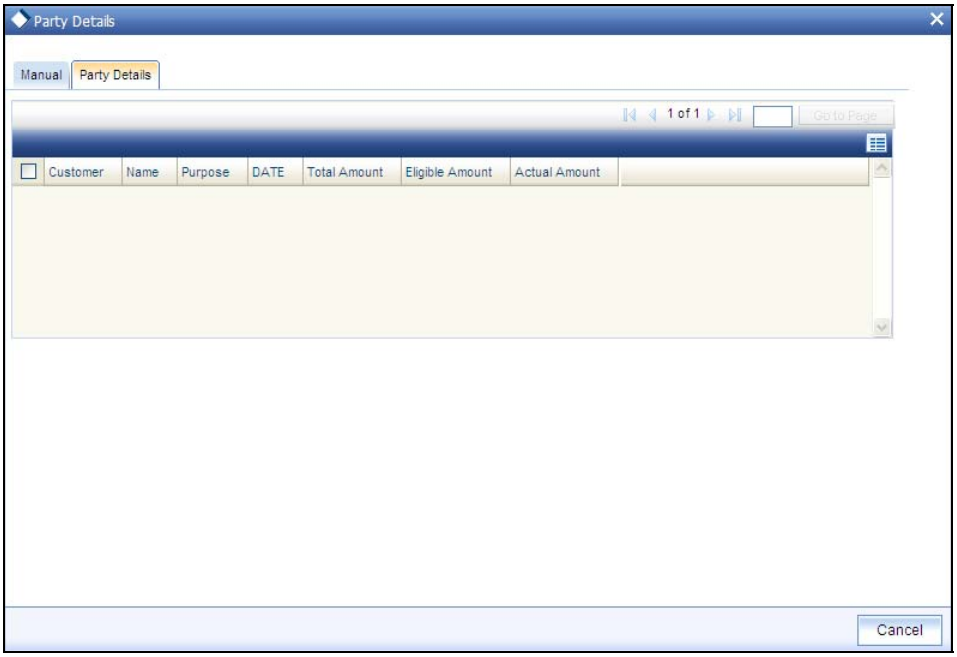
Click on the 'Party Details' button to view manual disbursements already done for the contractor. In this screen the system displays the progressive cash outflows that have been done so far and the details of each manual disbursement done by the Bank.



You can view the following details for each of the manual disbursement done:

- Date of disbursement (Value Date)
- Total Amount
- Contract status
- CIF of Contractor
- CIF Name
- Purpose
- Amount for each contractor (Settlement Amount)
- Currency

Click 'Party Details' tab on the 'Party Details' screen to view the customer details.



In this screen you can view the following details:

- Customer
- Name
- Purpose
- Date – The latest disbursement value date
- Total amount – The total amount to be disbursed throughout the life cycle of a finance
- Eligible amount – The amount to be disbursed as of the schedule date of disbursement
- Actual amount – The amount which is actually disbursed

7. Operations

7.1 Introduction

This chapter explains the various operations that can be performed on a finance account; the most prominent being payments and amendments, funding, status change, simulation of payments, rollover etc.

7.2 Finance Payments

The Finance Payments screen allows you to make payments towards a finance. You can invoke this screen by typing 'CLDBKPMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

7.2.1 Islamic Financing Payments

7.2.1.1 Amount Dues and Payment Details

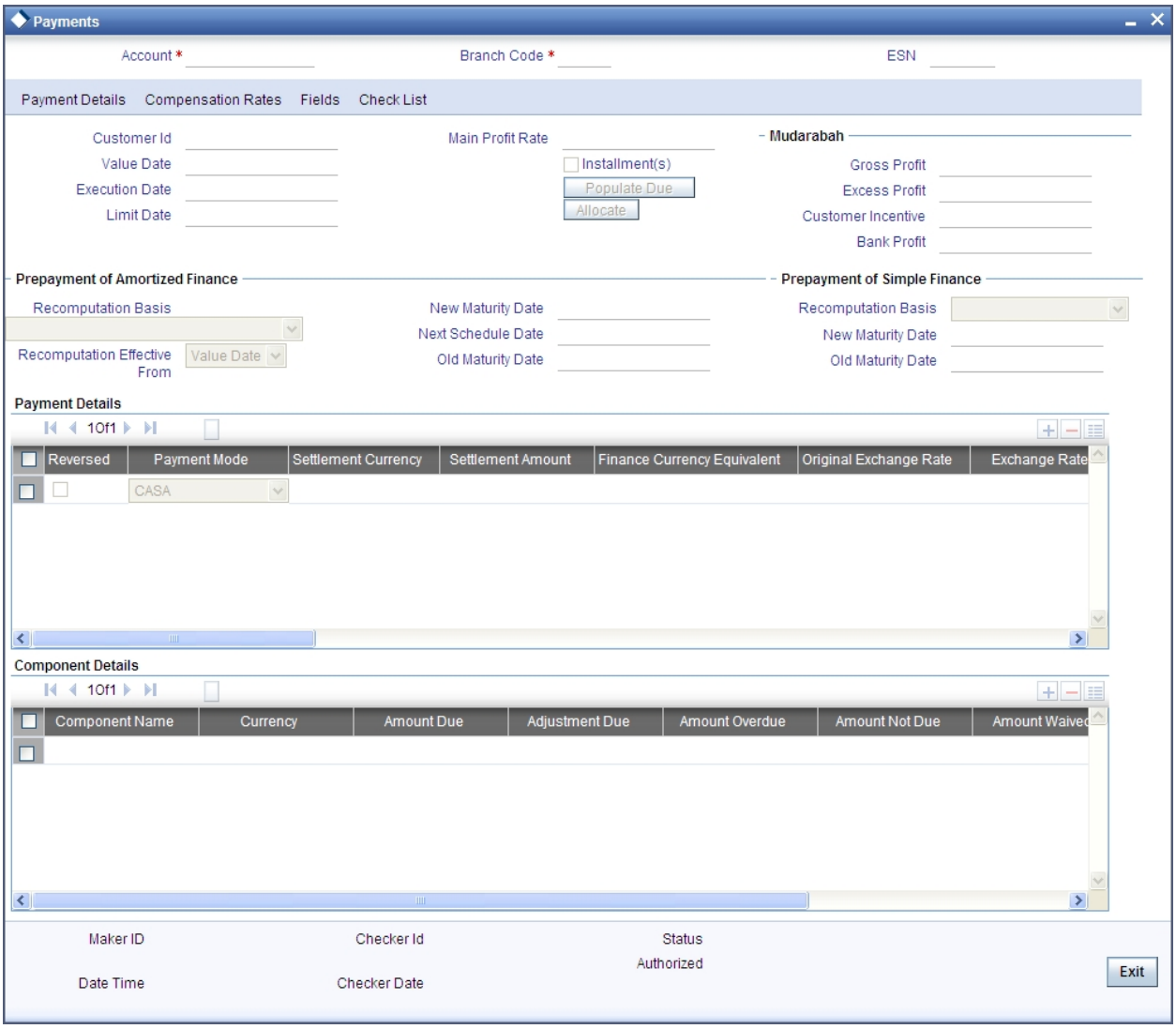
Islamic Financing module supports Multi Mode settlements. The various payment modes allowed are Cash/Teller, CASA, Clearing, Electronic Pay Order, Credit Card, Debit Card, External Account, Internal Check and Instrument. Multi mode settlement mechanism facilitates payment of finance installment.

Payment can be against any or all or a combination of the components due. Prepayments will attract a pre-payment compensation to be charged. The payment computed by the system can be overridden by the amount negotiated by the customer and a subsidy is captured as amount waived. The amount accepted is either waived or capitalized. Depending on the mode selected, additional payment details such as clearing house details, settlement products to be used if the settlement is through another product of Oracle FLEXCUBE, etc are captured.

Compensation on Payment

- Prepayment Compensation - The customer can choose to prepay the finance amount, either partly or as a whole before the due date. This may attract a Prepayment Compensation.
- Compensation on delayed payment - In case a customer defaults in paying back the finance amount in time, then the amount becomes an over due and a compensation may be applicable. However, the customer is allowed to negotiate with the bank in order to subsidize the amounts due. Once the bank and the customer decide upon a mutually agreeable amount, the actual payable amount is replaced by this new amount and will be used in lieu of the original amount due.

The 'CI Payment Detailed' screen captures payment details such as Payment Mode, Amount Settled, Settlement Currency and Exchange Rate. The payment is against any of the finance components such as principal, profit, late fee etc. Note that you will not be able to make any pre-payment for a finance wherein the box 'Recompute schedules on IRR' is checked for the linked product. You can invoke the 'CI Payment Detailed' screen by typing 'CIDPYMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To make a payment, click on ‘New’ icon in the toolbar and then capture the ‘Branch Code’, ‘Account Number’, ‘Value Date’, ‘Limit Date’ and ‘Execution Date’.

Click on the ‘Populate Due’ button to populate the due amount component wise against the account. After this, you can enter the payment details. Alternately, you can also click on ‘Allocate’ button to allocate the settlement amounts across the various components based on the ‘Schedule Order’ and ‘Liquidation Order’.

In case of manual liquidations, on click of ‘Populate Due’ button, the system will default a settlement row with settlement account as service account maintained and settlement amount as the amount available in the service account and settlement currency is the service account currency.

The following details are captured here:

Branch Code

Click on the option list to select the branch code of the account towards which the payment is made. A list of branch codes is displayed. Click on a value to select it.

Account Number

Select the customer's account number by clicking on the option list. A list of values is displayed. Click on a value to select it.

Event Sequence No

The system displays the event sequence number of the payment in the account's life history.

7.2.2 Payment Details tab

Value Date

Enter the date on which the payment affects the account balance in this field.

The value date can be a Back Valued, Current or Future Date.

Execution Date

This is the application date on which the payment is entered into the system. If the Execution date is in the future, the payment will be tanked and released on the Future Value date of the payment; else, it is applied immediately as of the value date of the payment.

By default it is the current system date, but can be modified.

Customer Id

The system displays the customer Id.

Installment(s)

If you select this option, it indicates that the amount due includes schedules till the limit date. If not, then the amount due will be the same as on the value date.

Note that the system will not recompute profit and schedules if you check this option.

Main Profit Rate

The rate value for the rate code maintained against the main profit UDE chosen is displayed here.

Limit Date

Select the limit date from the available schedules that can be included as amount due by clicking on the option list. A list of schedule due dates for the account is displayed. Click on a value to select it.

This option is allowed only if the installment option is selected.

Prepayment of Amortized Finance

The following details are captured here:

Recomputation Basis

You can choose the recomputation basis for prepayment of amortized finance. The options available are:

- Change EMI: In this case the tenor remains constant.
- Recalculate Tenor: Here, the tenor is recomputed while the installment remains constant.
- Recalculate Installment with New Maturity Date: Here, the EMI is recomputed based on the new input maturity date. The new maturity date should be less than the current maturity date.
- Recalculate Installment with New Payment Holiday: Here the EMI is recomputed based on the holiday period. The Holiday period is considered as the period between the prepayment date and next schedule date.
- Advance Maturity with Equal Profit: In this case, the maturity date is reduced with equal profit for each schedule.

Choose the relevant basis from the list for recomputation basis. Note that partial payment for the schedule is not allowed if you choose this option. This is applicable for *Murabaha* Products only.

If 'Allow Re-Computation of Schedules' option is unchecked at the product level, then the following options will be used for redistributing outstanding without re-computation of profit:

- Change EMI – In this case, the system will compute the profit based on new principal after payment and the difference of balance profit before prepayment and profit computed after prepayment will be adjusted equally among remaining payment schedules. The profit component of the finance will not be changed.
- Change Tenor – In this case, the system identifies the number of schedules that can be paid completely with the existing prepayment amount and remaining balance amount will then be adjusted against one bullet schedule. The profit will not be recomputed.

Recomputation Effective From

You can choose the date on which the prepayment becomes effective. You can start the prepayment on the Value Date or Next Installment.

This option is disabled in the new payment mode.

Old Maturity Date

By default this field displays the current maturity date.

Next Schedule Date

Specify the next schedule date. The schedule date must be any of the existing payment schedule date. This field is enabled only if you have maintained 'Recalculate Installment with New Payment Holiday' as 'Recomputation Basis' for prepayment of amortized finance. The payment schedule is recalculated based this date. This dated is considered for all the future payments of the contract.

New Maturity Date

Specify the new maturity date. The new maturity date should be less than the current maturity date. This field is enabled only if you have maintained 'Recalculate Installment with New Maturity Date' as 'Recomputation Basis' for prepayment of amortized finance. The payment schedule is recalculated based this date. On this date the balloon principal is also liquidated.

Prepayment of Simple Finance

The following details are captured here:

Recomputation Basis

You can choose the recomputation basis for prepayment of a simple finance. The options available are:

- Reduce Maturity: In this case, the system maintains the schedules constant and advance the maturity
- Re-compute Schedules: In this case, the system will re-compute the schedules for the existing tenor

Note that partial payment for the schedule is not allowed if you choose this option.

If 'Allow Re-Computation of Schedules' option is unchecked at the product level, then the following options will be used for redistributing outstanding without re-computation of profit:

- Reduce Tenor – In this case, the system identifies the number of schedules that can be paid completely with the existing prepayment amount and remaining balance amount (if any) will then be adjusted against one bullet schedule.
- Re-calculate Schedules – In this case, the system will compute the profit based on new principal after payment, and the difference of balance profit before prepayement and profit computed after prepayment will be adjusted equally among remaining payment schedules. The profit component of the finance will not be changed.
- Simple loans will also change to constant EMI type finances after pre-payment. This is applicable for *Murabaha* Products only

If 'Allow Re-Computation of Schedules' option is checked for *Istisna* UIDB profit B processing and the UIDB amount posted for profit period is more than the actual profit, then the system will post reversal entries with event UIDR to the extent of extra amount.

7.2.2.1 Processing for *Istisna* UIDB

The UIDB will be computed based upon the following settings:

- Ceiling rate for under construction period
- Nominal Disbursements
- Payment schedules
- The UIDB will be computed only once in the lifecycle of finance for both under construction period and post construction period
- The UIDB will fire on initiation of contract (INIT)

The UIDB will not be recomputed if any financial amendment happens in the finance contract. The system will not allow changes in nominal schedules once saved and authorized.

Processing for under construction period:

On construction end date:

- If UIDB computed is more than the actual profit then reversal of UIDB will fire
- If UIDB computed is less than the actual profit then the system will stop accruing profit once the total accrual to date is equal to unearned income total bucket

Processing for post construction period: Rebate can be given in two ways:

- Along with each payment schedules – In this case, the rebate component schedule frequency should match the payment frequency. Thus on each schedule rebate will be computed based upon 'Rebate Rate'. The system will pass the rebate entries on each payment.
- At the maturity date – In this case, the rebate component will have only one bullet schedule on maturity. On each schedule due date rebate will be computed and accumulated. The rebate entry will fire only once at maturity date.
- If UIDB computed is less than the actual profit then the system will stop accruing profit once the total accrual to date is equal to unearned income total bucket

Old Maturity Date

The system displays the earlier maturity date of the account. This field will be updated only if the 'Recomputation Basis' selected is 'Reduce Tenor'.

New Maturity Date

The system displays the current maturity date of the account after prepayment with reduce tenor basis. This field will be updated only if the 'Recomputation Basis' selected is 'Reduce Tenor'.

Mudaraba Details

You can capture the following details for *Mudaraba* payment:

- Gross Profit
- Customer Incentive
- Excess Profit
- Additional Profit

For details about these fields, refer the section 'Making Payments' in the chapter 'Defining Islamic Product Categories and Products' in this User Manual.

Payment Details

The following details are captured here:

Reversed

This option indicates that the settlement is reversed.

Payment Mode

Specify the mode of finance payment by clicking on the option list. A list of payment modes is displayed. Click on a value to select it.

The payment modes are CASA, Cash/Teller, Instrument, External Account, Electronic Pay Order, Internal Cheque, Clearing, Debit Card, and Credit Card.

Comp CCY

Select the currency used for the specific payment mode by clicking on the option list. A list of currencies is displayed. Click on a value to select it.

Amount Settled

Enter the amount paid through the specified mode of payment in terms of the settlement currency in this field.

The amount should be a valid amount and should not exceed the total amounts due; else it is treated as a prepayment.

Settlement Ccy

The system displays the amount settled in terms of the local currency in this field.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For more details on customer specific exchange rates, refer the section titled 'Specifying Pricing Benefit Details' in Relationship Pricing user manual.

Settlement Order

Each settlement is apportioned against a component due based on the Liquidation order. The order in which the settlements are picked is ordinal as entered in the screen.

Settlement Branch

The system will allow you to modify the settlement branch and account only if you have checked the option 'Allow Corporate Access' in the 'Branch Parameters – Detail View' screen. If you have not checked the option, the system will default it to the values maintained at the fund branch. You will not be allowed to modify this.

During liquidation, the system will check for availability of funds in the settlement account. If funds are insufficient, the system will scan the customer's current accounts. If funds are still unavailable, the system will scan the customer's savings accounts. If the funds are sufficient, the required amount will be liquidated.

However, if funds are insufficient in the customer's accounts, the system will first scan the guarantor's current accounts followed by the guarantor's savings accounts for the availability of funds. The system will look up the relevant accounts based on the maintenance in the 'Guarantor Details' screen. For a guarantor CIF, if there are no accounts maintained in the 'Guarantor Details' screen, then system will process all the current and savings account of the guarantor CIF randomly.

Settlement Account

Specify the Settlement Account. The adjoining option list displays all the valid account number maintained in the system. You can choose the appropriate one.

Account description

The system displays the account description on selecting the Settlement Account. The account description is also displayed if you enter a valid account number and tab out.

Component Details

The following details are captured here:

Component Name

The system displays the component name in this field.

CCY

The system displays the currency of the component based on Finance currency and the account in this field. If the component is based on a flat amount UDE then the UDE currency is displayed.

Amount Due

The system displays the amount due for the component in this field. It is generated based on the account and component.

Amount Overdue

Here, the system displays the amount overdue for the component. It is generated based on the account and component.

Amount Not Due

For the principal amount, Amount not due is the rest of principal that is due after the value date. Hence any payment towards this constitutes a prepayment. This value is system generated based on account and component.

Amount Paid

The system displays the actual amount paid against the component dues in this field.

When payments are allocated across dues, payment details are defaulted from the liquidation order. But these details can be modified as per your preferences.

Amount Waived

Enter the amount waived by the bank after negotiations with the customer in this field.

Amount Capitalized

Enter the amount capitalized in this field.

7.2.2.2 Settlement Details

Depending upon the mode of payment the following settlement details are captured:

For 'CASA':

- Settlement Branch
- Settlement Account

For 'Credit Card' and 'Debit Card'

- Card No.

For ‘Clearing’

- Upload Source
- Instrument Number
- Clearing Product
- End Point
- Routing Number
- Clearing Bank
- Clearing Branch
- Sector Code

For ‘External Account’

- Upload Source
- PC Category
- Clearing Bank
- Clearing Branch
- External Account Name
- External Account Number

For ‘Electronic Pay Order’

- Upload Source
- PC Category
- Clearing Bank
- Clearing Branch
- External Account Name
- External Account Number

For ‘Internal Check’

- Instrument Number
- Settlement Branch
- Settlement Account

For ‘Instrument’

- Instrument Number
- Settlement Branch
- Settlement Account

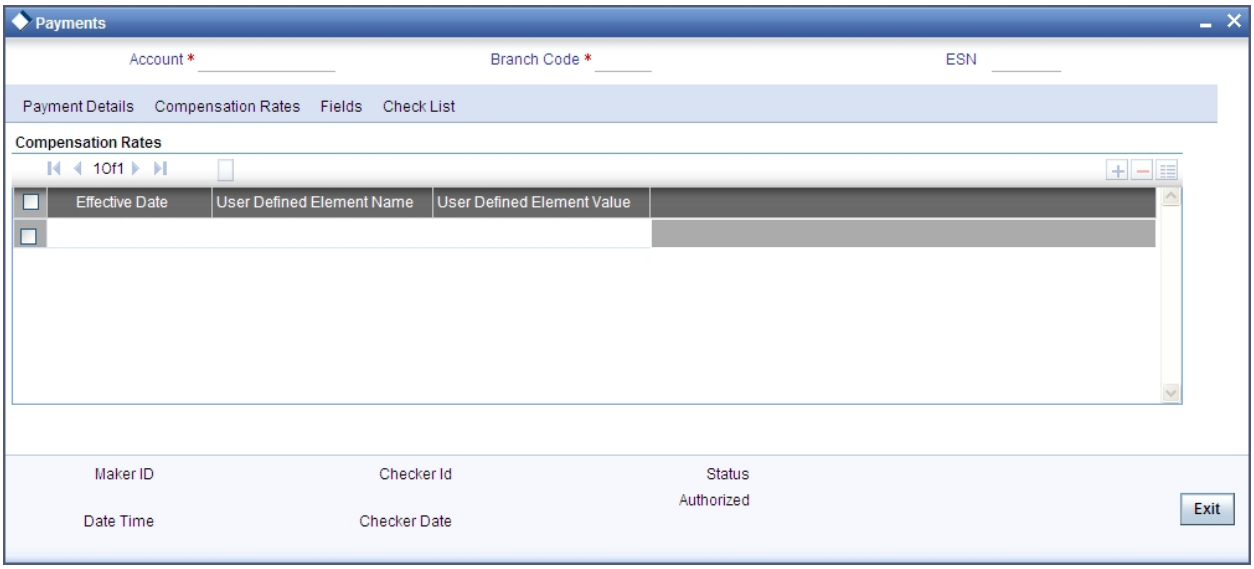
For 'Cash/Teller'

- Upload Source
- Settlement Product

On saving a manual payment towards a finance component (s), the online liquidation against each such component follows the order of liquidation as specified through the 'Component Liquidation Order' screen.

7.2.3 Compensation Rates tab

You can maintain the compensation details of the product by clicking the 'Compensation Rates' tab in the 'CI Payments' screen. The screen is displayed below:



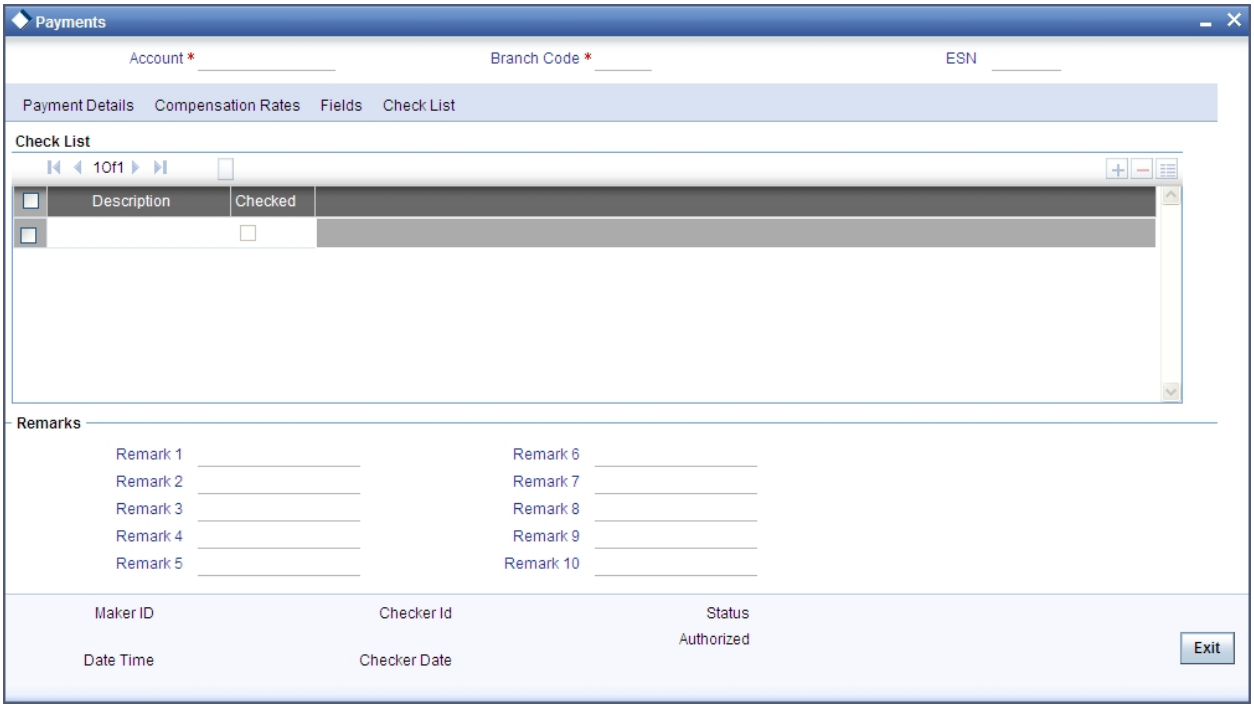
7.2.4 Fields tab

You can maintain user defined fields for the product by clicking the 'Fields' tab in the 'CI Payments' screen. The screen is displayed below:

Payments
Account *
Branch Code *
ESN
Payment Details
Compensation Rates
Fields
Check List
Character Fields
Number Fields
Date Fields
Maker ID
Checker Id
Status
Authorized
Date Time
Checker Date
Exit

7.2.5 Checklist tab

Click the ‘Check List’ tab to maintain the check lists and remarks for the product. The screen is displayed below:

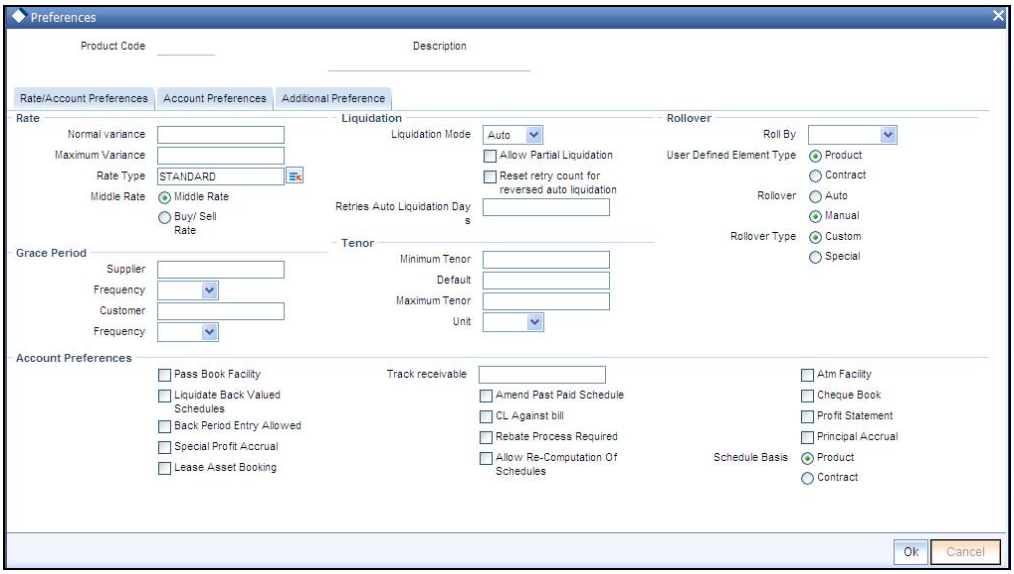


7.2.6 Partial Payment

Partial payment is required to parameterize partial liquidation during auto liquidation process.

This field specifies whether partial liquidation is allowed during auto liquidation or not. The same field in the ‘Account’ screen is defaulted from the product preferences screen. But this option is allowed only if Verify Funds is selected. Auto Liquidation will check this option before carrying out partial liquidation viz. before liquidating to the extent of availability during Verify Funds check.

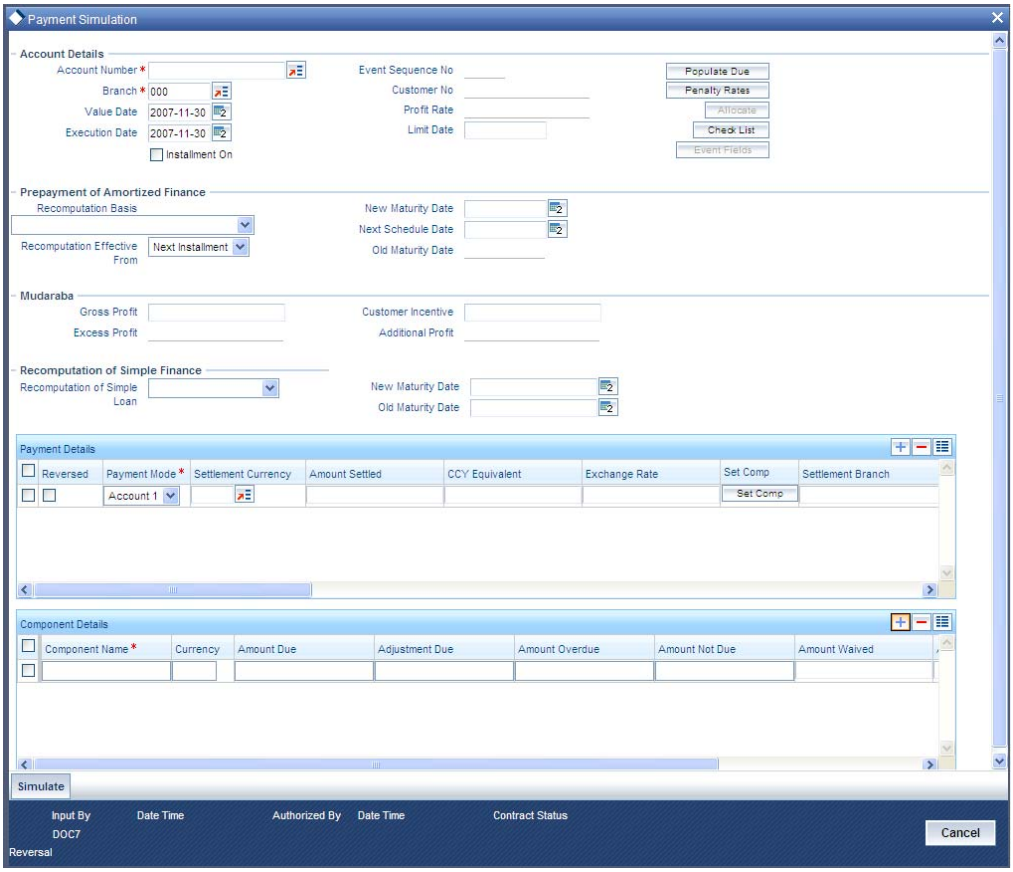
If selected, the function proceeds with liquidation, else it is marked as unpaid.



7.2.7 Payments Simulation

Finance payment simulation calculation function is used to arrive at an agreement with the client. The 'Payment Simulation' screen displays the effect of making payments across components across schedules. You can invoke this screen by typing 'CIDSIMPT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. The results are used to arrive at a negotiated amount that can be used to settle outstanding loss.

The Payment simulation screen is similar to the Finance Input and Finance Payments screens. New functions are provided for payment simulation.



You can change specific UDE values to simulate the effect of changing prepayment compensation rates.

Payments can be saved from the simulator. Once the payment simulation is saved, if you enter simulation account number in the payments screen and click on the 'Populate Due' button then the system displays all the details entered in the payment simulation screen.

Old Maturity Date

By default this field displays the current maturity date.

Next Schedule Date

Specify the next schedule date. The schedule date must be any of the existing payment schedule date. This field is enabled only if you have maintained 'Recalculate Installment with New Payment Holiday' as 'Recomputation Basis' for prepayment of amortized finance. The payment schedule is recalculated based this date. This dated is considered for all the future payments of the contract.

New Maturity Date

Specify the new maturity date. The new maturity date should be less than the current maturity date. This field is enabled only if you have maintained 'Recalculate Installment with New Maturity Date' as 'Recomputation Basis' for prepayment of amortized finance. The payment schedule is recalculated based this date.

7.2.7.1 Prepayment of Simple Finance

Recomputation Basis Simple

You can choose the recomputation basis for prepayment of a simple finance. The options available are:

- Reduce Maturity: In this case, the system maintains the schedules constant and advance the maturity
- Re-compute Schedules: In this case, the system will re-compute the schedules for the existing tenor

Note that partial payment for the schedule is not allowed if you choose this option.

If 'Allow Re-Computation of Schedules' option is unchecked at the product level, then the following options will be used for redistributing outstanding without re-computation of profit:

- Reduce Tenor – In this case, the system identifies the number of schedules that can be paid completely with the existing prepayment amount and remaining balance amount (if any) will then be adjusted against one bullet schedule.
- Re-calculate Schedules – In this case, the system redistributes outstanding EMI equally among the existing schedules
- Simple loans will also change to constant EMI type finances after pre-payment. This is applicable for *Murabaha* Products only

Old Maturity Date

The system displays the earlier maturity date of the account. This field will be updated only if the 'Recomputation Basis' selected is 'Reduce Tenor'.

New Maturity Date

The system displays the current maturity date of the account after prepayment with reduce tenor basis. This field will be updated only if the 'Recomputation Basis' selected is 'Reduce Tenor'.

Compensation amount is calculated using CL payments process based on the outstanding principal and tenor:

- Prepayment Compensation is calculated schedule wise by considering the full prepayment amount as the basis until the first schedule date after the prepayment date and you can subtract the schedule level principal paid to arrive at the prepayment amount for each schedule to be considered for Compensation. If the resultant of the schedule level principal being subtracted from the prepayment amount becomes negative, zero principal is considered for the Compensation calculation.
- The UDE Value assigned for the UDE ID 'PREPAY_RATE1' is taken as the Compensation rate and based upon this value, prepayment Compensation will be calculated.
- Prepayment Compensation is calculated based on the UDE value of 'PREPAY_RATE1' provided the UDE value of the UDE ID 'PREPAY_RATE2' is zero.
- If the UDE value of the UDE ID 'PREPAY_RATE2' is greater than zero, then this value will be return as the prepayment Compensation amount.
- The 'Days in Month' and 'Days in Year' are taken from the currency definition provided the 'Int method Default from CCY definition' is checked for the component.
- The Compensation amount is re-calculated if any changes in the Compensation rate
- Compensation amount calculated will be positive in nature

Only users with rights to input payments are allowed to save payments from the simulator.

Click on the 'Simulate' button to view the account details after the current payment. An account screen is launched to view the updated account after the payment. You can also print an advice from the simulation screen.

7.2.8 Back Dated Payments

Oracle FLEXCUBE supports back value dating only upto the last payment date from the current date if the option 'Allow Back Period Entries' is not checked at the product level. In other words, only those back dated payments whose value date is before the last payment date are allowed.

If the box 'Allow Back Period Entries' is checked at the product level, then the following functionalities will apply:

- Oracle FLEXCUBE supports back dated payments till the Finance Initiation / Value date.
- Whenever a back valued event such as Principal Increase, Rate Change or Payment Reversal is made, the system recalculates Profit based on the new conditions and passes the difference as back valued adjustments.
- Back valued Adjustments (accruals and Liquidations) are passed on the same day.
- Entries passed will be as follows:
  - Accrual Adjustments (for a Component COMP)

Case 1: Favourable Adjustment (Income earned)

- Dr Back valued Profit Adjustment GL **COMP**_BVADJ_INC
- Cr Accrual Adjustment Income **COMP**_BVADJ_INC

Case 2: Unfavourable Adjustment (Expense)

- Dr Accrual Adjustment Expense **COMP**_BVRADJ_EXP
- Cr Back valued Profit Adjustment GL **COMP**_BVRADJ_EXP

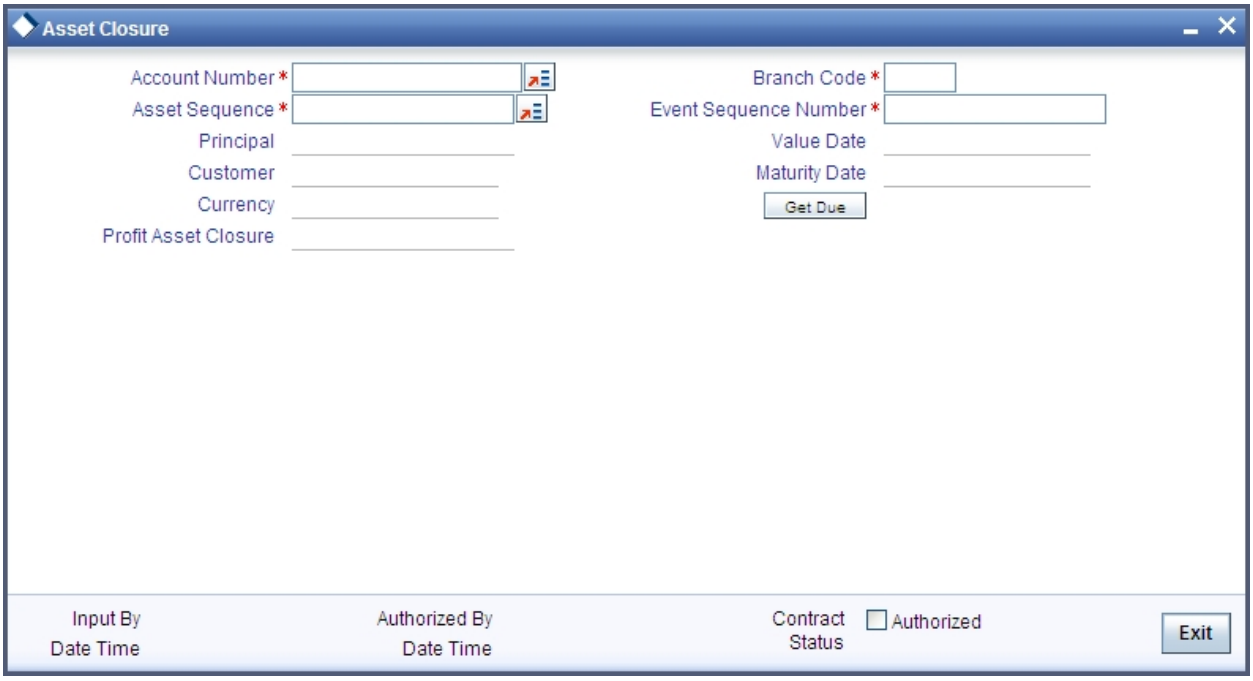
➢ Liquidation Adjustments

- Dr Settlement AC **COMP**_BVADJ_INC
- Cr Back valued Profit Adjustment GL **COMP**_BVADJ_INC
- Dr Back valued Profit Adjustment GL **COMP**_BVADJ_EXP
- Cr Settlement Account **COMP**_BVADJ_EXP

- Back valued Adjustments are passed to the finance servicing account maintained at the finance level.

7.2.9 Prepayment for Asset Closure

You can perform prepayment on an Islamic Financing account, for complete settlement against a particular asset linked with multi-assets. You can perform this operation using the 'Asset Closure' screen. You can invoke this screen by typing 'CIDASSDT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following details can be entered in this screen:

Account Number

Select the account number from the option list. All active accounts linked to multiple assets will be available for selection.

Branch Code

The branch where the chosen account resides is displayed here.

Customer

The name of the customer for the selected account is displayed here.

Event Sequence Number

The system displays a unique number to identify the event.

Asset Seq. no.

Select the sequence number of the asset linked to the account.

Principal

The outstanding principal for the selected asset in the account is calculated and displayed here.

Profit

The outstanding profit for the selected asset in the account is displayed here.

Currency

The account currency is defaulted here.

Value Date

The value date of the account is defaulted here.

Maturity Date

The maturity date of the account is defaulted here.

If you click on the 'GET DUE' button, the proportion of due of each asset in the contract is calculated. On saving, the settlement will be apportioned across all future unpaid schedules. Partial settlement against an asset will not be allowed. On authorization of payment from this screen the 'Asset Status' value will be changed to 'Settled' for all the assets of that contract. Deletion can be done only for unauthorized prepayments from this screen. Reversal of this payment and any future payments is not possible, if an asset is settled. Amendment of prepayment cannot be done.

7.3 Finance Amendments

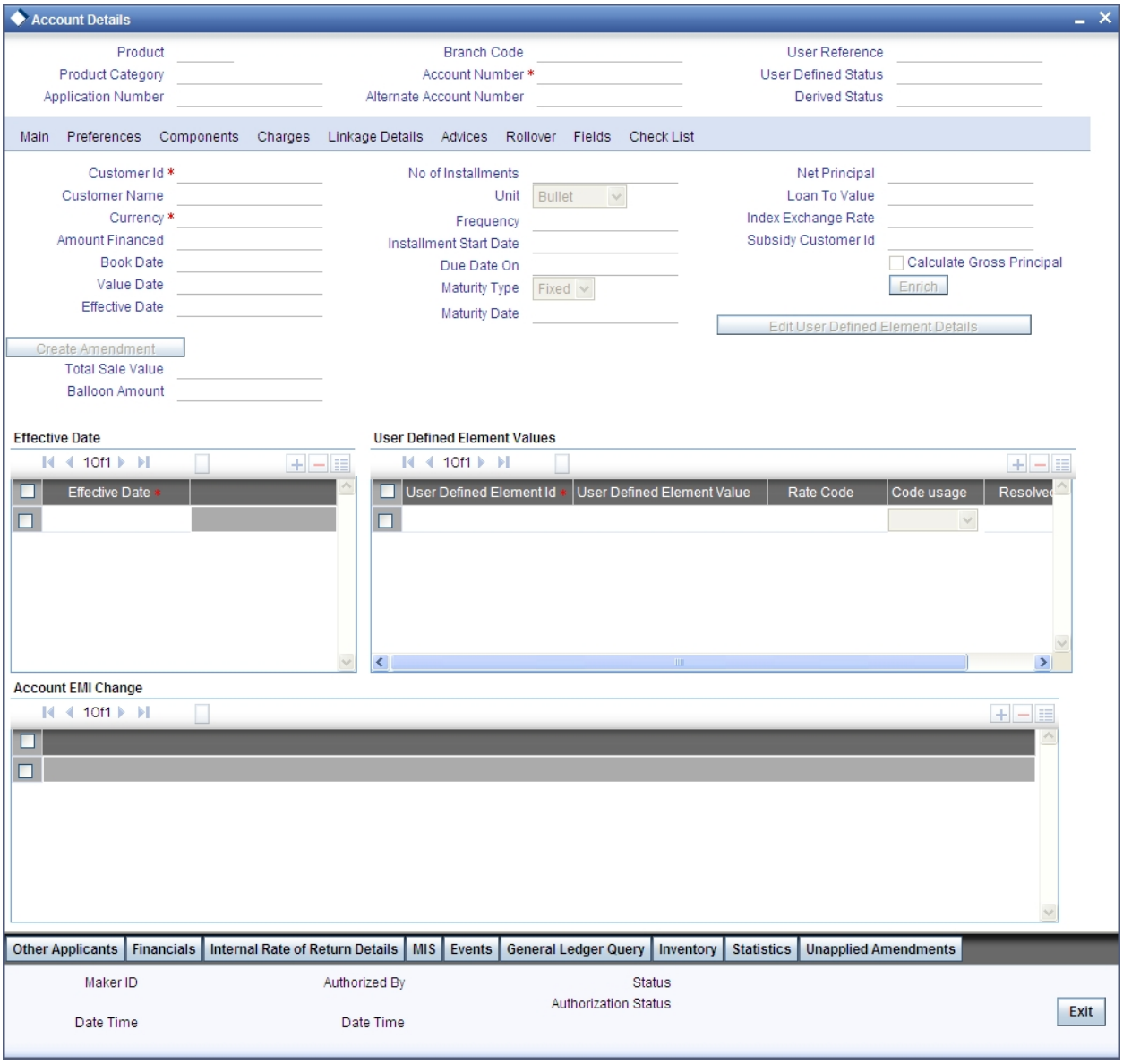
Once a Finance is entered and authorized, financial changes to the Finances can be done through the 'Islamic Account Amendment' screen. You can invoke this screen by typing 'CIDACCVM' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. These amendments are based on an effective date and hence are called Value Dated Amendments (VAM).

Booking an amendment is called VAMB and Initiating is called VAMI. These are considered as events in the life cycle of the Finance.

- The Value Dated Amendments supports the following functions: Modification of currency between UF and CLP. The UF conversion on any date uses the effective date UF rate.
- When the above change in profit rate is completed, the accrual is recomputed. The difference in accruals is accounted for in the current period on the booking date of the change.

If these changes are required to be effective on a particular date, not maintained previously, a fresh set of rates for that day is required to be maintained.

You can pick any active account from the Islamic Account Amendment screen and apply the amendments for that account. You can also view or modify the amendments that are not yet applied for that account. Note that you will not be able save any amendments to a contract for which the box 'Recompute schedules on IRR' is checked for the linked product.



If 'Allow Re-Computation of Schedules' option is unchecked at the product level, then the following options will be used for redistributing outstanding without re-computation of profit:

- Change of principal and profit rates are not allowed
- On change of maturity date: In this case, the system will compute the principal and profit based on new maturity date and then the difference of balance profit before amendment and profit computed after amendment will be adjusted equally among remaining unpaid schedules. The schedules after the VAMI effective date will only be modified. The paid or unpaid schedules before the VAMI effective date won't be affected.
- On advancing the maturity date: In this case, the difference of profit i.e. before amendment and after amendment will be distributed equally among the new schedules and it will be added from new profit.

- On extending the Maturity date: In this case, the difference of profit i.e. before amendment and after amendment will be distributed equally among the new schedules. It will be subtracted from new profit.

This is applicable for all the type of finances like Amortized / Simple.

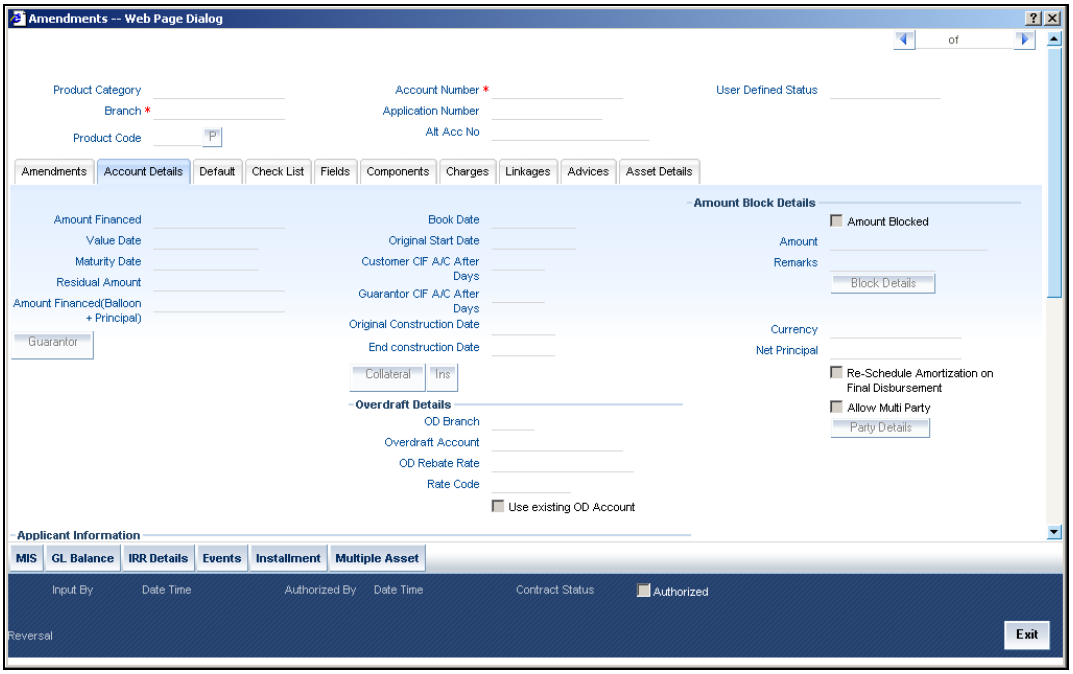
7.3.1 Viewing and Modifying Existing Amendments

In order to view or modify existing amendments, query for the required account number.

Select the corresponding effective dates of the amendment and click the 'View/Modify' button. The 'Account Details' tab is displayed where you can view/modify the existing amendments.

7.3.2 Creating New Finance Amendments

Specify the account number for which the amendment needs to be done and then 'Unlock' the record. In the New Amendment frame specify the Effective Date. Click the 'Create Amendment' button in order to make new amendments to finances. The 'Account Details' tab is displayed where you can create the new amendment.



From this screen, you can modify the amount financed, which specifies the increase in amount, Rate or Principal effective a value date, and also the maturity date. Once you specify the amendments, the relative changes with regard to the same can be viewed in the other tabs of the Screen.

You can also select the re-computation basis for amendments from this screen. For example, if the re-computation basis is 'Change Installment', the amendments are applied by changing the Equated Monthly Installments keeping the tenor constant. If re-computation basis is 'Change Tenor', then the tenor is varied by keeping Installment constant.

Following are the amendments to the Value date effective finances accounts that you can perform through this screen:

- Value Date based changes to the Principal
- Value Date based changes to the Rates
- Value Date based changes to the Tenor of the Finance
- Changes to other parameters

You can change the Finance Tenor, Rate or Principal effective a Value Date from these screens. It also displays the schedules of the account.

Note that if the option 'Installment Changes with Equal Profit' has been chosen as the re-calculation basis for value dated amendments at the product level, the system will not allow you to perform any VAMI activities on the account.

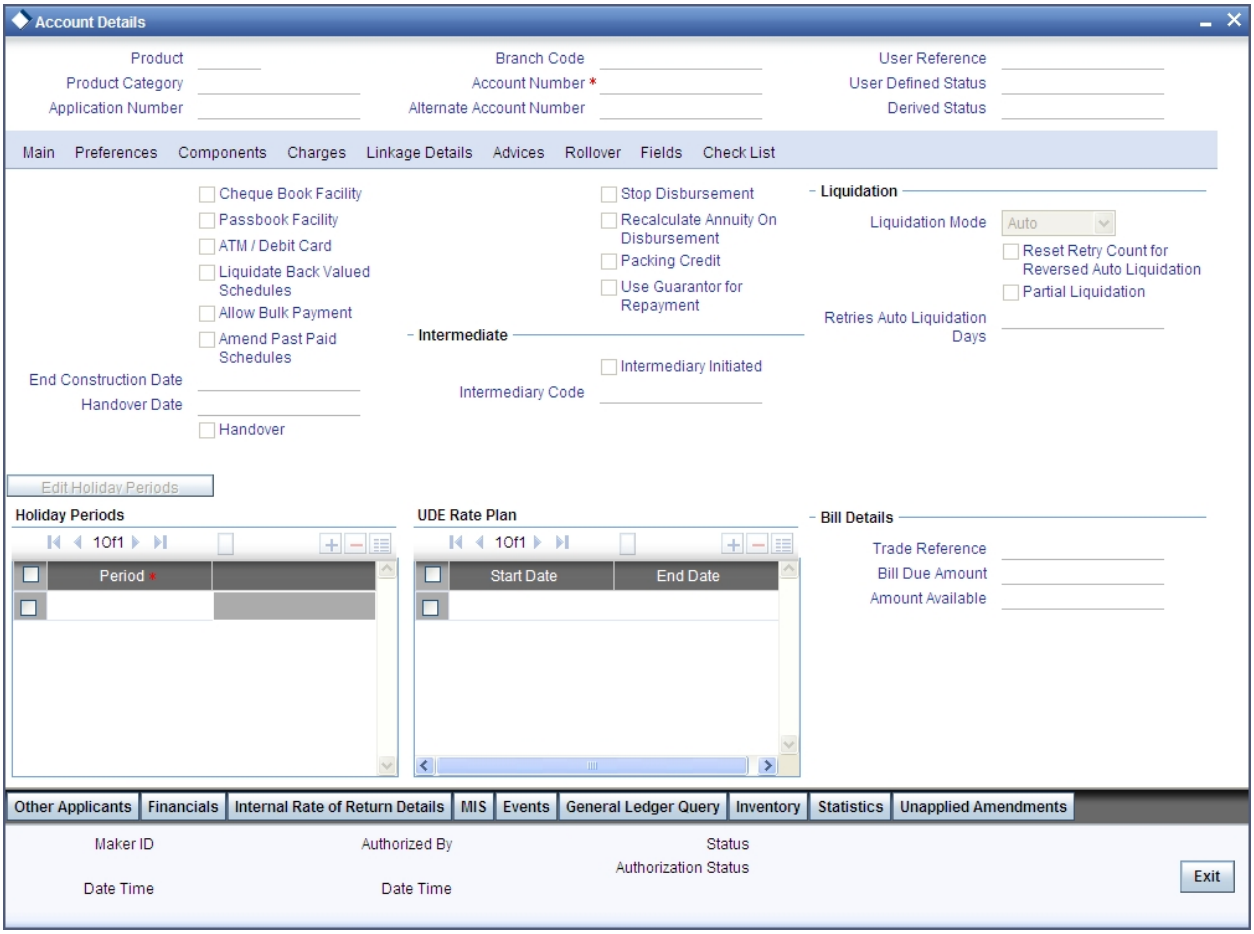
The following information is captured:

Effective Date

This is the date as of which the changed values should be applicable.

7.3.3 Preferences Tab

Preferences maintained for the account are displayed here.



You can modify the following details:

Handover

This value is defaulted from the account. However you can change it. Check the box to indicate that property handover and final disbursement are applicable for the *Ijarah* account.

If this box is checked for an account with disbursement mode as ‘auto’ and the final disbursement date is less than or equal to the current date, the system will automatically process final disbursement on authorisation of the amendment record. Once the final disbursement is completed for the account, the system will not allow you to uncheck this box.

Handover Date

The date on which the property is handed over is defaulted from the account. However you can change it. If this date is not greater than the construction end date, the system will display an error message while saving. The first payment schedule date in the post construction period should be greater than this date.

If this date has not been specified for the account during creation, you will not be able to specify a date as part of amendment.

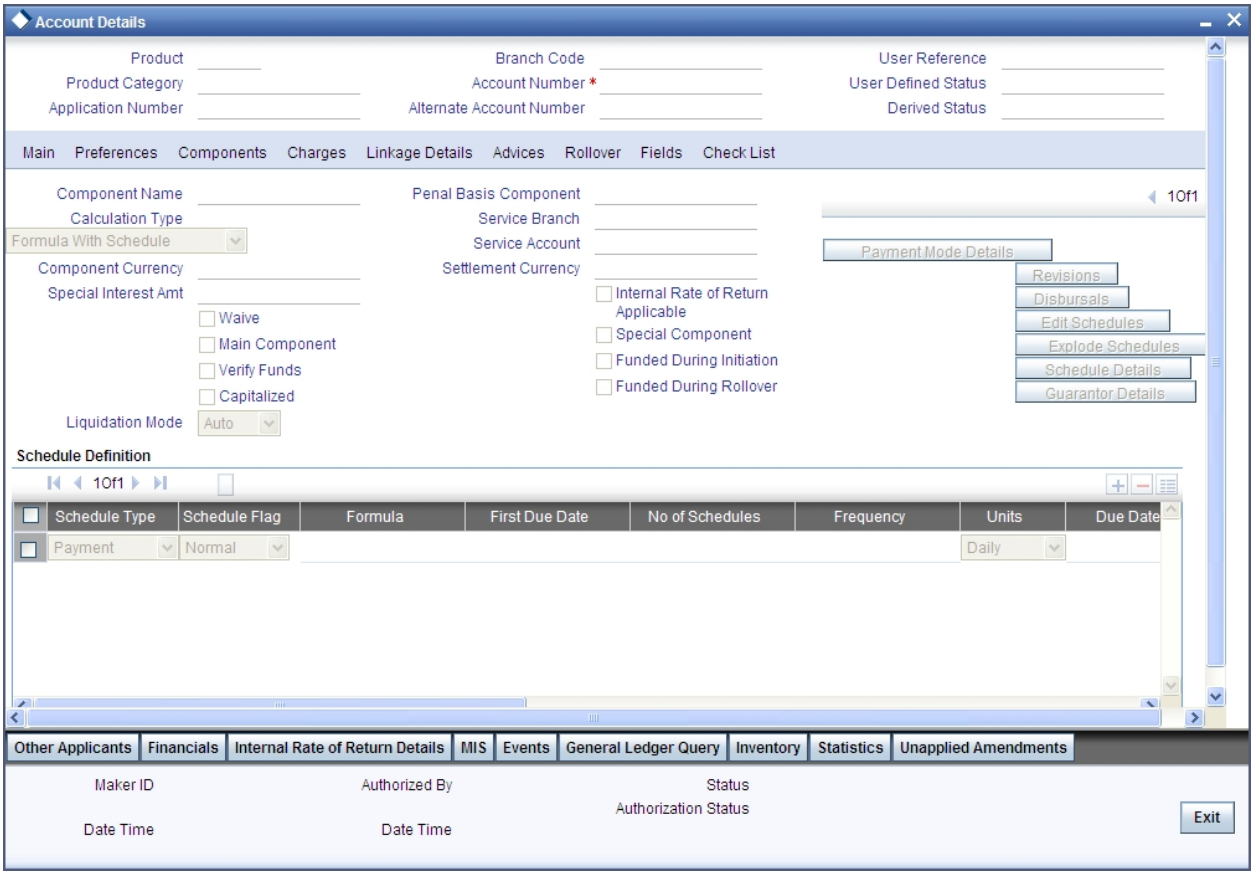
Liquidation Mode

Specify the mode of liquidation from the drop-down list. The following options are available for selection:

- Auto
- Manual
- Component

7.3.4 Components Tab

Components maintained for the account are displayed here.



You can modify the following details:

Liquidation Mode

The system defaults the mode of liquidation from the product level. However you can modify the same to indicate the mode of liquidation of the component from the drop-down list. The following options are available for selection:

- Auto

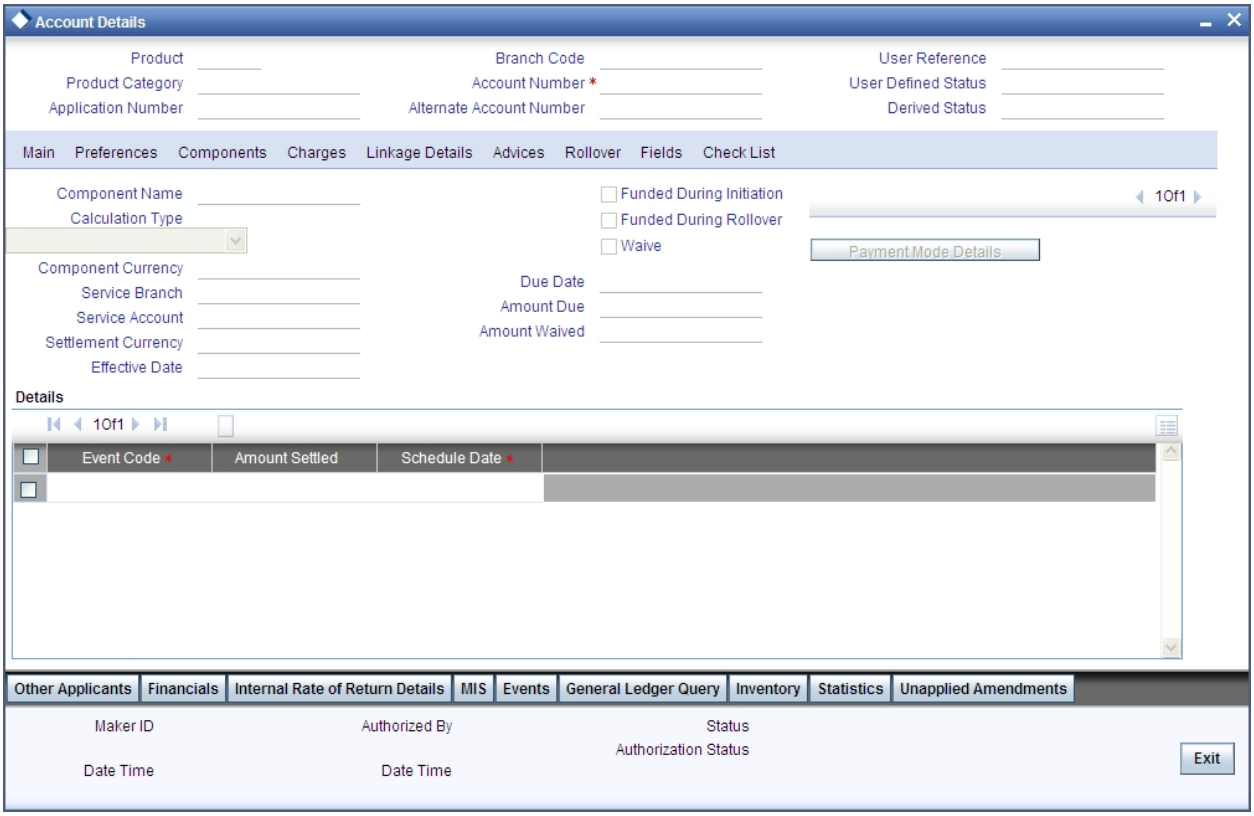
- Manual

This is applicable only if ‘Liquidation mode’ is selected as ‘Component’ at the account preference level.

7.3.5 Charges Tab

In order to calculate the charges that we would like to levy on an account, we have to specify the basis on which we would like to apply charges.

The ‘Charges’ tab allows you to view/modify the charges to be levied on the account.



You can capture the following details in this screen:

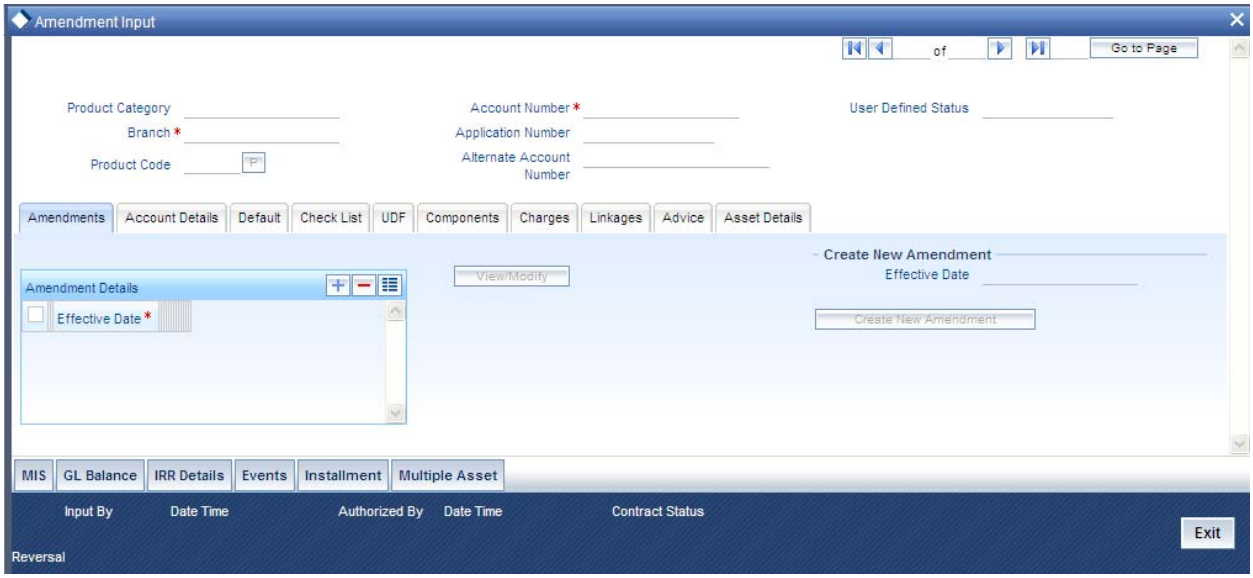
Amt. Waived

The amount displayed here is the amount that needs to be waived as the discount offered to the customer.

For further details regarding the fields in this screen please refer to Charges section under Account details.

7.3.6 VAMI Simulation

Value Dated Amendment simulation calculation function is used to get the details of the VAMI charge before applying the same. You can invoke 'Amendment Input' screen by typing 'CIDSIMVD' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The Value Dated Amendment Simulation screen is similar to Value Dated Amendments screen.

7.3.7 Maturity Date Change

The Amendment of the Finance account maturity date, effective a certain date can be performed through this function. Future schedules are affected based on the effective date. This assists in providing schedules as per the customer's choice. Hence, even if an extension is sought, the profit increase in the installment can be postponed until a certain period to facilitate customer's liquidity situation. For *Murabaha, Istisnaa* and *Musharaka* accounts, you can only decrease the maturity date. No other form of amendment will be allowed. Similarly, for *Mudaraba* accounts, you can only effect a profit rate change. However, this change too can be made only on the maturity date of the account.

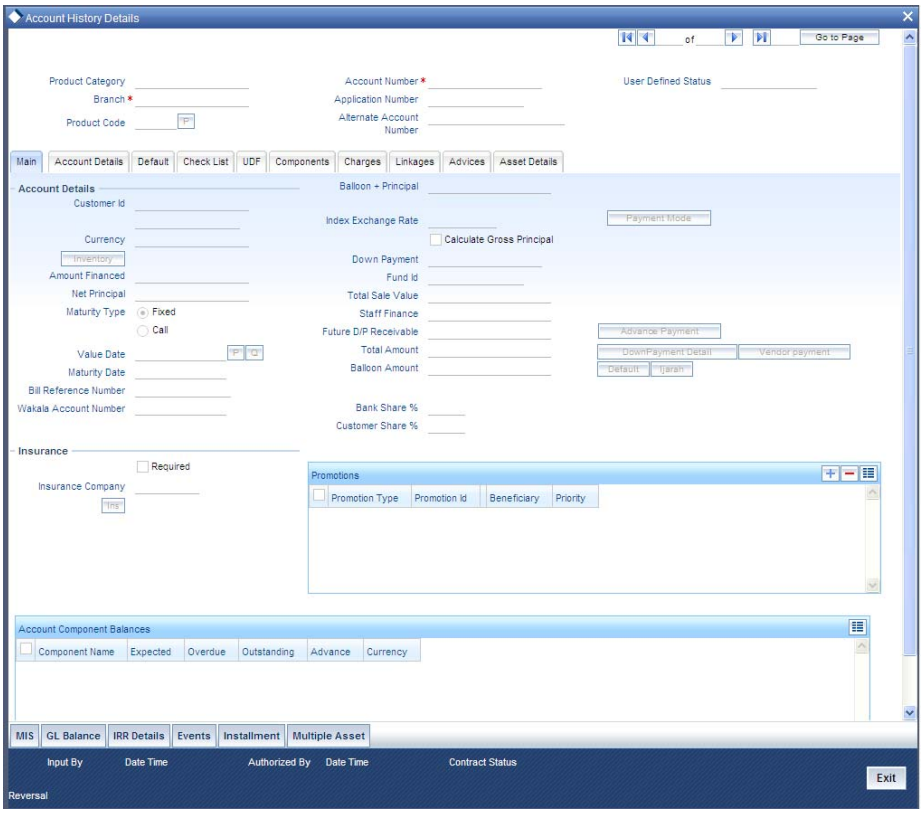
7.3.8 Version Creation

Version numbers are created for a finance account during any one of the following three instances:

- When amendments made to the Account parameters – Principal, Rate and Tenor
- Status change of the product
- Rollover of the Finance product

7.3.8.1 Version History View and Reversal

Multiple versions created for a finance account can be viewed through the 'Account–View History' screen. You can invoke this screen by typing 'CIDACHST' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. Reversal of operations to previous version is supported for Rollovers, Manual Status Change and Amendments that create a new version.



The Islamic Financing module has the following features:

- Finance accounts have in-built versioning features
- Contract parameters and hence the finance behaviour are modified based on operations such as Value dated amendments, status changes, Contract amendments, Rollovers etc, thus creating a new version.
- Any version of the finance can be backtracked sequentially to a previous configuration by saving the versions in history and by changing the events diary appropriately.
- This can be viewed by scrolling to the appropriate version number.
- Oracle FLEXCUBE supports an incremental reversal of contract version. While reversing, all the events will be reversed and the balances are appropriately affected.
- When you click 'Reverse' icon in the toolbar, the options presented are Entire Contract and Current Version

- For a single step reversal, all authorized entries and maintenances are reversed through this operation. A new version is created and a new event REVV – Reverse Version is triggered.
- It is also possible to forward track the same changes after back tracking
- If the entire contract is to be reversed, REVC fires when the version to be reversed is the First version

Refer the 'General Maintenances' chapter of this User Manual for further information on the Account Details Screen and Version Control.

7.3.9 Inactive Finances

7.3.9.1 Funding Status Details

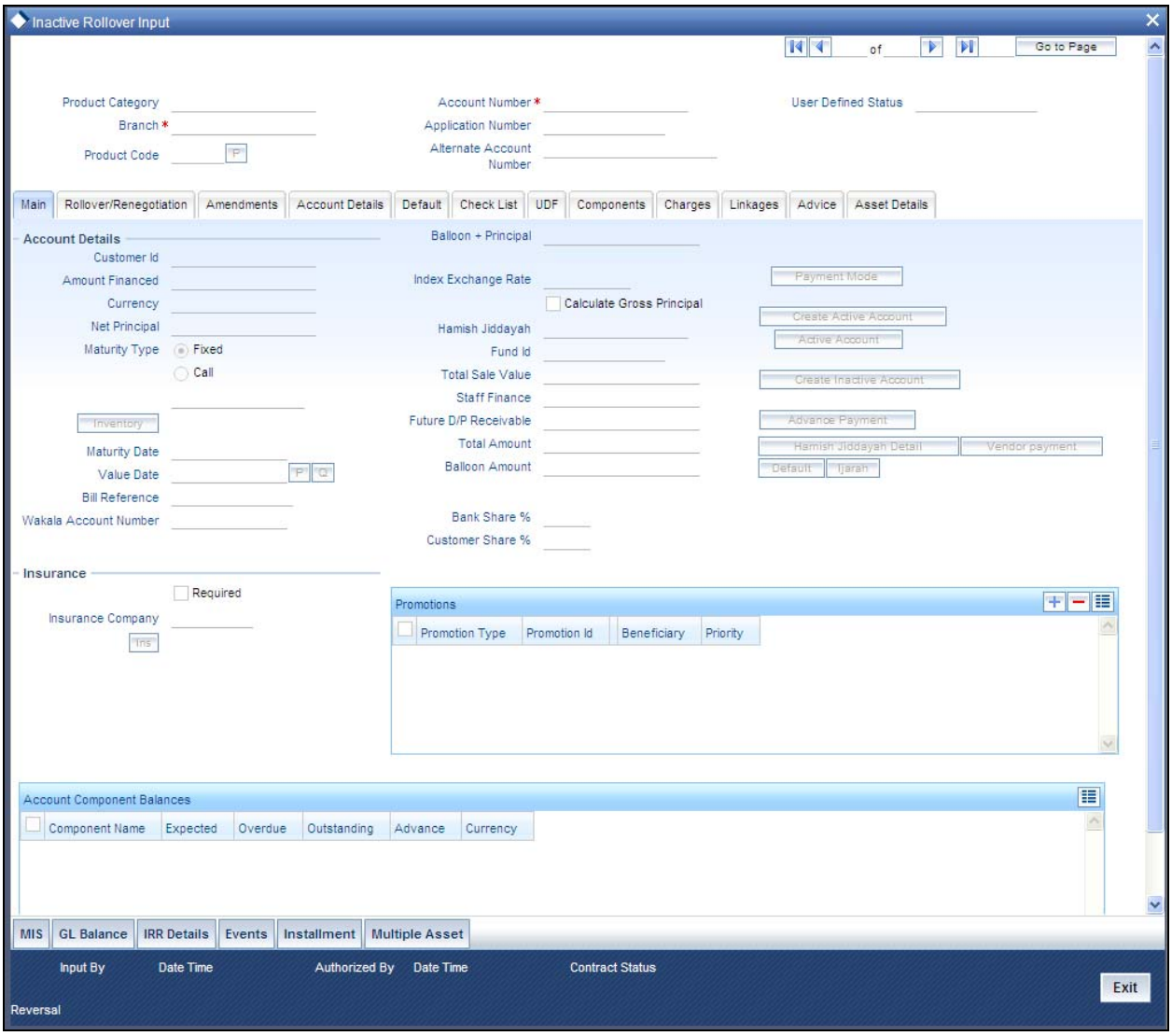
This module creates a finance account in an Inactive state. This is required to generate various finance product scenarios. All these are input from the Application processing phase. All applications that have undergone the process of Application Entry and Underwriting can be viewed as APPROVED-BLANK. These are Finances that have been underwritten and manual check of documents etc is being done.

The Finance Funding is triggered from the account details screen. However it has a Funding Status field which drives its operations. At this stage the application has been underwritten and is in APPROVED-BLANK Status. The CIF is created.

From APPROVED– BLANK, the application moves through to APPROVED-VERIFYING and APPROVED–VERIFIED status which are provided to enter the finance details and to verify the documents. Any aspects of the Finances can be changed but there is no version maintained. These Finance accounts are INACTIVE and even BOOK has not been fired on them. Now once the manual verifications are done the Application is moved to the Application-Verified status.

A final approval is made on the application in all respects and then it is moved to APPLICATION-FUNDED Status. This FUNDED status is the BOOK of the Finance account. At this time the Finance BOOK event entries are fired. If configured the Finance advice is sent to the Customer.

You can also roll over an inactive account using the ‘Inactive Rollover Input’ screen. You can invoke this screen by typing ‘CIDIMROL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

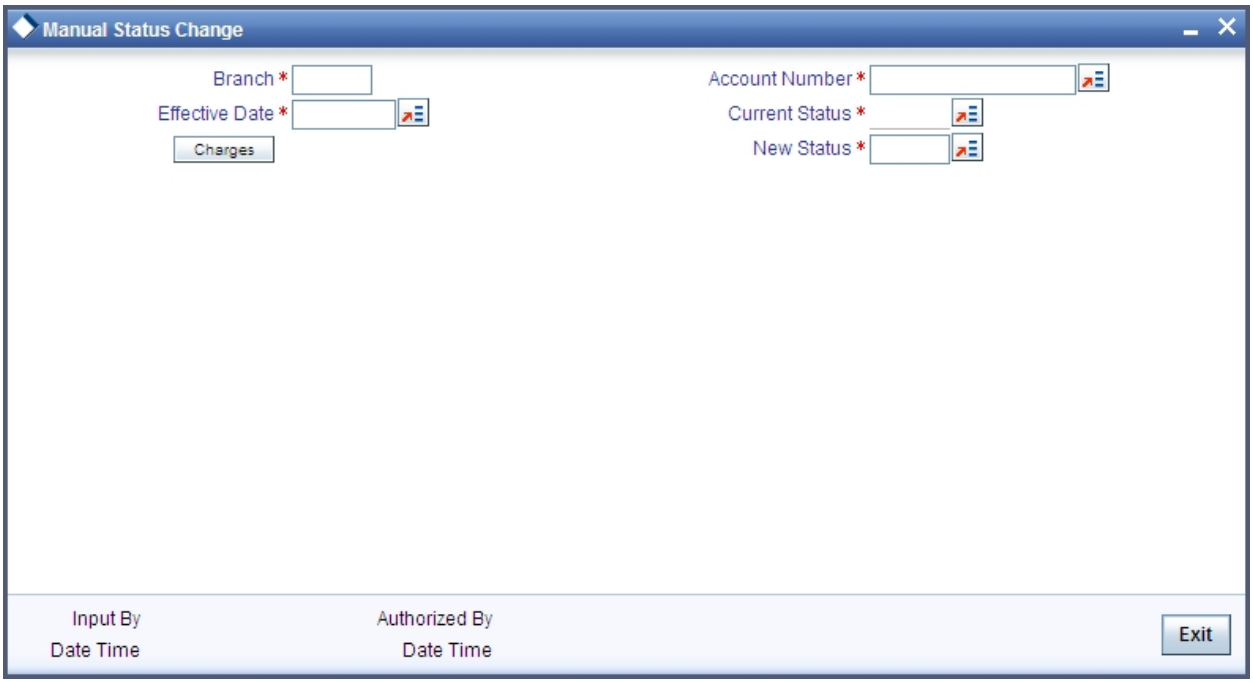


This screen is similar to the one used for manual rollover.

Refer the section 'Rollover Operations' in this chapter for details about rollover.

7.3.10 Manual Status Change

The status change can also be triggered manually. The status change can also be done with a value date which can even be in the past. To invoke the 'Manual Status Change' screen. You can invoke this screen by typing 'CIDMSTCH' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Branch Code

Enter the branch code of the account for which the status will be manually changed in this field.

Account Number

Select the account number of the account which needs a status change in this field by clicking on the option list. A list of values is displayed. Double click on a value to select it.

Current Status

The system displays the current status of the Account in this field.

New Status

Select the new status of the account by clicking the option list. A list of values appears. Double click on a value to select it.

The valid values are active, dormant, closed and so on.

This is a mandatory requirement.

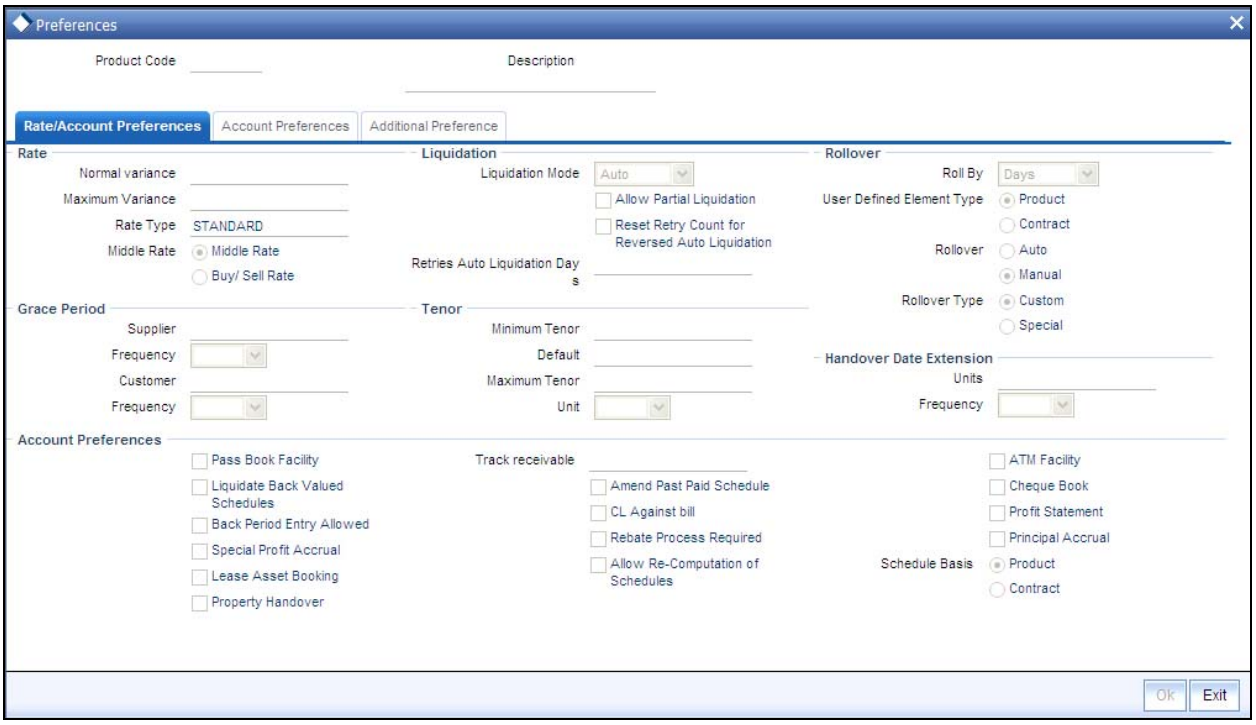
Effective Date

Enter the date of the new status for the account comes into effect in this field.

This is a mandatory requirement.

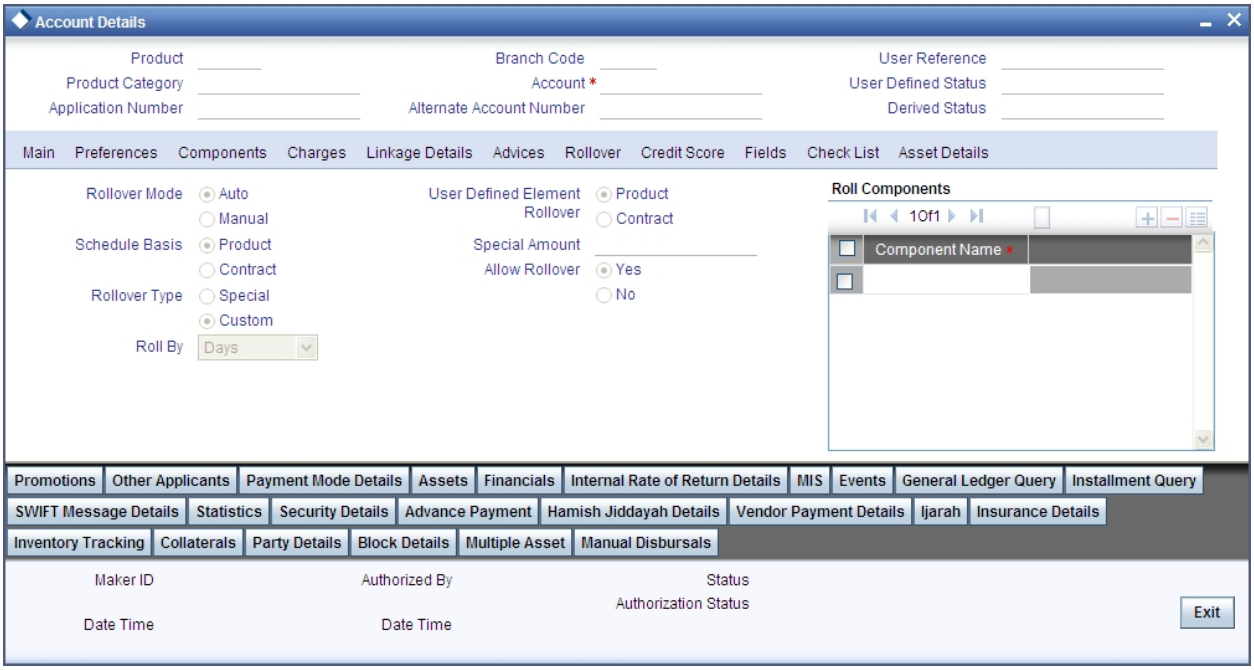
7.3.11 Rollover Operations

The rollover preferences and rollover type for a finance account are specified at the time of setting up a product. In the product screen, you have the option to rollover the account manually or instruct the system to do an automatic rollover. You can also specify the type of rollover; the options available are custom and special. When a finance is rolled over, a schedule is defaulted depending upon the UDE type and the schedule basis specified in the product screen.



Refer to the Products Chapter for more details on rollover specifications for finance accounts.

The rollover preferences specified at the product level are defaulted in the accounts screen at the time of finance account creation.



Refer to the 'Account Creation' chapter for more details on rollover specifications for finance accounts.

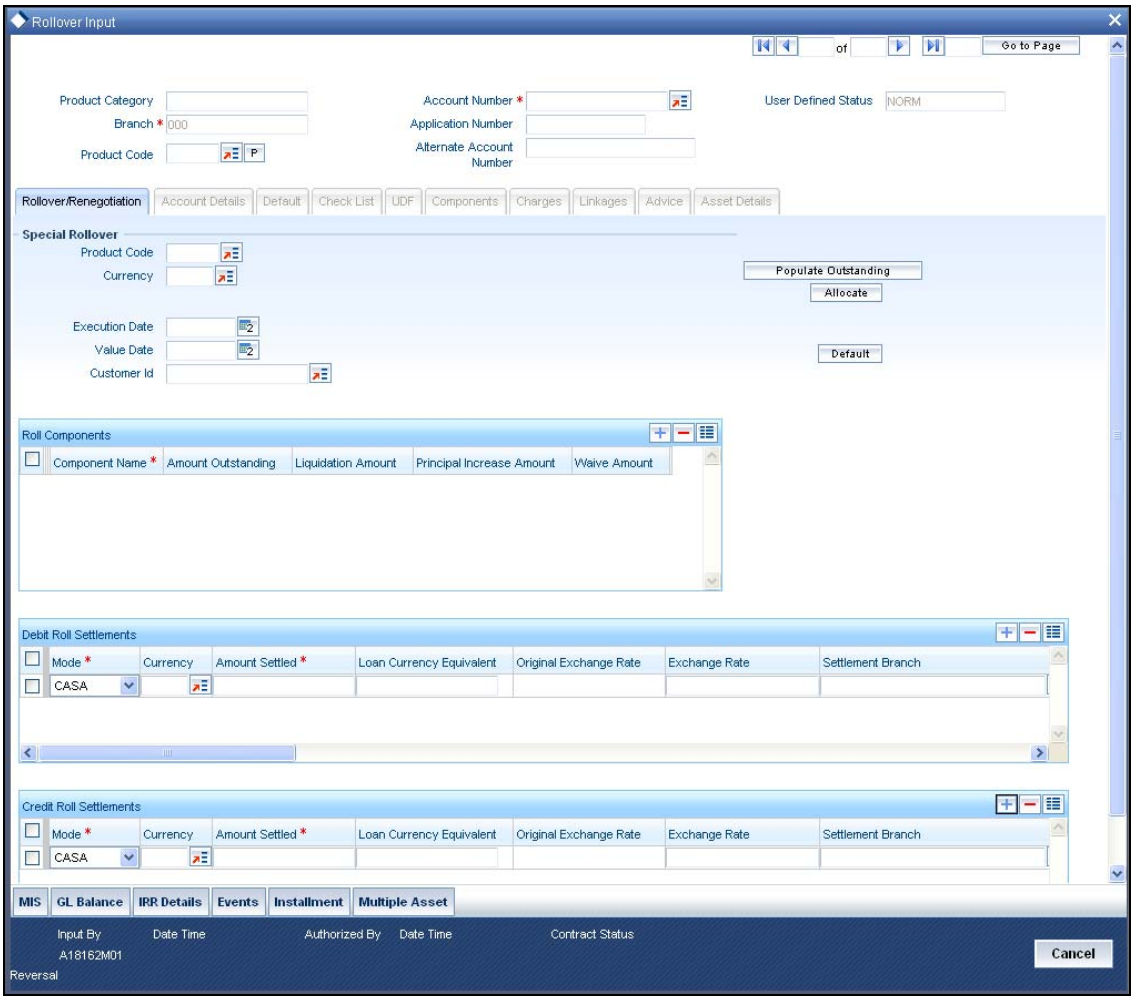
The Islamic Financing module has a special operations screen to support manual Rollover of accounts. This screen provides facility to pay off dues on the finance and also options to rollover the unpaid amounts for a new tenor with new finance terms.

If the Rollover is a simple maturity extension with or without components (Outstanding Principal, Profit etc) capitalized, then the ROLL event is fired. However, if the Rollover is a result of Renegotiation and Restructuring of the finance then the respective events are fired.

Special Rollovers involve a change in the Finance currency, reassignment of the Finance customer, creation of a new finance with same reference number as the original finance and waiver of outstanding finance. These are supported by events that fire the respective accounting entries.

The special Rollover Event is SROL and Renegotiation of a finance is RNOG. The event entries to be maintained are displayed in the product defaulting.

You can invoke 'Rollover Input' screen by typing 'CIDMROLL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Query for the account number that needs to be rolled over and then select ‘New’ from the Actions menu in the Application tool bar or click new icon. Then, click on the ‘Populate Outstanding’ button. The system will display the outstanding against each component for the account. You can then specify the rollover details such as ‘Liquidation Amount’, ‘Settlement Details’ etc. Then, click on ‘Allocate’ button to actually allocate the settlements against the components involved.

You can specify the following details in the Rollover Input screen:

Branch

Click on the option list to choose the branch in which the customer account resides. . Double click on a branch to select it.

Account

Click on the option list to choose the account that is being rolled over. Double click on an account to select it.

Exec Date

Enter the transaction date of the rollover in this field.

Value Date

Enter the value date of the rollover in this field.

Product code

Click on the option list to select the new product of the account due to Special Rollover. Double click on a value to select it.

Currency

Click on the option list to select the new currency of the account due to Special Rollover. Double click on a value to select it.

Customer ID

Select the customer Id from the list of values provided. Double click on a value to select it.

7.3.11.1 Component Details

Component Name

The system displays the name of the component that is being rolled over / paid in this field.

Outstanding

The system displays the outstanding portion of the component in this field.

Liquidation Amount

Enter the amount that is paid as part of the Rollover in this field.

Principal INCR Amt

Enter the amount that is rolled over for the component in this field.

Waive Amount

Enter the amount that is waived for the component as part of the rollover in this field.

7.3.11.2 Settlement Details

Mode

Select the mode in which the settlement will be done from the list of options provided.

For Dr Settlements, the various modes are CASA, Credit Card, Clearing, Debit Card, External Account, Electronic Pay Order, Internal Check, Instrument and Cash/Teller.

For Cr Settlements, the various modes are CASA, Clearing, External Account, Instrument, and Cash/Teller

Settlement Mode Ccy

Click on the option list to select the currency in which a particular settlement is to be made. Double click on a value to select it.

The options include list of currencies allowed for the product, branch and category.

Amount Settled

Enter the amount to be disbursed in this mode as a part of the disbursement.

The amount should be less than the difference between Disbursement amount and the amount settled through other modes. The amount should be in terms of the mode currency.

Finance Ccy Equiv

The system displays the amount in terms of the finance currency in this field.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For Dr Settlement, the following details can be captured depending on the settlement mode:

For 'CASA'

- Settlement Branch
- Settlement Account

For 'Credit Card' and 'Debit Card'

- Card No.

For 'Clearing'

- Upload Source
- Instrument Number
- Clearing Product

- End Point
- Routing Number
- Clearing Bank
- Clearing Branch
- Sector Code
- Clearing House

For 'External Account'

- Upload Source
- PC Category
- Clearing Bank
- Clearing Branch
- External Account Name
- External Account Number
- Clearing House

For 'Electronic Pay Order'

- Instrument Number

For 'Internal Check'

- Instrument Number
- Settlement Branch
- Settlement Account

For 'Instrument'

- Instrument Number
- Routing Number
- End Point

For 'Cash/Teller'

- Upload Source

For Cr Settlement, the following details can be captured depending on the settlement mode:

For 'CASA'

- Settlement Branch
- Settlement Account

For 'Clearing'

- Upload Source

- Instrument Number
- Clearing Product
- End Point
- Routing Number
- Clearing Bank
- Clearing Branch
- Sector Code
- Clearing House

For 'External Account'

- Upload Source
- PC Category
- Clearing Bank
- Clearing Branch
- External Account Name
- External Account Number
- Clearing House

For 'Instrument'

- Instrument Number
- Routing Number
- End Point

For 'Cash/Teller'

- Upload Source

The Islamic Financing Module supports the following rollover functions:

Special Rollover

Only manual product and/or currency modifications are allowed during rollover. This is termed as Special rollover.

The following two events are added for special rollover:

SROL – Special Rollover Liquidation

This event has normal liquidation entries as well as the entries to liquidate the amount to be rolled over into suspense.

New Amount Tag

<component_name>_SROL

New Accounting Role

SROL_SUSPENSE

The entries defined are:

Dr/Cr	Role	Amount Tag
Dr	DR_SETTLE_BRIDGE	PRINCIPAL_LIQD
Cr	FINANCE_ACCOUNT	PRINCIPAL_LIQD
Dr	DR_SETTLE_BRIDGE	MAIN_INT_LIQD
Cr	MAIN_INTREC	MAIN_INT_LIQD
Dr	SROL_SUSPENSE	PRINCIPAL_SROL
Cr	FINANCE_ACCOUNT	PRINCIPAL_SROL
Dr	SROL_SUSPENSE	MAIN_INT_SROL
Cr	MAIN_INTREC	MAIN_INT_SROL

REOP – Re-Opening of Finance Account with new product and/or currency

This event has entries to Dr Finance Account and Cr the Dr Settlement suspense. The PRINCIPAL amount tag is used for these entries.

The entries defined are:

Dr/Cr	Role	Amount Tag
Dr	FINANCE_ACCOUNT	PRINCIPAL
Cr	SROL_SUSPENSE	PRINCIPAL
Dr	FINANCE_ACCOUNT	PRINCIPAL_INCR
Cr	CR_SETTLE_BRIDGE	PRINCIPAL_INCR

The above two events are triggered whenever Product and/or currency is changed during manual rollover.

A manual rollover screen is provided to carry out special rollover. The current product code and currency are shown on the manual rollover tab. If any of this were modified then SROL event is triggered, which in turn triggers REOP, else, a normal ROLL event is triggered.

In case of Product Change, SROL event of the previous product is triggered and REOP event of the new product is fired. Hence the SROL_SUSPENSE maintained should be same across all products.

Pre Mature Rollover

During manual rollover a Rollover Value Date is captured, which is a date prior to the maturity date to pre maturely rollover the finance. The profit is calculated up to the rollover value date. You can choose to liquidate or roll any component. Special Rollover is also allowed.

Back Value dated Rollover

The rollover value date may be used to input back valued rollovers.

Rollover Booking

The ROLB (Rollover Book) event facilitates processing of future dated rollover instructions. A manual rollover, to be executed in the future can be created by giving a future execution date. For such rollover instructions, the ROLB event is fired. The rollover instructions are applied on the execution date. All the settlement entries are passed on the execution date with the rollover value date.

Rollover Tenor

A new field, ROLL BY, is added to the Product Preferences for Rollover. The values are:

- Days – The Tenor for the Rolled Contract would be taken in terms of days.

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 90 days

New Rolled Maturity Date: 30-Jun-2005

- Months – In Terms of Months

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 3 Months

New Rolled Maturity Date: 01-Jul-2005

- Quarters – In Terms of Quarters

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 3 Months (1 Quarter)

New Rolled Maturity Date: 01-Jul-2005

- Semiannual – In Terms of Semi Annuals

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 6 Months (Semi Annual)

New Rolled Maturity Date: 01-Oct-2005

- Year – In Terms of Years

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 12 Months (Year)

New Rolled Maturity Date: 01-Apr-2006

The same field is available on the Account screen and the values are defaulted from product. The defaulted values can be amended.

Inactive Rollover

This function is provided to save Inactive rollover instructions. Click on the 'Activate' button on the Inactive Rollover Input screen to activate the inactive rollover instructions.

When an Inactive instruction is saved, no events are processed. And when activated, all the applicable events are fired.

This screen captures payment details such as Value date of the payment, Amount Settled, Payment Mode, Related Payment Products and Settlement Account. The payment is against any of the finance components such as principal, profit etc.

You can invoke 'Inactive Rollover Input' screen by typing 'CIDIMROL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The procedure to create an Inactive Rollover is similar to the Manual Rollover process. However, you have the additional facility to activate the rollover by clicking on the 'Activate Rollover' button.

7.3.12 Renegotiation

The customer can ask for re-negotiation of the written-off finance. Or when an account becomes delinquent, the bank may negotiate with the customer. Negotiation may result in any of the following:

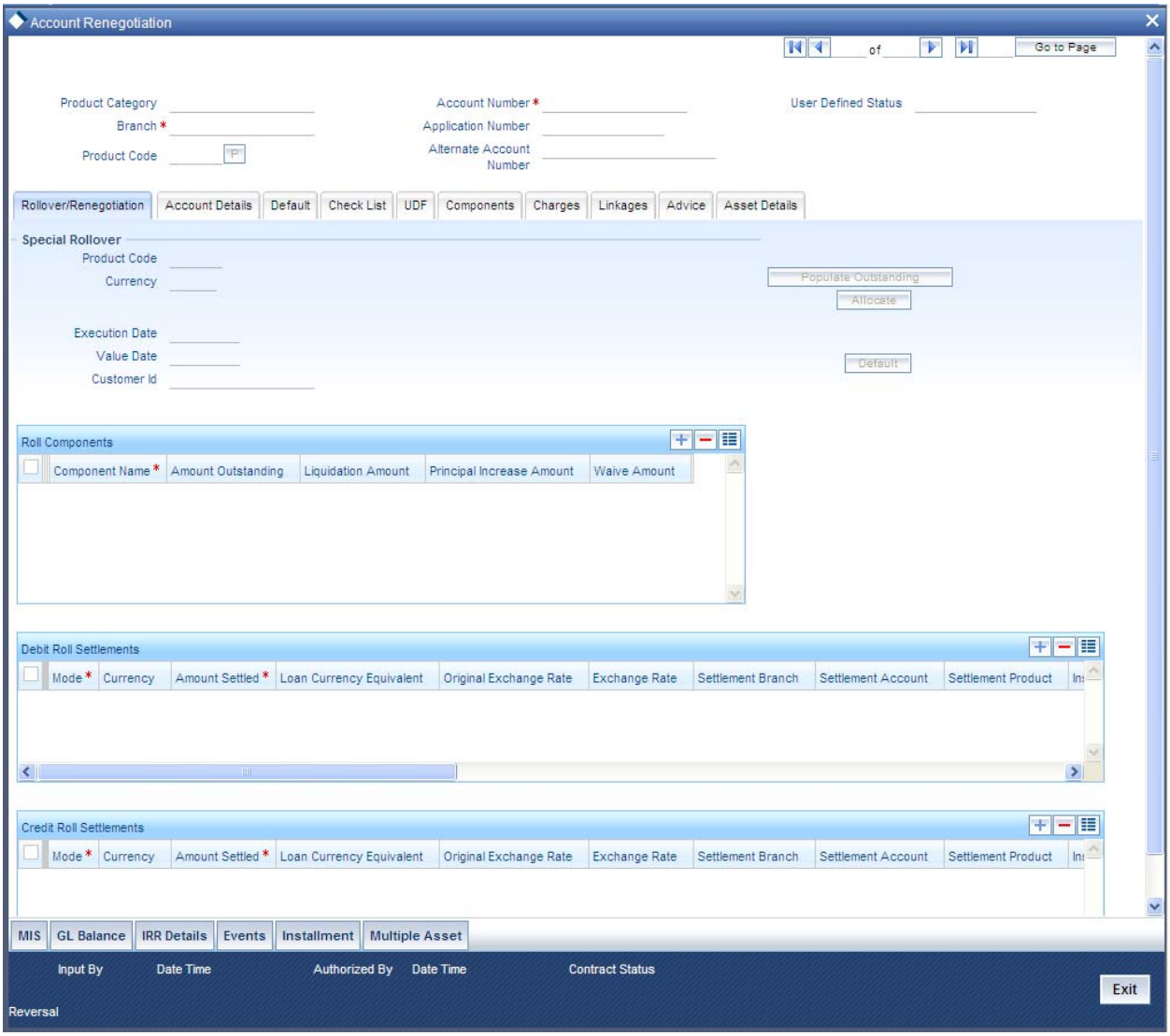
- The customer may repay the finance.
- The finance is negotiated completely. In this case a new finance may be opened.
- The customer may pay the partial finance amount and the bank may condone the rest.
- The customer and bank may renegotiate part of the finance and the rest may be condoned.
- In the worst case scenario, if the customer is unable to pay back any portion the finance amount, the bank may consider it as Condonation and close off the finance.

In Oracle FLEXCUBE, renegotiation is treated as a separate manual operation. Whenever a finance is renegotiated, it results in the creation of a new version of the existing finance. The system then recalculates the schedules. If the customer makes any payment towards the written-off finance, they are also considered.

Once the finance gets transformed into a new finance, it is affected by maintaining Bridge GLs.

Renegotiation can result in just varying profit rates or maturity dates of the original finance along with capitalization of the outstanding profit.

You can perform finance renegotiation through the 'Account Re-Negotiation' screen. You can invoke this screen by typing 'CIDRENOG' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

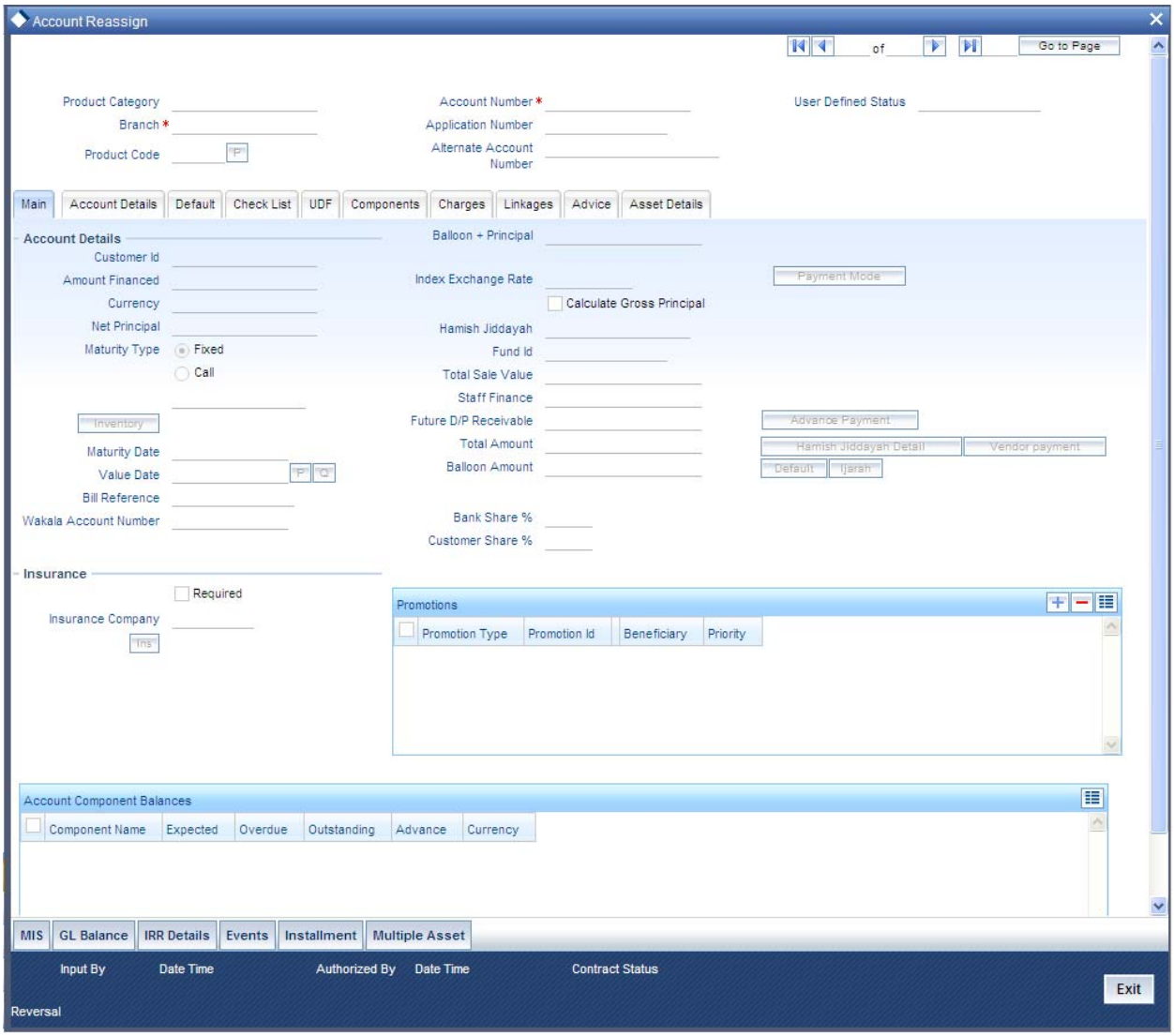


This screen is similar to the one used for manual rollover.

Refer the section 'Rollover Operations' in this chapter for details about rollover.

7.3.13 Reassignment

Oracle FLEXCUBE allows you to change the main debtor of a finance through the process of reassignment. You can achieve this through the ‘Account Reassign’ screen. You can invoke this screen by typing ‘CIDNOVDT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, you need to clear all details by pressing F7. Then you can specify the account number and click on F8. The system displays all the account details of the chosen account. You can change the Customer Id of the primary applicant in the ‘Reassignment – Account Details’ screen.

Customer ID (Primary Applicant)

The CIF ID of the primary debtor of the finance account is displayed here. You can change it by selecting another CIF ID from the option list. This in effect means the debtor will be changed.

Customer ID (Other Applicants)

The CIF IDs of the co-applicants for the original finance are displayed here. You can change them by selecting other CIF IDs from the option list.

In the 'Account Reassign – Linkages' screen, you can change the following details:

- Linkage Type
- Customer ID
- Linked Reference Number
- Linkage Amount
- Secured Portion

All these details get displayed in the corresponding fields. You can modify the same.

7.3.14 Amendment

During Value Dated amendments, you can also change the following data:

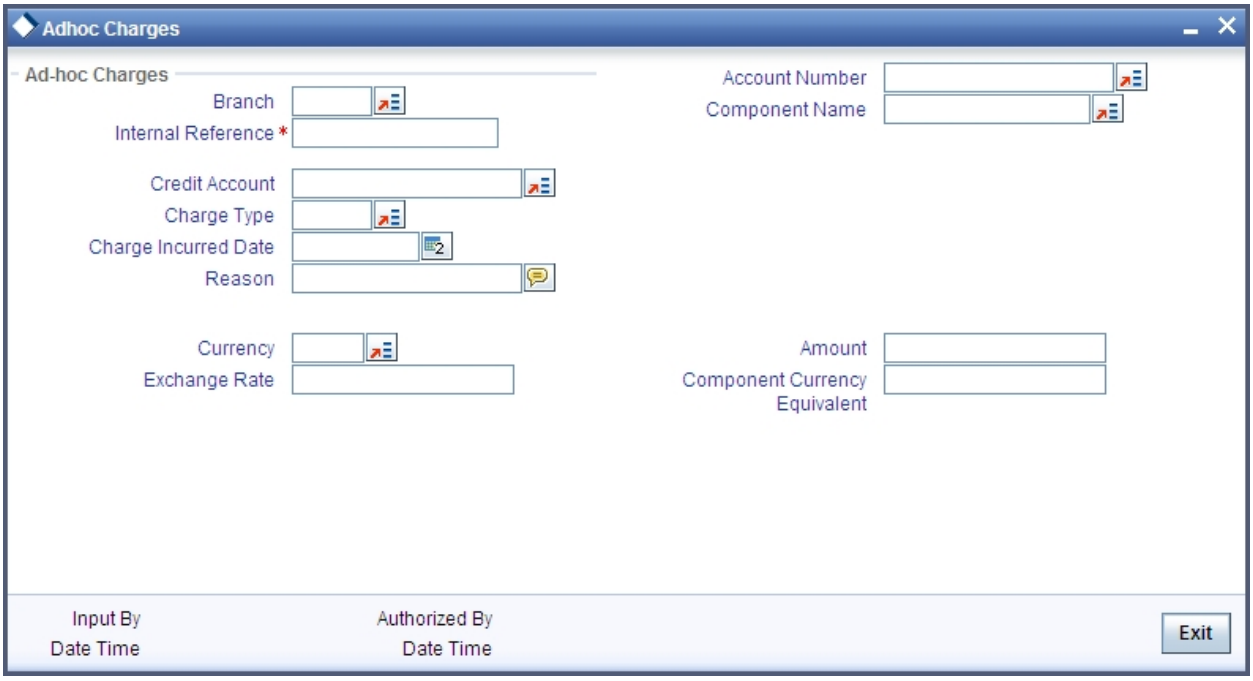
- Maturity Date
- Profit Rate
- Installment Dates

However, you cannot change the finance Account Number.

As a result of reassignment, limit utilizations against the old customer will be reduced and those towards the new customer will be increased by altering the utilizations.

7.3.15 Adhoc Charge Application

The adhoc charge can be applied by invoking the 'Adhoc Charges' screen. You can invoke this screen by typing 'CIDADCHG' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Account Number

Select the account number on which the charges are to be levied from the option list.

Internal Ref No

The system displays a unique identifier for the specific ad hoc charge.

Component Name

Select the component that is to be used to track the ad hoc charge from the option list.

Branch Code

The system displays the branch code of the bank that is servicing the finance.

Credit Account

Specify the account (GL) to which the ad hoc charges collected are to be credited from the option list. This in most cases is the account of the Collection Agency.

Charge Type

Select the charge type to be levied on a finance from the option list. The values in the option list are the charge types maintained using the Adhoc Charge Type maintenance.

Charge Incurred Date

Specify the date on which the charge is to be levied on the customer. This cannot be a future date. Also, it should pass the accounting for ad hoc charges with a back date.

Reason

Specify the reason for which the charge is being levied on the account.

Currency

Specify the currency.

Exchange Rate

Specify the exchange rate.

Amount

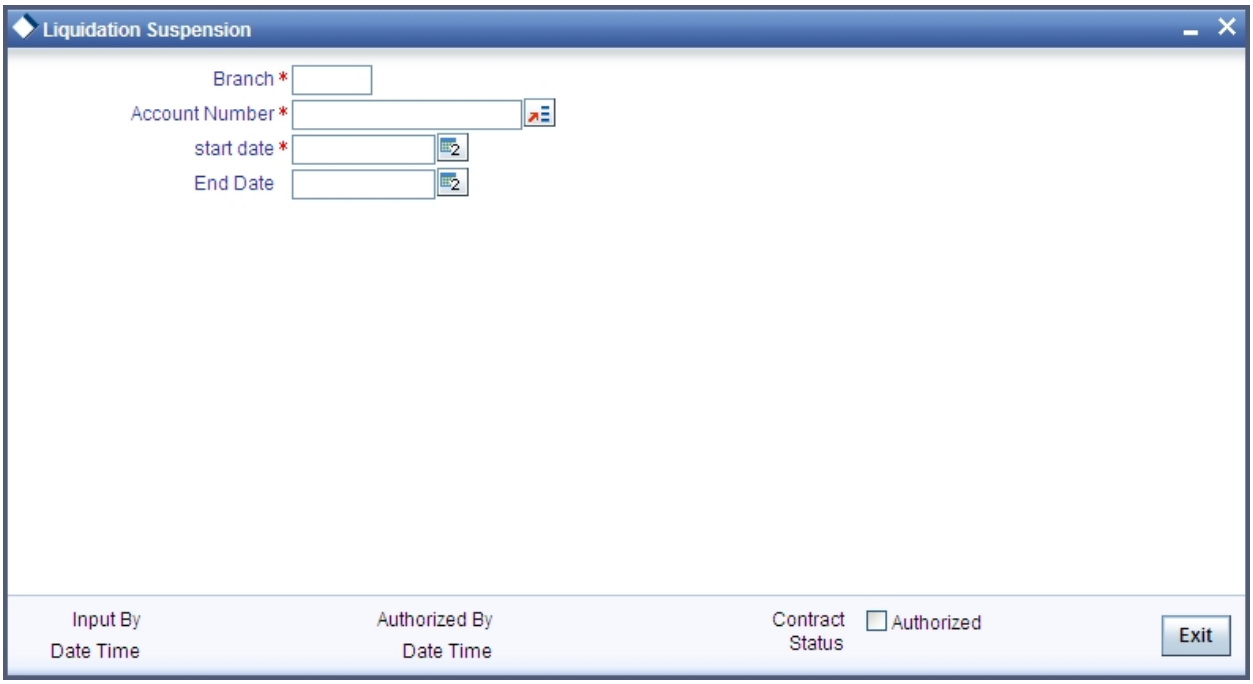
Specify the amount of the ad hoc charge to be levied on the customer account.

The Adhoc Charges enables you to keep track of the following:

- All charges to be recollected from the customer.
- The outstanding charges on the finance account if the customer desires to repay the finance.
- To consider an account ready for liquidation only if there are no pending charges.

7.3.16 Liquidation Suspension

You can suspend liquidation process between specific periods using the 'Liquidation Suspension' screen. You can invoke this screen by typing 'CIDLQSPN' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you can capture the following details:

Branch Code

This field displays the branch code of current branch.

Account Number

Specify the account for which you wish to suspend liquidation. The adjoining option list shows all the active accounts existing in that particular branch under the Islamic Financing module. You can select the appropriate account number.

Start Date

Specify the date from which the liquidation process has to be suspended.

End Date

Specify the date up to which the liquidation process has to be suspended.

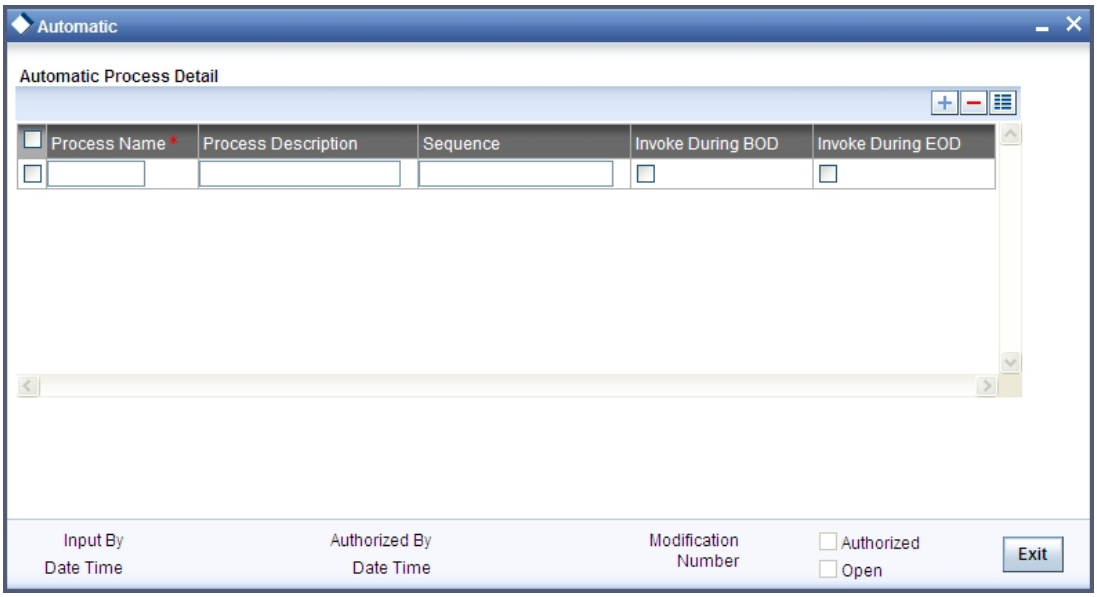
8. Batch Processes

8.1 Introduction

The events that are to take place automatically are triggered off during what is called the Batch Process. The batch process is an automatic function that is run as a mandatory Beginning of Day (BOD) and/or End of Day (EOD) process. During EOD, the batch process should be run after end-of-transaction-input (EOTI) has been marked for the day, and before end-of-financial-input (EOFI) has been marked for the day.

8.2 Configuring the Batch Processes for Islamic Financing

You have the facility to configure the batch processes to be executed either at EOD or BOD or both, as per the bank's requirement. This is achieved through the 'Automatic Process Definition' screen. You can invoke this screen by typing 'CLDTPROC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, you can amend the order of the various operations in the CL batch and choose to trigger them at EOD or BOD or both.

The default configuration is given below:

Batch Operation	**BOD/EOD**
Forward Init of Finance Accounts	BOD
Calculation	EOD/BOD

Batch Operation	BOD/EOD
Accruals	EOD/BOD
Auto Liquidations	EOD/BOD
Auto Disbursements	BOD
Rate Revisions	BOD
UDE Cascade	EOD
Maturity processing – Rollovers , Auto Closures	BOD/EOD
Automatic Status Change Processing	BOD
FEES	BOD
INTP (Profit Posting)	BOD
Billing & Payment Notices	BOD
Statements generation	EOD
Compensation Computation	BOD
Forward VAMIs	BOD
Revaluation	EOD
Readjustment	EOD
Handover date extension	EOD

These batch processes are factory shipped for your bank. Note that you need to set the 'UDBATEVT' batch as a predecessor to the Islamic Financing batch 'CIDBATCH'.

8.2.1 Defining Batch Processes

The batch processes are explained briefly:

Forward Init of Finance Accounts

Finance accounts maintained in the system are classified into two types:

- Active
- Inactive

When finance accounts become Active, the BOOK event is triggered for the Finance and you can specify a Value Date for the finance during this event.

This batch identifies all the accounts that are due for initiation on that day, at BOD and the INIT event is triggered for these accounts. The current system date will be taken as the value date for these accounts.

Re-Calculation

Finance parameter alterations directly affect the computation of accruals. This batch identifies such changes made to finance accounts, both at BOD and EOD. Further, it recalculates the accruals based on the altered finance components.

Accruals

This batch passes all the recalculated accrual changes required for the components. It is triggered, both at BOD and EOD.

Auto Liquidations

This batch processes the payments that are configured as auto payments and is triggered both at BOD and EOD.

Auto Disbursements

Disbursement schedules are maintained for products. As part of BOD process, the DSBR events for the accounts will be triggered.

This batch processes these schedules at BOD, which enables the DSBR events of the accounts to be initiated.

Rate Revision

As part of BOD program, this batch processes the Floating Rate revision schedules for products.

UDE Cascade

This batch is triggered at EOD in case of UDE value changes. The changes in UDE values are applied to all the affected accounts.

In case, a single account requires a UDE Change/Cascade, it can be performed online for that account alone. Such accounts are then excluded from this batch.

Maturity Processing

Maturity processing of finances is performed if the maturity date falls at BOD of a particular day. This results in either Auto Closure or Rollover of finances.

- Auto Closure: Finances that are liquidated on maturity are subject to Auto Closure, during maturity processing
- Rollover: Finances that have auto rollover maintained are rolled over during maturity processing

Status Change Processing

Certain accounts have automatic status changes, wherein the SDEs required for status change are evaluated. In such cases, this batch detects status changes at BOD. Once this is done, appropriate status change activities are triggered.

Notice Generation – Billing, Payments

For each finance, the number of days prior to which a Notice is to be generated is evaluated. In case of finances that carry dues, the Notice is generated as specified in the notice days maintained for the product. This batch is processed at BOD.

Statement Generation

At EOD, the statement is generated depending on the statement frequency and other statement based maintenance actions specified.

Forward VAMI

At BOD, this batch processes all value dated amendments that are booked with the date as Value Date.

Compensation

Compensation computations are evaluated at BOD by this batch. Any grace period maintained will have to be considered during this calculation. On completion of the grace period, the compensation components are computed from the due date till the current date.

Revaluation

At EOD, revaluation of assets and liabilities to the LCY are carried out.

Readjustment

This batch is processed at EOD. It is triggered in the presence of Index currencies that are not treated as a part of revaluation. It handles readjustments based on new index rates.

Force Final Disbursement

This batch is triggered at BOD and is executed after auto disbursement process in the CL batch. In this process the system validates the amortization start date and check whether the amount financed is equal to the amount disbursed for the particular account. If not, the system will make the final disbursement automatically.

Example

- Assume, as on Jan 01,2007
- Contract Amount: BHD 15000
- Amount Disbursed: BHD 10000
- Payment First Due Date: Feb 01, 07
- Frequency Unit: Monthly

- Amortization Start Date: Jan 01, 07

At BOD, while processing the CL batch, this contract will be validated as to whether the amount financed is equal to amount disbursed. In this scenario, Balance BHD 5000 is not disbursed. The system will trigger a disbursement for BHD 5000 in the Batch process.

Handover Date Extension

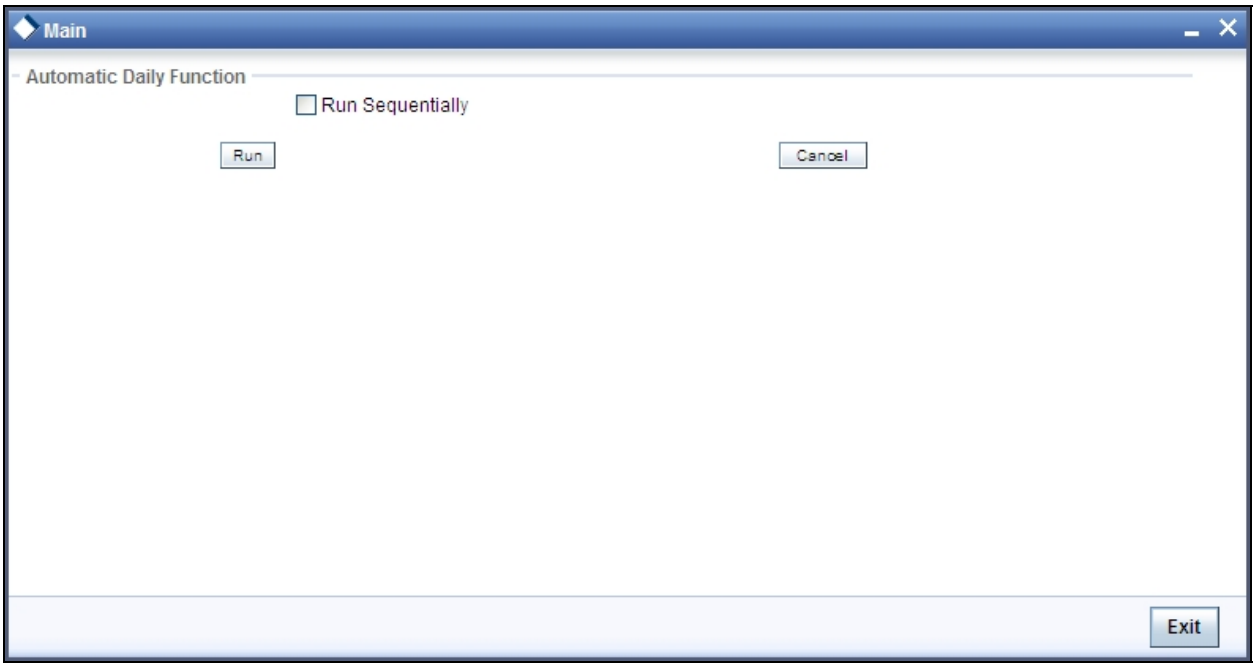
This batch initiates automatic extension of the property handover date. In a forward *Ijarah* account, if the 'Property Handover' box is not checked till the specified handover date, then on the handover date this batch will extend the handover date to a new date. The new date will be arrived based on the values of the fields 'Unit' and 'Frequency' given for auto extension of handover date in the product preferences. Holidays will be ignored for the handover date derivation. The system will also move the first installment date and maturity date of the account. Post this extension; the system will also recalculate the profit and schedules for the period from construction end date to the new handover date and from new handover date to maturity date.

The system will also trigger the UIDB event for the additional profit calculated due to this extension.

8.2.2 Initiating the Batch Process

If you have opted to trigger the batch programs at EOD, the same will be executed as part of the 'End of Cycle Operations' after marking the 'EOTI' for the day. If the trigger is maintained as 'BOD', the programs will be executed before the start of 'Transaction Input'. However, the programs will be triggered both at EOD and BOD if you opt to trigger it at both the instances.

You also have the option to execute the batch programs through the 'CL Batch' screen. Note that you can process the transactions booked under the Retail lending module too using this batch process. You can invoke this screen by typing 'CLDBATCH' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can opt to execute the processes as per the sequence maintained in the 'Automatic Process Definition' screen. To do this, check the 'Run Sequentially' option.

8.2.2.1 Multi-threading of batch processes

The CL Batch process handles multi threading. The number of parallel processes and the interval between processes is maintained as part of 'CL Branch Parameters'.

Refer the section titled 'Maintaining Branch Parameters' in the 'Maintenances and Operations' chapter of this User Manual for details.

The accounts are split into multiple groups which can be processed in parallel for a particular sub process. Hence, all non conflicting parallel groups will complete the sub process after which the next sub process is taken up and so on. There is also an option to run it purely sequentially as shown above.

8.2.3 Status Change Batch Processing (CSDSTBTC)

For the CI module the Status change batch will be run along with the customer/Group and apply worst status change for the customer. This batch will use the status change events.

You can trigger the batches to run before the Common Status Change batch (CSDSTBTC). The following given batches can be run in any order:

- LCEOD
- BCAUSTCH
- CLBATCH
- ICEOD
- CIDBATCH
- MODBATCH
- CASABAT
- IAAUTDLY
- CSDSTBTC
- ICEOD
- CLDPROV
- MODPROV
- CIDPROV

The Process of Provisioning is handled by the following batches for CL, MO and CI modules respectively:

- CL provisioning batch (CLDPROV)
- Mortgage provisioning batch (MODPROV)
- Islamic loan provisioning batch (CIDPROV)

The provisioning process is detached from the CLBATCH, MODBATCH and CIDBATCH.

If ‘Status Processing’ is at Individual Contract Level, then system will trigger status change based on the Customer Credit rating for the customer of the Contract /Account booked. The other contracts of the customers in the same Group will not be impacted. However if the ‘Status Processing’ is at CIF/Group level individual module (LC,CL, CI, MO, CA, IA and BC) batches will be updating common storage with the derived status of each contract and CIF/Group level status will be triggered by the common status change batch. The common status change batch will call the individual module function for status change processing.

8.2.4 Profit Posting (INTP Event)

You need to make a provision to post an income into a separate GL. This income is the profit which you pay to the customer who has a finance account. On the profit posting date, a transaction occurs to move the receivable and the income from one GL to another. This transaction distinguishes between receivables from the income which is due and not due. Also, this profit posting is applicable for the main profit component only.

The INTP event runs at the BOD for a finance product against which it has been defined.

The following points are noteworthy:

- You can pick the INTP event during the finance product definition and maintain the accounting entries against this event. To recall, you need to click on the 'Events' tab in the 'Consumer Lending Product' screen where you specify the various events which need to be run.
- At the time of finance account creation, Oracle FLEXCUBE populates the events diary with one record of the INTP event for each schedule due date. This has the status as 'Unprocessed'. This is done for the main profit component schedule only.
- The system also creates a record for the end of each calendar quarter during the moratorium period in the case of amortized finance products.
- Any rebuilding of repayment schedules results in the rebuilding of records in the events diary.
- The batch process picks up all the unprocessed INTP records from the events diary having the execution date on or before the current application date. The process is limited to the active accounts belonging to the current branch.
- The amount and date of due for the main profit component is fetched from the component schedule due details.
- The accounting entries get passed on the schedule due date or the calendar quarter end, as defined for the event INTP through the 'Consumer Lending Product' screen under the 'Events' tab pertaining to a finance product maintenance.
- For term finances, the transaction posting date is the same as schedule due date of the main profit component. The same is followed for amortized finances also.
- For an amortized finance with a moratorium period, the transaction posting date is the end of the calendar quarter and the end of the moratorium period. If the moratorium period is different from the end of the calendar quarter, the entries passed will not tally with the actual amount due. This difference gets passed on the schedule due date of the moratorium period.
- There are no changes in the INTP event execution behaviour in case of a partial pre-payment.
- If a finance is getting pre-closed with a complete settlement, the system does not wait till the schedule due date or calendar quarter end for passing the INTP entries. It posts the profit accrued till the current date on the date of the pre-closure.

In case of any failures during the INTP batch process, the system logs the error details for the account and processes the subsequent accounts.

8.2.5 Intra Day Accruals

The Intra Day Accruals is a batch process that computes accruals for different kinds of investments made by funds. This batch includes processing of fixed asset depreciation. The intraday accruals / depreciation are performed only for those products for which accruals / depreciation cycle is due for the day. In case of inter-fund subscriptions, the system does not calculate the profit for the investing fund. You can invoke 'Intra Day Batch Start' screen by typing 'BABIDBAT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

This is an intra day process that is applicable only to fund branches.

Intra Day Accruals work in line with the normal end of day accruals. Intra day accrual will process in the same manner as an End of Day (EOD) batch. In this module, it is processed based on the branch level accrual parameters.

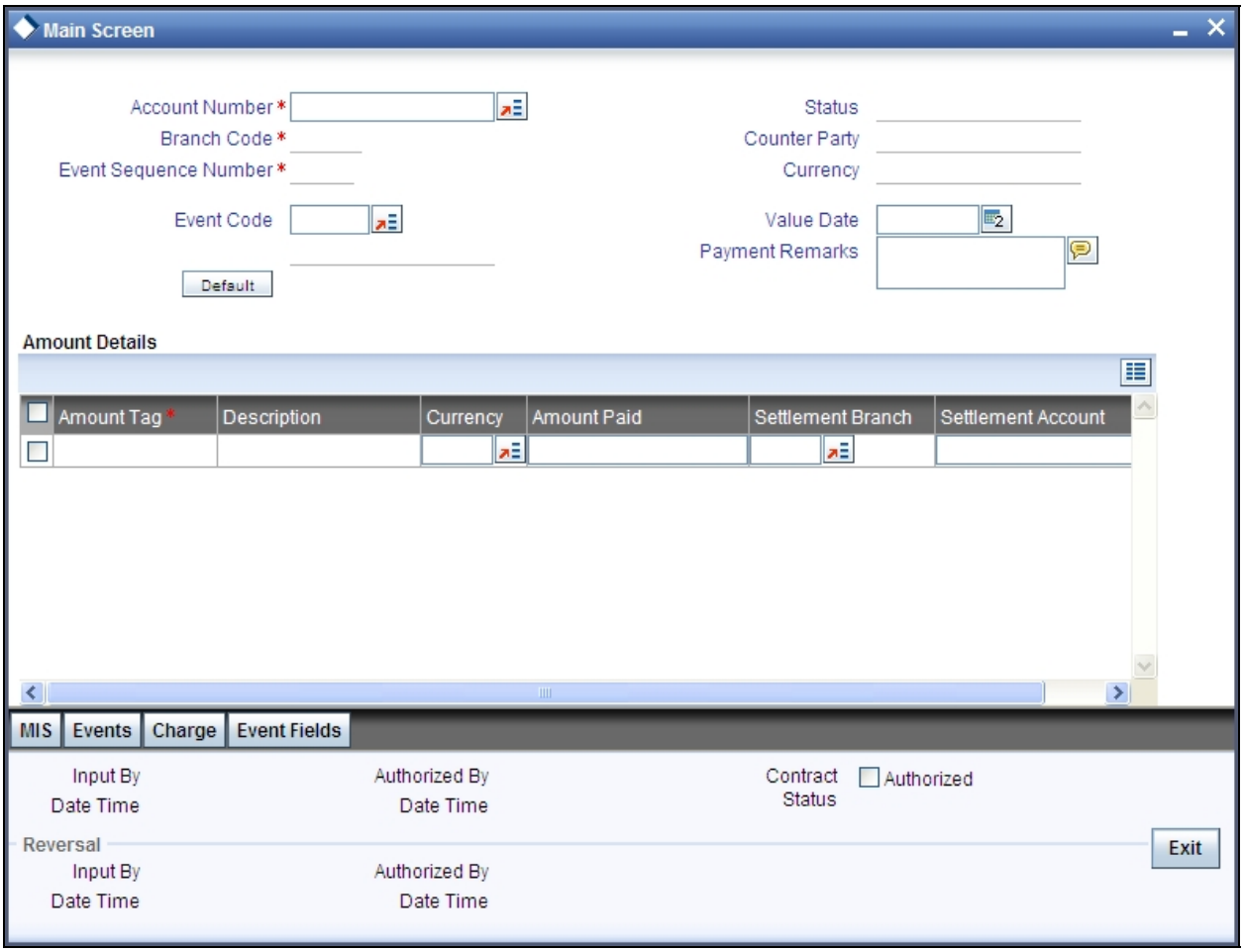
8.2.6 Insurance Renewal Batch

Oracle FLEXCUBE allows you to execute a batch process 'INSR' to renew insurance for all active Islamic Financing accounts automatically. When you run this batch process at EOD, the system will pick up all active records, for which the option 'Insurance Required' is selected in the 'Product Maintenance – Main' screen and the insurance renewal is due. Note that the system computes the date of renewal for the applicable records based on the value maintained in the 'Insurance Renewal Before days' field in the 'Consumer Lending – Branch Parameters' screen. If the renewal is due on the current date, the system will renew the policy for the next year by updating the policy expiry date.

As part of the renewal, the system will trigger the INSR event and transfer the insurance premium collected from the customer to the insurance company account maintained in the 'Bills and Collections Insurance Company Maintenance' screen. In case of short collection in the customer's insurance account, the system will credit the customer's insurance account with the differential amount i.e 'premium for the year – sum of monthly premiums collected' and debit the receivable account. When the payment is recovered from customer, the system will credit the receivable and debit the customer's insurance account for the differential amount.

8.3 Triggering User Defined Events

You can use the 'CL User Defined Events Triggering' screen to manually trigger the user defined events for Islamic Financing accounts. You can this screen by typing 'UDDCLEVT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



Here you need to specify the following details:

Account Number

Specify the account for which you want to trigger the user defined event. The adjoining option list displays all valid account numbers available in the system. You can select the appropriate one.

Branch Code

The system displays the code of the branch where the account resides.

Click 'Default' button. The system fetches values for the following fields based on the selected contract and displays them:

- Counter Party

- Currency
- Status

Event Sequence Number

The system displays the event sequence number.

Event Code

Specify the event that needs to be triggered for the selected account. The adjoining option list displays all events linked to the account. You can select the appropriate one.

Value Date

If the value date derivation rule has been maintained for the event code, the system will calculate the value date and display it here. However, you can change it.

Payment Remarks

Specify remarks pertaining to the payment on the account.

Amount Details

Specify the following details.

Amount Tag

The amount tag is displayed based on the product-level maintenance of the specified account.

Description

The system displays a brief description of the amount tag.

Currency

If a derivation rule has been maintained for the event code, the system will derive the currency as per the rule and display it here. However, you can change it.

Amount Paid

If a derivation rule has been maintained for the event code, the system will derive the amount as per the rule and display it here.

Settlement Branch

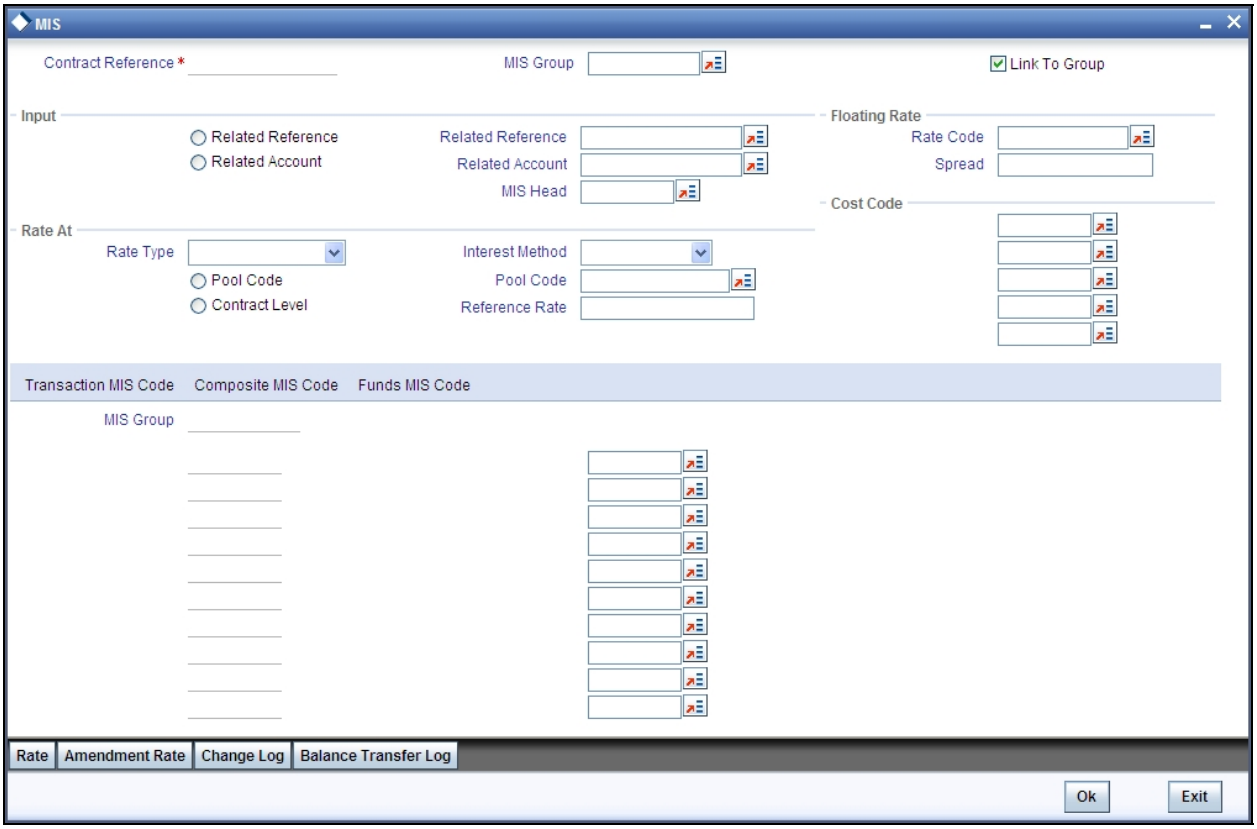
Specify the branch where the settlement account resides. The adjoining option list displays all valid branch codes maintained in the system. You can select the appropriate one. Alternatively, if you have specified the settlement account, the system will display the corresponding branch code here.

Settlement Account

Specify the account that should be debited or credited. The adjoining option list displays all valid accounts maintained in the system. If you have specified the settlement branch, the option list will display all accounts available in that branch. You can select the appropriate one.

8.3.1 Viewing MIS Details

Click ‘MIS’ button the screen and invoke the ‘MIS’ screen.



You can view the following details:

- Contract Reference
- MIS Group
- Link to Group
- Input preference - Related reference/Related Account
- Related Account Number
- Related Reference Number
- MIS Head
- Floating Rate Code
- Floating Rate Spread
- Rate Type

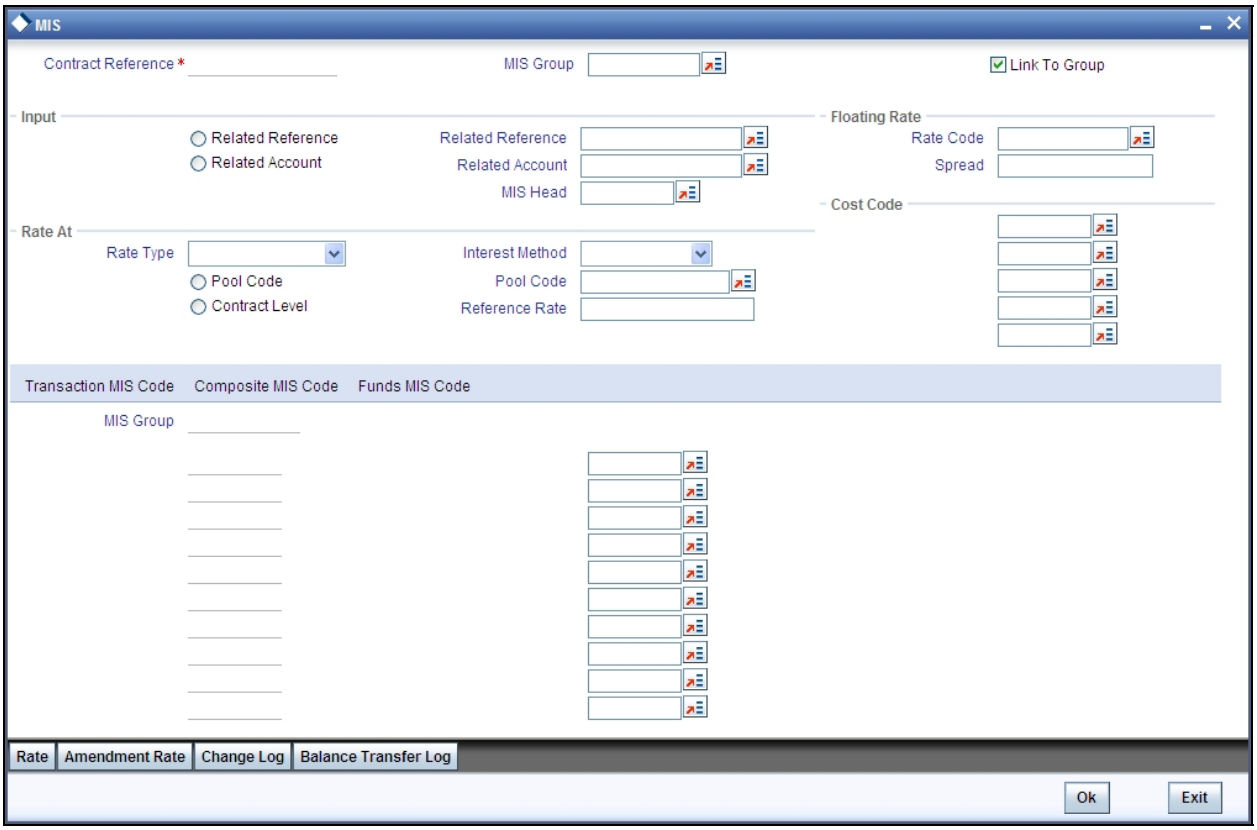
- Rate at Pool Code/Contract Level
- Interest method
- Pool Code
- Reference Rate
- Cost Codes

The ‘Transaction MIS’ tab opens by default.

Here you can view the transaction MIS codes.

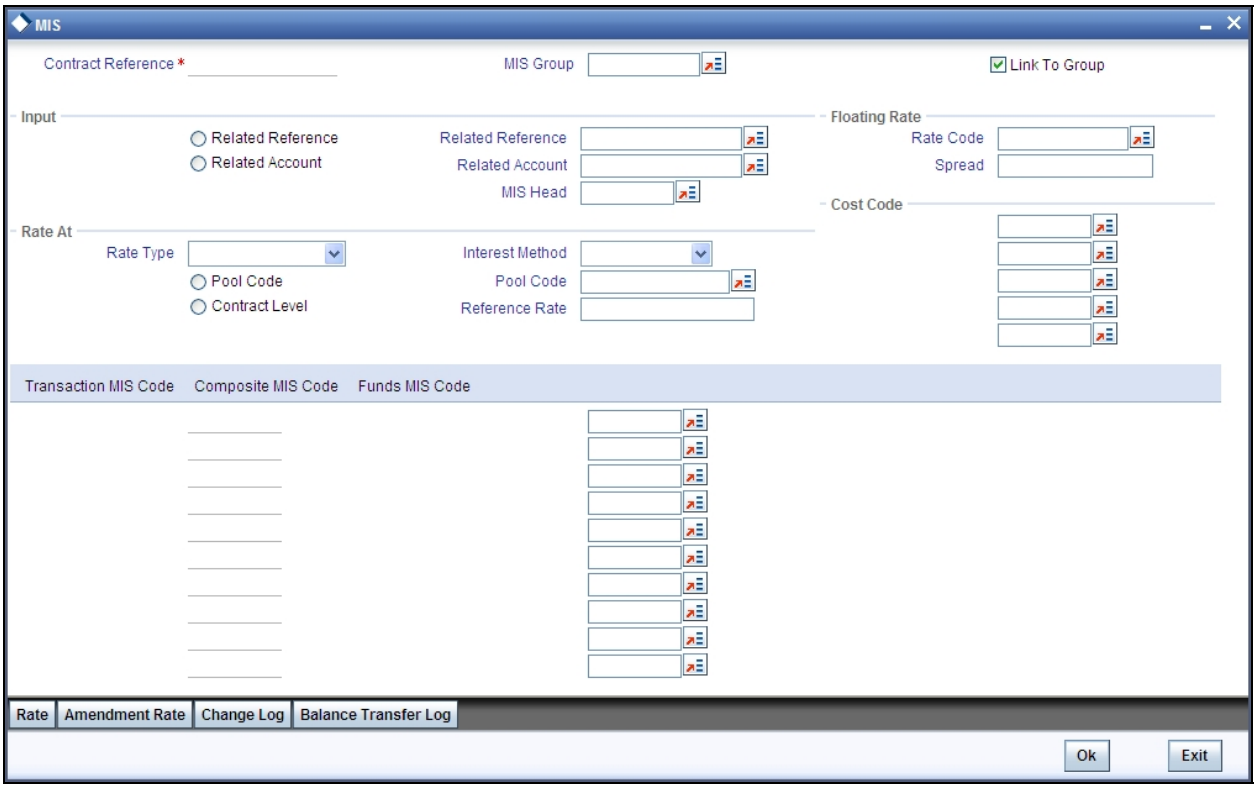
8.3.1.1 Composite MIS Code Tab

Click this tab to view composite MIS codes.



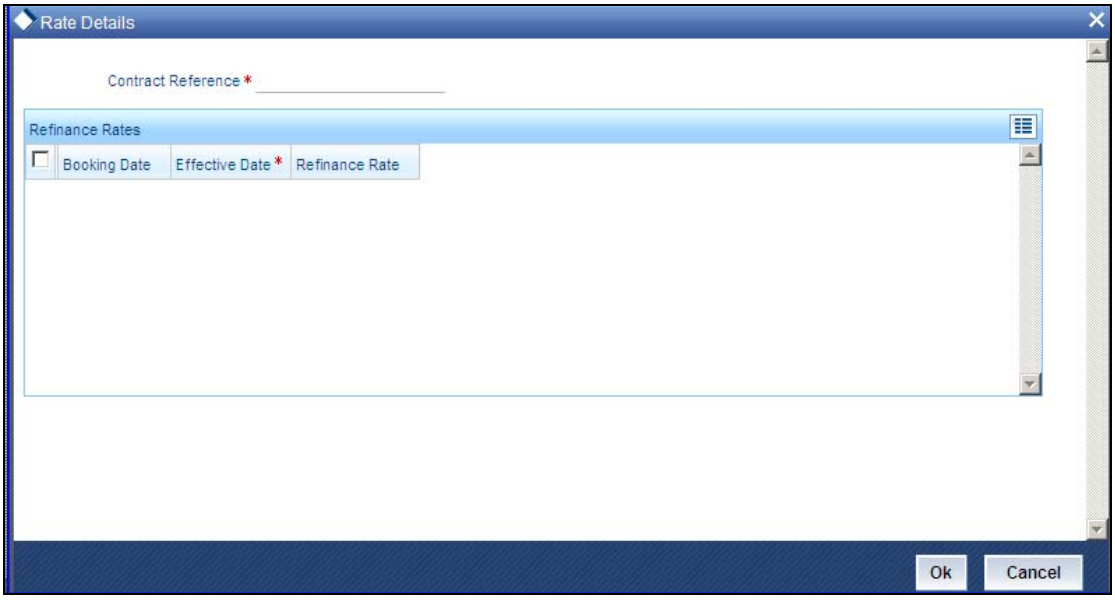
8.3.1.2 Fund MIS Tab

Click this tab to view fund MIS codes.



8.3.2 Viewing Rate Details

Click ‘Rate’ button on the ‘MIS’ screen and invoke the ‘Rate Details’ screen.



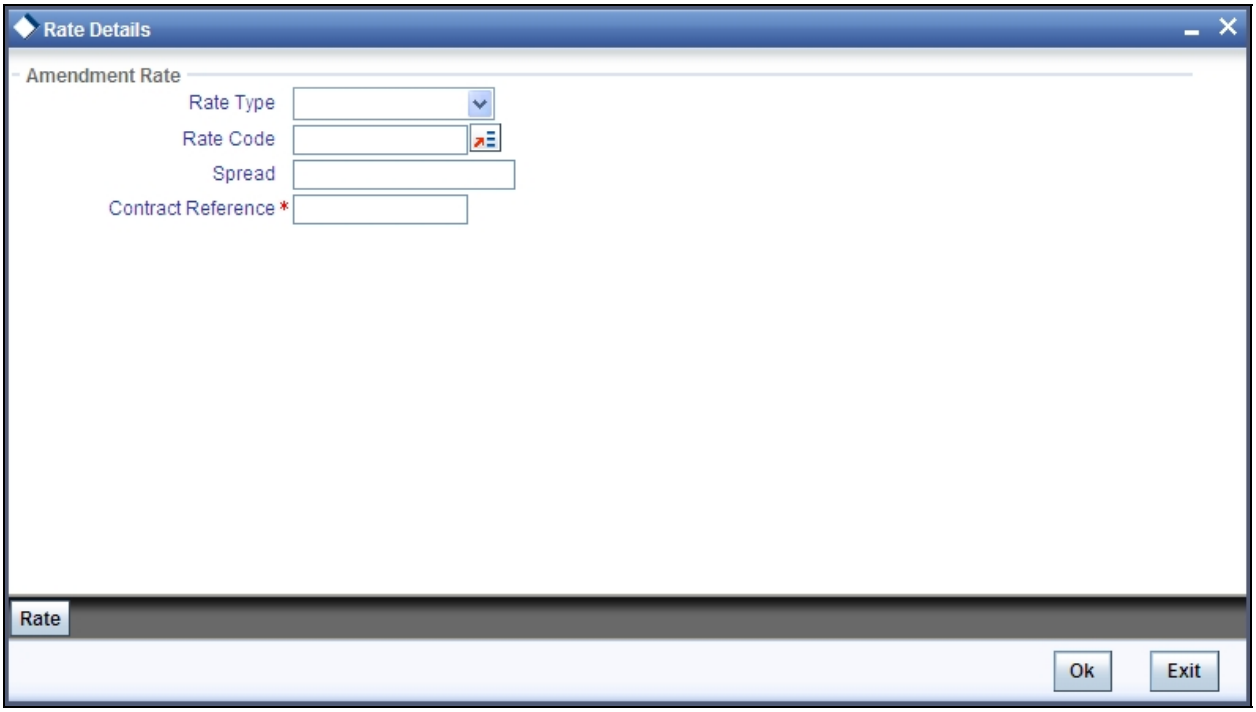
Here you can view the following details:

- Contract Reference Number

- Booking Rate
- Effective Date
- Refinance Rate

8.3.2.1 Viewing Amendment Rate Details

Click ‘Amendment Rate’ button and invoke the ‘Rate Details’ screen.

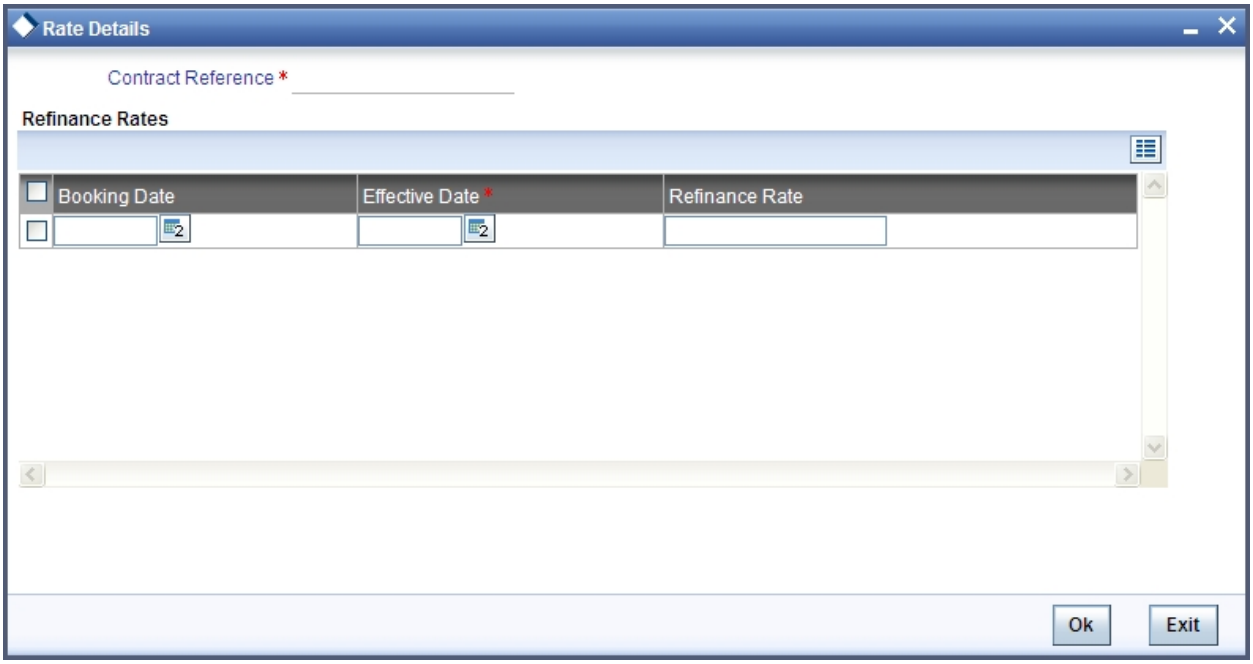


Here you can view the following details:

- Rate Type
- Rate Code
- Spread
- Contract Reference

8.3.2.2 Viewing Rate Details

Click ‘Rate’ button on the ‘Rate Details’ screen and invoke the ‘Rate Details’ screen.

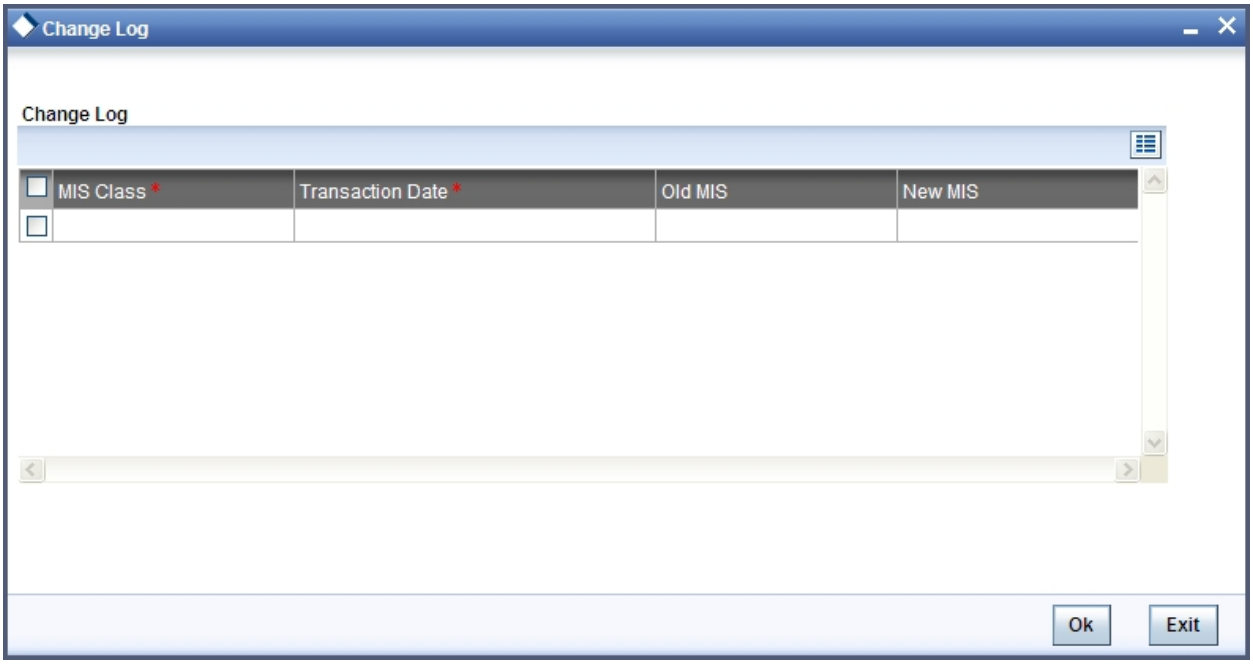


Here you can view the following details:

- Contract Reference Number
- Booking Rate
- Effective Date
- Refinance Rate

8.3.2.3 Viewing Change Log

Click ‘Change Log’ button on the ‘MIS’ screen and invoke the ‘Change Log’ screen.

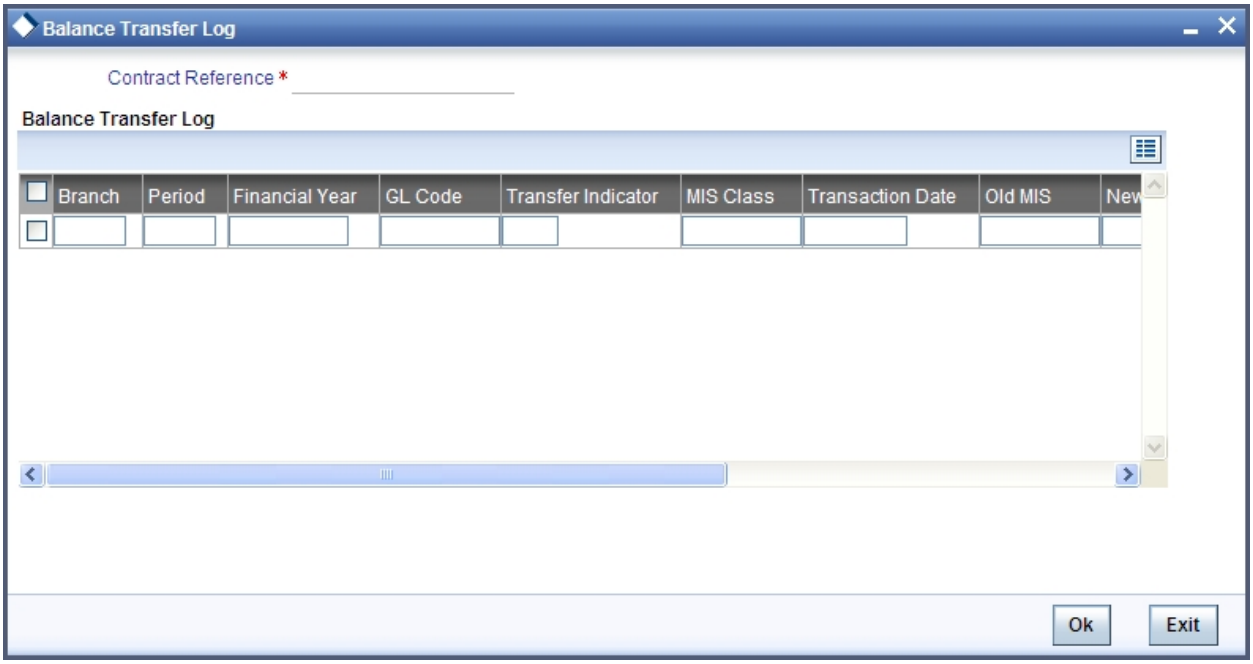


If MIS reclassification occurs, through changing the MIS codes for transaction or composite classes, the System stores the changes made, in a Contract MIS Change Log. The following details are stored in the Contract MIS Change Log for the contract in respect of which the MIS reclassification occurred:

- Contract Reference Number
- MIS Class that was changed
- Date on which the change was made.
- The old code for the changed MIS Class (this information is stored only for the first amendment during a day)
- The new MIS code for the changed MIS class.

8.3.2.4 Viewing Balance Transfer Log

Click 'Balance Transfer Log' button on the 'MIS' screen and invoke the 'Balance Transfer Log' screen.



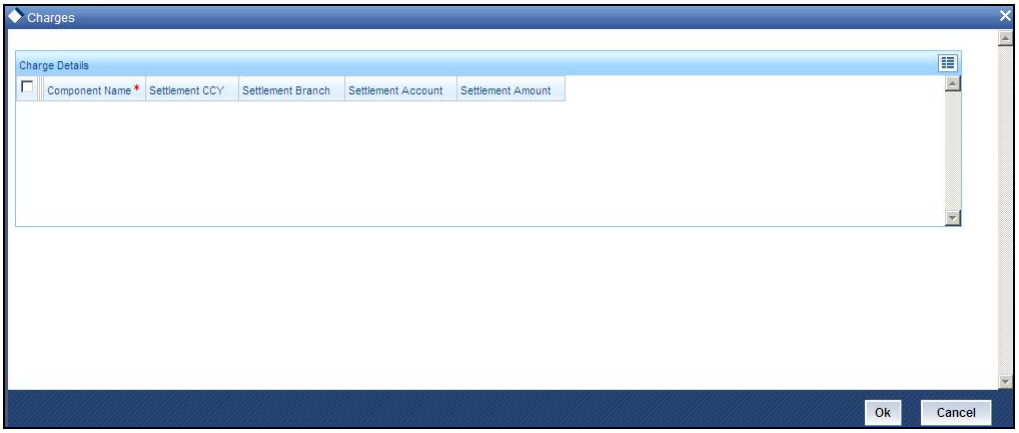
When an MIS reclassification occurs in respect of a the account, the balances in a GL associated with the old MIS code in each case are transferred to the GL for the new MIS code, if the option of transferring MIS balances upon reclassification has been set in the 'Chart of Accounts' screen for the GL.

You can view the following details:

- Contract Reference
- Branch
- Period
- Financial year
- Transfer Indicator
- MIS Class
- Transaction Date
- Old MIS
- New MIS
- Currency
- Amount
- Exchange Rate

8.3.3 Viewing Charge Details

Click ‘Charge’ button on the ‘CL User Defined Events Triggering’ screen and invoke the ‘Charges’ screen.

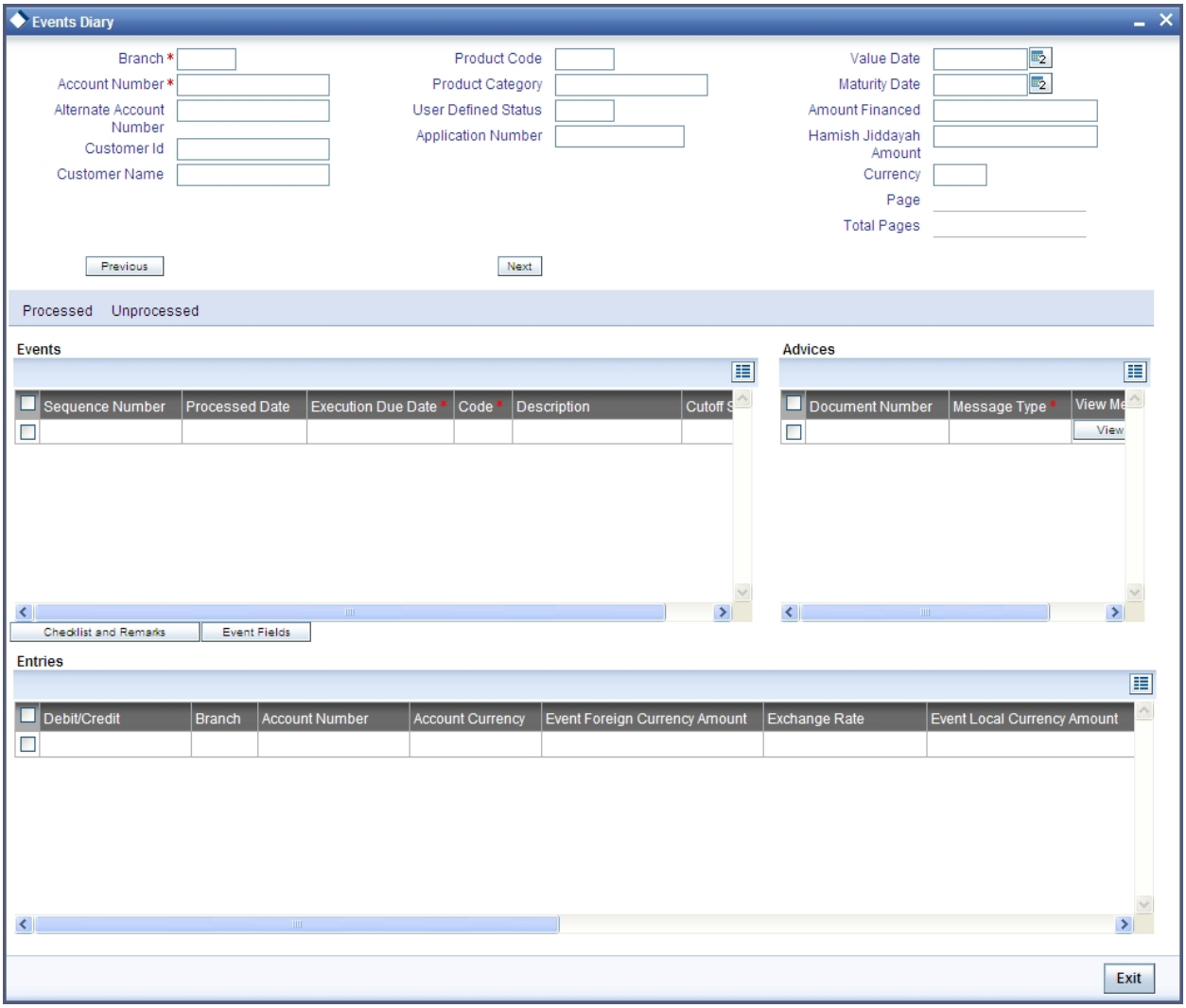


You can view the following details:

- Component Name
- Settlement Currency
- Settlement Branch
- Settlement Account
- Settlement Amount

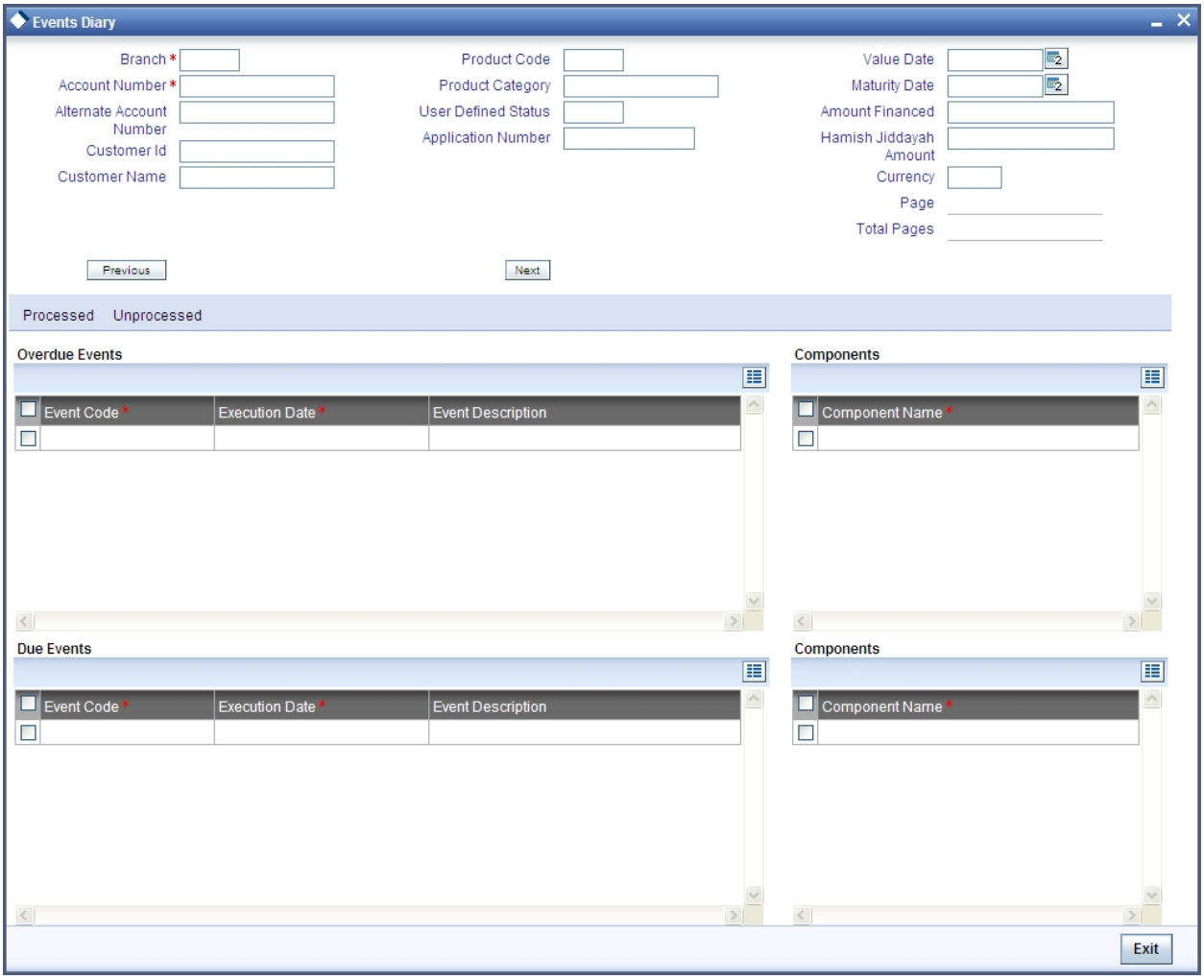
8.3.4 Viewing Event Details

Click ‘Events’ button on the ‘CL User Defined Events Triggering’ screen and invoke the ‘Events Diary’ screen.



8.3.4.1 Unprocessed Tab

Click this tab to view the unprocessed event details.



Refer the section 'Events Diary' in the chapter titled 'Account Creation' in this User Manual for details about the 'Events Diary' screen.

8.3.5 Viewing Event Fields

Click 'Event Fields' button on the 'CL User Defined Events Triggering' screen and invoke the 'Fields' screen.

Here you can view the UDFs and their values linked to the account.

Click save icon after specifying the details in order to trigger the event for the specified account. This record needs to be authorized for the event to be triggered.

Note that, you will not be able to perform any operation on the account on which there is an unauthorised event triggering record.

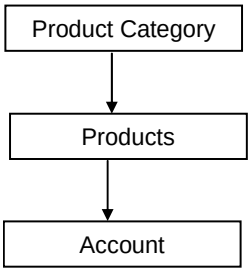
9. Defining Islamic Product Categories and Products

9.1 Introduction

You may finance your customers using different types of financing like *Mudaraba, Murabaha, Istisnaa, Musharaka, Wakala, Ijara* etc. The different types of finances can be different 'Product Categories'. A product category is used to distinguish between the various finances offered by the bank. Each of these finances is totally different and hence there is a need to categorize them.

Under a product category, you may have finances that may vary in features such as pricing, tenor, amount etc. Each variation of these services can, therefore, be considered as 'Products'.

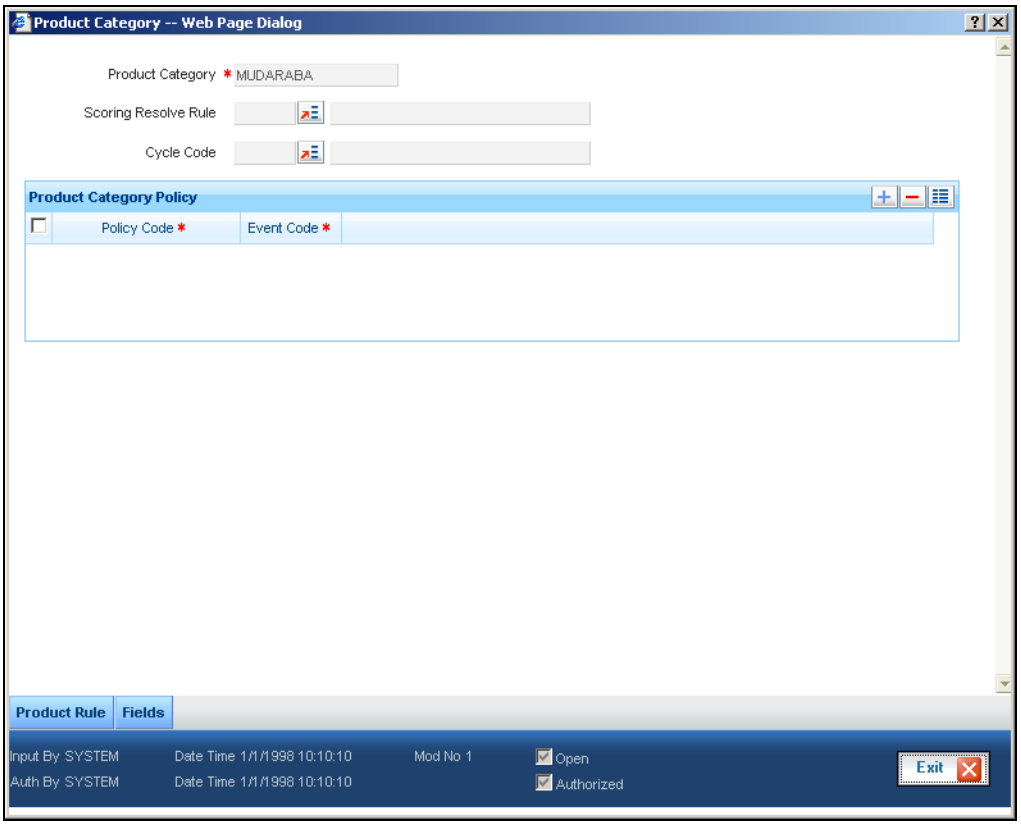
The Islamic Financing Module will have an inheritance hierarchy as follows:



This chapter explains the procedure for setting up product categories and products for processing Islamic finances.

9.2 Creating a *Mudaraba* product category

To invoke the 'Product Category Maintenance' screen from the Application Browser, select **Islamic Financing**, click on **Product Category Maintenance** and select **Detailed** under it.



The following details have to be captured in this screen:

Product Category

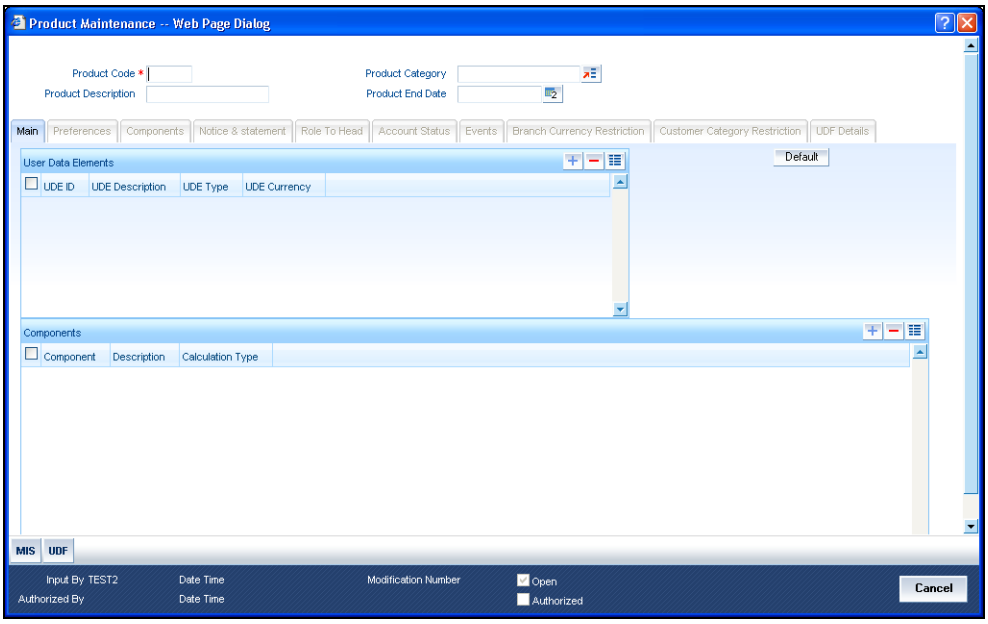
You have to specify the name of the finance service which will identify the *Mudaraba* category uniquely in the system. The category name can consist of a maximum of 20 alphanumeric characters. The categories maintained through this screen become available for creating products under it.

Product category is mandatory to save the record in the system.

For details on maintaining policy categories, refer the section titled 'Maintaining Product Categories' in the 'Defining Product Categories and Products' chapter of this User Manual.

9.3 Setting up a Mudaraba product

You can capture *Mudaraba* product details in the 'Product Maintenance' screen. You can invoke the 'Product Maintenance' screen by typing 'CIDPRMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



9.3.1 Specifying the basic product details

Basic details include the following:

Product Code and Description

The code you enter for a product identifies it throughout the module. You can follow your own conventions for devising the code. However, it must have a minimum of four characters.

When defining a new product, you should enter a code. This code is unique across the Islamic Financing module of Oracle FLEXCUBE. For instance, if you have used VA01 for a product in this module, you cannot use it as a product code in any other module.

You should also enter a brief description of the product. This description will be associated with the product for information retrieval.

Product Category

Select the category maintained for *Mudaraba* using the 'Product Category Maintenance' screen, from the adjoining option list.In the 'Component' section, you need to specify the following details:

Component Name

Define the following components for the product:

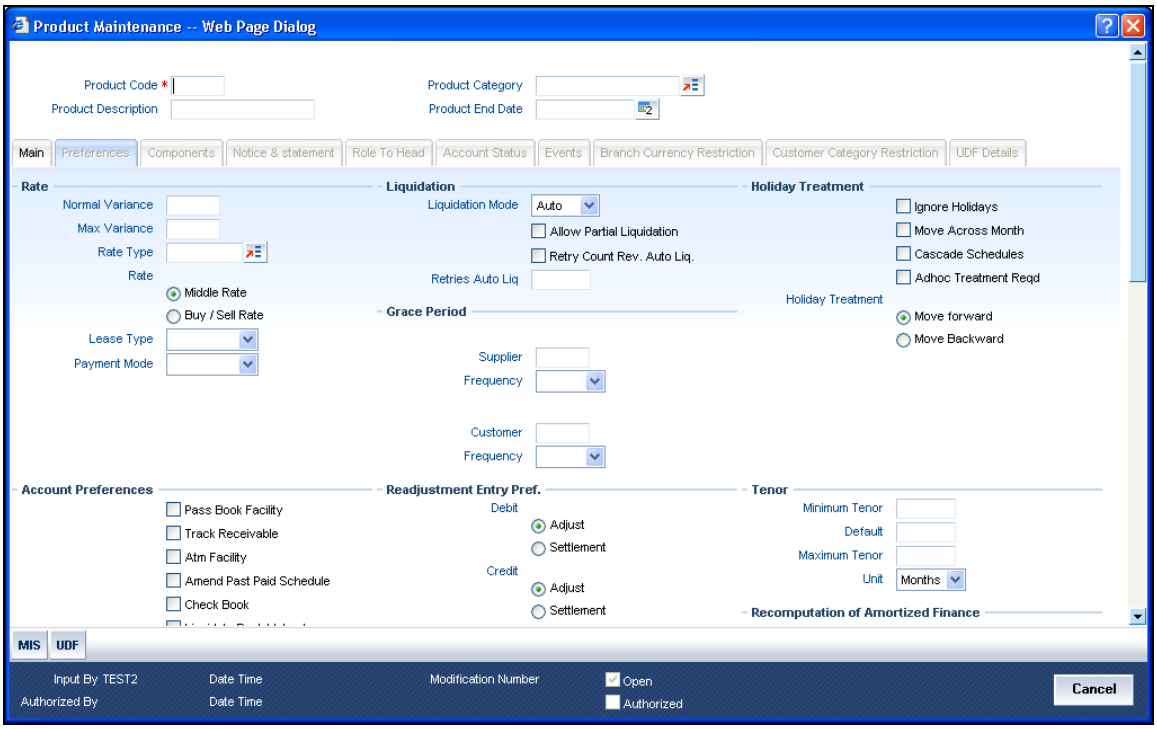
- CUST_INCENTIVE
- EXCESS_PROFIT

Description

You can add a brief description for the component that you specify for the product. For instance, you can specify ‘customer incentive’ and ‘bank’s excess profit’ for the components ‘CUST_INCENTIVE’ and ‘EXCESS_PROFIT’ respectively.

9.3.2 Specifying Product Preferences

Click on ‘Preferences’ tab in the ‘Product’ screen to move to this section of the screen.



You should maintain the following preferences for the finance product:

9.3.2.1 Liquidation Preferences

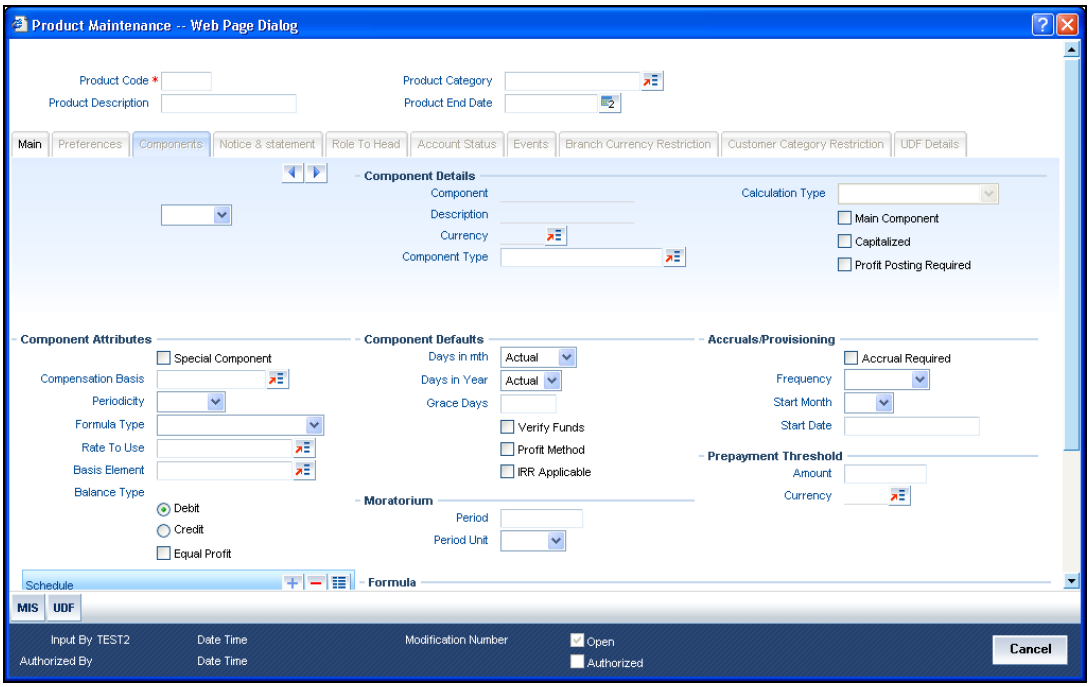
Liquidation preferences include the following:

Liquidation Mode

Choose the option ‘Manual’ for *Mudaraba* products.

9.3.3 Specifying Component Details

You have already maintained the components of the product in the ‘Main’ tab of the ‘Product’ screen. The features of the components are defined in the ’Components’ tab of the screen.



9.3.3.1 Component Definition parameters

You need to specify the following details for the component 'CUST_INCENTIVE'. This includes the following:

Calculation Type

Choose the option 'No schedule No formula (Ad Hoc Charges)' from the drop-down list.

Component Type

Choose the option 'Ad Hoc Charges' from the drop-down list.

9.3.3.2 Component Attributes

The component attributes include the following:

Balance Type

Choose the option 'Credit'.

Similarly, you need to specify the following details for the component 'EXCESS_PROFIT'. This includes the following:

Calculation Type

Choose the option 'No schedule No formula (Ad Hoc Charges)' from the drop-down list.

Component Type

Choose the option ‘Ad Hoc Charges’ from the drop-down list.

9.3.3.3 Component Attributes

The component attributes include the following:

Balance Type

Choose the option ‘Debit’.

You need to specify the following details for the profit component:

Rate Type

You need to define the notional profit rate as a flat rate. The system will then calculate the notional profit value based on this rate.

Profit Rate

You will not be able to change the profit rate.

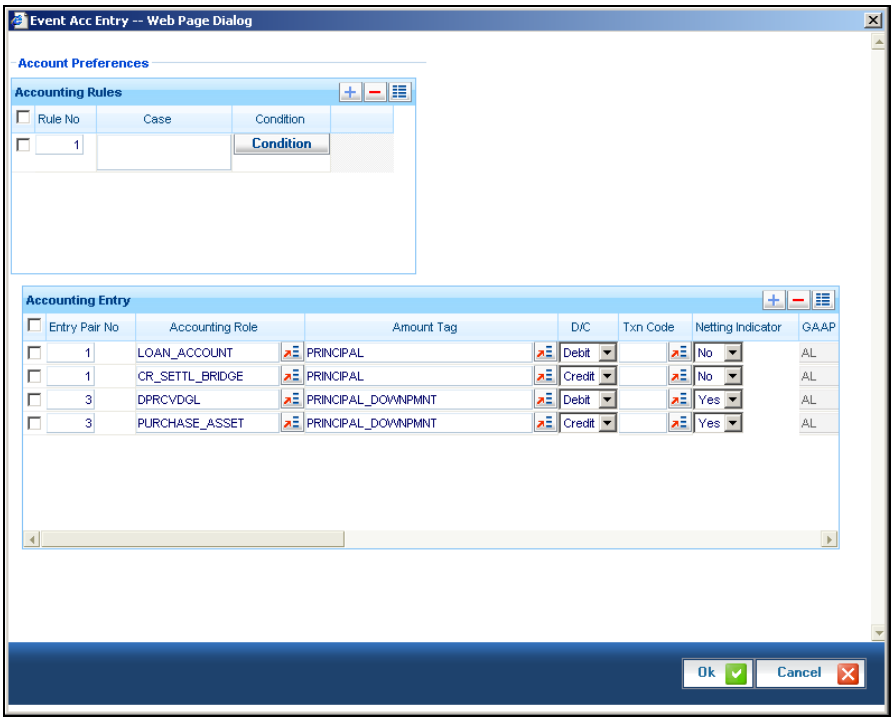
9.3.3.4 Schedule Details

Schedule Type

Choose the option ‘Bullet’ from the adjoining drop-down list.

9.3.4 Setting up Accounting Entries

You can set up accounting entries through the ‘Event Acc Entry’ screen.



You need to set up the following event-wise accounting entries for profit-sharing:

DSBR

Accounting Role	Amount Tag	Dr/Cr Indicator
LOAN_ACCOUNT	PRINCIPAL (Same as Amount Financed)	Dr
DR_SETTL_BRIDGE (Customer Settlement A/c)	PRINCIPAL	Cr

ACCR

Accounting Role	Amount Tag	Dr/Cr Indicator
PROFIT REC	PROFIT_ACCR	Dr
PROFIT INC	PROFIT_ACCR	Cr

MLIQ

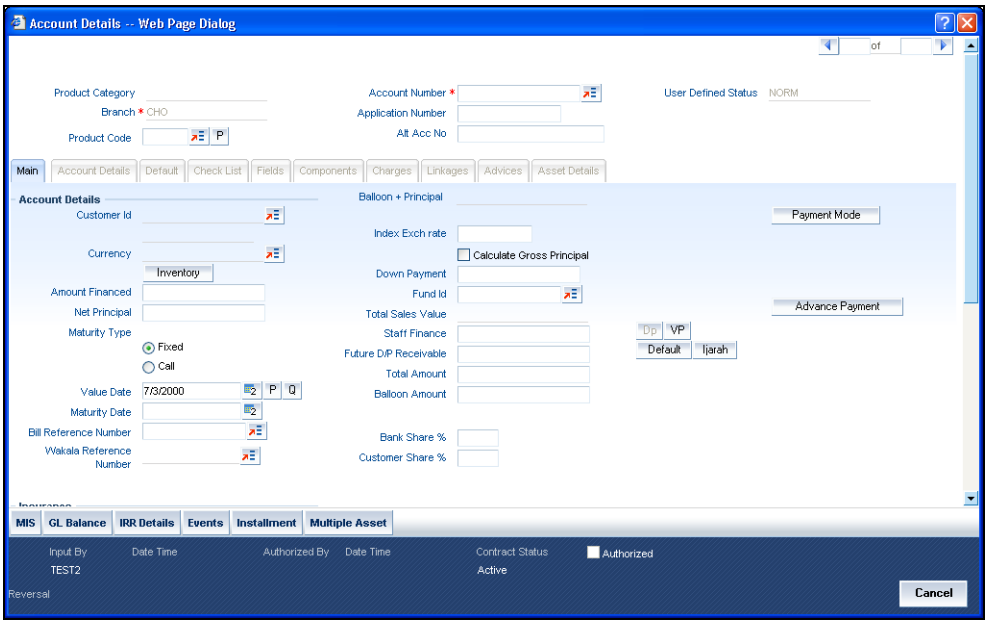
Accounting Role	Amount Tag	Dr/Cr Indicator
DR_SETTL_BRIDGE	PRINCIPAL_LIQD	Dr
LOAN_ACCOUNT	PRINCIPAL_LIQD	Cr
DR_SETTL_BRIDGE	PROFIT_LIQD	Dr
PROFIT REC	PROFIT_LIQD	Cr
PROFIT REC	PROFIT_WAVD	Cr
PROFIT INC	PROFIT_WAVD	Dr

ADCH

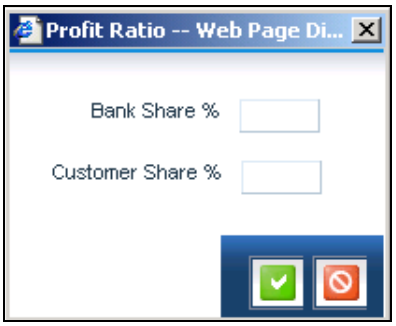
Accounting Role	Amount Tag	Dr/Cr Indicator
DR_SETTL_BRIDGE	EXCESS_PROFIT_ADCH	Dr
PROFIT INC	EXCESS_PROFIT_ADCH	Cr
DR_SETTL_BRIDGE	CUST_INCENT_ADCH	Dr
PROFIT INC	CUST_INCENT_ADCH	Cr

9.4 Creating a *Mudaraba* Account

You can create a *Mudaraba* account using the 'Account Details' screen.



You need to specify the profit sharing details between the *Mudarib* and *Rabbul-Mal* using the 'Profit Ratio' screen. Click 'Profit Ratio' button in the 'Account Details – Main' screen and invoke this screen.



Here you have to capture the following details:

Bank Share

Specify the percentage of profit that the bank should get in case of a profitable return on the *Mudaraba* account.

Customer Share

Specify the percentage of profit that the customer should get in case of a profitable return on the *Mudaraba* account.

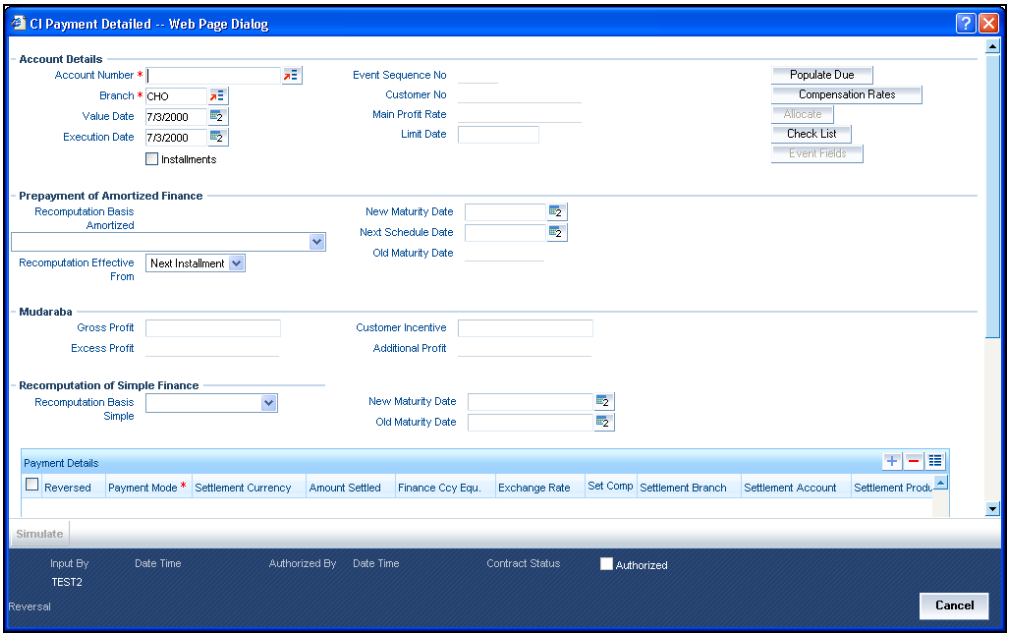
9.4.1 Specifying Amendment Details

During the tenor of the *Mudaraba* account, you cannot change either the profit rate or the maturity date. On the maturity date, you can change the profit rate and make it applicable as of the value date of the account. The system then recalculates the profit for the entire tenor and makes the accrual adjustments wherever necessary.

You cannot make a principal increase as part of the VAMI functionality.

9.4.2 Making Payments

You can make payments using the 'CI Payment' screen.



While making a payment, you need to capture the following details:

Gross Profit

Specify the total profit made out of the project/venture that was financed through the account.

Excess Profit

The system checks the gross profit against the actual amount paid (which includes Principal + Notional Profit + Bank's share of Gross Profit Amount). Then it computes the excess profit earned as against the notional profit amount and displays the value here.

If this value is negative, you will have to specify the same value in the 'Amount Waived' field in the 'CI Payment – Component Detailed' screen for the main profit component.

Customer Incentive

Based on the gross profit specified, the system shares the gross profit amount based on the notional profit value and the bank-customer profit sharing ratio. If the bank's share is greater than the notional profit value, you can subtract the latter from the bank's share and give the excess amount (fully or partially) to the customer. You need to specify this amount that you wish to give the customer, in this field.

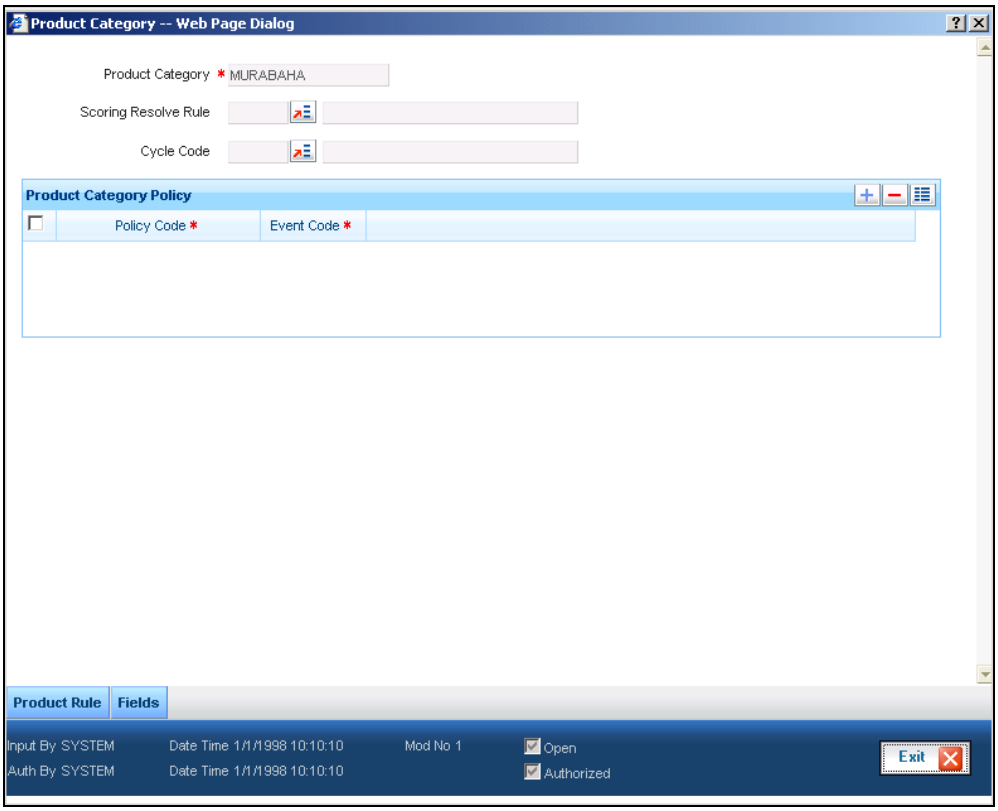
Additional Profit

Based on the customer incentive, the system calculates the additional profit as 'Excess Profit – Customer Incentive' and displays the value here.

If the bank's share is less than the notional profit, you need to calculate the shortage amount vis-à-vis the notional profit and enter the amount in the 'Amount Waived' field in the 'Account Details – Components' screen for the main profit component.

9.5 Creating a *Murabaha* Product Category

To invoke the 'Product Category Maintenance' screen from the Application Browser, select **Islamic Financing**, click on **Product Category Maintenance** and select **Detailed** under it.



The following details have to be captured in this screen:

Product Category

You have to specify the name of the finance service which will identify the *Murabaha* category uniquely in the system. The category name can consist of a maximum of 20 alphanumeric characters. The categories maintained through this screen become available for creating products under it.

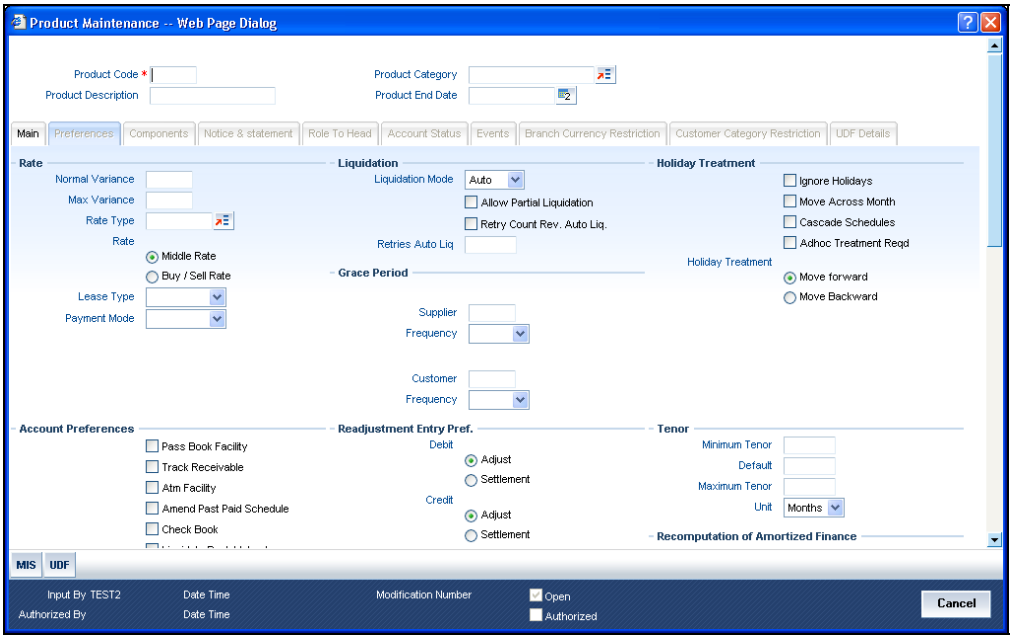
Product category is mandatory to save the record in the system.

For details on maintaining policy categories, refer the section titled 'Maintaining Product Categories' in the 'Defining Product Categories and Products' chapter of this User Manual.

9.6 Creating a *Murabaha* Product

The Islamic Financing module allows you to set up specific features like supplier grace period, advance payment and first installment charges for processing *Murabaha* finances. You can create a special product for *Murabaha* with the certain attributes.

9.6.1 Specifying Preferences



VAMI Action

Choose the option 'Installment Changes with Equal Profit'.

Recomputation Basis

Choose the option **'**Advance Maturity with Equal Profit**'.**

Recompute schedule on IRR

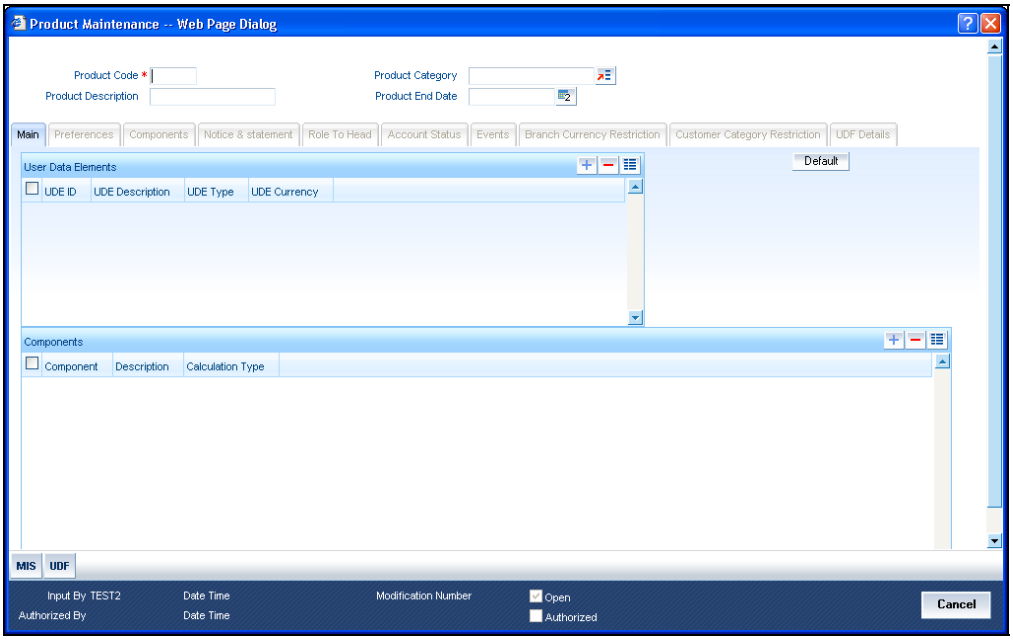
Check this box.

Balloon Required

Check this box.

9.6.1.1 Maintaining Components

You need to maintain profit component.



Component

You need to set up the following types of components:

- Principal
- Main Profit
- Others (profit, charge, compensation etc)

In case of balloon payments being allowed, you need to set up the following additional components:

- Balloon_Principal
- Balloon_Profit

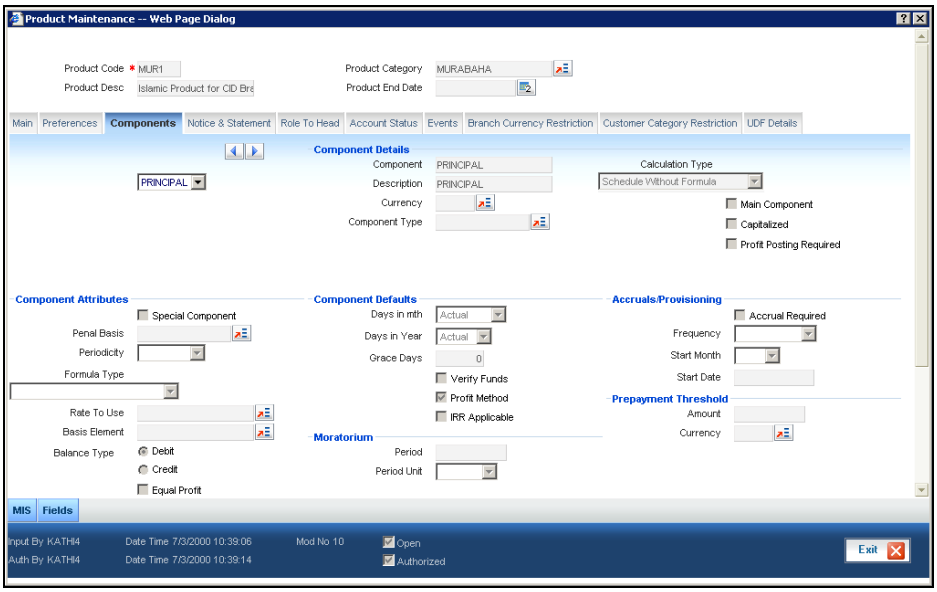
Calculation Type

Choose the options based on the component as given below:

- Main profit component - Choose the option ‘Formula with Schedule’.
- Other profit component - Choose the required option available drop-down list.
- Balloon_Principal component - Choose the option ‘Formula with Schedule’.

- Balloon_Profit component - Choose the option ‘Formula with Schedule’.

9.6.1.2 Defining Component Details



You need to specify the details as under for the main profit component:

Main Component

Check this box.

Calculation Type

Choose the option ‘Formula With Schedule’

Component Type

Select the option ‘Profit’.

Formula Type

Select the option ‘User Defined’.

For the other profit component, you need to specify the following:

Formula Type

Select the option ‘User Defined’.

Equal Profit

Check this box.

For the charge related component, you need to specify the following details:

Formula Type

Select the option ‘Simple’.

Component Type

Select the option ‘Interest’

Periodicity

Choose the option ‘Daily’.

Period Unit

Specify the value as ‘1’.

For balloon payment components, you need to maintain the following preferences.

IRR Applicable

Check this box for ‘Balloon_Principal’ and ‘Balloon_Profit’ components.

Basis Element

Choose the option ‘BALLOON_AMOUNT’ for the component ‘Balloon_Profit’,

Formula Type

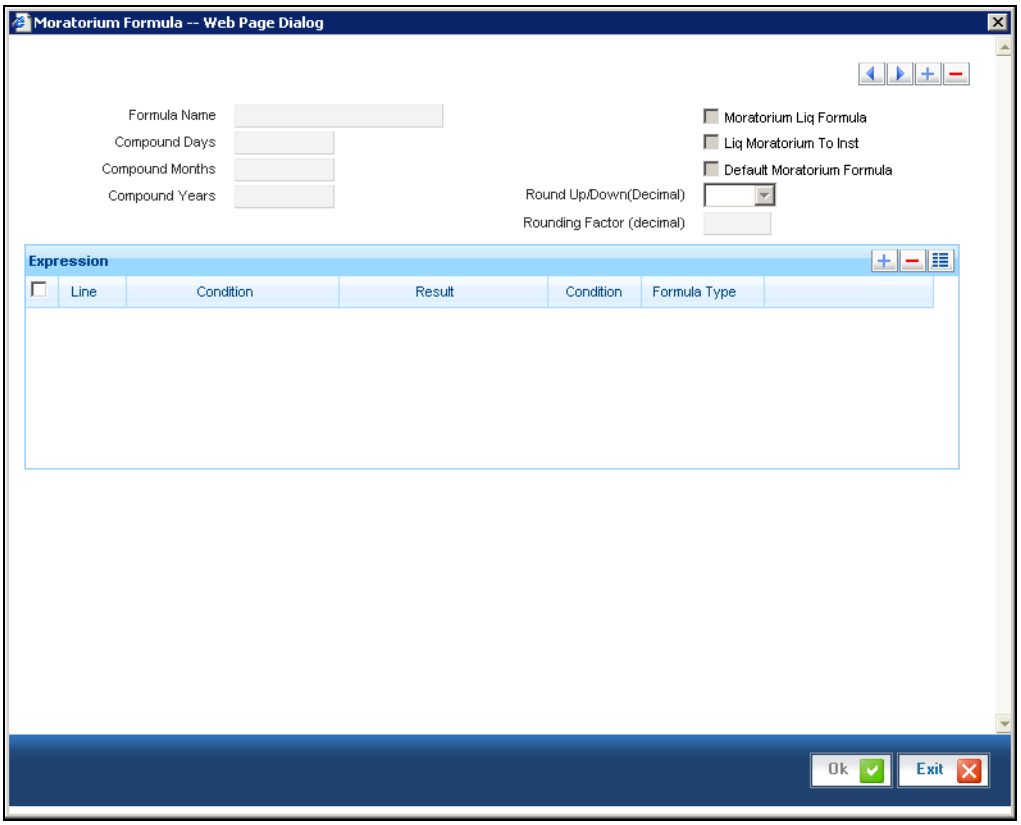
Select the option ‘Simple’.

Set up the same schedules as those for the main profit component.

9.6.1.3 Moratorium Formula

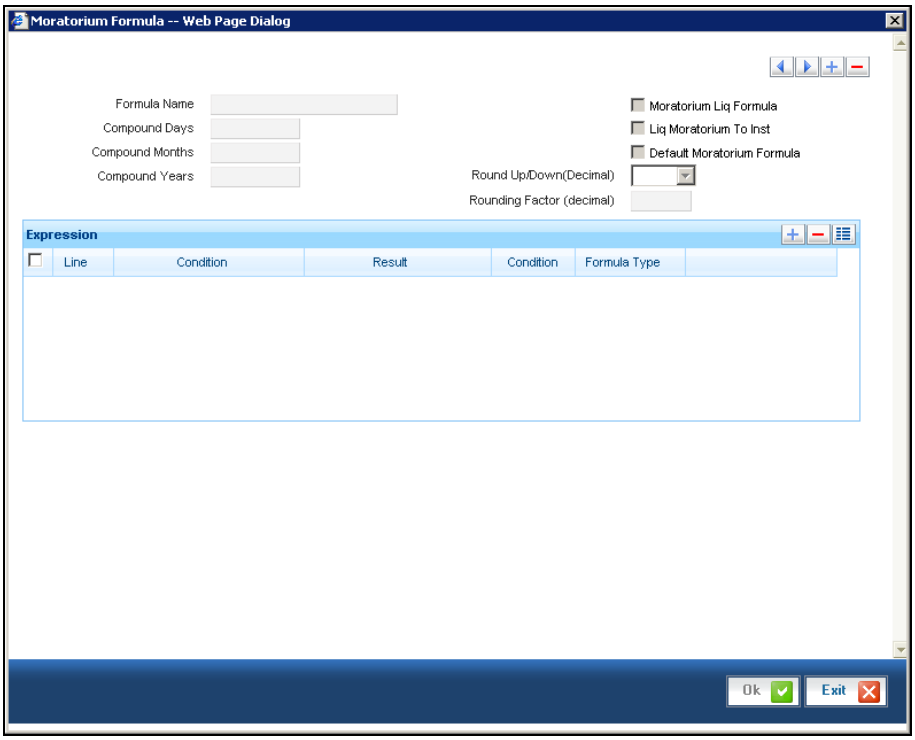
You can define the grace period as a moratorium period.

To define the moratorium formula for this period, click ‘Moratorium Liq Formula’ button in the ‘Component’ tab of the screen. The ‘Moratorium Formula’ screen is displayed:



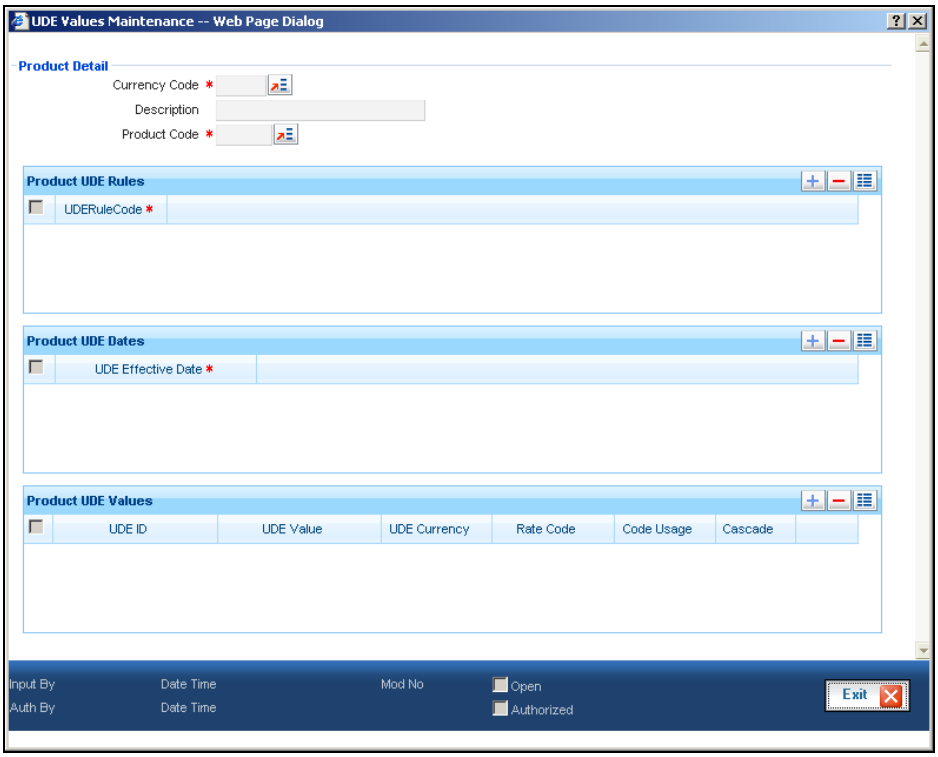
Set up the formula as TOTAL_MORA_AMOUNT/NO_OF_RPMNT_SCHS

If the moratorium profit needs to be apportioned across all EMIs (in case of amortized finances), you need to set up a formula as shown in the screen below:



9.6.2 Defining UDE for Supplier Grace Period and Customer Grace Period

You need to specify two effective dates for the UDE which should be used in the moratorium period - the first effective date to identify the supplier grace period (which does not have any rate) and the next date to identify the customer grace period (which has the profit rate). You can maintain the UDE in 'UDE Value' screen. You can modify the UDE values at the account level.

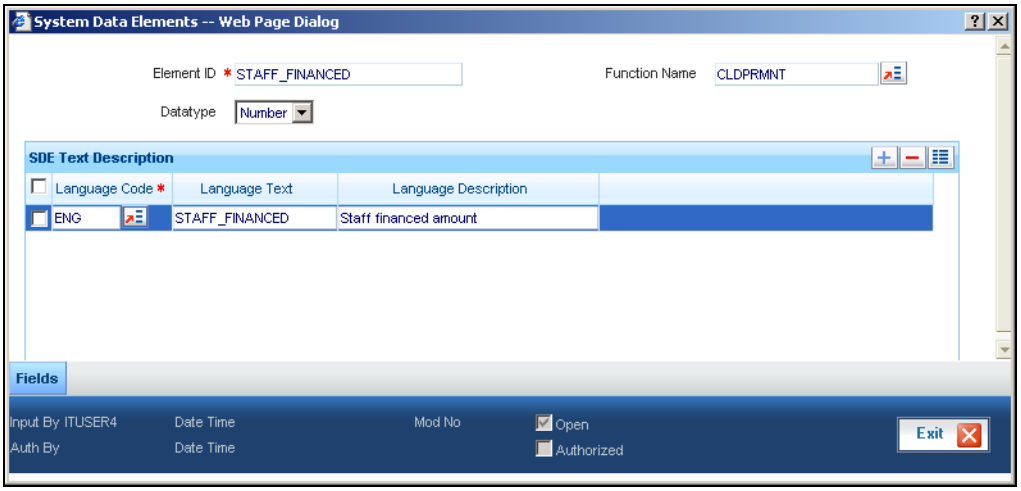


Here you need to set up the following UDEs:

- PROFIT_RATE
- MORA_INT_RATE

9.6.3 Maintaining SDE for Staff Financing

You need to define an SDE called 'STAFF_FINANCED' to hold the staff financed amount. You can do this using the 'System data Elements' screen.

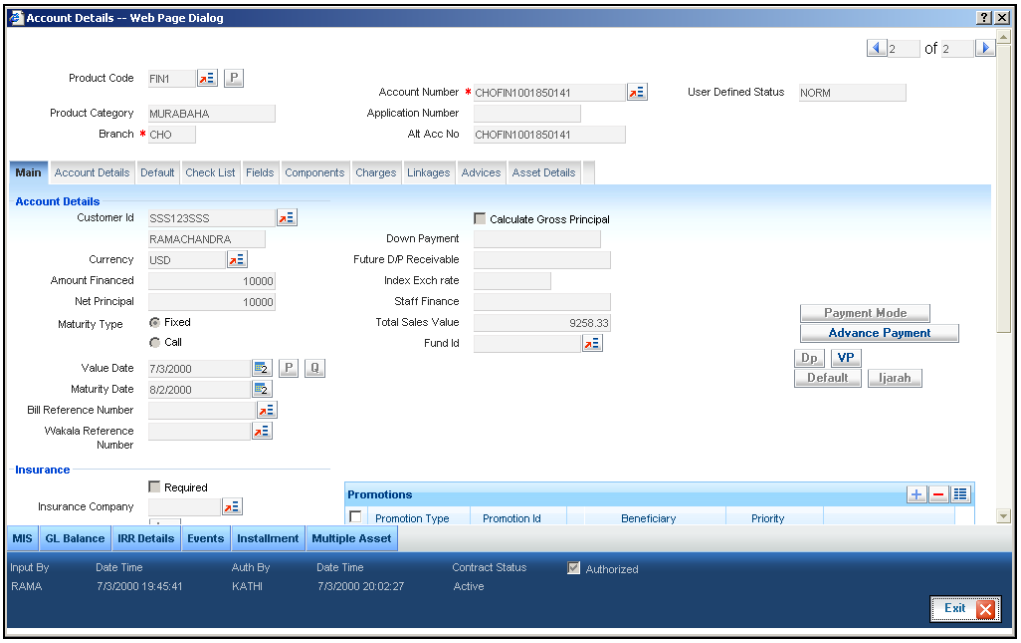


Staff finance will be applicable only for the products of schedule type 'FLAT RATE'.

Refer the chapter 'Defining Product Categories and Products' in this User Manual for further details about creating a product.

9.7 Creating a *Murabaha* Account

You can create numerous accounts under the *Murabaha* product using the 'Account Details' screen.

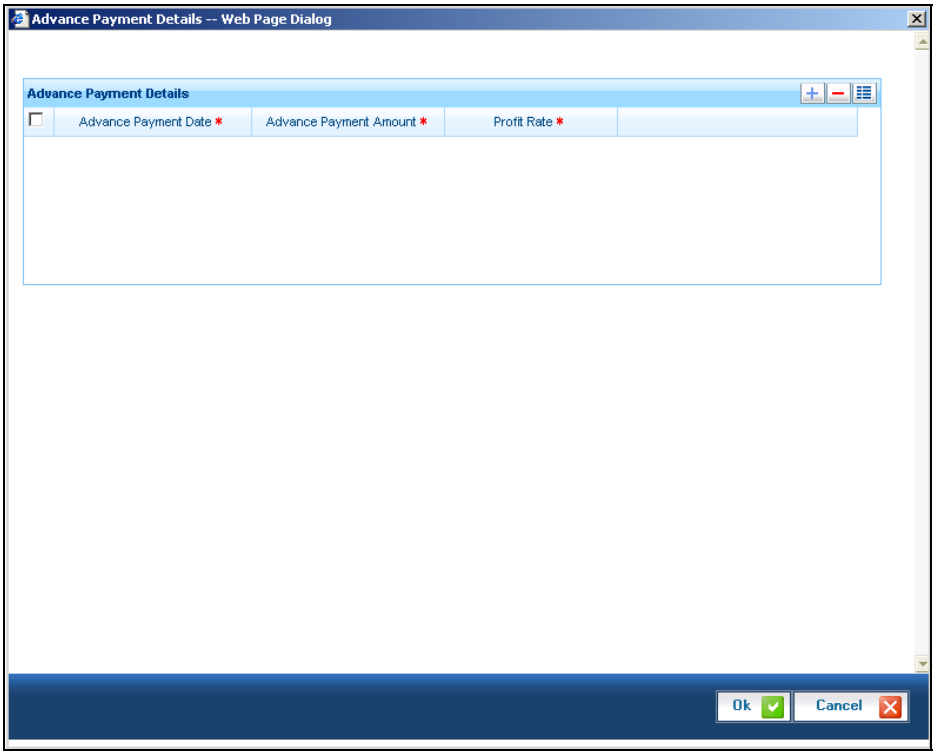


For a *Murabaha* account, you can provide the following facilities:

- Advance payment
- Supplier and customer grace period
- Charge at first installment
- Staff financing

9.7.1 Capturing Advance Payment Details

Click ‘Advance Payment’ button and invoke the ‘Advance Payment Details’ screen.



Here you can specify the following details:

Advance Payment Date

Specify the date on which payment is made to the vendor. This date cannot be equal to or greater than the finance start date. But it should be greater than previous advance payment date.

Advance Amount

Specify the amount being paid in advance on the corresponding dates. However, the sum of all the advance payments should not be greater than the net finance amount.

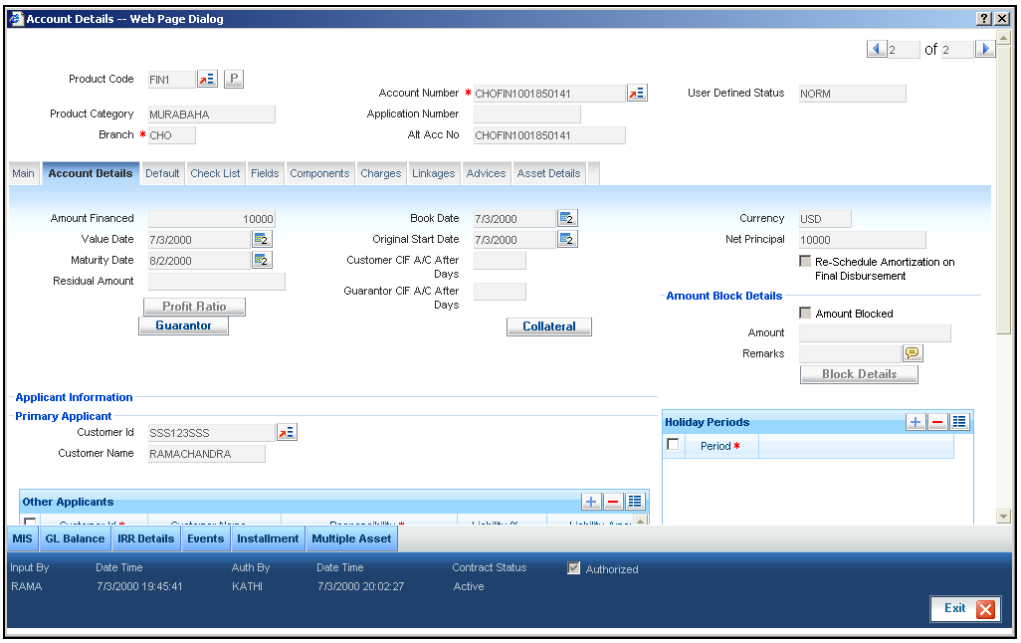
Profit Rate

Specify the profit rate for advance payment.

You need to capture these details before you click ‘Exit’ button in the ‘Account Details – Main’ screen.

9.7.2 Capturing Grace Period Details

Based on the product set-up, the system picks up the UDE values to be used in the moratorium formula for the grace period. You can view the UDEs and also amend their values in the 'Account Details' tab.



9.7.3 Applying Charge on the First Installment

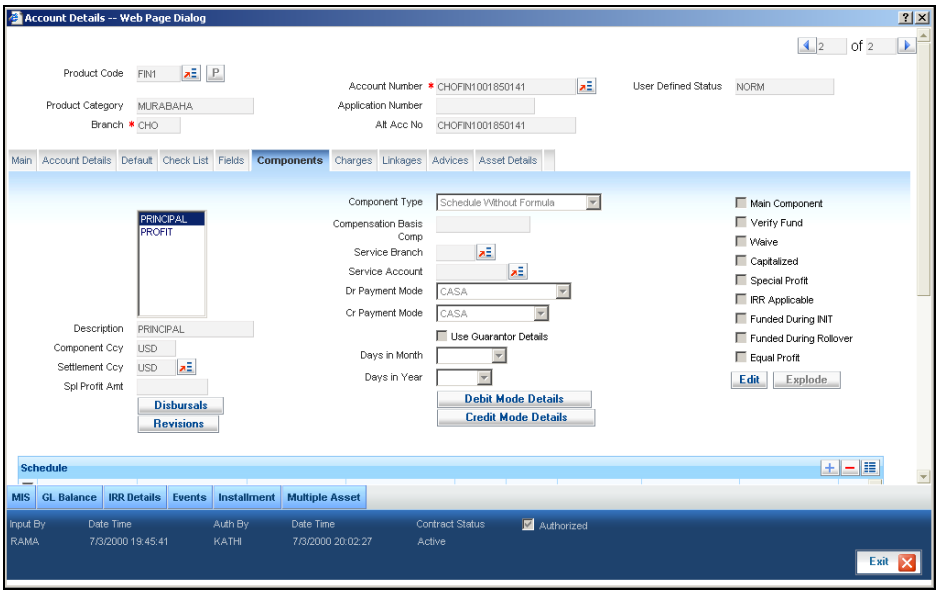
Based on the product set-up, the system identifies the component for calculating the charge to be levied on the first installment. In the Account Details – Components' screen, you need to specify the following details:

Special Profit Amount

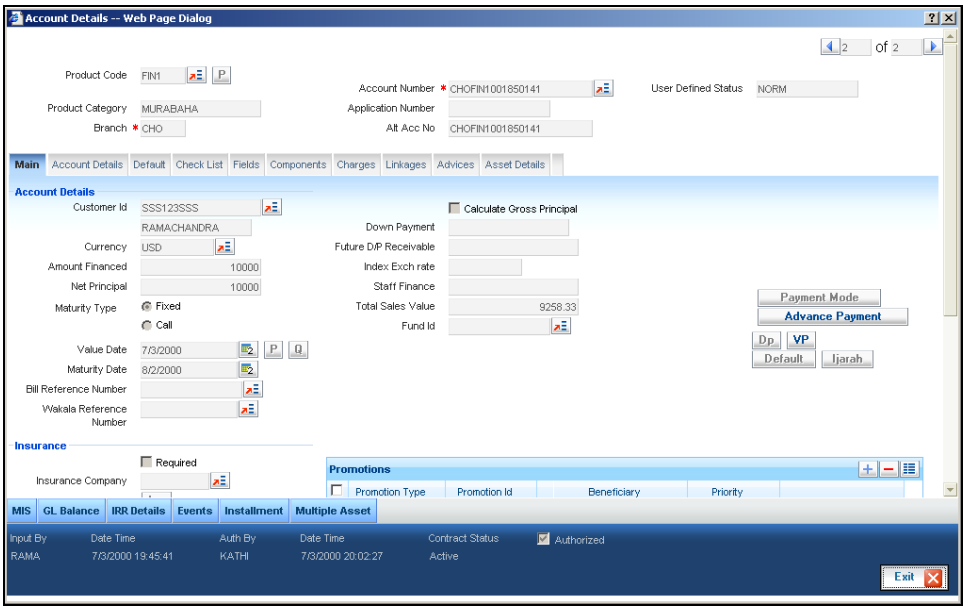
Select the corresponding component and enter the charge amount in this field.

Schedule Amount

Enter the same amount against the first schedule of the component.



9.7.4 Capturing Staff Financing Details



In the 'Account Details – Main' screen, you need to enter the following detail:

Staff Finance

Specify the amount that needs to be disbursed as part of staff financing. This amount cannot exceed the net financed amount. This amount will be exempted from profit calculation. The system will deduct this amount from the net finance amount and then compute the profit.

9.7.5 Maintaining Account Class

To maintain a product class, the following setup needs to be made.

- For a current account class type an account class type is maintained
- The Account class should not belong to *Mudarabah* Account Class Type

9.7.6 Setting up Accounting Entries

You need to set up the following accounting entries:

ACCR

Accounting Role	Amount Tag	Dr/Cr Indicator
COMPONENT_UID	COMPONENT_ACCR	Dr
COMPONENT_INC	COMPONENT_ACCR	Cr

MLIQ

Accounting Role	Amount Tag	Dr/Cr Indicator
CUSTOMER A/C (DR_SETTL_BRIDGE)	COMPONENT_LIQD	Dr
COMPONENT_REC	COMPONENT_LIQD	Cr
COMPONENT_UID	COMPONENT_UINR	Dr
COMPONENT_REC	COMPONENT_UINR	Cr

UIDB

Accounting Role	Amount Tag	Dr/Cr Indicator
COMPONENT_REC	COMPONENT_UINT	Dr
COMPONENT_UID	COMPONENT_UINT	Cr

DSBR

Accounting Role	Amount Tag	Dr/Cr Indicator
LOAN ACCOUNT	PRINCIPAL	Dr
OD_ BRIDGE_GL	PRINCIPAL	Cr

ALIQ

Accounting Role	Amount Tag	Dr/Cr Indicator
OD_BRIDGE_GL	PRINCIPAL_LIQD	Dr
LOAN ACCOUNT	PRINCIPAL_LIQD	Cr

Accounting Role	Amount Tag	Dr/Cr Indicator
DR SETTLE BRIDGE(OD Account)	PROFIT_LIQD	Dr
PROFIT REC	PROFIT_LIQD	Cr

Advices

Advice	Type	Description
CL_ACC_SIM_ADV	CL_ENQUIRY	Account Simulation Advice
CL_INIT_ADV	CL_INIT_ADV	Account Initiation
CL_AMD_ADV	CLAMDADV	Cl Amendment Advice
CL_INT_STMT	CL_INT_STMT	Interest Statement

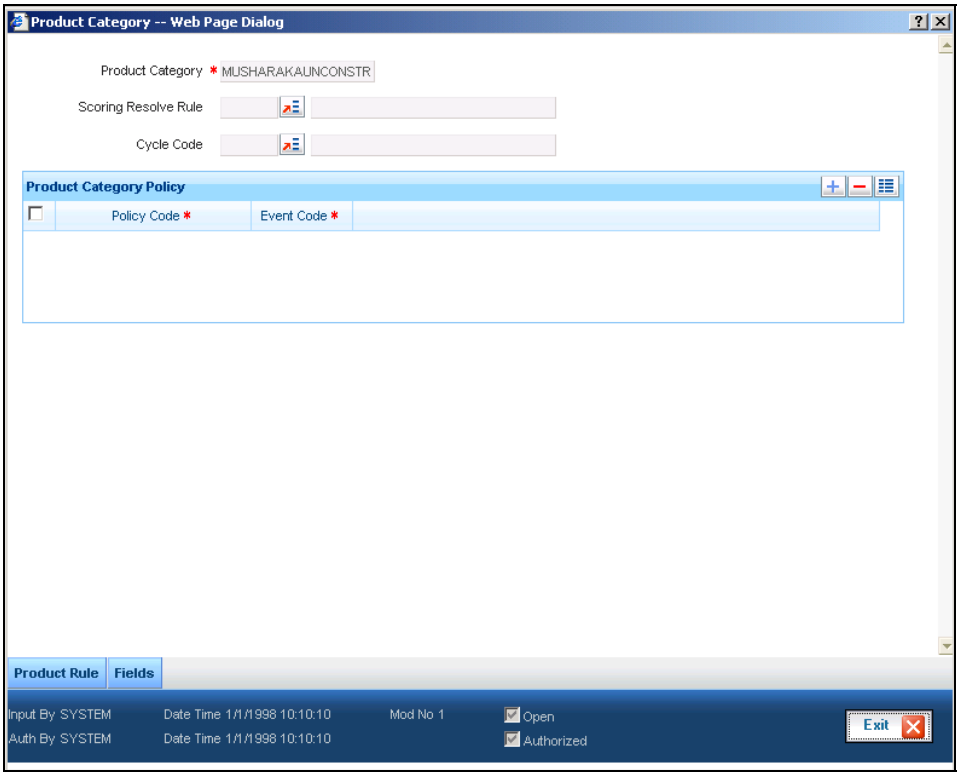
9.8 Creating a *Musharaka/Istisnaa* Product Category

In order to process finance transactions that involve construction of the underlying asset, you can set up a product category for *Istisnaa* and *Musharaka* under construction. *Istisnaa* is a housing loan with multiple disbursement schedules during the construction period. You can calculate the upfront profit booking based on the projected amount released or the profit booking based on actual disbursements.

In home finance *Musharaka* refers to diminishing partnership. The customer forms a partnership with the Bank for the purchase of a property. Upon acquisition, the house/property will be rented out to the Customer. The Bank receives compensation in the form of rent, which is based on a mutually agreed fair market value. The Customer will agree to buy additional shares from Bank on a monthly basis to ensure that Bank's share reduces to zero by the end of the loan tenor.

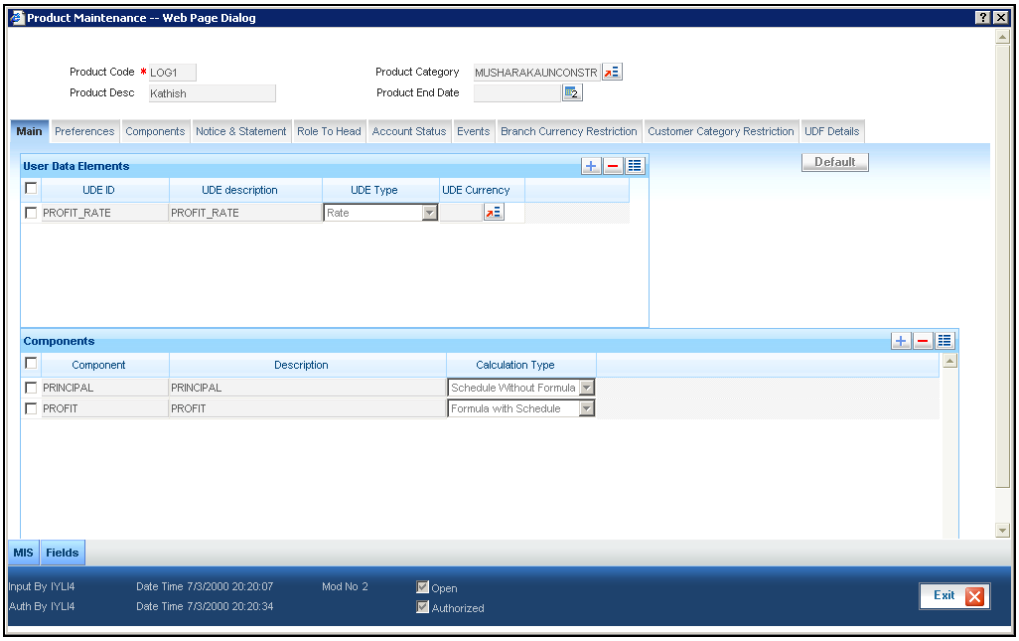
When *Musharaka* is used in House under construction, the finance deal becomes a combination of *Musharaka* and *Istisnaa* agreements. The under construction period will be *Istisnaa* and upon completion of the house/property, the Diminishing *Musharaka* arrangement will take over and the *Istisnaa* will be terminated.

To invoke the 'Product Category Maintenance' screen from the Application Browser, select **Islamic Financing**, click on **Product Category Maintenance** and select **Detailed** under it.

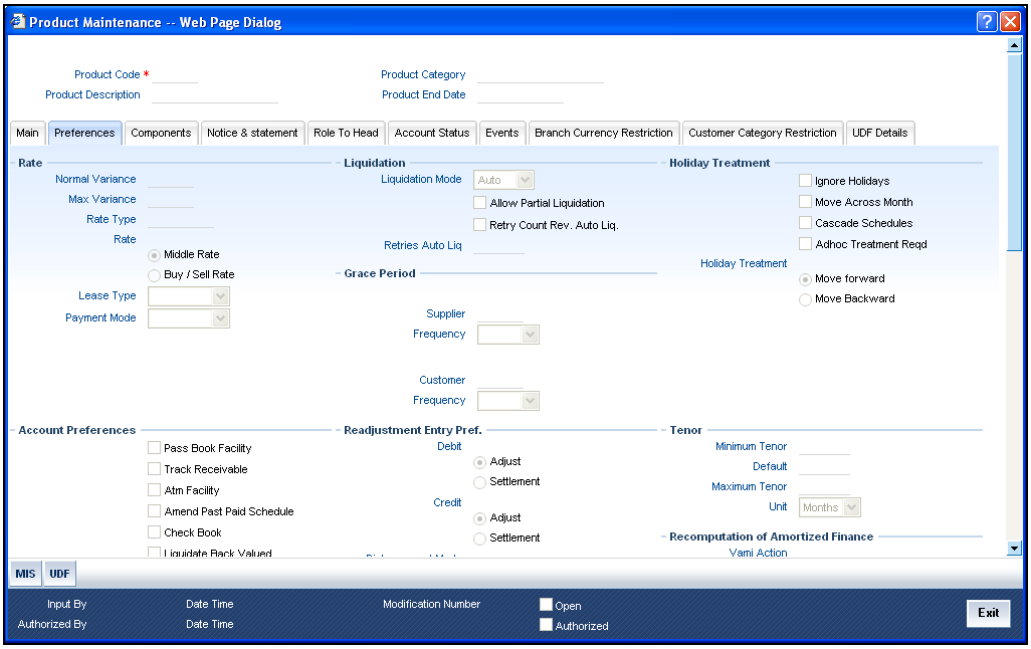


9.9 Setting up a Musharaka/Istisnaa Product

Under the desired product category, you can set up a product to cater to the generic needs of the finance transactions of *Istisnaa* and *Musharaka*.



For processing multiple disbursements during the construction period, you need to set up disbursement schedules using the 'Product Maintenance - Preference' screen.



The profit amount can be calculated for the construction period and apportioned across the main profit disbursement schedules.

UDE for Construction Period UIDB

Specify the UDE from the option list, which will be used for calculation of UIDB.

You need to maintain variable rate financing for under construction period as well as post construction period.

Treatment of variable rate financing for under construction period:

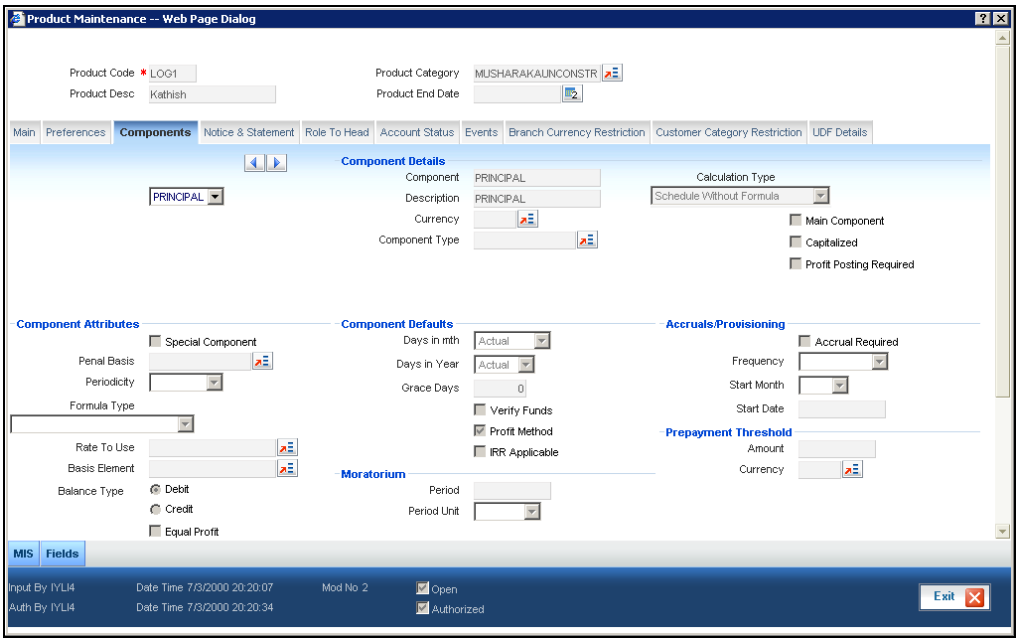
- Two UDEs(Rate) will have to be used for moratorium period:
  - Fixed Rate UDE- (Maintained at ceiling rate) **-** This UDE can be used for UIDB computation and has to be specified in 'UDE for Construction Period UIDB' field
  - Floating Rate UDE – (Caped on ceiling rate) **-** This UDE can be used for schedule computation and has to be specified in Moratorium formula

Treatment of variable rate financing for post construction period:

- An additional Rebate component will have to be maintained, which will compute the Profit using the floating Rebate rate. If the rebate rate remains less than the profit rate, the difference will be given as a rebate to the customer.
- Two UDEs(Rate) will have to be used for re-payment period:
  - Fixed Rate UDE- (Maintained at ceiling rate- Profit Rate) **-** This UDE can be used for UIDB computation as well as schedule computation. This will be used in formula for re-payment period.
  - Floating Rate UDE - (Caped on Profit rate) **-** This UDE can be used in defining formula for Rebate component

You need to manual disbursement product with 'Construction Period Profit Basis' as 'Actual' and 'Cap on nominal' option should be selected.

As the repayment for these transactions is normally done after a window period post construction, you can create a moratorium period using the 'Product Maintenance - Component' screen.

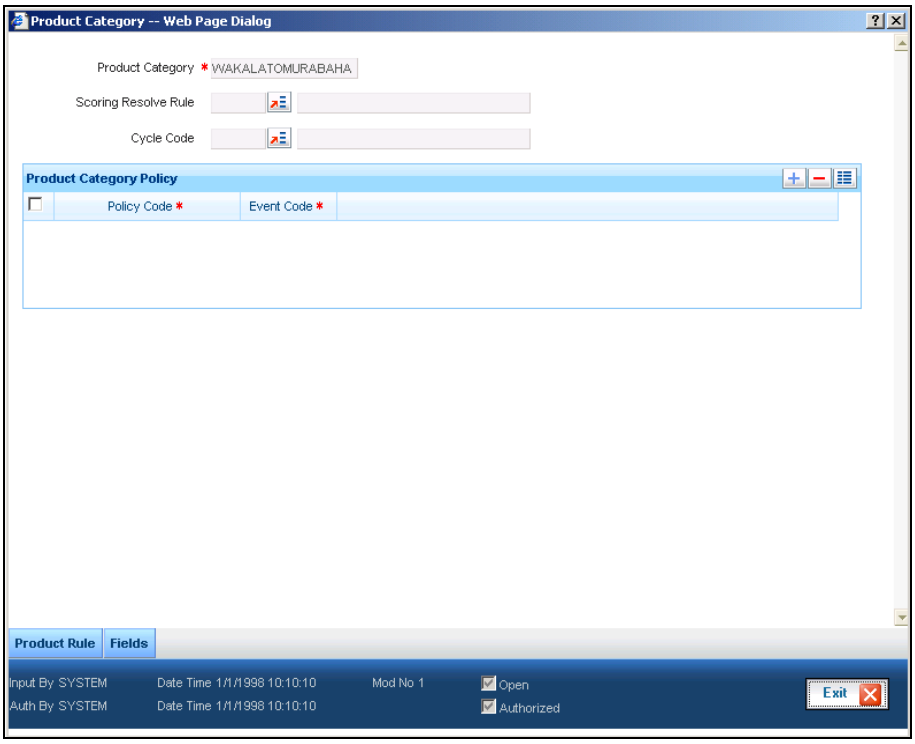


9.10 Creating a *Wakala* Product Category

Wakala is an agency contract, where the business is managed by an agent appointed by the owner of the principal. The bank finances the customer with advance money, for that the customer will not have to pay any profit during this period. The fee for the *Wakala* period will be recovered from the customer when the *Wakala* gets converted into a *Murabaha* contract. No profit, fee or charges are made during the *Wakala* transaction period. Normal tenor of a *Wakala* contract will be of one week to 10 days.

On saving the *Murabaha* account, the system automatically liquidates all the linked *Wakala* accounts and on reversal of *Murabaha* account, the system automatically reverses all the liquidation entries of linked *Wakala* accounts.

In order to process finance transactions, you can set up a product category for *Wakala* and *Wakala* to *Murabaha* under construction.

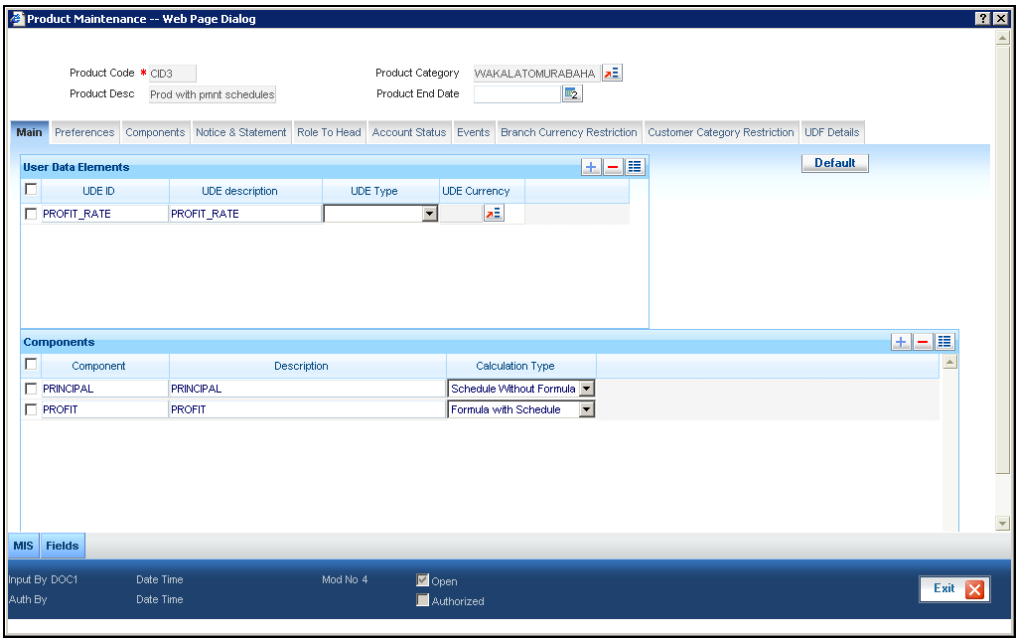


Product Category

You have to specify one of the names of the finance service which will identify the *Wakala* to *Murabaha* or *Wakala* category uniquely in the system.

9.11 Setting up a *Wakala* Product

Under the desired product category, you can set up a product to cater to the generic needs of the finance transactions of *Wakala* and *Wakala* to *Murabaha*. You can capture *Wakala* product details in the 'Product' screen. To invoke this screen, select **Islamic Financing**, choose **Product** and then, **Detailed** under it.

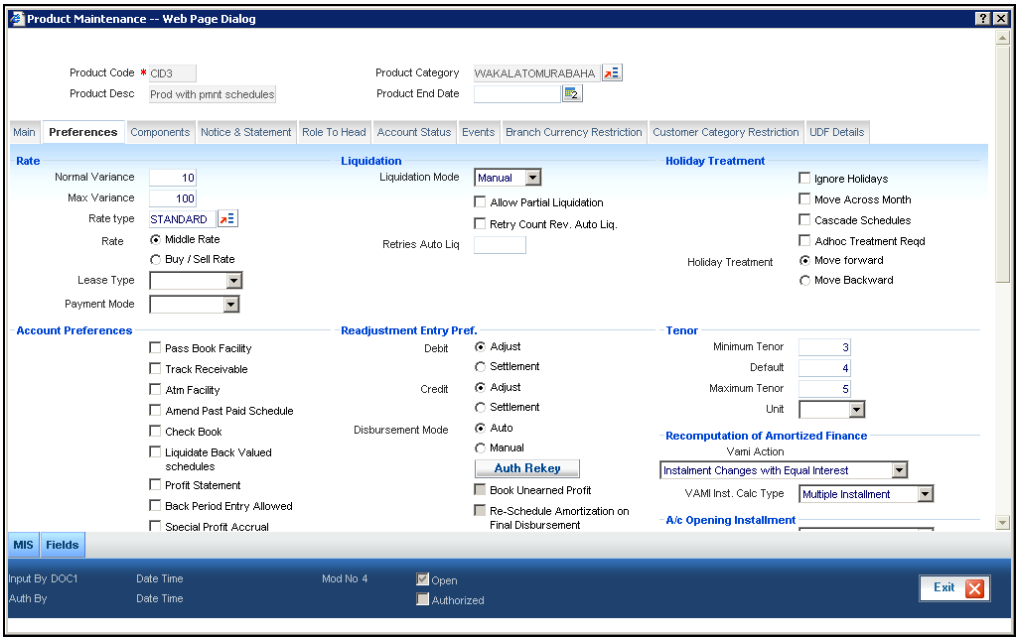


Product Category

Select the category maintained for *Wakala* transactions from the option list.

9.11.1 Specifying Product Preferences

Click 'Preferences' tab in the 'Product' screen to move to this section of the screen.

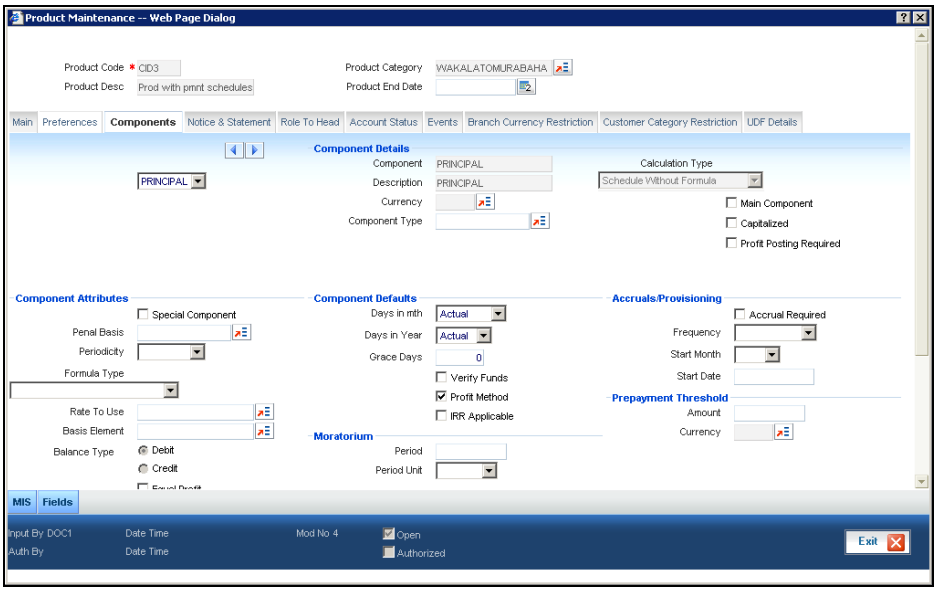


Disbursement Mode

Choose the option 'Auto' for the WAKALATOMURABAHA product.

9.11.2 Specifying component details

Click ’Components’ tab in the ‘Product’ screen to move to this section of the screen.



You should maintain the following preferences for the finance product:

Calculation Type

Choose the option’ No Schedule No Formula’ for the profit component from the drop down list.

Formula Type

Choose the option ‘User defined’ from the drop-down list.

Accruals Provisioning

The check box ‘Accrual required’ is disabled for the *Wakala* products.

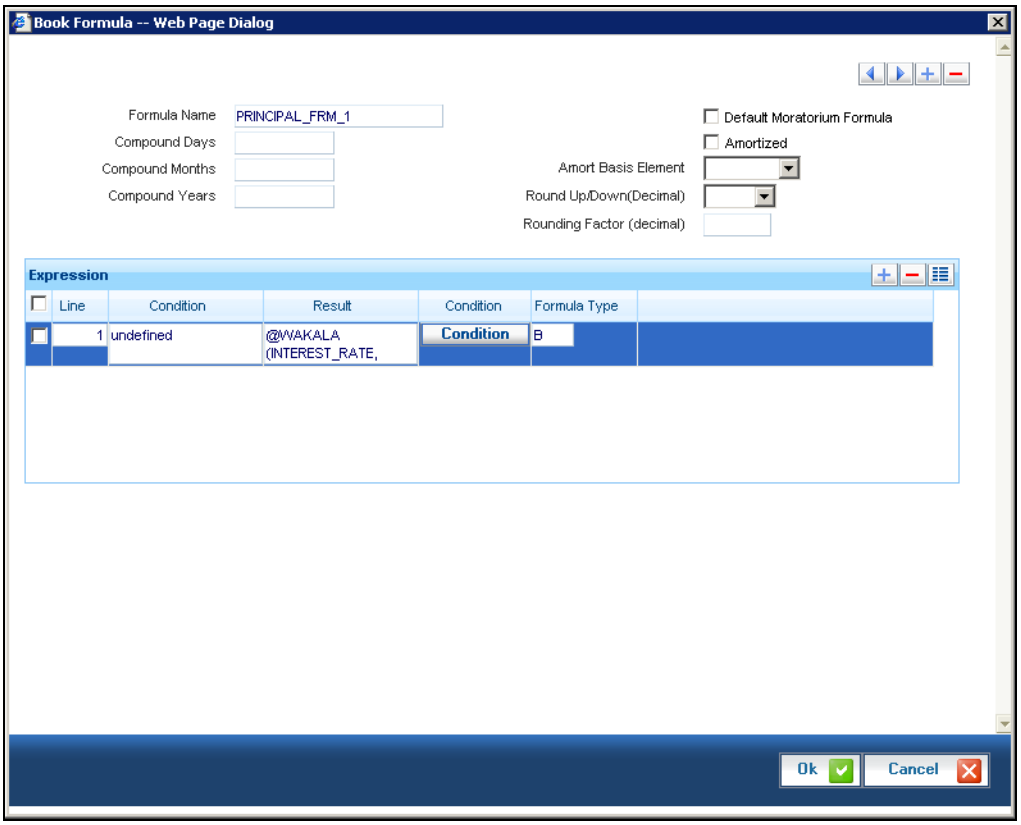
Equal Profit

Check this box.

9.11.2.1 Creating the Booked Formula

You need to create the booked formula as given below:

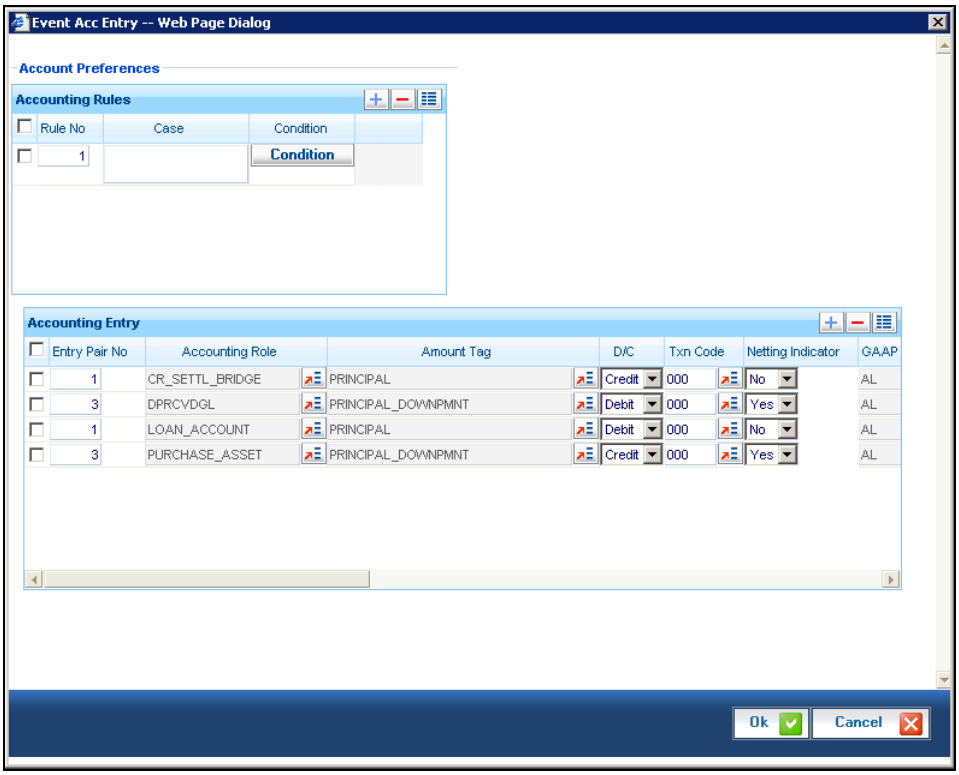
@WAKALA (INTEREST_RATE, YEAR)



The System will perform the below validations when a *Wakala* Account is linked to Wakala to *Murabaha* Account:

- Whether the amount financed is equal for both *Wakala* and *Murabaha* accounts or not
- Whether the customer for both *Wakala* and *Murabaha* accounts are same or not
- Whether the Currency and Branch for both *Wakala* and *Murabaha* accounts are same or not

9.11.3 Setting up Accounting Entries and Accounting Roles



9.11.3.1 Accounting Roles

You need to set up the following accounting roles for the *Wakala* product:

Accounting Role	Description
WAKALA_ASSETGL	Real Asset for *Wakala* account
WAKALA_SUSPGL	Suspense GL for *Wakala-Murabaha*

9.11.3.2 Accounting Entries

You need to set up the following event-wise accounting entries for *Wakala* contract:

DSBR

The following accounting entries are passed for this event for *Wakala* product:

Accounting Role	Amount Tag	Dr /Cr
WAKALA_ASSETGL	PRINCIPAL	Dr
CR_SETTL_BRIDGE	PRINCIPAL	Cr

The following accounting entries are passed for this event for the *Murabaha* product (which is under 'WAKALA TO MURABAHA' Product Category):

Accounting Role	Amount Tag	Dr /Cr
LOAN_ACCOUNT	PRINCIPAL	Dr
WAKALA_SUSPGL	PRINCIPAL	Cr

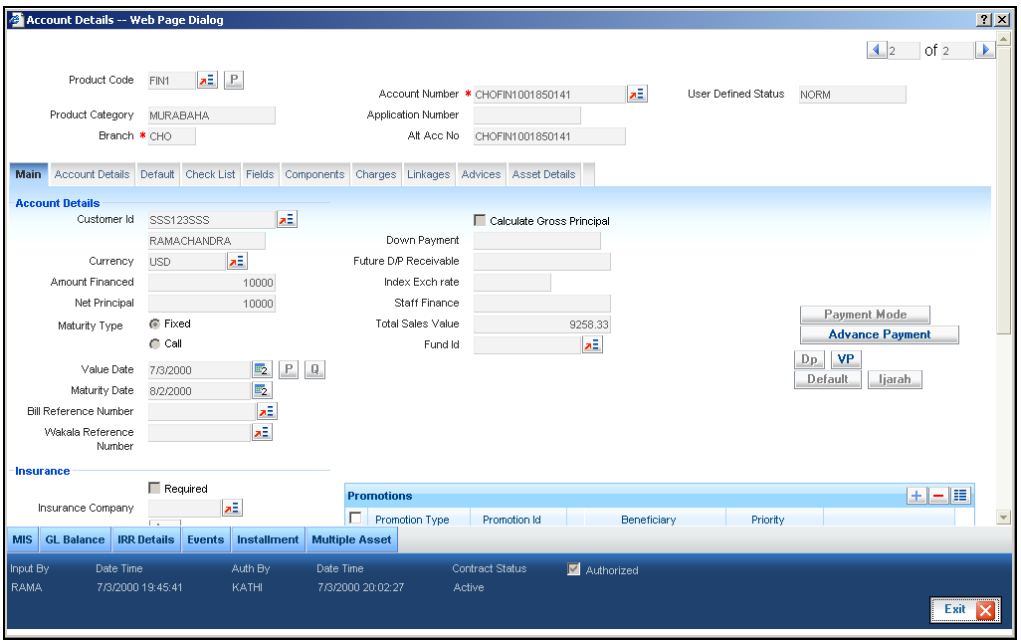
MLIQ

The following accounting entries are passed for this event for the *Wakala* product:

Accounting Role	Amount Tag	Dr /Cr
WAKALA_SUSPGL	PRINCIPAL_LIQD	Dr
WAKALA_ASSETGL	PRINCIPAL_LIQD	Cr

9.12 Creating a *Wakala* Account

You can create a *Wakala* account using the 'Account Details' screen. You can maintain *Wakala* Transaction as single disbursement.



Product Code

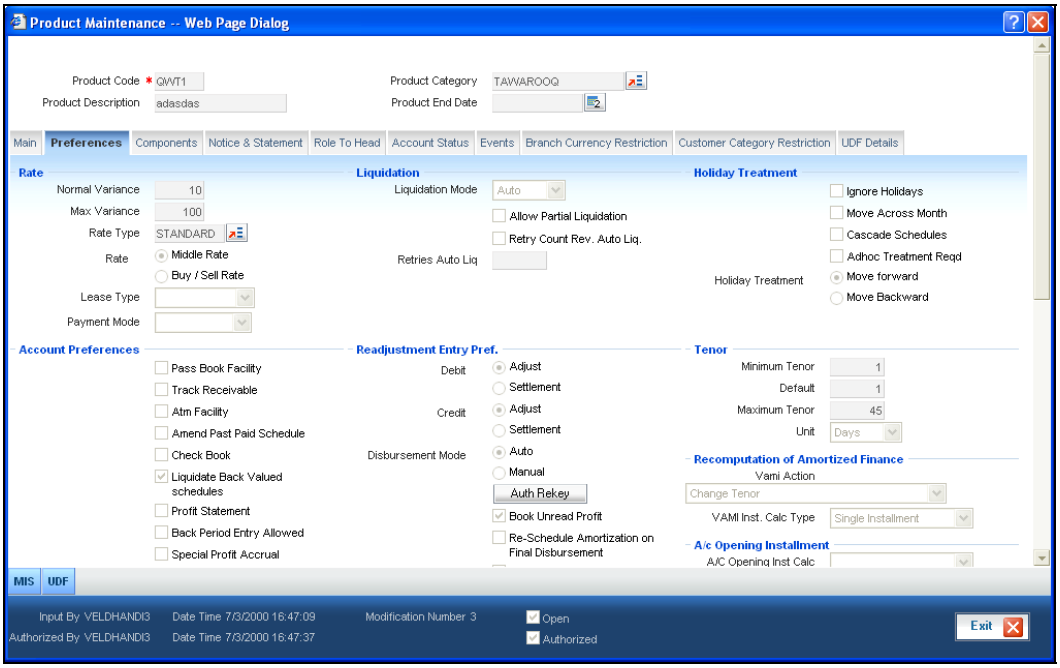
The *Murabaha* account must be booked under '*WAKALA*TO*MURABAHA*' product category.

9.13 Creating a *Tawaroog* Product

Tawarooq is a finance contract for buying an underlying commodity from a dealer on behalf of the customer and then at the request of the customer advising the dealer to sell the same. The sale proceeds of the disposed asset by the dealer will be paid to the customer.

As part of *Tawarooq* transaction the customer (counter Party) in need of money approaches a bank. The bank sells an asset to the customer which was bought from the Dealer already on a differed payment basis. The customer sells the asset to the dealer and obtains the cash from him in which commission of the dealer is levied.

You can capture *Tawarooq* product details in the 'Product' screen. To invoke this screen, click on Islamic Financing in the Application browser, select **Product** and click on **Detailed** under it.

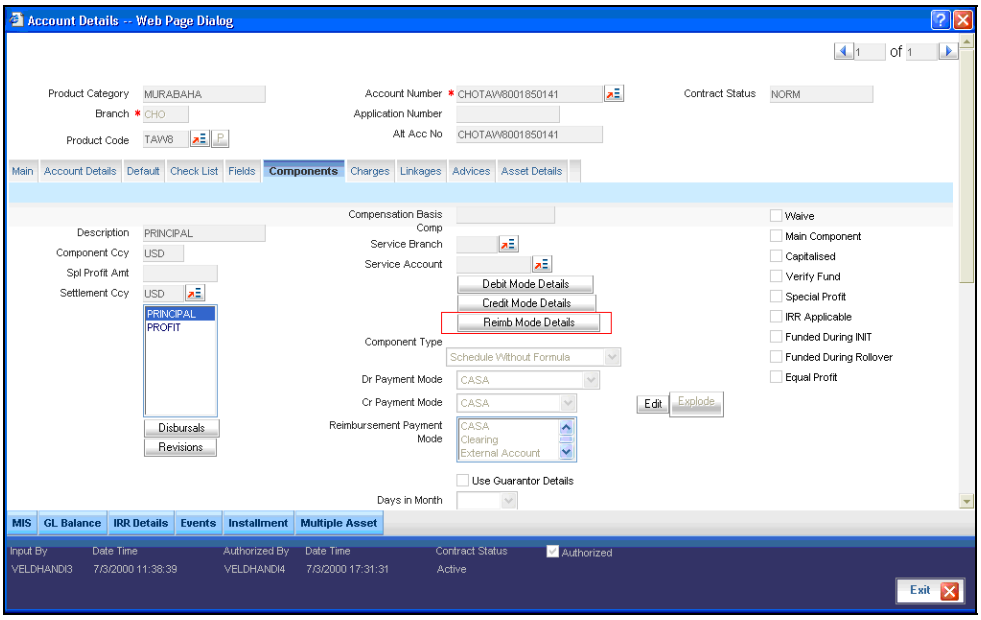


Product Category

Select the category maintained for *Tawarooq* transactions from the option list.

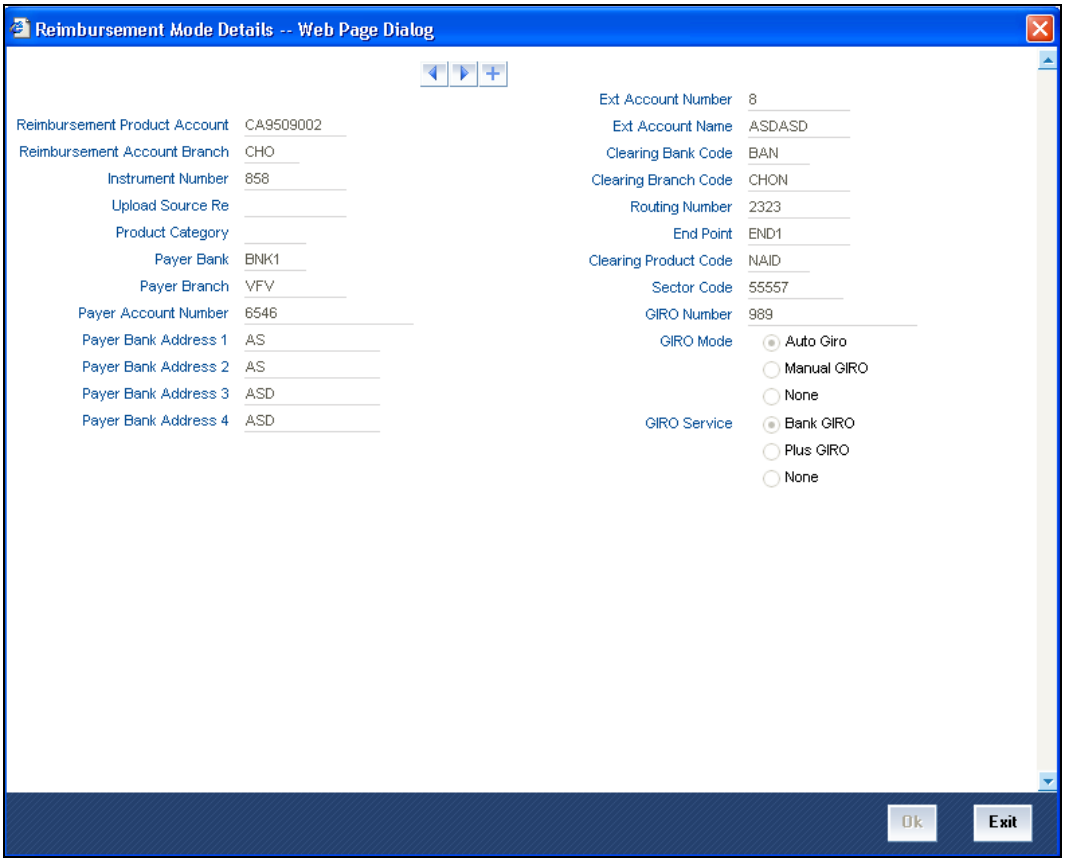
9.13.1 Specifying component details

Click 'Components' tab in the 'Product' screen to move to this section of the screen.

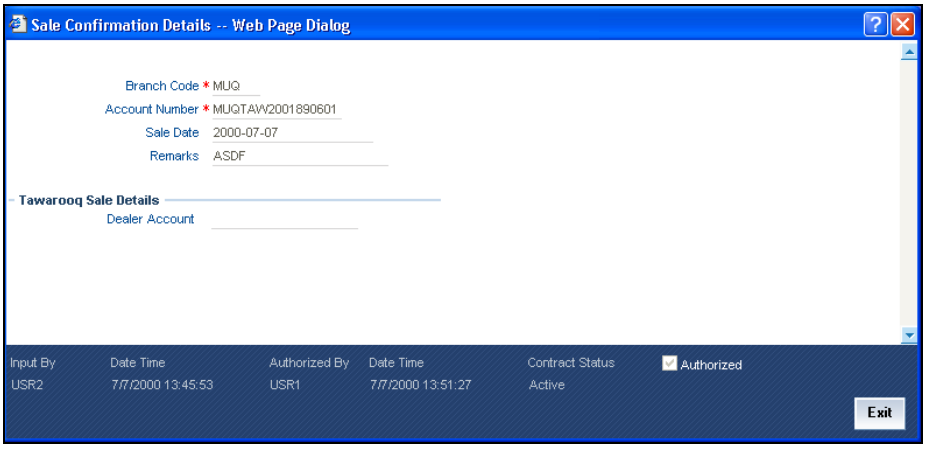


The Reimbursement Mode Details button is used to capture the reimbursement settlement details of the dealer account.

Click on the 'Reimb Mode Details' button the following screen will be launched.



In case the dealer account is different from the initial dealer, it will be captured in sale confirmation screen shown below.



The system on triggering sale confirmation, will fire the TWSL event to indicate that the commodity can be sold to another dealer.

9.13.2 Setting up Accounting Entries

You need to set up the following event-wise accounting entries for the *Tawarooq* account:

BOOK

Accounting Role	Amount TAG	Dr/Cr Indicator
DEALERWIPACC	Principal	Dr Dealer Receivable Account
CR_SETTL_BRIDGE	Principal	Cr Dealer

DSBR

Accounting Role	Amount TAG	Dr/Cr Indicator
DR_SETTL_BRIDGE	Principal	Dr Dealer
CR_SETTL_BRIDGE	Principal	Cr Customer
LOAN_ACCOUNT	Principal	Dr Asset GL
DEALERWIPACC	Principal	Cr Dealer Receivable Account
DR_SETTL_BRIDGE	CHG_INC	Dr Customer
CHGINC	CHG_INC	Cr Charge Income

UIDB

Accounting Role	Amount TAG	Dr/Cr Indicator

Accounting Role	Amount TAG	Dr/Cr Indicator
PROFIT_REC	Profit _UINT	Dr Profit Receivable
PROFIT_UID	Profit _UINT	Cr Profit Upfront (UID)

ACCR

Accounting Role	Amount TAG	Dr/Cr Indicator
PROFITREC	Profit_Accr	Dr Profit Upfront (UID)
PROFIT_UID	Profit_Accr	Cr Profit income

ALIQ

Accounting Role	Amount Tag	Dr/Cr Indicator
DR_SETTL_BRIDGE	Principal_liqd	Dr Customer
LOAN_ACCOUNT	Principal_liqd	Cr Asset GL
DR_SETTL_BRIDGE	Profit_LIQD	Dr Customer
PROFITREC	Profit_LIQD	Cr Profit receivable

Advices for *Tawarooq*

Advice	Type	Description
CL_INIT_ADV	CL_INIT_ADV	Account Initiation Advice

9.14 Processing *Tawarooq* Accounts

The processing of *Tawarooq* contract is done as follows:

- During disbursement, the system will compute profit and pass the accounting entry with the UIDB event. The system also disburses the amount of the asset to the customer and passes the accounting entries.
- In case of pre-payment, the system will compute the accrued interest and then adjust the balance against the principal. The Upfront Profit will also be recalculated.
- The system will not keep track of underlying asset associated with the contract.
- If the dealer account is maintained at sale confirmation, the account is picked up while passing the accounting entries for a reimbursement account, else the reimbursement account maintained at the account level will be picked up.

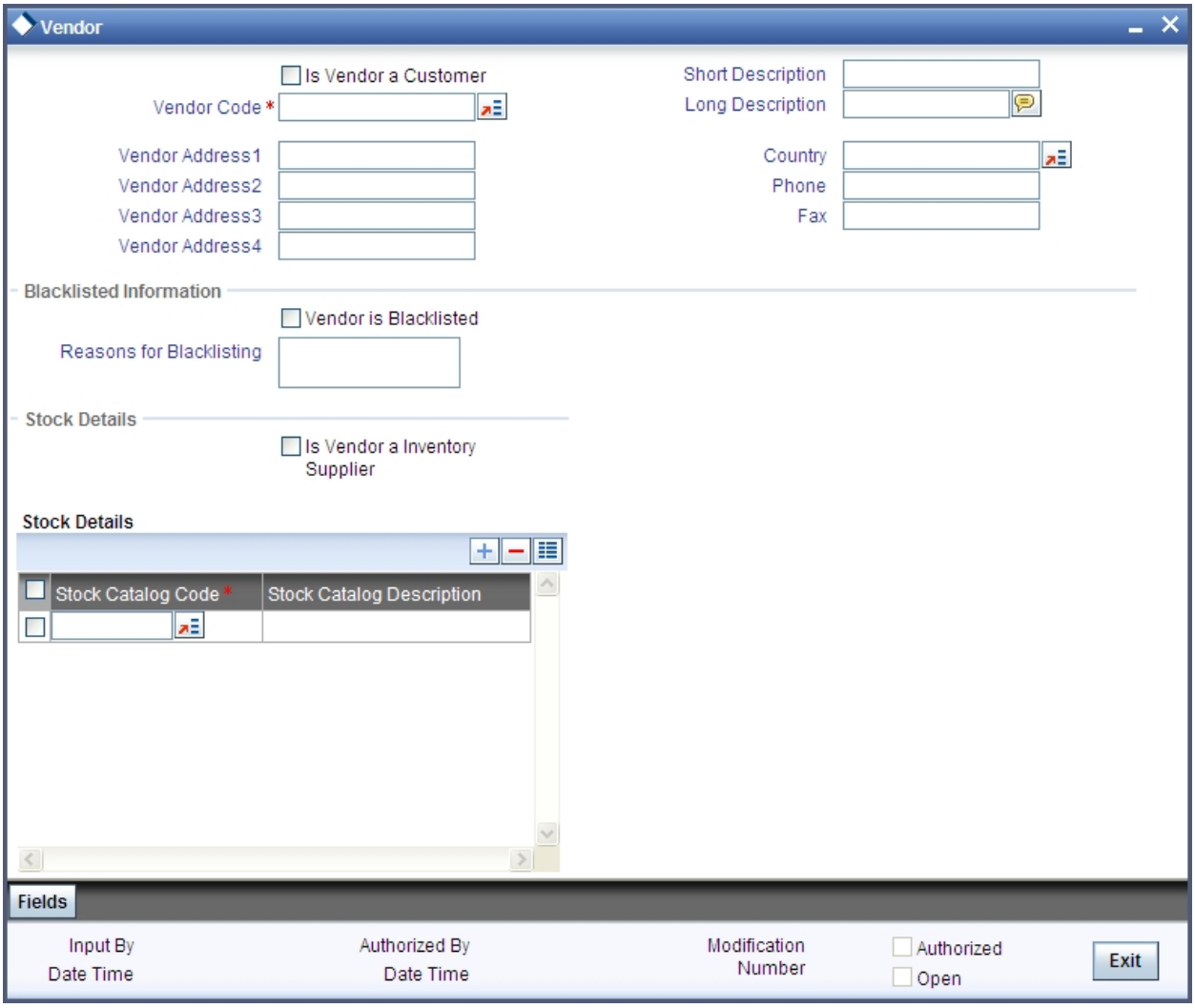
10. Processing Vendor Payments

10.1 Introduction

This chapter explains process of making supplier/vendor payments using direct transfer or issuing Managers Check (MCK) or by onward remittance payment modes. This is done using the 'Vendor Payment Detailed' screen. This chapter also explains about independent vendor payment triggered before sale (account initiation). The chapter also discussed how to query on the outstanding vendor payments with respect to an account.

10.2 Maintaining Vendor Account Details

You can maintain the details of all the vendors with whom you deal in the 'Vendor Maintenance' screen. You can invoke this screen by typing 'XPDVNMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In addition to other details, you can capture the following details for a vendor:

Vendor Code

If the vendor is a customer then you can select the vendor code by clicking on the option list. For vendors who are customers of the bank the option list will display the list of CIF values. For vendors who are not customers of the bank you can enter the vendor code in this field.

10.2.1 Capturing Vendor Account Details

Credit Account

Select the credit account or GL for the payments to be made by clicking on the option list. This list will display the list of account and GLs. For vendors who are not customers of the bank, any account or GL can be chosen. There will be no validation done against this selection.

Branch Code

The branch, in which the chosen account resides, is displayed here.

Payment Mode

Select the mode of payment from the drop-down list. The options for selection are:

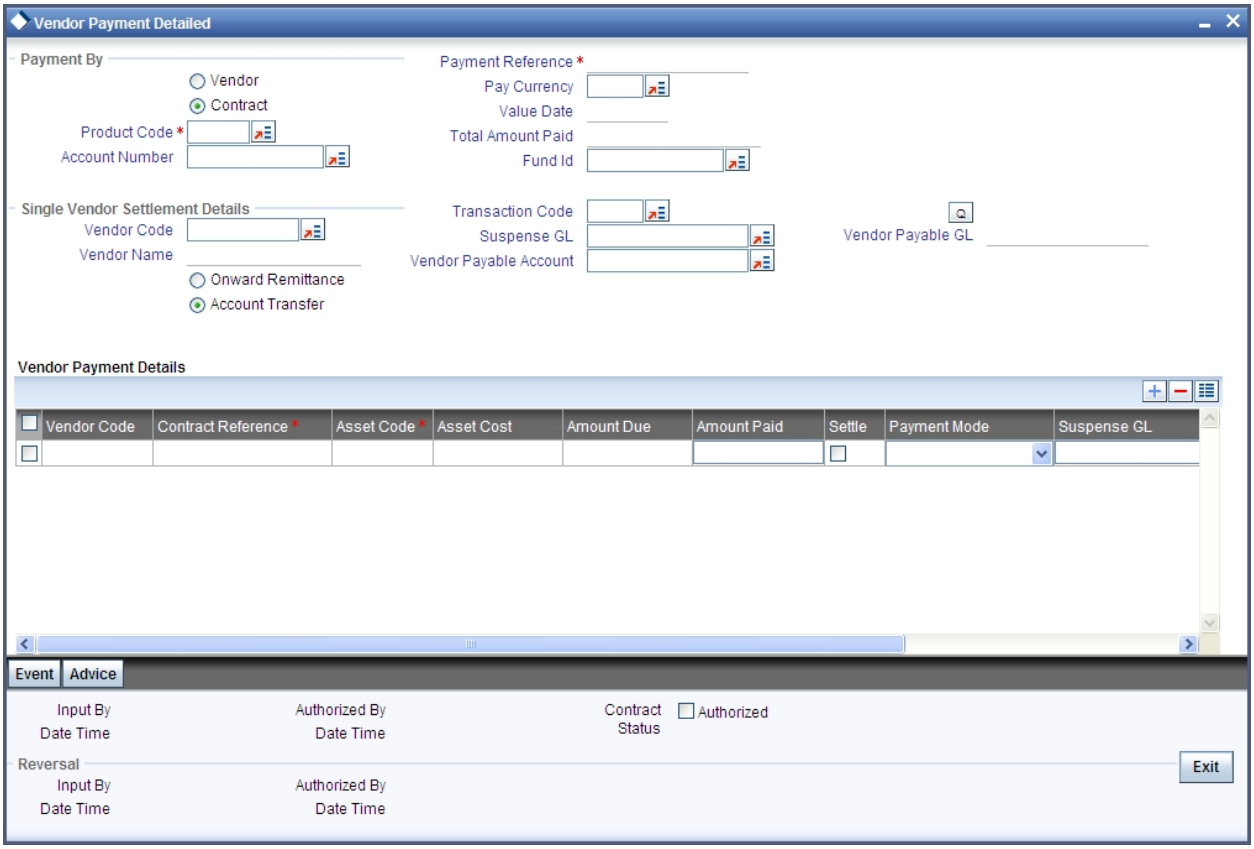
- A - Account Transfer
- O - Onward Remittance
- N - None

By default, the value will be ‘None’.

For details about the other fields in this screen, refer the section ‘Maintaining Vendor’ in the chapter ‘Maintaining Documents and Vendors’ in the Expense Processing User Manual.

10.3 Maintaining Vendor Payment Details

Vendor payment for an account can be made before initiation. You can do this in Oracle FLEXCUBE through the ‘Vendor Payment Detailed’ screen. You can invoke this screen by typing ‘VPDLIQON’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following details needs to be maintained:

Payment By

Indicate whether the payment should be made for a single vendor across multiple contracts or for multiple vendors linked to a single contract by choosing the appropriate option:

- Vendor
- Contract

Payment Reference Number

Here the payment reference number automatically gets defaulted for the current payment.

Product Code

You can select the product code of the payment from the option list. All the contracts displayed under the ‘Payment Details’ will be of same product code.

Fund Identification

You can select the fund id of the payment from the option list. All the contracts displayed in the ‘Payment Details’ will be of Fund Id. If the fund Id is not associated with the payment then fund Id should not be entered.

Transaction Code

You can select the transaction code for the payment from the option list.

Payment Currency

You can select the currency of the payment from the option list. All the contracts displayed under the 'Payment Details' will be of same currency.

Value Date

You can specify the value date of the payment.

Account Number

If you have indicated that payment should be made for a single contract, you will have to specify the account number of the contract for which vendor payment has to be made. The adjoining option list displays all valid Islamic Financing accounts maintained in the system for the given product code and currency combination. You can select the appropriate one.

10.3.1 Query by Vendor Id

Click 'Q' button to query records based on the 'Payment By' criterion. If you have opted for making a payment to a single vendor linked to multiple contracts, the system will fetch all contracts along with the asset details for the given 'Vendor Id', 'Product Code' and 'Payment Currency' combination. It will display the result in the 'Payment Details' section.

10.3.2 Query by Contract

If you have opted for making a payment for a single contract having multiple vendors linked to it, the system will fetch all vendor details along with the asset details for the given 'Account Number', 'Product Code' and 'Payment Currency'. It will display the result in the 'Payment Details' section.

Total Amount Paid

The total amount paid to the vendor will get defaulted here only after saving the record.

10.3.3 Single Vendor Settlement Details

Specify the following details if you have opted to make payment for a single vendor across multiple contracts.

Vendor Code

Specify the vendor Id for the payment. The adjoining option list displays all valid vendor IDs maintained in the system. You can select the appropriate one.

Vendor Name

Once you specify the Vendor Code, the corresponding vendor name is displayed here.

Onward Remittance/ Account Transfer

You can select the payment mode from the options given below:

- Account Transfer - If you choose to make payment through account transfer mode, the vendor settlement account will be defaulted and accounting entries will be in the contract currency. The system will generate a credit advice for the vendor. You can view the advice by clicking 'Advices' button.

  Refer the section 'Vendor Credit Advice' for more information.
- Onward Remittance – If you choose to make payment through onward remittance mode, you need to specify 'Suspense GL'. The system displays accounting entries in the contract currency. The payment advices will not generate for the onward remittances payment.

Suspense GL

You need to specify the suspense GL from the option list, provided the 'Payment Mode' chosen to make the payment is 'Onward Remittance'.

Vendor Payable GL

Here the system defaults the vendor payable GL for the 'Product Code' chosen in the 'Account Details' screen.

Vendor Account

You can specify the vendor account from the option list.

Transaction Code

Specify the transaction code to be used for making the payment.

10.3.4 Payment Details

You can check 'Settle' box to do the payment to one vendor at a time and to query the outstanding vendor payments with respect to a contract.

System captures the 'Asset Code', 'Asset Cost', 'Amount Due' and 'Amount Payable' for the particular Asset. However the 'Asset Cost', 'Amount Due' and 'Amount Payable' displayed will be of contract currency, along with details of account numbers. Additionally, the system allows you to capture the payment mode, suspense GL, vendor account and transaction code for the payment in case of multiple vendors.

You can view the event details by clicking 'Event' button in the 'Vendor Payment detailed' screen. The event VPAY is triggered for vendor payment and in case of vendor payment reversal the event VPRV is triggered. By clicking 'Advices' button Vendor payment credit advice gets attached and the advice will be generated as part of the VPAY event.

The following accounting entries are passed for the different modes of payment are given below:

For Account Transfer mode of payment:

Payment Option	Account	Dr/Cr
Direct Transfer	Vendor Payable	Dr
Direct Transfer	Vendor Settlement account	Cr

For Onward Remittance mode of payment:

Payment Option	Account	Dr/Cr
Remittances	Vendor Payable	Dr
Remittances	Suspense GL	Cr

For 'Purchase' event:

- Dr - Purchase Asset GL
- Cr - Vendor payable GL

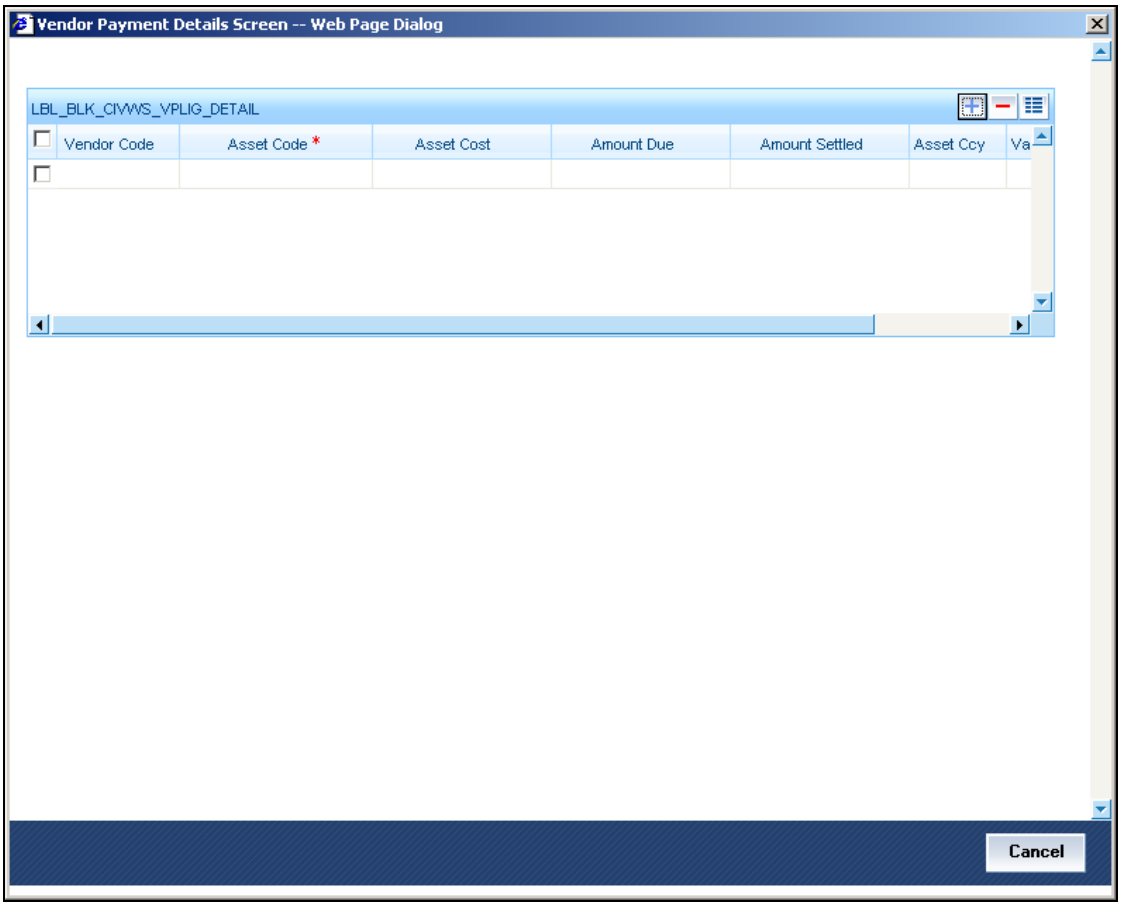
For 'Vendor Payment' event:

- Dr - Vendor payable GL
- Cr - Vendor settlement account/DAO GL/Suspense GL

In case of multiple vendors across a single contract, the system settles the payment against a single payment reference number. If a single vendor has supplied multiple assets for a single contract, then a netted payout entry will be posted to the individual vendor account based on the payment mode selected.

10.3.5 Capturing Vendor Payments Details for Accounts

You can view the vendor payment details at the contract level by clicking 'VP' button in the 'Account Details - Main' screen to invoke 'Vendor Payment Details' screen. You cannot modify it.



This screen will display the details of the vendor payments made with respect to that contract irrespective of the payment status viz. Active, Unauthorized, Reversed and Deleted.

The following details are captured:

- Vendor Code of the payment
- Asset Code of the payment
- Asset Cost of the payment
- Amount Due
- Amount Settled
- Asset Currency
- Value Date
- Status

10.3.6 Vendor Credit Advice

The Vendor credit advice (VPCRADV) is attached using the 'Advices' button. A sample advice format is shown below:

ACCOUNT : CL1102012

USER REFERENCE NO : 000ZVPY0119401HB

CONTRACT CURRENCY : AED

CONTRACT VALUE DATE : 13-JUL-2001

WE HAVE EXECUTED THE FOLLOWING TRANSACTION ON YOUR BEHALF:

CUSTOMER NAME : BOEING CORP

VALUE DATE	CCY	AMOUNT
13-JUL-2001	AED	750

11. Islamic Financing Reports

11.1 Introduction

During the day, or at the end of the day, you may want to retrieve information on any of the several operations that were performed during the day in your bank. You can generate this information in the form of reports in Oracle FLEXCUBE.

For every module you can generate reports, which give you data about the various events in the life of a specific contract, or across contracts, at a specific point in time. You can have analysis reports, daily reports, exception reports (reports on events that ought to have taken place on the contract but have not, due to various reasons), and history reports and so on.

From the Application Browser, select the Reports option. A list of all the modules to which you have access rights are displayed in the screen. When you click on a module, all the reports for which you have access rights under the selected module are displayed. Click on the report you want to generate. You will be given a selection Criteria based on which the report would be generated.

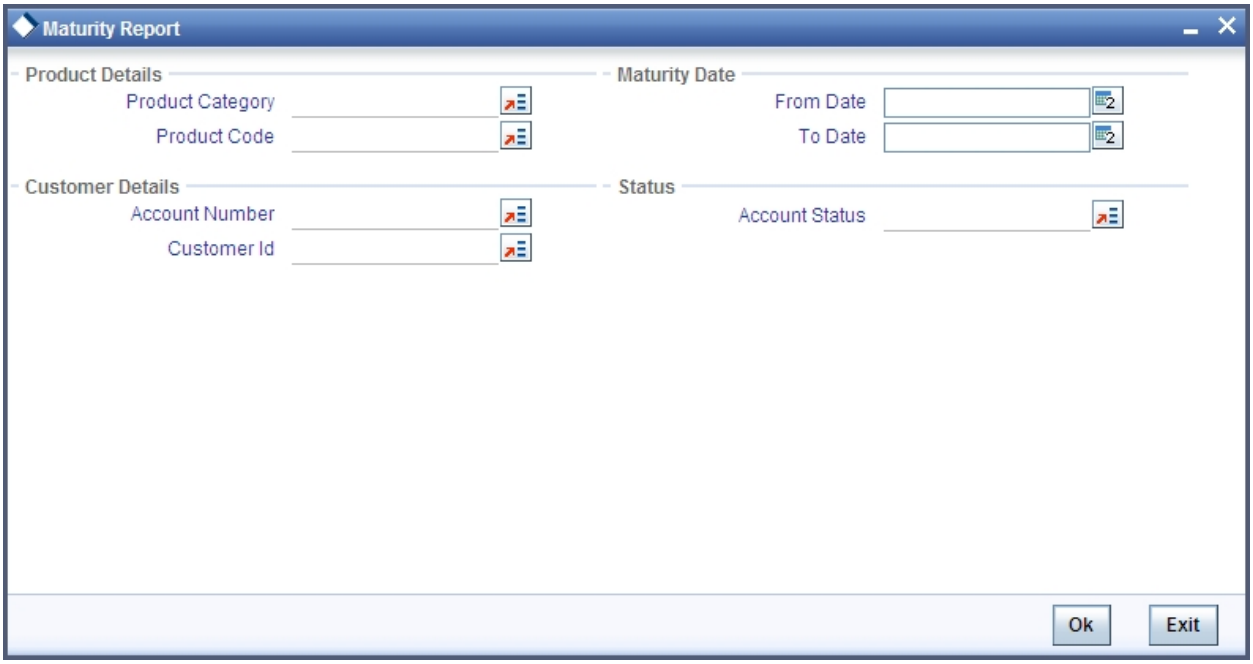
You can generate the following reports for the Islamic Financing module:

- Maturity Report
- Future Payments Report
- Islamic Financing – Enhancement Report
- Islamic Financing – Disbursement Report
- Daily Repayments Report
- Committed Limits Report
- Contract Reversal Report
- Insurance Report
- Pay-Off Report
- Islamic Financing – Detailed MIS Report
- Partial Pay-Off Report
- Guarantor's Liabilities/Contracts Facilitated by a Guarantor Report
- Daily Early Pre-Payments (Maturity) Report
- Payoff Calculator – Line Report
- Amortization Schedule Report
- Contract Retrieval Report
- Overdue Schedules Report
- Adverse Status Report

- Event Report
- Forward Amendments Details Changes Report
- Linked Contract Utilization Report
- Periodic Rate Revision Report
- Finance History Report
- Automatic Finance Payment Exception Report
- Advice of Delinquent Notes Report
- Ledger Balance Verification Report
- New Finance Contracts Report
- Finance Rollover Monitoring Report
- Finance Rollover Notice Report
- Forward Contracts Report
- Profit Calculation Report
- Finance Register/Trial Balance Report
- Finance Past Due Notice Report
- Repayment Reversal Report
- Accrual Control List Report

11.2 Maturity Report

This report displays the outstanding amount and other details of the contract for Product Group as on a given maturity date. You can invoke this screen by typing 'CIRMATDT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Product Category

Specify the product category for which you wish to generate details.

Product Code

Specify the product for which details are required to be generated.

Account Number

Specify the account number for which details is to be generated, if you wish to view details for a particular account.

Customer ID

Specify the customer for whom details should be generated. The adjoining option list contains the customer details. Select the appropriate one.

From Date

Specify the maturity date from which details should be made available in the report. The system will include all contracts whose date is equal to or greater than this date.

To Date

Specify the maturity date till which details should be made available in the report. The system will include all contracts whose date is equal to or lesser than this date.

Account Status

Indicate the type of contracts that should be picked up for report generation. You can choose either liquidated or active contracts.

11.2.1 Contents of the report

The contents of the 'Maturity Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

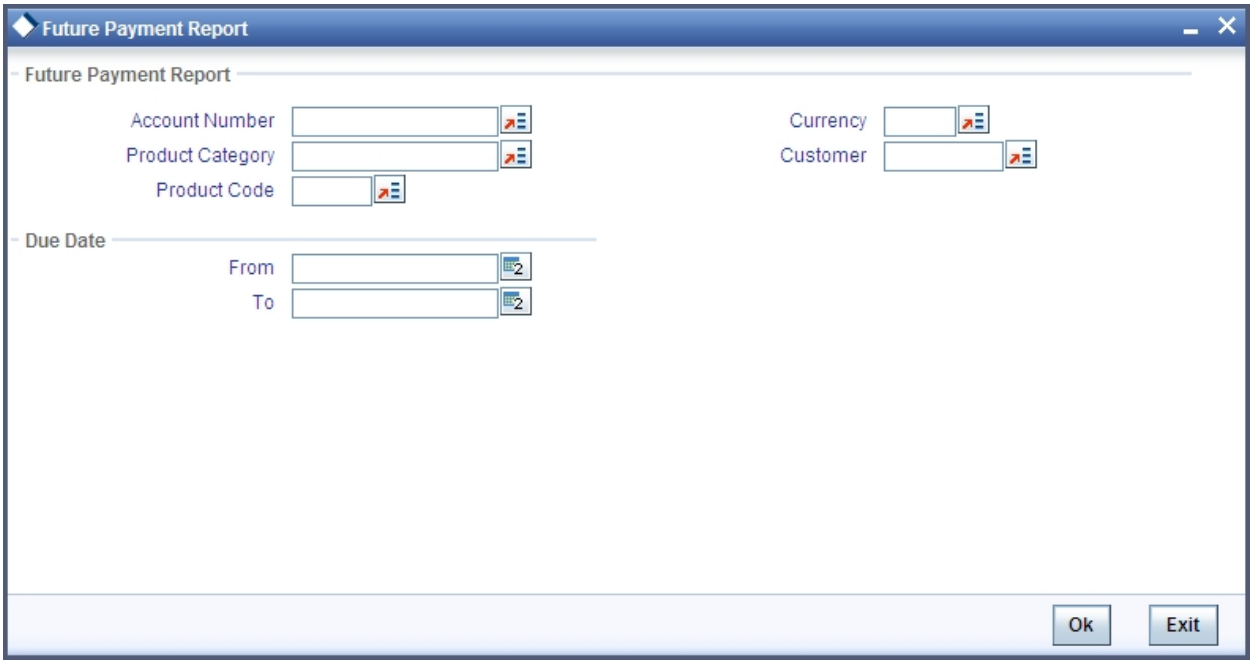
The following details are displayed:

Customer No.	This indicates the customer number.
Customer Name	This indicates the name of the customer.
Branch	This indicates the branch code.
Account No.	This indicates the account number.
Value Date	This indicates the value date.
Currency	This indicates the currency used for transaction.
Amount	This indicates the amount in the contract.
Total Profit Amount	This indicates the total profit amount.
Profit Rate	This indicates the profit rate.
Insurance	This indicates the insurance.
Maturity Date	This indicates the date of maturity.
Construction End Date	This indicates the end date of construction.
Profit A	This indicates the profit A.
Profit B	This indicates the profit B.
Contract Term	This indicates the term of contract.
Component	This indicates the name of the component.

Component Description	This indicates the description of the component.
Total number of installments	This indicates the total number of installments.
Outstanding Amount	This indicates the outstanding amount.
First Installment Date	This indicates the first installment date.
Last Installment Date	This indicates the last installment date.
Immediate Installment Due Date	This indicates the immediate installment due date.
Immediate Installment Due Amount	This indicates the immediate installment due amount.

11.3 Future Payment Report

This report generates list of contracts with future payments where grace days is selected and supplier grace days are maintained. You can invoke this screen by typing 'CIRFTPAY' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Account Number

Specify the account number for which future payment details is to be generated, if you wish to view details for a particular account. The adjoining option list contains all the relevant account numbers. Select the appropriate one.

Product Category

Specify the product category for which you wish to generate future payment details. The adjoining option list contains all the relevant product categories. Select the appropriate one.

Product Code

Specify the product for which future payment details are required to be generated. The adjoining option list contains all the relevant product codes. Select the appropriate one.

Currency

Specify the currency for which future payment details should be generated. The adjoining option list contains all the relevant currency codes. Select the appropriate one.

Customer

Specify the customer for whom future payment details should be generated. The adjoining option list contains the customer details. Select the appropriate one.

From Date

Specify the date from which future payment details should be made available in the report. The system will include all contracts whose date is equal to or greater than this date.

To Date

Specify the date till which future payment details should be made available in the report. The system will include all contracts whose date is equal to or lesser than this date.

11.3.1 Contents of the report

The contents of the 'Future Payment Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

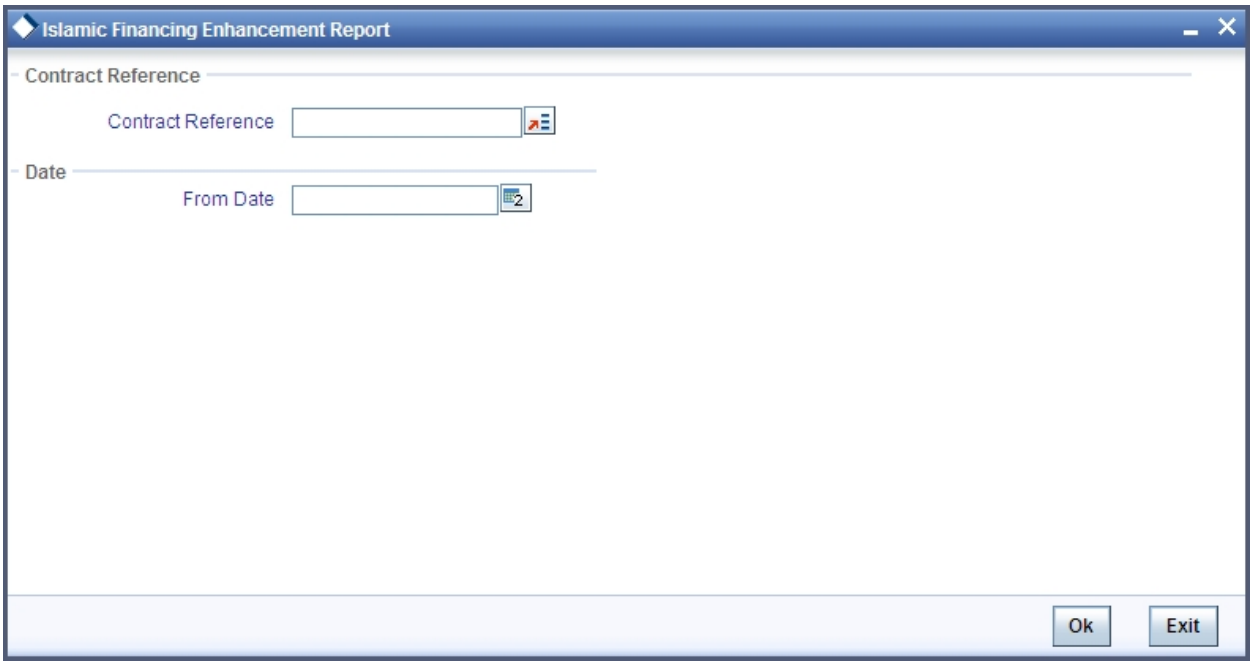
The following details are displayed:

Contract Reference No.	This indicates the contract reference number.
Branch Code	This indicates the code of the branch.
Product Code	This indicates the code of the product.
Product Description	This indicates the description of the product.

Customer No	This indicates the customer number.
Customer Name	This indicates the name of the customer.
Component	This indicates the name of the component.
Due Date	This indicates the due date.
Paid Date	This indicates the paid date.
CCY	This indicates the currency of the contract.
Amount paid	This indicates the amount paid.
Amount Due	This indicates the amount due.
Contract Status	This indicates the contact status.

11.4 Islamic Financing - Enhancement Report

This report generates CI contracts where VAMI has been performed with details of VAMI- EMI change, tenor change and revised schedules details. You can invoke this screen by typing 'CIRVAMID' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Contract Reference Number

Specify the reference number of the contract for which you would like to generate VAMI details. The adjoining option list contains the relevant reference numbers. Select the appropriate one.

From Date

Specify the date from which VAMI details should be made available in the report. The system will include all contracts whose date is equal to or greater than this date.

11.4.1 Contents of the report

The contents of the 'Islamic Financing – Enhancement Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

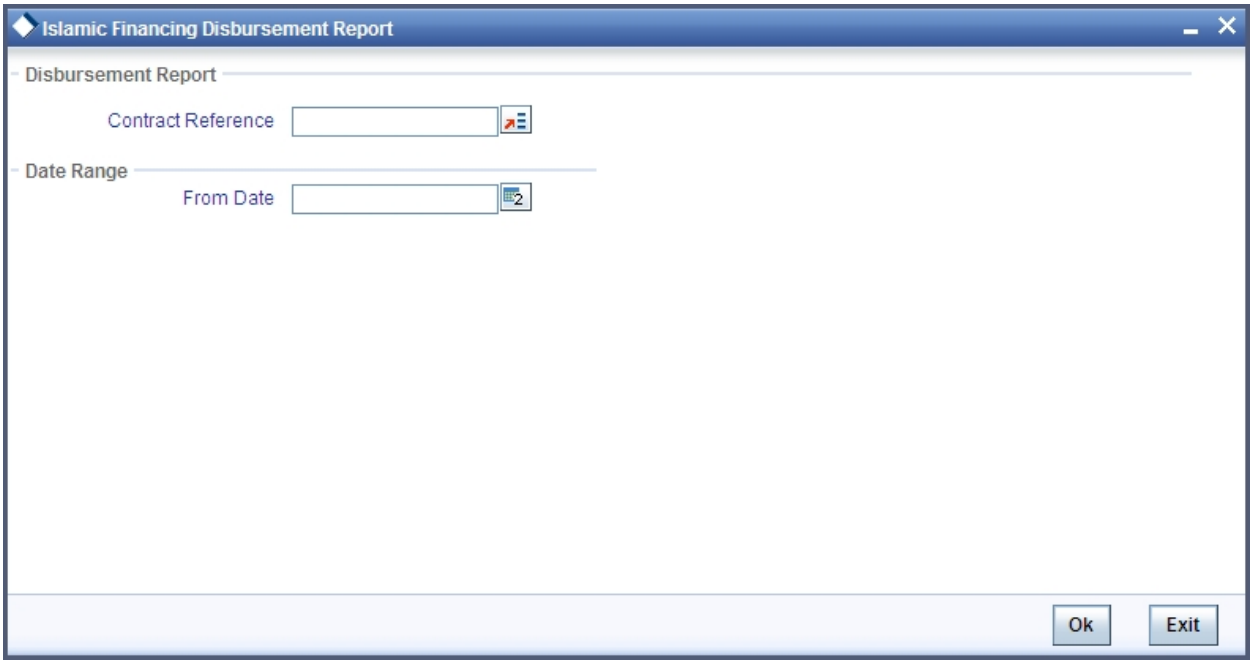
The following details are displayed:

Branch Code	This indicates the branch code.
Contract Reference number	This indicates the contract reference number.
Customer Name	This indicates the name of the customer.
Customer ID	This indicates the ID of the customer.
CCY	This indicates the currency of the contract.
Contract Booked date	This indicates the contract booking date.
Contract Value date	This indicates the contract value date.
Profit Rate	This indicates the profit rate.
Original Finance Amount	This indicates the original finance amount.
New Finance Amount	This indicates the new finance amount.
Booking Tenor	This indicates the booking tenor.
Remaining Tenor after amendment	This indicates the remaining tenor after amendment.

Sr No.	This indicates the serial number.
Installment Date	This indicates the installment date.
Principal component of EMI	This indicates the principal component of EMI.
Profit	This indicates the profit.
Monthly Payment	This indicates the monthly payment.
Outstanding Amount	This indicates the outstanding amount.

11.5 Islamic Financing - Disbursement Report

This report generates the disbursement details for CI Murabaha contracts. You can invoke this screen by typing 'CIRDSBRM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Contract Reference Number

Specify the reference number of the contract for which you would like to generate disbursement details. The adjoining option list contains the relevant reference numbers. Select the appropriate one.

From Date

Specify the date from which disbursement details should be made available in the report. The system will include all contracts whose date is equal to or greater than this date.

11.5.1 Contents of the report

The contents of the 'Islamic Financing – disbursement Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

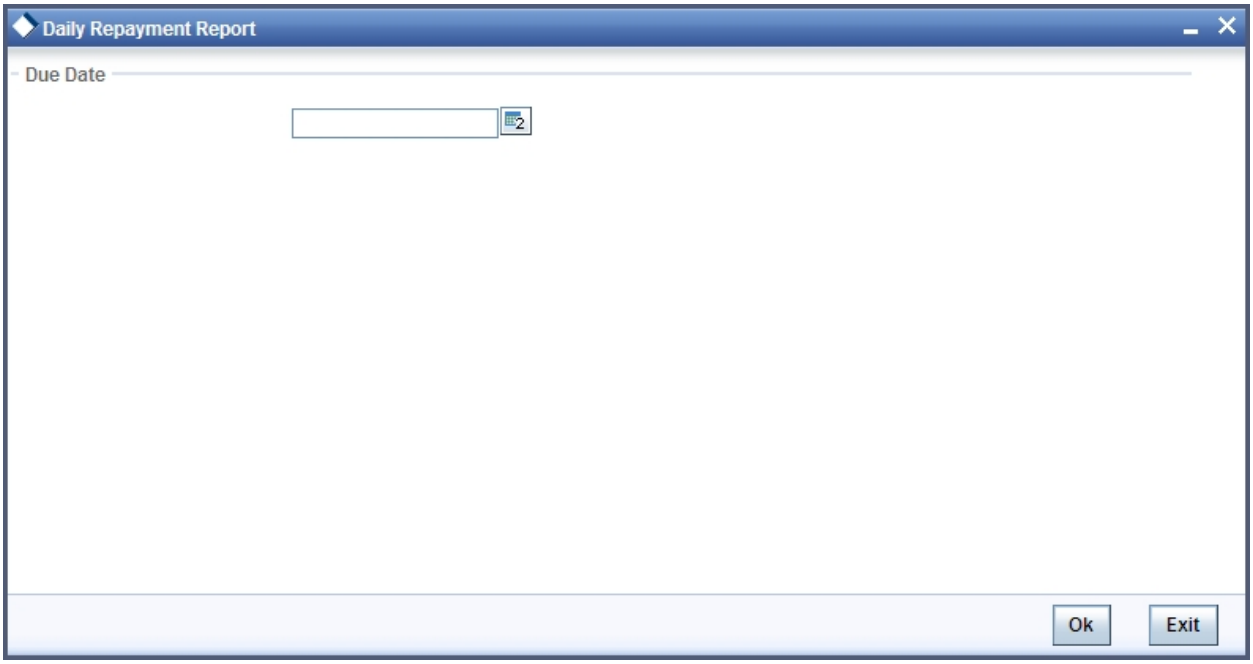
The following details are displayed:

Branch Code	This indicates the branch code.
Account Number	This indicates the account number.
Customer ID	This indicates the ID of the customer.
Customer Name	This indicates the name of the customer.
Booked date	This indicates the contract booking date.
Value date	This indicates the contract value date.
Amount Financed	This indicates the amount financed in the contract.
Profit Rate	This indicates the profit rate.
Disbursed Amount	This indicates the disbursed amount.
Tenor	This indicates the tenor.
Sr No	This indicates the serial number.
Component Name	This indicates the name of the component.
Installment Date	This indicates the installment date.
Monthly Payment	This indicates the monthly payment amount.

11.6

11.7 Daily Repayments Report

This report generates the finance repayments due for the day for all the customers. You can invoke this screen by typing ‘CIRDLRPR’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Due Date

Specify the date as of which you want to generate finance repayment details.

11.7.1 Contents of the report

The contents of the ‘Daily Repayment Report’ are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

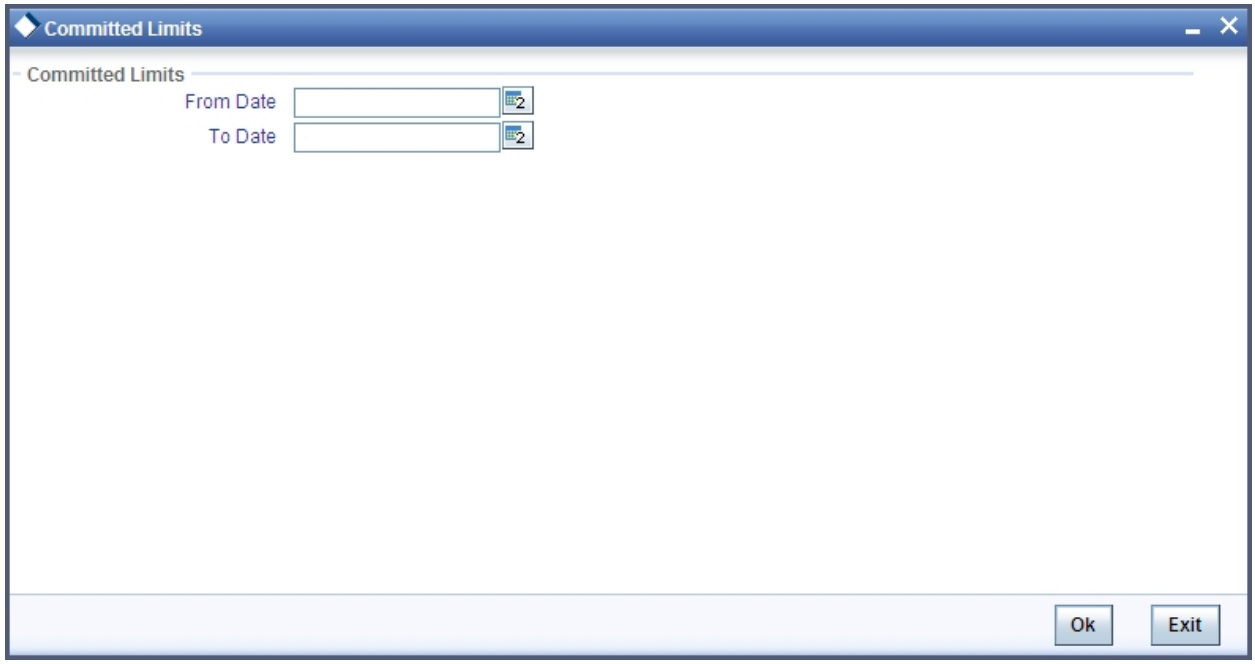
The following details are displayed:

Branch Code & Name	This indicates the branch code and the name of the branch.

Account Number	This indicates the account number of the customer.
Product	This indicates the product.
Customer Name	This indicates the name of the customer.
Currency	This indicates the transaction currency.
FCY Amount	This indicates the foreign currency amount.
LCY Amount	This indicates the local currency amount.
Tenor	This indicates the tenor.
Profit Rate	This indicates the profit rate.
MIS code and description	This indicates the MIS code and description.

11.8 Committed Limits Report

This report generates the details of the limit with the expiry which are attached to the finance contract. You can invoke this screen by typing 'CIRCOMLM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



From Date

Specify the date from which contract limit details should be made available in the report. The system will include all contracts whose date is equal to or greater than this date.

To Date

Specify the date till which contract limit details should be made available in the report. The system will include all contracts whose date is equal to or lesser than this date.

11.8.1 Contents of the report

The contents of the 'Committed Limits Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

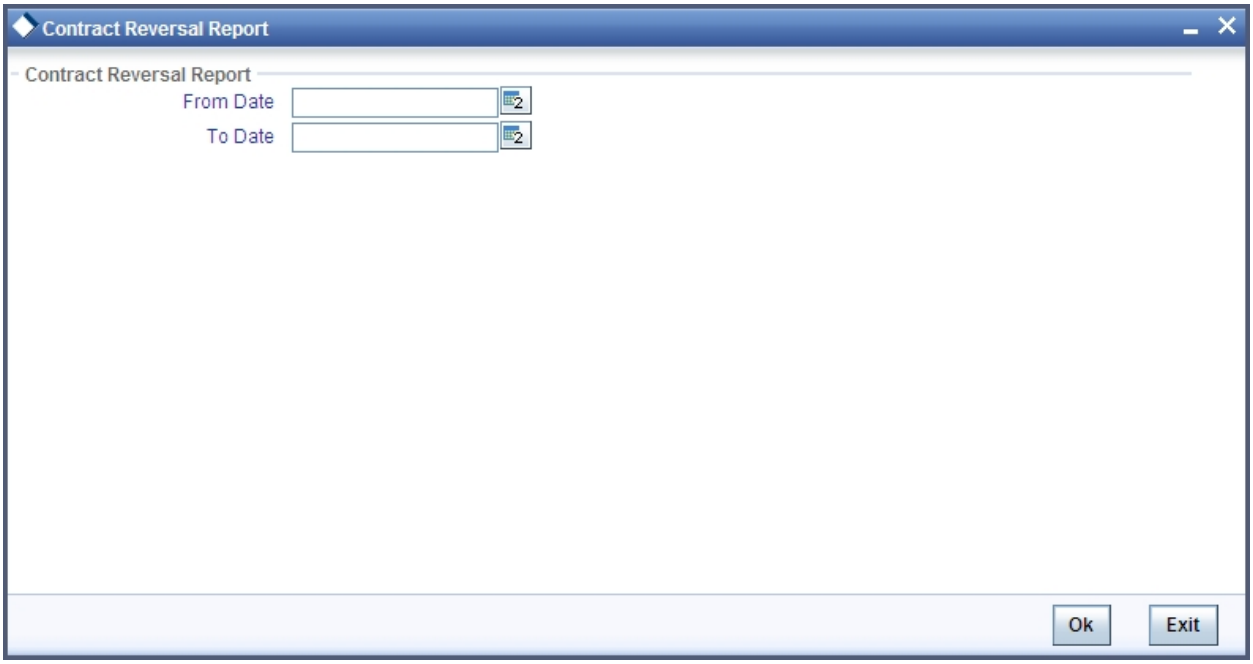
Body of the report

The following details are displayed:

Limit Number (Line CD + Serial Number)	This indicates the limit number.
CIF No.	This indicates the CIF number.
Customer Account No.	This indicates the account number of the customer.
Available. Balance	This indicates the available balance of the customer.
Contract Reference No	This indicates the unique contract reference number.
Profit Rate	This indicates the profit rate for the contract.
Accrued amount	This indicates the accrued amount.
Limit Start Date	This indicates the limit start date for the customer.
Limit Expiry Date	This indicates the limit expiry date for the customer.
Outstanding Balance.	This indicates the outstanding balanceof the customer.

11.9 Contract Reversal Report

This report generates the finance contracts that are reversed. You can invoke this screen by typing 'CIRACREV' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

From Date

Specify the date from which contract reversal details should be made available in the report. The system will include all contracts whose date is equal to or greater than this date.

To Date

Specify the date till which contract reversal details should be made available in the report. The system will include all contracts whose date is equal to or lesser than this date.

11.9.1 Contents of the report

The contents of the 'Contract Reversal Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

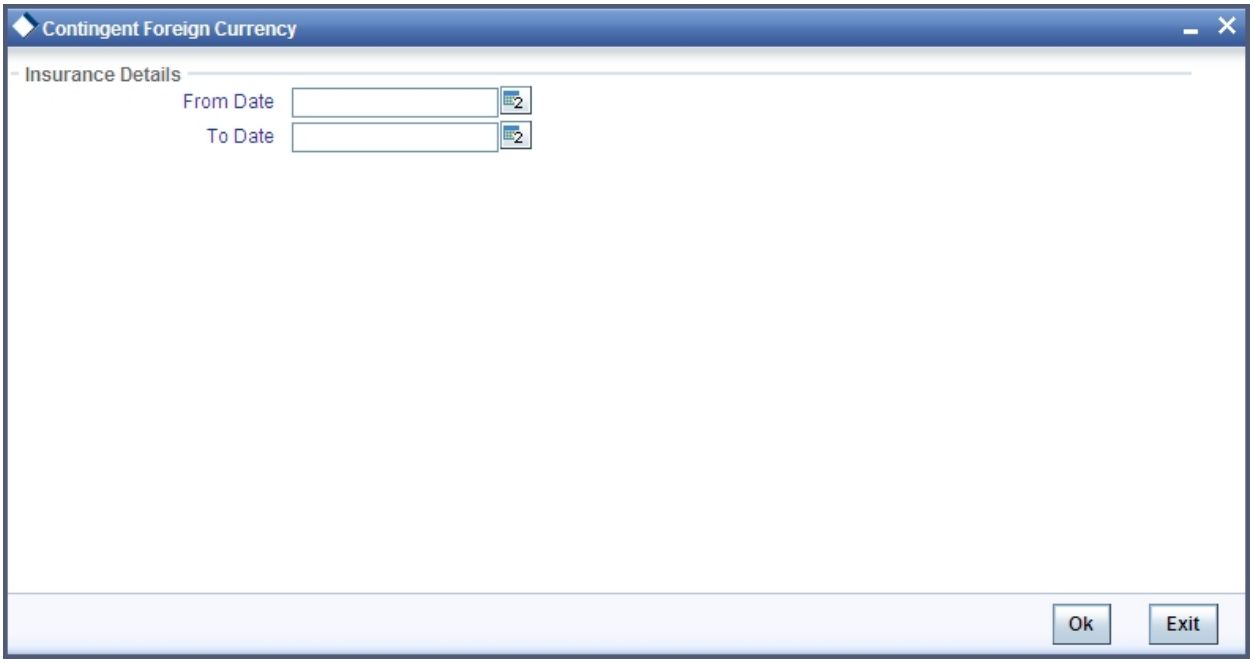
The following details are displayed:

Sr. No.	This indicates the serial number.
Account Number	This indicates the account number.

Value date	This indicates the value date of the contract.
Name of the customer	This indicates the name of the customer.
Passport No.	This indicates the passport number of the customer.
NID No- National Identity	This indicates the national identity number.
Contract Reversal date	This indicates the contract reversal date.
Reversed Amount	This indicates the reversed amount.
SI Account No.	This indicates the SI account number.
Customer City	This indicates the city of the customer.
User ID / Authorizer ID	This indicates the user ID and the authorizer ID.

11.10 Insurance Report

This report generates the details of the Insurance payable for a finance contract with the insurance details. You can invoke this screen by typing 'CIRINSRD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following options for generating the report:

From Insurance Date

Specify the beginning of the period for which you want the system to generate insurance payable details. The system will include all contracts whose dates are greater than or equal to this date.

To Insurance Date

Specify the end of the period for which you want the system to generate insurance payable details. The system will include all contracts whose dates are lesser than or equal to this date.

11.10.1 Contents of the report

The contents of the 'Insurance Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

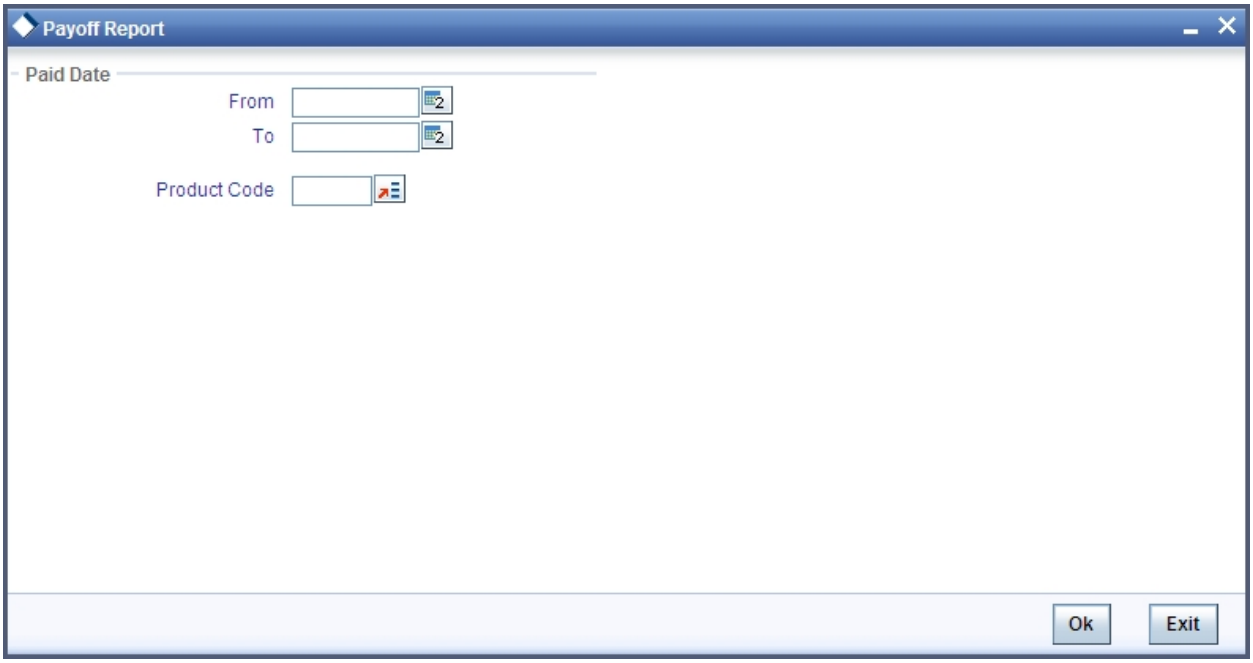
The following details are displayed:

Sr. No.	This indicates the serial number.
Account No	This indicates the account number.
Book date	This indicates the booking date of the contract.
Contract Value date	This indicates the value date of the contract.
Customer Name	This indicates the name of the customer.
Passport No.	This indicates the passport number of the customer.
NID No- National Identity	This indicates the national identity number.
Product code	This indicates the code of the product.
Property Address	This indicates the address of the property.
Insurance Policy No	This indicates the policy number of the insurance.
Insurance Policy Date	This indicates the policy date of the insurance.
Insurance Policy Expiry Date	This indicates the policy expiry date of the insurance.
Disbursed Amount	This indicates the amount disbursed for the policy.

Outstanding Principal	This indicates the outstanding principal of the policy.
Premium Amount	This indicates the premium amount of the policy.
Insurance Company Name	This indicates the name of the insurance company.
Insurance Company Code	This indicates the code of the insurance company.

11.11 Payoff Report

This report generates the contracts where full settlement of the schedules is done. This Report displays the liquidated contract details. You can invoke this screen by typing 'CIRFLPAY' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following options for generating the report:

From

Specify the beginning of the period for which you want the system to generate payoff details. The system will include all contracts whose dates are greater than or equal to this date.

To

Specify the end of the period for which you want the system to generate payoff details. The system will include all contracts whose dates are lesser than or equal to this date.

Product Code

Specify the product code for which you want details. The adjoining option list contains all the relevant product codes. Select the appropriate one.

11.11.1 Contents of the report

The contents of the 'Payoff Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

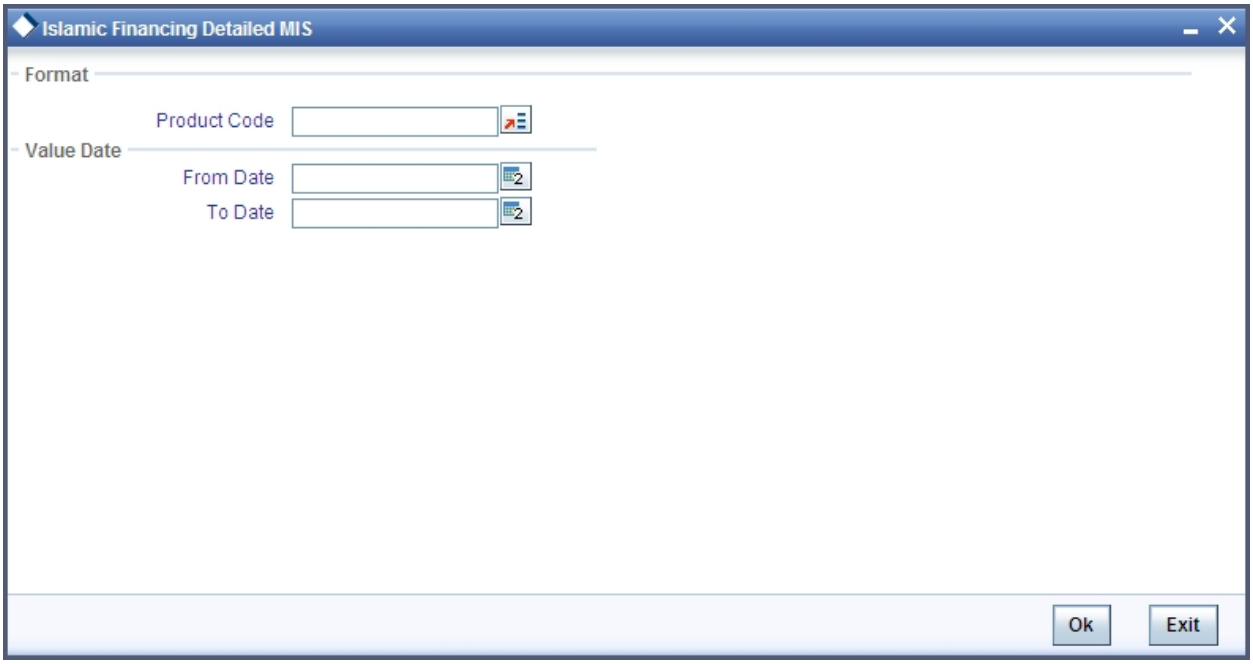
Body of the report

The following details are displayed:

Serial Number	This indicates the serial number.
Contract Reference number	This indicates the contract reference number.
Customer Number	This indicates the customer number.
SI No	This indicates the standing instruction number.
City	This indicates the customer's city.
Book date	This indicates the booking date of the contract.
Value date	This indicates the value date of the contract.
Component Name	This indicates the name of the component.
Customer Name	This indicates the name of the customer.
Father Name	Father's name of the customer.
Passport No.	This indicates the passport number of the customer.
NID No- National Identity	This indicates the national identity number of the customer.
Product code	This indicates the product code.
Paid Amount	This indicates the paid amount.
Paid Date	This indicates the paid date.

11.12 Islamic Financing - Detailed MIS Report

This report generates full details of the finance account with customer and account details such as amount financed, due amount, etc. You can invoke this screen by typing 'CIRMISDT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following options for generating the report:

Product Code

Specify the product code for which you require details. The adjoining option list contains all the relevant product codes. Select the appropriate one.

From Date

Specify the date from which the financing details should be made available in the report.

To Date

Specify the date till which financing details should be made available in the report.

11.12.1 Contents of the report

The contents of the 'Islamic Financing – Detailed MIS' report are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

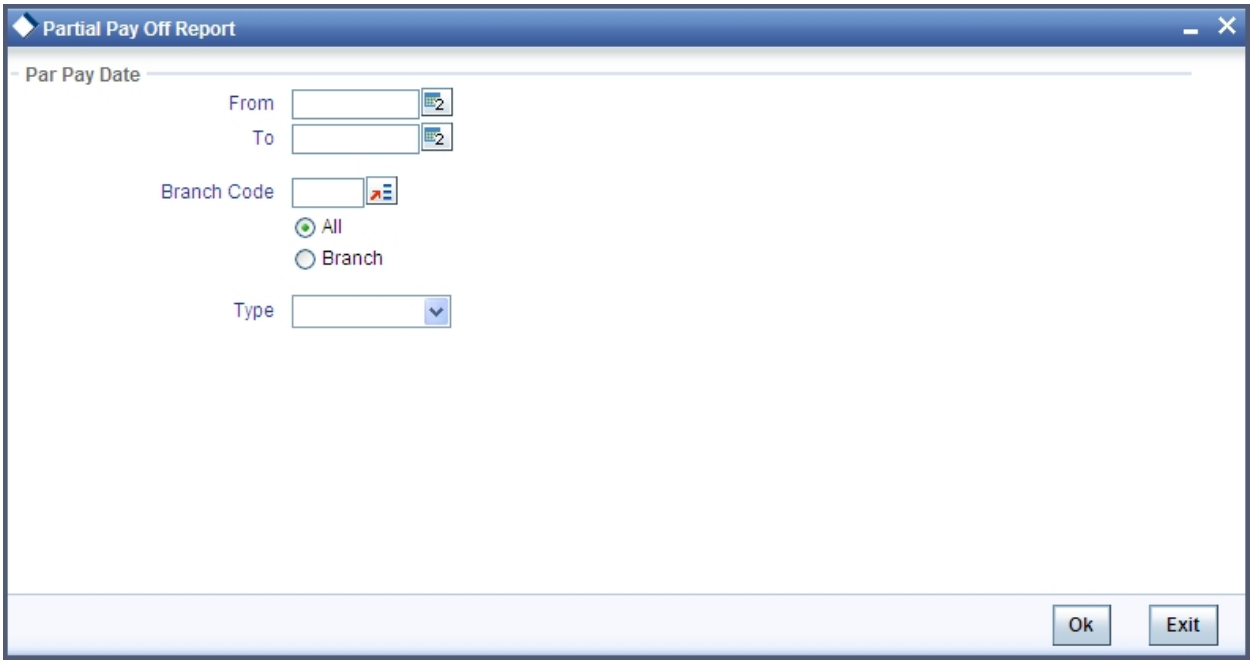
The following details are displayed:

Branch Code.	This indicates the code of the branch.
Product Code	This indicates the code of the product.
Contract Reference Number	This indicates the contract reference number of the customer.
Customer No	This indicates the customer number of the customer.
Customer Name	This indicates the name of the customer.
SI No.	This indicates the standing instruction number.
SI Account Opening date	This indicates the opening date of the standing instruction account.
City	This indicates the customer's city.
Contract Value date	This indicates the value date of the contract.
Contract Status	This indicates the status of the contract.
Maturity Date Tenor	This indicates the maturity date tenor.
Name of the customer	This indicates the name of the customer.
Passport No.	This indicates the passport number of the customer.
NID No- National Identity	This indicates the national identity number of the customer.
Nationality	This indicates the nationality of the customer.
Date of Birth	Date of birth of the customer.
Address	This indicates the address of the customer.
Phone Nos.	This indicates the contact number of the customer.
Disbursed Amount	This indicates the amount disbursed by the customer.

Outstanding Balance	This indicates the outstanding balance.
Number of installments	This indicates the number of installment.
Profit Accrued	This indicates the accrued profit.
Finance amount	This indicates the new finance amount.
Amendment date	This indicates the date amended.
Original Finance Amount (in case amendment done)	This indicates the original finance amount.
Profit Rate	This indicates the rate of profit.
Property Address	This indicates the customer's property address.
Basis Amount	This indicates the basis amount.
Policy Number	This indicates the policy number of the customer.
Insurance Expiry Date	This indicates the expiry date of the insurance policy.
Co-Borrower Name 1	This indicates the first co-borrower's name.
Balloon Amount	This indicates the balloon amount.
Upfront Profit	This indicates the upfront profit amount.

11.13 Partial Pay-off Report

This report generates the CI contracts with part payments of schedules done with details of outstanding amounts. You can invoke this screen by typing 'CIRPTPAY' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following options for generating the report:

From

Specify the date from which details of partial payment are to be generated.

To

Specify the date till which details of partial payments are to be generated.

Branch Code

Indicate if you want details for all branches or only a particular branch. In case of the latter option, select the required branch code from the adjoining option list.

Asset Type

Select the asset type for which you require partial payment details. You can choose any one of the following:

- Vehicle
- Goods
- Property
- Project
- Equipment
- Building
- Service Ijarah

11.13.1 Contents of the report

The contents of the 'Partial Payoff Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

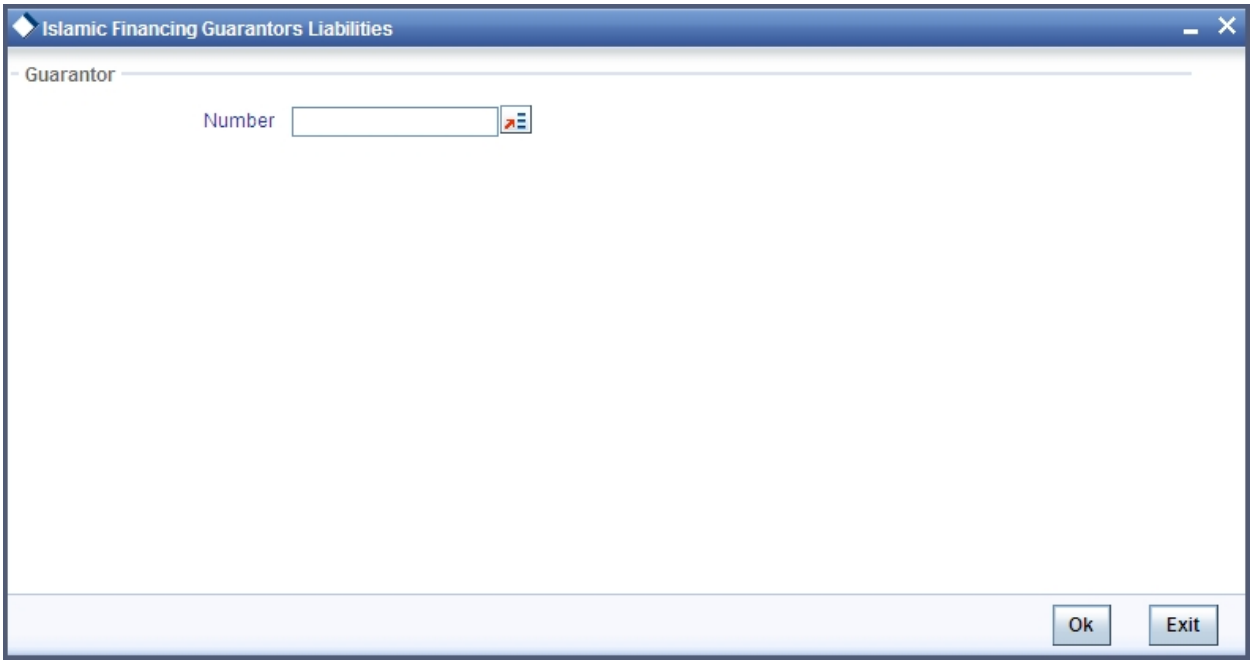
Body of the report

The following details are displayed:

Branch Code.	This indicates the code of the branch.
Contract Ref number	This indicates the contract reference number.
Book date	This indicates the booking date of the contract.
Maturity date	This indicates the maturity date of the contract.
Customer Name	This indicates the name of the customer.
Partial PAY OFF date	This indicates the partial pay off date fo the customer.
Profit	This indicates the profit amount.
Outstanding Principal	This indicates the outstanding principal.
Rate	This indicates the profit rate.
Book Tenor	This indicates the current tenor.
Remaining Tenor	This indicates the remaining tenor for the contract.

11.14 Guarantor's Liabilities/Contracts facilitated by a Guarantor

This report displays the details of guarantor's liabilities and will list the contract facilitated by guarantors. You can invoke the 'Islamic Financing Guarantors Liabilities' screen by typing 'CIRGLIAB' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Number

Specify the guarantor's liabilities or the contract reference number for which you want to generate the report.

Contents of the report

The contents of the 'Guarantor's Liabilities/Contracts facilitated by a Guarantor' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

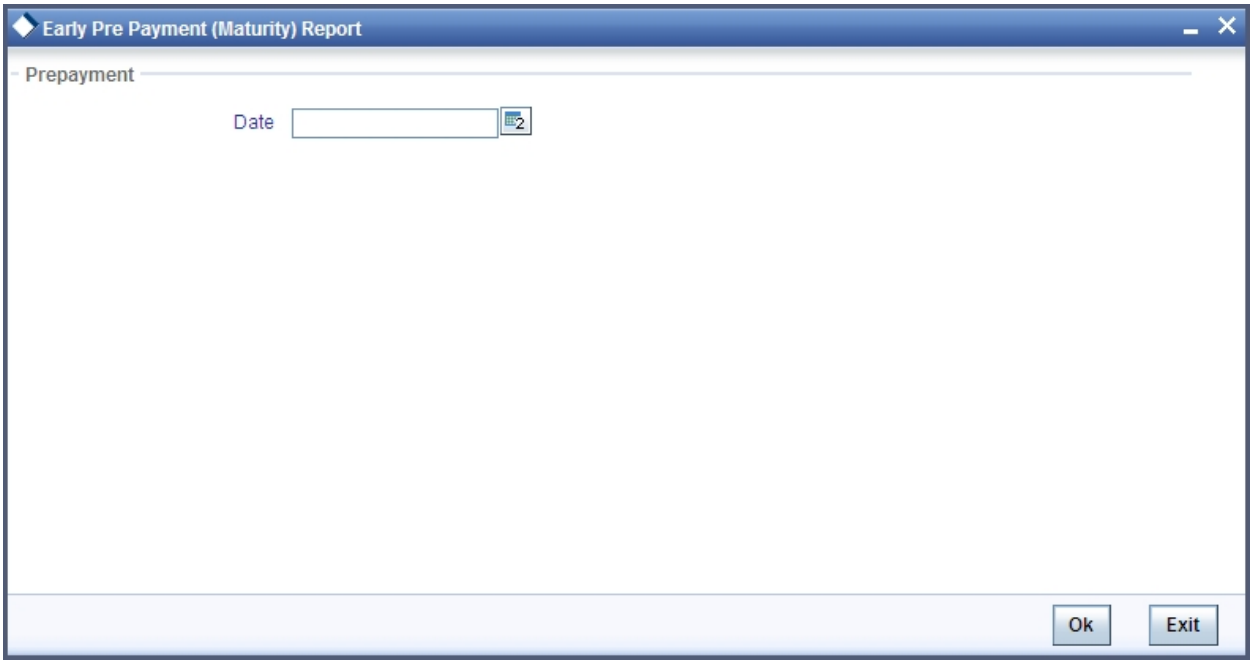
The following details are displayed:

Guarantor's CIF No.	This indicates the Guarantor's CIF number.
Guarantor Name	This indicates the name of the guarantor.
Guarantor Account	This indicates the account of the guarantor.

Counterparty CIF No.	This indicates the counterparty's reference number.
Counterparty Name	This indicates the name of the counterparty.
Counterparty Account	This indicates the account of the counterparty.
Contract Reference No.	This indicates the contract reference number.
Facility Type/ Line Code	This indicates the type of facility or line code.
Contract amount currency	This indicates the contract amount currency.
Contract Outstanding principal	This indicates the outstanding principal of the contract.
Contract Outstanding profit	This indicates the outstanding profit of the contract.

11.15 Daily Early pre-payments (maturity) Report

This report displays the finance early pre-payment details for the day for individual customers. You can invoke this screen by typing 'CIRDLEPP' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Date

Specify the date from when you want to generate this report.

11.15.1 Contents of the report

The contents of the 'Daily Early pre-payments (maturity) Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

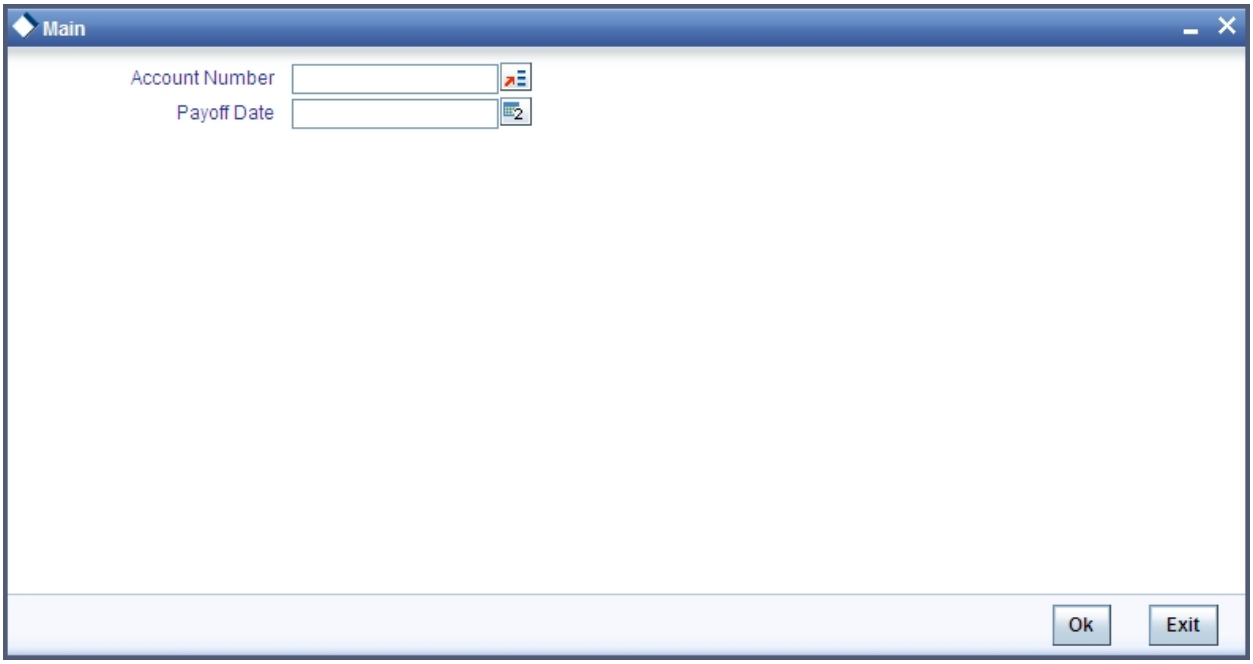
Body of the report

The following details are displayed:

Branch Code & Name	This is the name and code of the branch.
Account Number	This is the account number.
Product	This is the product name.
Customer Name	This is the name of the customer.
Product Code	This is the code of the product.
Value Date	This is the value date for the contract.
Maturity Date	This is the maturity date for the contract.
Rate	This is the rate in the contract.
Outstanding Balance	This is the outstanding balance for the contract.
Currency	This is the currency of the contract.
Local Currency Amount	This is the amount in local currency.
Foreign Currency Amount	This is the amount in foreign currency.
Tenor	This is the tenor.
MIS Code & Description	This is the transaction MIS code and description.

11.16 Payoff Calculator – Account Report

This report lists the detailed component wise breakup of finance contract due for payment with due dates. You can invoke this screen by typing 'CIRPAYAC' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

Account No

Select the finance account number for which you need to generate the report.

Payoff Date

Enter the payoff date up to which the report has to be generated.

11.16.1 Contents of the report

The contents of the 'Payoff Calculator – Account Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

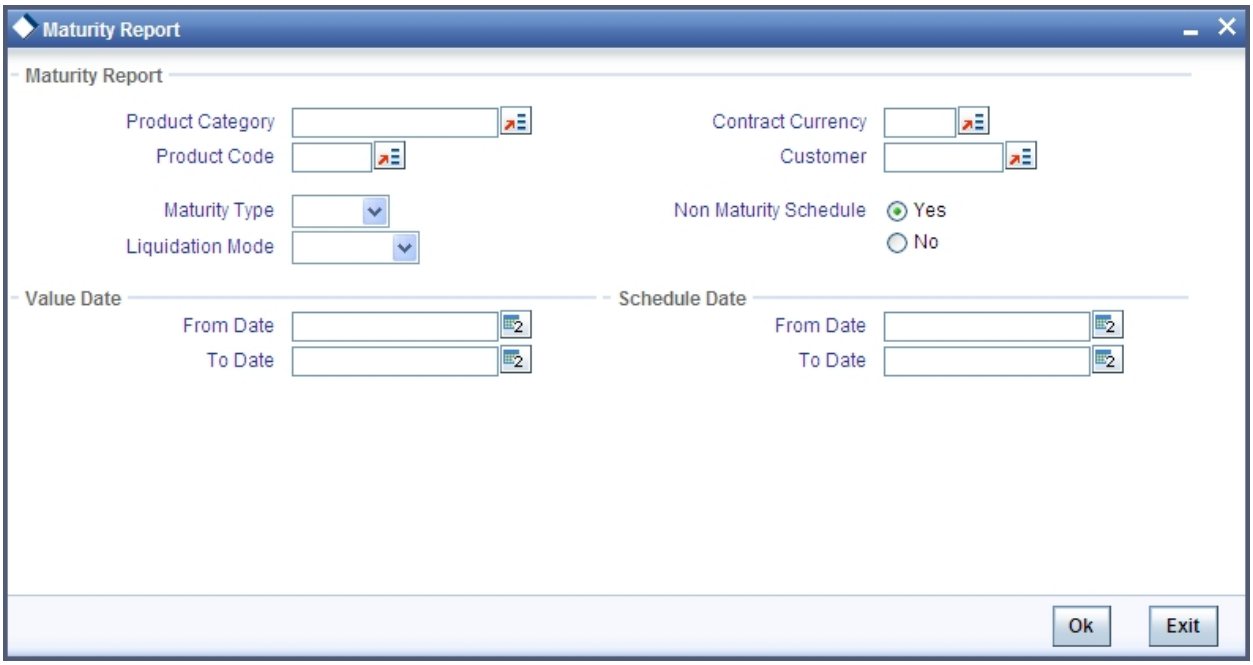
The following details are displayed:

Payoff Values for the Finance Amount	
Principal Amount Due	This indicates the principal amount that is due.
Profit Amount due	This indicates the profit amount due.

Net Payoff	This indicates the net payoff.
Prepayment Fees	This indicates the fees for pre-payment.
Component Wise Fees/ Charges Details	
Component Name	This indicates the component name.
Scheduled	This indicates if it is scheduled.
Accessed and Unpaid Fees/ Charges	This indicates the accessed and unpaid fees and charges of the customer.
Component Wise per Diem/ Projected Profit Due	
Component Name	This indicates the component name.
Per Diem	This indicates the per diem value.
Projected Due	This indicates the projected due.

11.17 Maturity Report

This report lists the accounts that are due for payment with component details. You can invoke this screen by typing 'CIRPMATR' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

Product Category

You can generate the report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Contract Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be

- Fixed - this type of a finance has a fixed maturity date.
- Call - If the maturity date is not fixed the finance can be liquidated any time.

From Date (Schedule Date)

Specify the Starting Date of the schedule.

To Date (Schedule Date)

Specify the Ending Date of the schedule.

Liquidation Mode

Components of a finance can be liquidated automatically or manually. In auto liquidation a schedule will be automatically liquidated on the day it falls due. In manual liquidation a schedule amount has to be liquidated manually.

You can generate the report based on the liquidation mode that you have specified. The report can be generated only for finances with auto liquidation or you can generate the report for finances that have to be manually liquidated.

Non Maturity Schedules

Select the option 'YES' to indicate you want the report to include finances which have not matured. Select the option 'NO' to indicate it should include matured finances.

11.17.1 Contents of the report

The contents of the 'Maturity Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

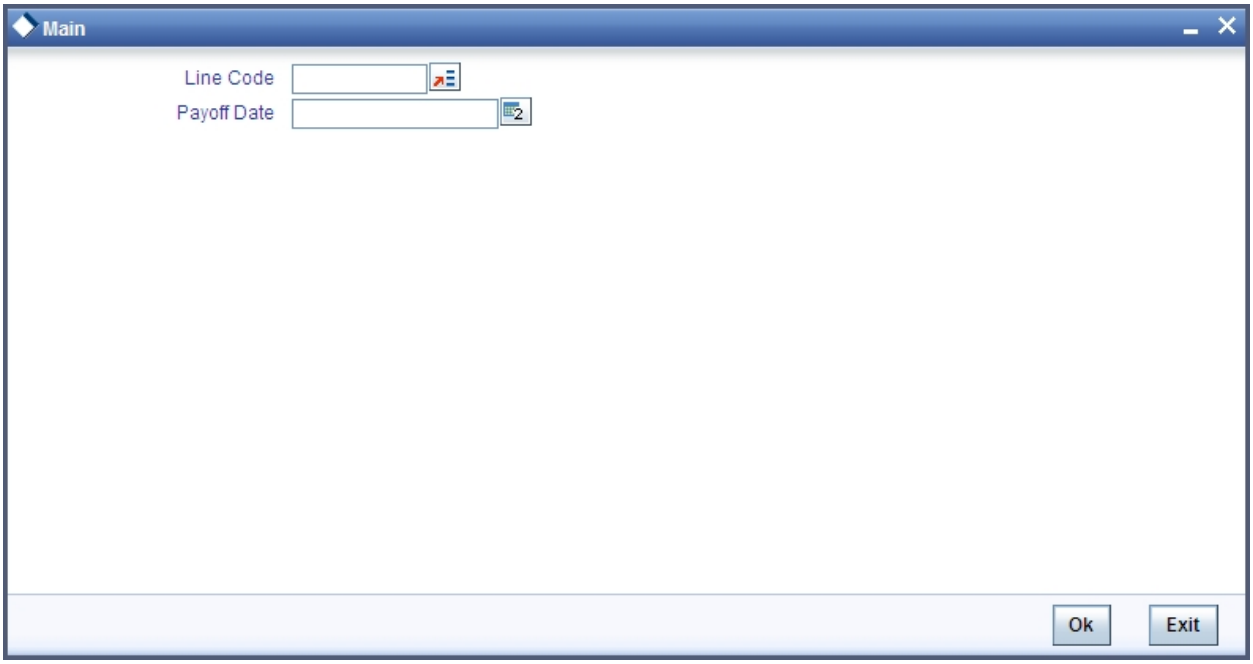
Body of the report

The following details are displayed:

Call Contracts	
Customer ID and Name	This indicates the ID and name of the customer.
Account Number	This indicates the account number of the customer.
Currency	This indicates the currency of the customer.
Contract Amount	This indicates the contract amount.
Outstanding Amount	This indicates the outstanding amount.
Fixed Contracts	
Due Date	This indicates the due date.
Customer ID and Name	This indicates the ID and name of the customer.
Account Number	This indicates the account number of the customer.
Maturity Date	This indicates the maturity date.
Component Name	This indicates the component name.
Currency	This indicates the currency.
Due Amount	This indicates the due amount.
Outstanding Amount	This indicates the outstanding amount.

11.18 Payoff Calculator – Line Report

This report displays display line wise details of finance contract, components due for payment. You can invoke this screen by typing 'CIRPAYLM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

Line Code

Select the line Id for which you need to generate report.

Payoff Date

Enter the Payoff date up to which the report has to be generated.

11.18.1 Contents of the report

The contents of the 'Payoff Calculator – Line Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

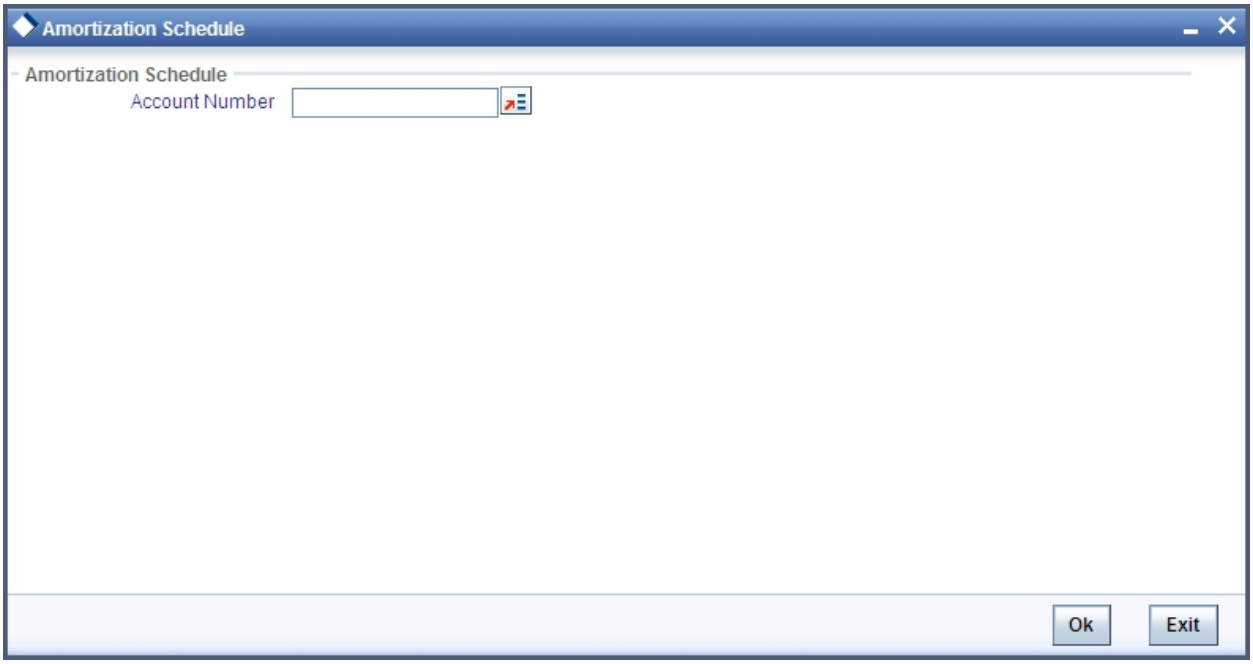
Body of the report

The following details are displayed:

Payoff Values for the Finance Amount	
Principal Amount Due	This indicates the principal amount that is due.
Profit Amount due	This indicates the profit amount due.
Net Payoff	This indicates the net payoff.
Prepayment Fees	This indicates the fees for pre-payment.
Unused Line Fee	This indicates the fees for the amount not used in a line.
Component Wise Fees/ Charges Details	
Component Name	This indicates the name of the component.
Accessed and Unpaid Fees/ Charges	This indicates the accessed and unpaid fees and charges of the customer.
Scheduled	This indicates if it is scheduled.
Component Wise per Diem/ Projected Profit Due	
Component Name	This indicates the name of the component.
Per Diem	This indicates the per diem value.
Projected Due	This indicates the projected due.

11.19 Amortization Schedule Report

This report displays the schedule details and component wise break up of each schedule of financing contract. You can invoke this screen by typing ‘CIRPAMSC’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

Finance Account Number

Enter the account number for which amortization details should be displayed in the report. If you do not enter an account number here, the report will be generated for all accounts.

11.19.1 Contents of the report

The contents of the ‘Amortization Schedule Report’ are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

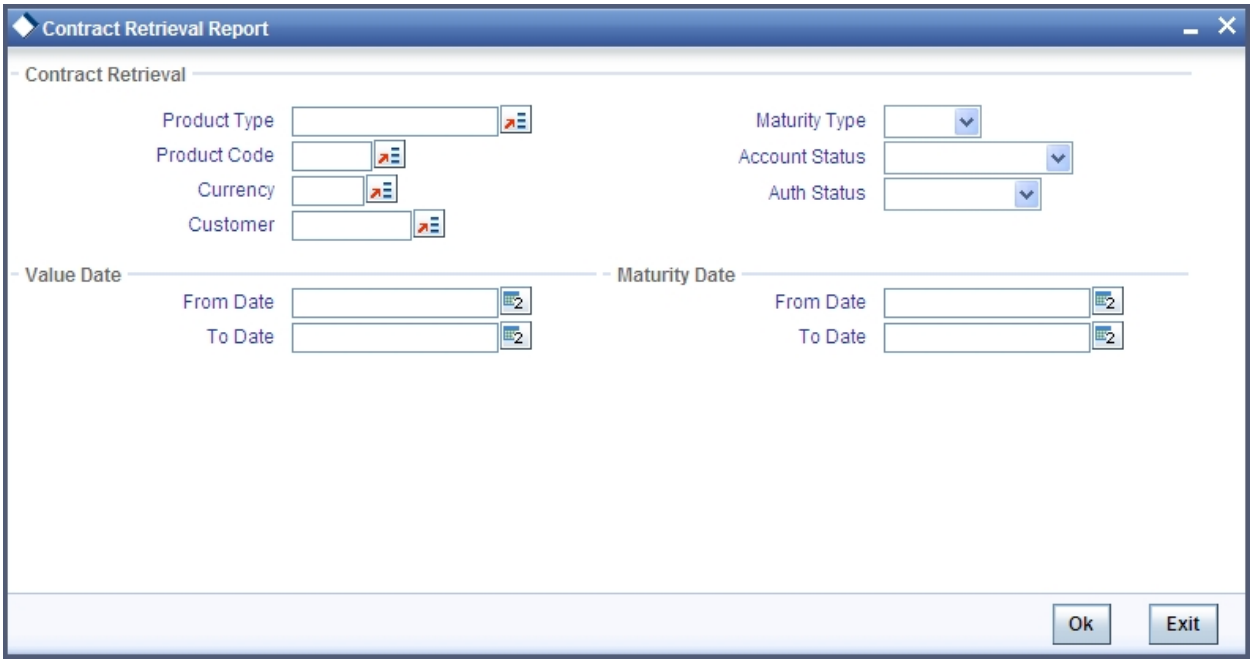
The following details are displayed:

Account Number	This indicates the account number of a customer.

Product	This indicates the product.
Customer ID	This indicates the ID of the customer.
Principal	This indicates the principal.
Tenor	This indicates the tenor.
Due Date	This indicates the due date.
Installment	This indicates the installment.
Profit Due	This indicates the profit due.
Principal Due	This indicates the principal due.
Total Amount Due	This indicates the total amount due.

11.20 Contract Retrieval Report

This report displays display the account details like Product/ Customer/ Value Date/ Maturity Date. You can invoke this screen by typing 'CIRPRETR' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

Product Type

You can generate this report for a specific product type or for all types of product. Select a product type from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Account Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To (Value Date)

Enter the Value Date of the contracts. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be

- Fixed - this type of a finance has a fixed maturity date
- Call - If the maturity date is not fixed the finance can be liquidated any time

From (Maturity Date)

Specify the Maturity Date of the finance. The report will be generated for all contracts whose Maturity Date is equal to, or greater than the date you have specified here.

To (Maturity Date)

Specify the Maturity Date of the finance. The report will be generated for all contracts whose Maturity Date is equal to, or less than the date you have specified here.

Account Status

You can generate the report based on the status of the finance contract. The report can be generated for finances with the following statuses only:

- Active
- Liquidated
- Reversed
- To be initiated

All the finances with the specified status for the specific period will be reported.

Auth Status

You can generate the report for finance contracts either with an authorized or unauthorized status.

11.20.1 Contents of the report

The contents of the 'Contract Retrieval Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

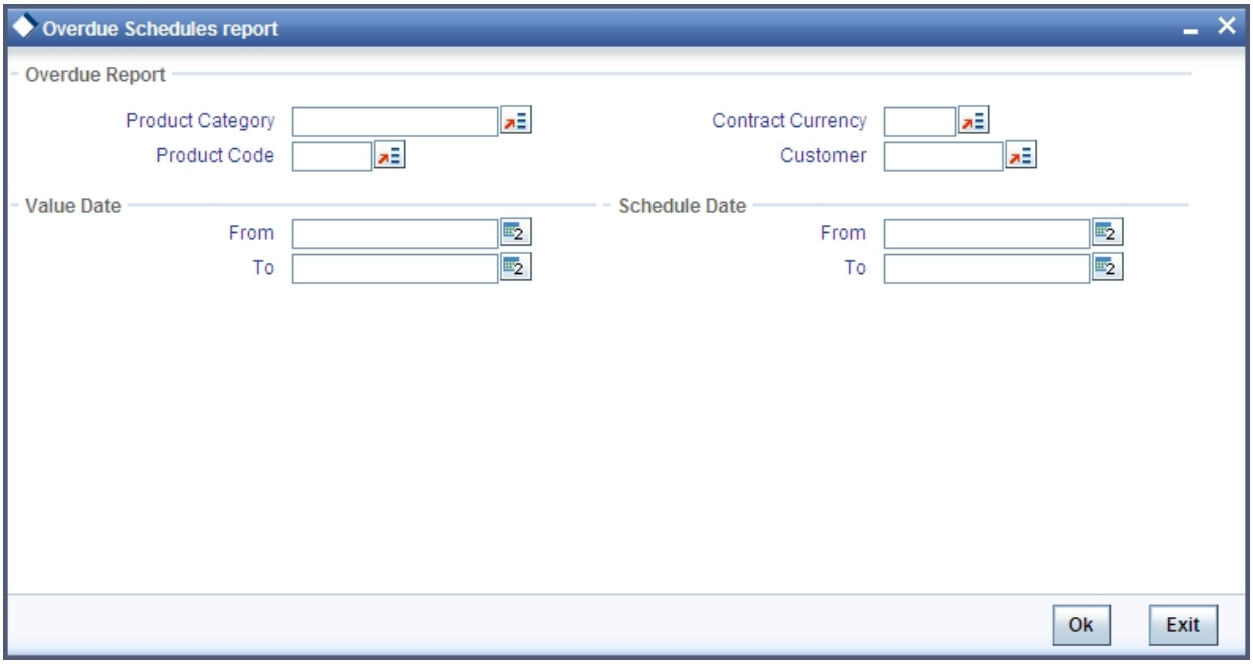
The following details are displayed:

Account Number	This indicates the account number of a customer.
Account Status	This indicates the status of the account.
Outstanding Amount	This indicates the outstanding amount of the customer.
Product Category	This indicates the category of the product.
Product Code	This indicates the product code.
User reference No	This indicates the user reference number.
Customer and Customer Name	This indicates the ID and name of the customer.
Account Currency	This indicates the currency used for transaction.
Finance Amount	This indicates the contract amount.
Original Start Date	This indicates the original start date of the transaction.
Booking Date	This indicates the booking date of the transaction.
Value Date	This indicates the value date.
Maturity Type	This indicates the maturity type.
Maturity Date	This indicates the maturity date.

Tenor	This indicates the tenor.
User Defined Status	This indicates the status defined by the user.
Auth Status	This indicates the authorization status.
EUR Currency	This indicates the Euro type maintained for the currency.
Liquidation Mode	This indicates the mode of liquidation.
Rollover Mode	This indicates the rollover mode.
Rollover Count	This indicates the rollover count.
Component	This indicates the component.
Currency	This indicates the currency.
Rate Type	This indicates the rate type.
Code Usage	This indicates the Rate Code used when the Rate Type is 'Floating'.
Effective Rate	This indicates the effective rate.
Special Amount	It indicates the Profit Amount if the Rate Type is 'Special'.

11.21 Overdue Schedules Report

This report displays the overdue schedules for an Islamic financing contract. You can invoke this screen by typing 'CIRPOSCH' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



Product Type

You can generate this report for a specific type of product or for all types of products. Select a product type from the option list provided.

Product Code

You can generate a product-wise report. Select the product code from the option list, which contains all valid products under the category you have selected.

Contract Ccy

Under specific product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

From Date (Schedule Date)

Specify the Starting Date of the schedule.

To Date (Schedule Date)

Specify the Ending Date of the schedule.

11.21.1 Contents of the report

The contents of the 'Overdue Schedules Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

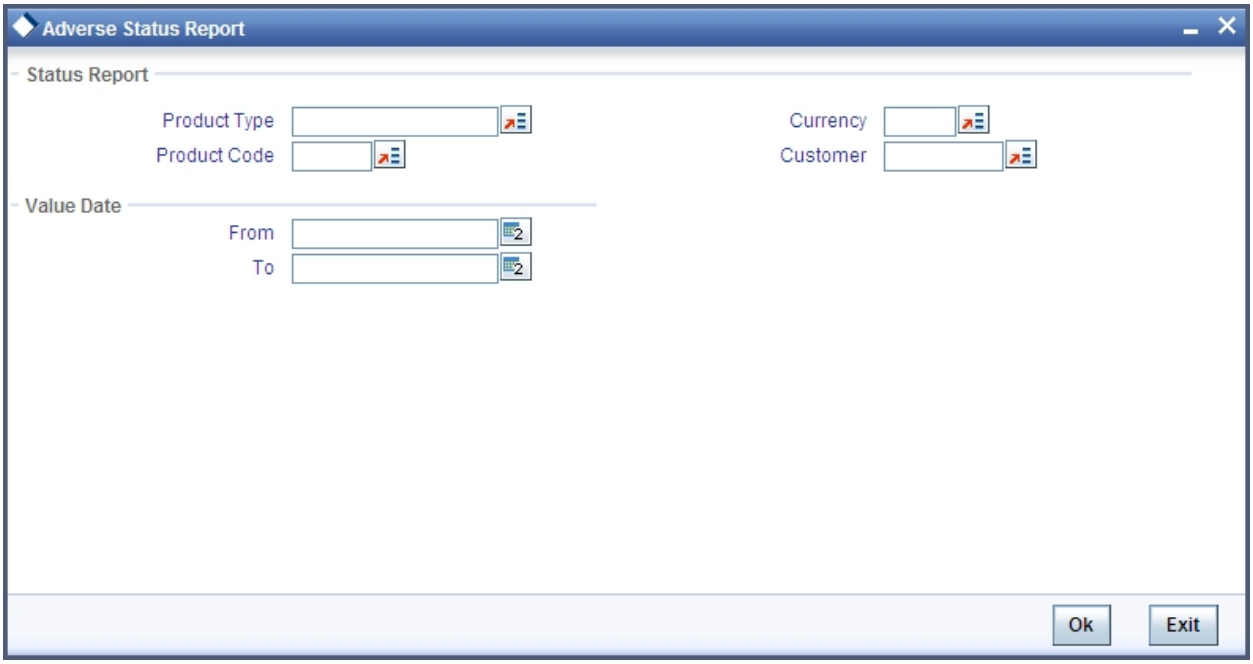
Body of the report

The following details are displayed:

Due Date	This indicates the due date.
Overdue days	This indicates the overdue days.
Customer and Name	This indicates the ID and name of the customer.
Account Number	This indicates the account number of a customer.
Status	This indicates the status of the account.
Components	This indicates the components.
Currency	This indicates the currency used for transaction.
Overdue Amount	This indicates the overdue amount.
Euro Equivalent	This indicates the Euro equivalent amount.
Cumulative Overdue Amount	This indicates the total amount overdue.

11.22 Adverse Status Report

The Adverse status report gives details of the component wise adverse status and dues for an Islamic financing contract.You can invoke this report screen by typing 'CIRPSTAT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

Product Type

You can generate this report for a specific type of product or for all types. Select a product category from the option list provided.

Product Code

You can generate a product-wise report. Select the product code from the option list that contains all valid products under the category you have selected.

Account Ccy

Under specific product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the value date of the contract from when you want to generate the report. The system will generate a report for the contracts that have a value date greater than the date you enter here.

To Date (Value Date)

Enter the value date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

11.22.1 Contents of the report

The contents of the 'Adverse status report' are discussed under the following heads:

Header

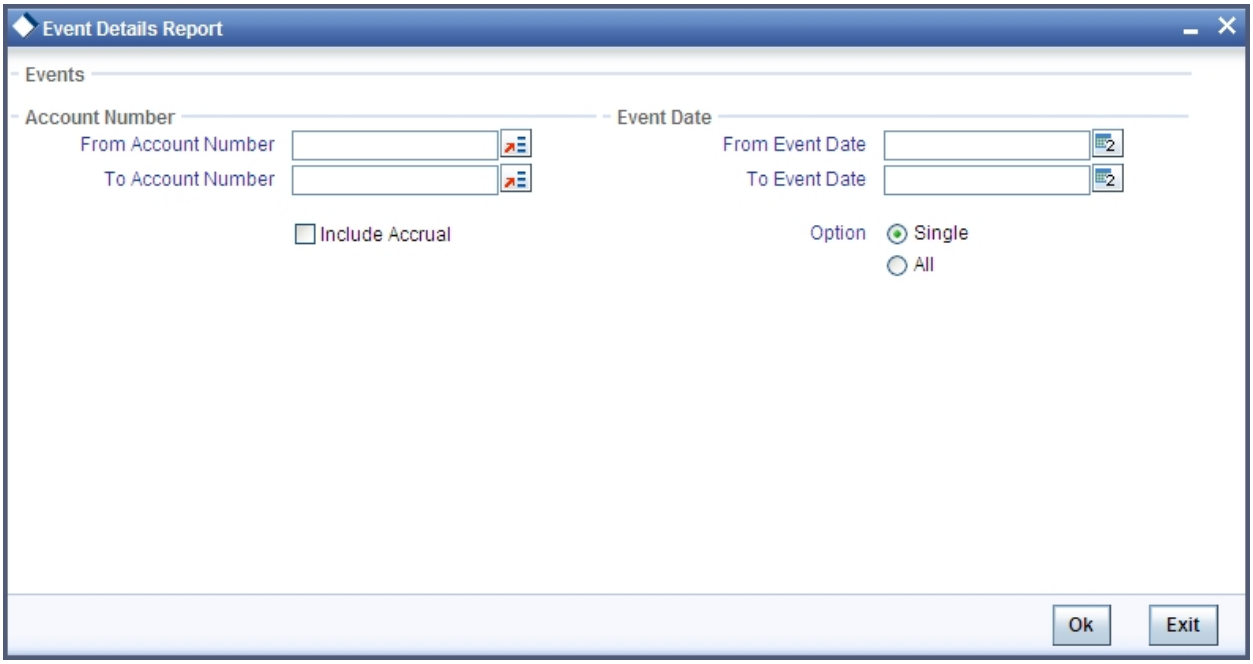
The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the Report

Customer	This is the CIF ID of the customer involved in the finance.
Customername	The name of the customer
Account Number	This is the account number of the finance being reported
Component	The component whose status details the report reflects
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed
Maturity	This is the Maturity Date of the finance
Maximum overdue days	If more than one account is overdue under the product, this field will reflect the number of overdue days of the account with the highest number of overdue days
Product Code	This indicates the code of the product used in the finance
Status	This indicates the status of the contract
Overdue Amount	This is the total amount that is overdue for the component as of the date of report generation
Earliest Due Date	The earliest due date of the contract
Latest Due Date	The latest due date of the contract
Cumulative Overdue Amount	The cumulative overdue amount of the contract

11.23 Event Report

This report lists the events information for an Islamic financing contract. You can invoke the screen to generate this report by typing 'CIRPEVNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following preferences for the report:

From (Account Number)

Select the starting account number. The system will display event details of all accounts from this account number.

To (Account Number)

Select the ending account number. The system will display event details of all accounts upto this account number.

If you do not enter an account number in the above two field, the system will display the event details of all accounts.

From (Event Date)

Enter the date from which event details should be generated in the report for accounts.

To (Event Date)

Enter the date upto which event details should be generated in the report for accounts.

You have the option of not specifying the ‘From’ and ‘To’ dates, but if you specify the ‘From Event Date’, it will be mandatory for you to specify the ‘To Event Date’.

Include Accrual Events also

Check this box to indicate accrual related events should be included.

Single Account No.

Select this option to indicate the report should be generated for a single account number or for a range.

All

Select this option to indicate the report should be generated for all accounts.

11.23.1 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

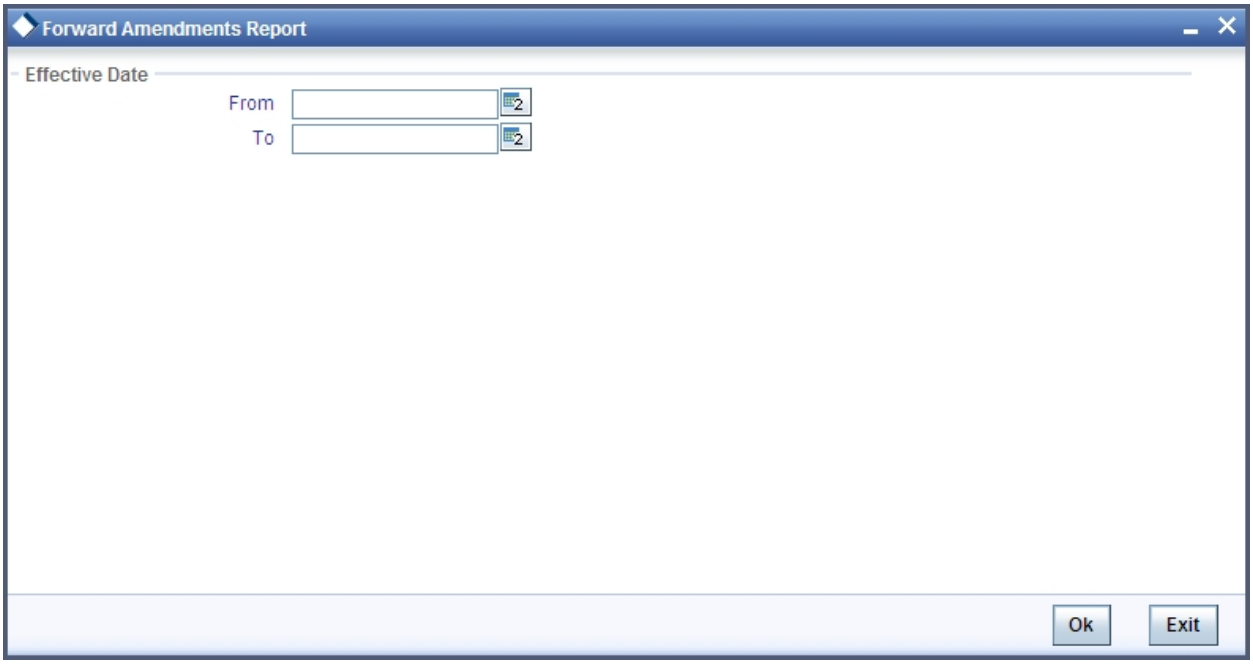
Body of the Report

Account Number	This indicates the finance account number.
Account Currency	This indicates the currency of the account.
Customer ID	This is the CIF ID of the customer involved in the finance.
Customer Name	This indicates the name of the customer.
Event Date	This indicates the date on which the event was triggered.
Event Description	This is description of the event for which details are being reported.
Component Name	This is the component for which details are displayed in the report.
Item Name	This indicates the amount tag.
Item Value	This indicates the amount posted in accounting entries for the event.
Item Currency	This indicates the currency in which accounting entries for the event are posted.

11.24 Forward Amendments Details Changes Report

The Forward Amendments Details Changes Report gives a list of all the amendments made to contracts with a future value date.

You can invoke this report screen by typing ‘CIRPFWCH’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

From (Effective Date)

Enter the date from which the report should include amendment details.

To (Effective Date)

Enter the date upto which the report should include amendment details.

11.24.1 Contents of the report

The contents of the 'Forward Amendments Details Changes Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the Report

The following details are displayed:

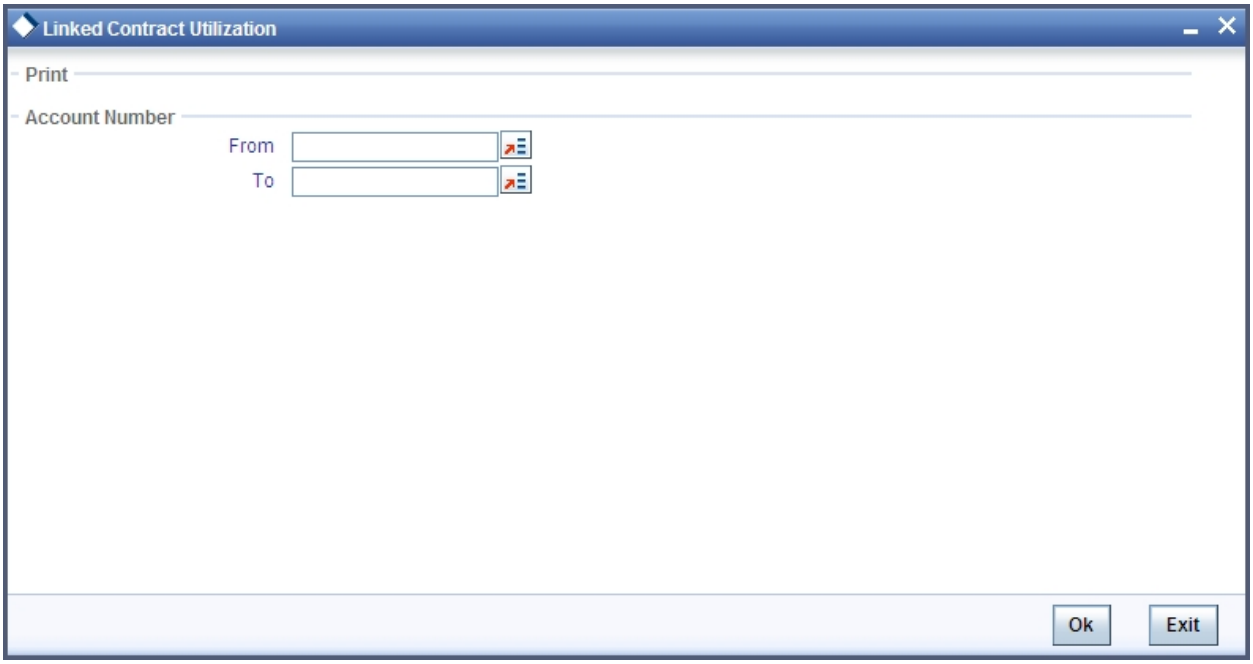
Account No	This indicates the account number of the contract for which the report is being generated.
Maturity Date	This indicates the Maturity Date of the contract.

Value Date	This indicates the Value Date of the contract.
Principal Amount	This indicates the principal finance amount of the contract.
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed.
Customer ID	This is the CIF ID of the customer involved in the finance.
Customer Name	This indicates the name of the customer.
Transaction Date	This indicates the date of the transaction.
Amendment Date	This indicates the date of amendment.
New Maturity Date	This indicates the Maturity Date after amendment.
Differential Amount	This is the difference between the original financed amount and the new financed amount. If there is no change in the finance value, this field will be zero.
Latest ESN	This indicates the latest Event Sequence Number.
Component Name	This indicates the component that has been amended.
New Rate	This indicates the new rate that has been applied to the component.
Old Rate	This indicates the original rate.
New Rate Code	This indicates the new rate code.
Old Rate Code	This indicates the original rate code.

11.25 Linked Contracts Utilization Report

This report will include the details of the accounts, lines or collaterals that have been linked to an account, based on the selection criteria. Linkage account details and the amount financed will be shown for each account in this report.

You can invoke this report screen by typing ‘CIRPLICU’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following preferences for the report:

From (Account Number)

Select the starting account number. The system will display event details of all accounts from this account number.

If you enter an account number in this field, you will have to enter an account number in the field 'To'.

To (Account Number)

Select the ending account number. The system will display event details of all accounts upto this account number.

If you do not enter an account number in the above two fields, the system will display the event details of all accounts.

11.25.1 Contents of the report

The contents of the 'Daily Early pre-payments (maturity) Report' are discussed under the following heads:

Header

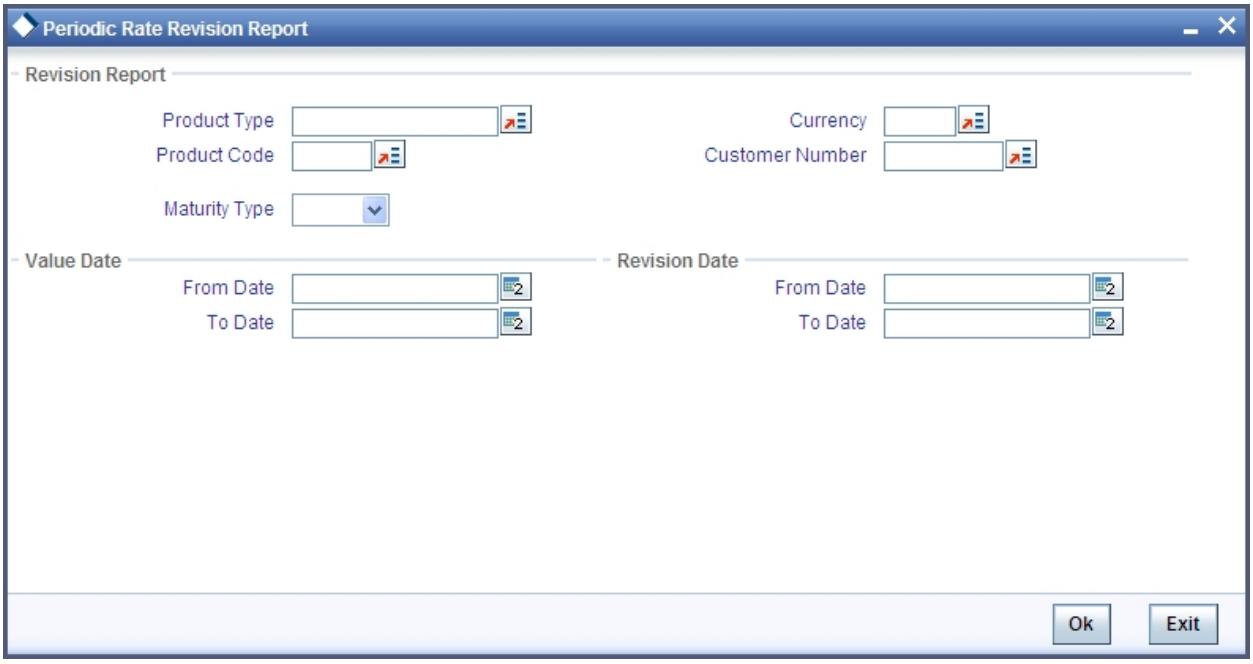
The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the Report

Account Number	This indicates the account number of the contract.
Amount Financed	This indicates the finance amount.
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed.
Value Date	This indicates the Value Date of the contract.
Maturity Date	This indicates the Maturity Date of the finance contract.
Line Type	This is the linkage type.
Line Reference. No.	This indicates the reference number of the linkage type.
Customer ID	This is the CIF ID of the customer involved in the finance.
Customer Name	This indicates the name of the customer.
Linkage Amount	This indicates the amount linked.
Secured Portion	This is the secured portion of the finance.

11.26 Periodic Rate Revision Report

This report displays the periodic rate revisions along with the new revised UDE values. You can invoke this report screen by typing 'CIRPREVN' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. The screen is displayed below:



You can specify the following preferences for the report:

Product Type

You can generate this report for a specific type of product or for all types. Select a product category from the option list provided.

Product Code

Select the product code from the option list, which contains all valid products under the type you have selected.

Account Ccy

Under specific product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the value date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the value date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular maturity type. The Maturity type of a finance can be

- Fixed - this type of a finance has a fixed maturity date
- Call - If the maturity date is not fixed the finance can be liquidated any time

From Date (Revision Date)

Enter the Revision Date from which the report has to be generated.

To Date (Revision Date)

Enter the Revision Date unto which the report has to be generated.

11.26.1 Contents of the report

The contents of the 'Periodic Rate Revision Report' are discussed under the following heads:

Header

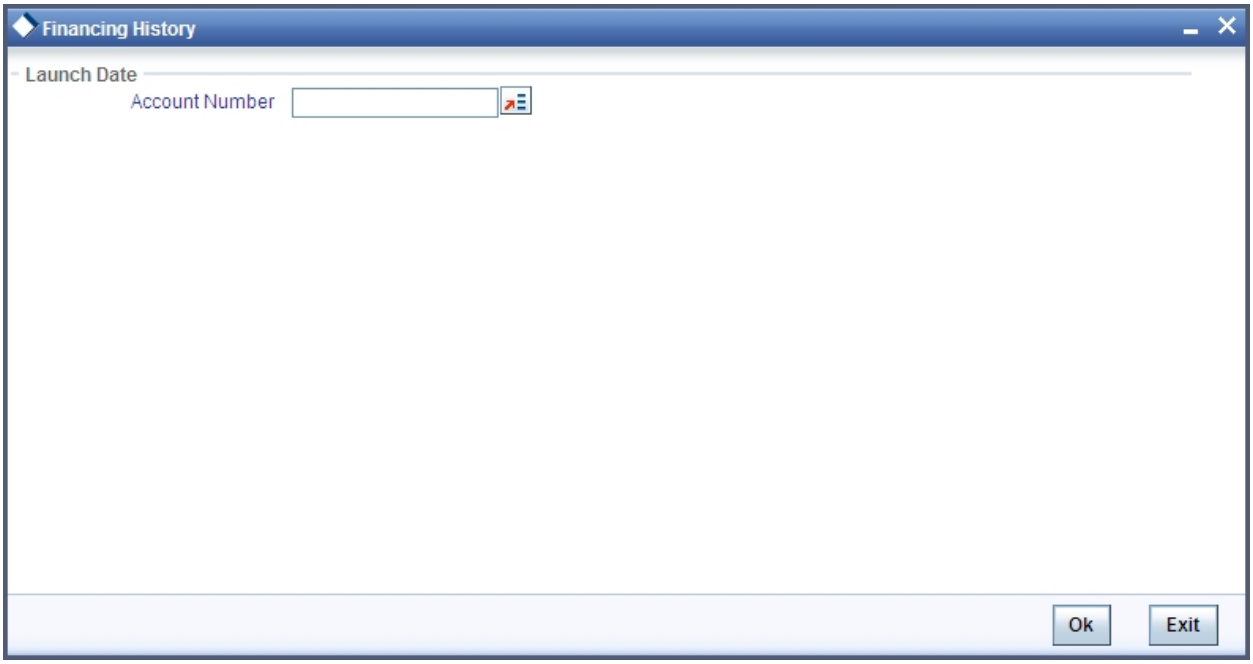
The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the Report

Rate code	This indicates the rate code.
Customer	This indicates the CIF ID of the customer involved in the finance.
Customer name	This indicates the name of the customer.
Account Number	This indicates the account number of the customer.
Currency	This indicates the component currency. If not specified at the Component level, the finance currency is displayed.
Contract Amount	This indicates the contract amount.
Component	This indicates the component that has undergone a rate revision.
Component Currency	This indicates the currency of the component.
UDE ID	This indicates the User Defined Element.
Effective Rate	This indicates the rate applicable.

11.27 Finance History Report

This report lists the event-wise accounting details for Islamic financing contract. You can invoke this report screen by typing ‘CIRPLNHT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following preferences for the report:

Account Number

Select the finance account number for which you need to generate the history report.

11.27.1 Contents of the report

The contents of the 'Finance History Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

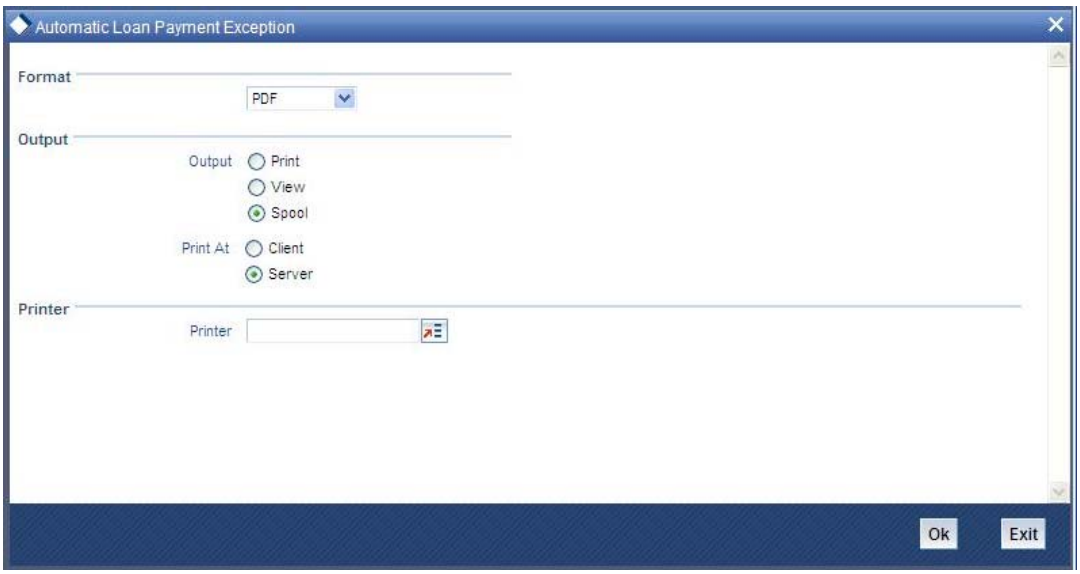
Body of the Report

The following details are displayed:

Account Number	This indicates the finance account number.
Account Currency	This indicates the currency of the finance account.
Customer No	This indicates the customer ID of the borrower.
Customer Name	This indicates the name of the borrowing customer.
Event	This indicates the name of the event during the finance cycle.
Event Description	This indicates the description of the event.
Event Date	This indicates the date on which the event occurred.
Event Sequence Number	This indicates the sequence number of the event.
Component Name	The name of the component associated with the finance.
Item Value (Event Amount)	This indicates the event amount.

11.28 Automatic Finance Payment Exception Report

This report displays the batch exceptions for the contracts that are marked for auto liquidation. You can invoke this report screen by typing 'CIRPALPE' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can indicate the following preferences for generating the report:

Format

Select the format in which you want to generate the report. The following options are available:

- HTML
- RTF
- PDF
- Excel

Output

Select the mode of output. The available options are:

- Print
- View
- Spool

Printer

Specify the path of the printer if you want to print the report.

11.28.1 Contents of the report

The contents of the '5.1 Automatic Finance Payment Exception Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the Report

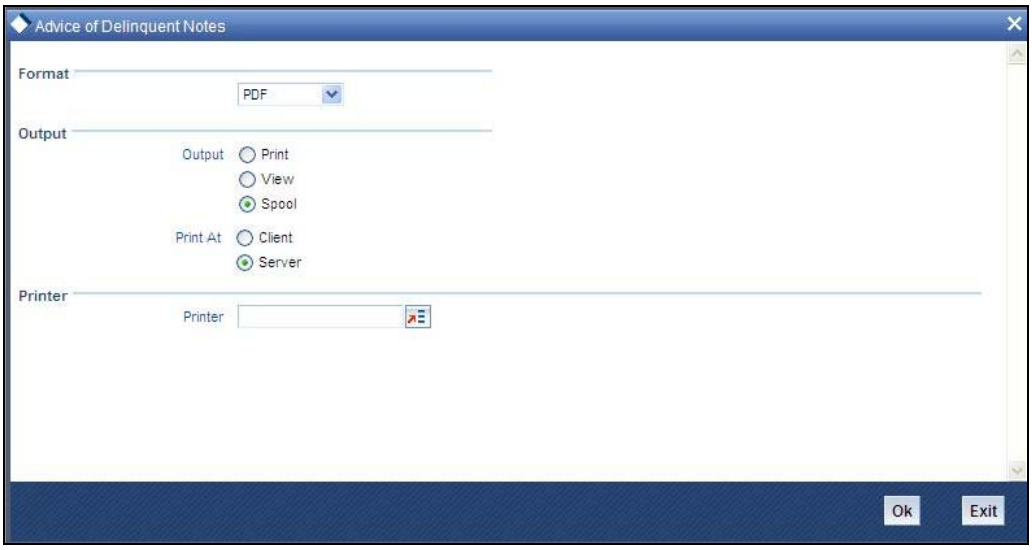
The following details are displayed:

Account Number	This indicates the customer account number.
Customer Name	This indicates the name of the customer.
Dept Code	This indicates the code of the department involved in the finance.
Due Date	This indicates the date on which the finance payment was due.
Amount Due	This indicates the repayment amount that is due.
Settlement Account	This indicates the settlement account associated with the finance.
Account Type	This indicates the type of the settlement account.

Retries Auto Liquidation	This indicates the number of retries for auto liquidation.
Reason	This indicates the reason for finance payment exception.

11.29 Advice of Delinquent Notes Report

This report lists the monthly projection details of past due and non-performing finances. You can invoke this report screen by typing 'CIRPDLIN' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can indicate the following preferences for generating the report:

Format

Select the format in which you want to generate the report. The following options are available:

- HTML
- RTF
- PDF
- Excel

Output

Select the mode of output. The available options are:

- Print
- View
- Spool

Printer

Specify the path of the printer if you want to print the report.

11.29.1 Contents of the report

The contents of the 'Advice of Delinquent Notes Report' are discussed under the following heads:

Header

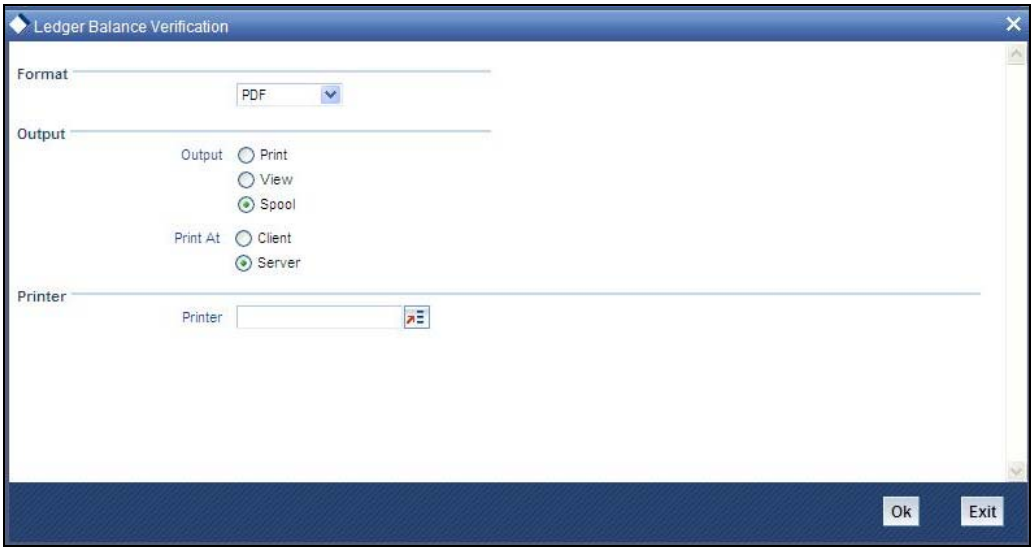
The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the Report

Past Due Category	This indicates the category.
Account Number	This indicates the account number associated with the finance.
Product Code	This indicates the product category associated with the finance.
Borrower	This indicates the name of the customer and the ID.
Credit Risk Rating	This indicates the credit risk rating.
Collateral Code	This indicates the collateral code associated.
SVB Net Balance	This indicates the SVB net balance.
Profit Past Due	This indicates the profit past due.
No of Days Currently Past Due	This indicates the number of days after the due date.
Last Profit Payment Date	This indicates the date when the last profit payment was done.
Profit Date	This indicates the due date of profit.
Maturity Status	This indicates the maturity status of the contract.
Department Name	This indicates the name of the department.
Niche Code	This indicates the niche code.
Finance Totals	This indicates the totals of finance.

11.30 Ledger Balance Verification Report

The Ledger Balance Verification Report displays the GL balance details for Islamic financing contract. You can invoke this report screen by typing ‘CIRPLGBL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can indicate the following preferences for generating the report:

Format

Select the format in which you want to generate the report. The following options are available:

- HTML
- RTF
- PDF
- Excel

Output

Select the mode of output. The available options are:

- Print
- View
- Spool

Printer

Specify the path of the printer if you want to print the report.

11.30.1 Contents of the report

The contents of the 'Ledger Balance Verification Report' are discussed under the following heads:

Header

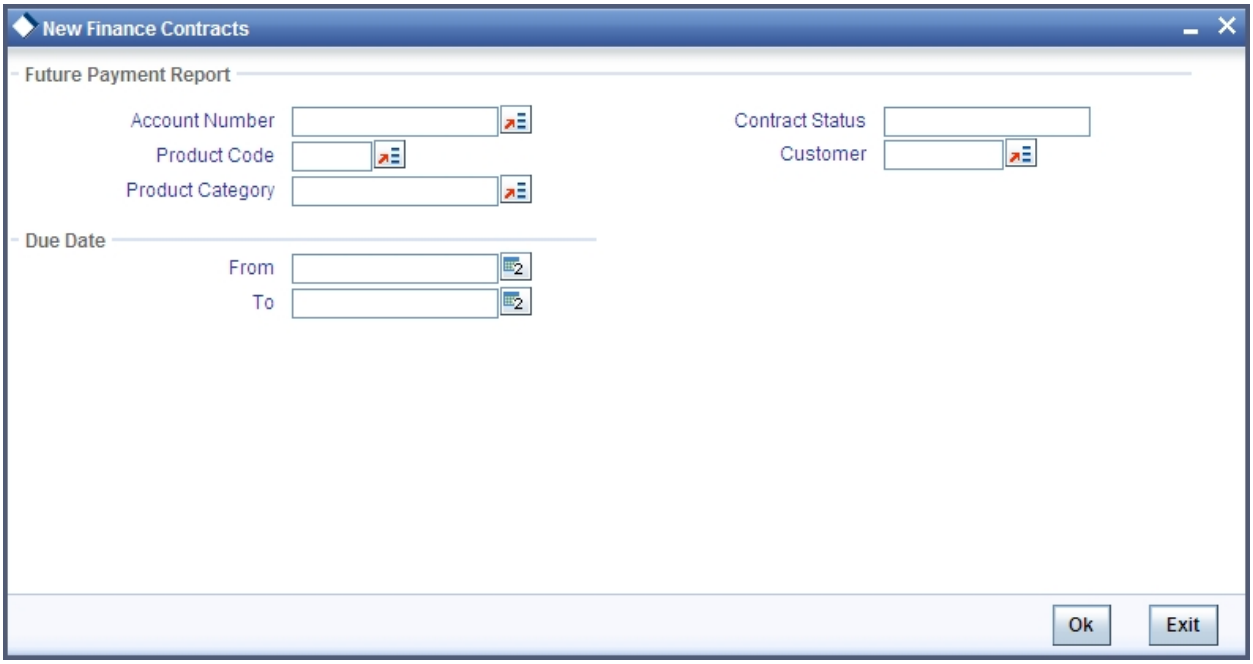
The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the Report

Account	This indicates the customer GL account number.
Branch	This indicates the branch where the account is located.
Type	This indicates the type of product.
Description	This indicates the product description.
Amount	This indicates the transaction amount.
GL Account Title	This indicates the title of the GL account.
Balance	This indicates the current GL balance.
Difference	This indicates the difference in GL balance.

11.31 New Finance Contracts Report

This report lists the contracts booked under a product within given dates, for different product categories. You can invoke this report screen by typing 'CIRPNWLN' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following details in this screen:

Account Number

Specify the account number of the customer.

Product Code

Specify the product for which the report should be generated.

Product Category

Specify the product category for which the report should be generated.

Contract Status

Specify the status of the contract.

Customer

Specify the name of the customer.

From (Due Date)

Specify the date from when the report needs to be generated.

To (Due Date)

Specify the date until when the report needs to be generated.

11.31.1 Contents of the report

The contents of the ‘New Finance Contracts Report’ are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

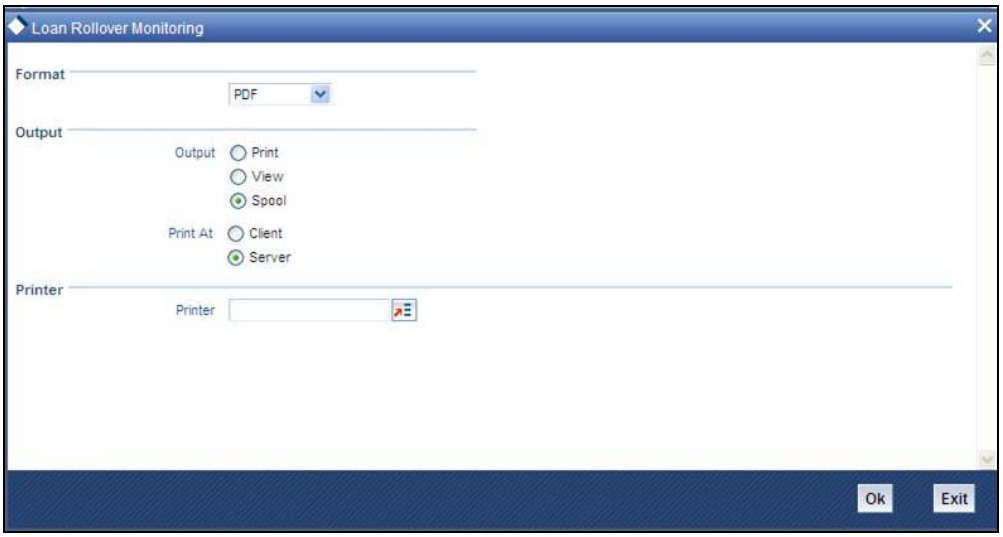
Body of the Report

Account Number	This is the customer account number.
Branch Name	This is the branch where the account is located.
Account Status	This is the status of the account.
Product Code	This is the code of the Islamic Financing product.
Product Category	This is the product category of the Islamic Financing product.
Customer ID	This is the identification of the borrowing customer.
Customer Name	This is the name of the borrowing customer.
Account Currency	This is the currency associated with the finance account.
Finance Amount	This is the total amount that has been financed.
Book Date	This is the booking date of the finance.
Value Date	This is the value date of the finance.
Maturity Type	This is the type of maturity.
Months	This indicates the tenor of the contract.
Days	This indicates the tenor of the contract.
Maturity Date	This is the date of finance maturity.
Tenor	This is the tenor of the finance.
Auth Status	This is the authorization status of the finance.
User Defined Status	This is the user defined status of the finance account.
Liquidation Mode	This is the mode of liquidating the finance.
Rollover Mode	This is the rollover mode of the finance.
Customer Settlement Account number	This is the customer settlement account number.

Disbursement Amount	This is the disbursement amount of the finance.
Tenor	This is the tenor of the finance.
Rate Code	This is the rate code.
Profit Rate %	This is the percentage of the profit rate.
Down Payment	This is the down payment of the finance.
Total Outstanding	This is the total outstanding of the contract.
Maker ID	This is the ID of the contract maker.
Checker ID	This is the authorizer ID.
Balloon	This is the balloon of the finance.
Sum of Advanced payments	This is the total of the advance payments.
Guarantor Account	This is the guarantor's account number.
Customer Grace period	This is the customer grace period.
Supplier Grace period	This is the supplier grace period.
Contract Status	This is the status of the contract.
Collateral Type	This is the type of the collateral.
Credit Line	This is the credit line available.
Profit A	This is the profit.
Profit B	This is the profit.
Total Profit Amount	This is the profit total profit amount.
EndConstruction Date	This is the construction end date of the contract.
Component	This is the profit component of the finance.

11.32 Finance Rollover Monitoring Report

This report displays the Islamic financing contracts that are due for rollover with given dates. You can invoke this report screen by typing 'CIRPRLVR' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can indicate the following preferences for generating the report:

Format

Select the format in which you want to generate the report. The following options are available:

- HTML
- RTF
- PDF
- Excel

Output

Select the mode of output. The available options are:

- Print
- View
- Spool

Printer

Specify the path of the printer if you want to print the report.

11.32.1 Contents of the report

The contents of the 'Finance Rollover Monitoring Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

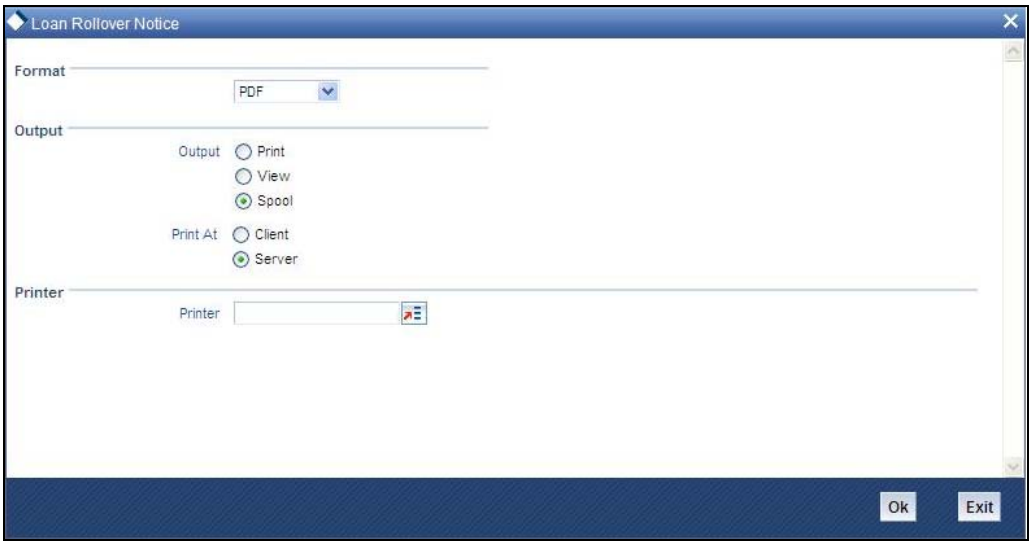
Body of the Report

The following details are displayed:

Account Number	This indicates the account number of the customer.
Branch	This indicates the branch where the account is located.
Customer	This indicates the customer ID and the name of the customer.
Currency	This indicates the currency associated with the finance.
Principal Amount	This indicates the principal amount associated with the finance.
Profit at Maturity	This indicates the profit amount at finance maturity.
Total Due	This indicates the total amount that is due.
Product	This indicates the product code of the Islamic Financing product.
Prod Desc	This indicates the product description.
Rollover Type	This indicates the type of rollover, whether manual or automatic.
Value Date	This indicates the value date of the finance.
Maturity Date	This indicates the maturity date of the finance.

11.33 Finance Rollover Notice Report

This report displays the details of rolled over accounts, component wise. You can invoke this report screen by typing ‘CIRPRLNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can indicate the following preferences for generating the report:

Format

Select the format in which you want to generate the report. The following options are available:

- HTML
- RTF
- PDF
- Excel

Output

Select the mode of output. The available options are:

- Print
- View
- Spool

Printer

Specify the path of the printer if you want to print the report.

11.33.1 Contents of the report

The contents of the 'Ledger Balance Verification Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

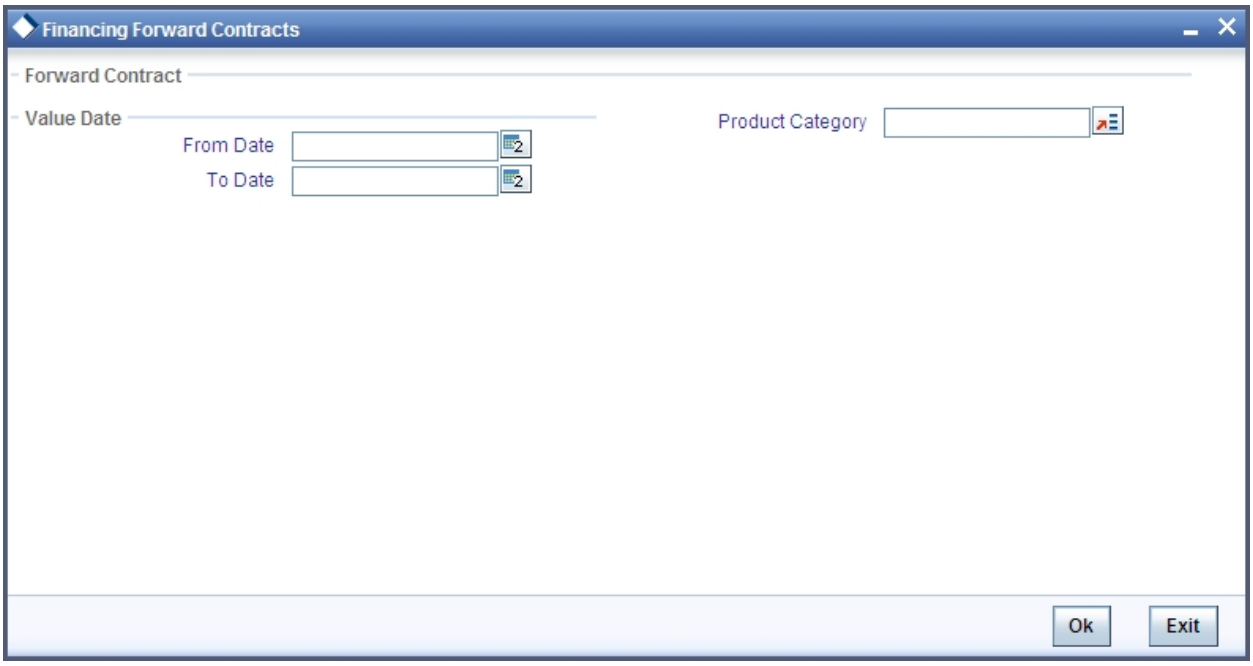
Body of the Report

The following details are displayed:

Bank Address	This indicates the bank address.
Account Number	This indicates the account number of the customer.
Currency	This indicates the currency of the contract.
Principal Amount	This indicates the principal amount associated with the finance.
Profit at Maturity	This indicates the profit amount due at maturity.
Maturity Date	This indicates the date of maturity of the finance.

11.34 Forward Contracts Report

This report displays the future value dated contracts with component details. You can invoke the 'Financing Forward Contract's screen by typing 'CIRPFRWD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can specify the following preferences:

From Date

Enter the date range from which the report has to be generated.

To Date

Enter the date range to which the report has to be generated.

Product Category

Specify the product category for which the report has to be generated.

11.34.1 Contents of the report

The contents of the 'Forward Contracts Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

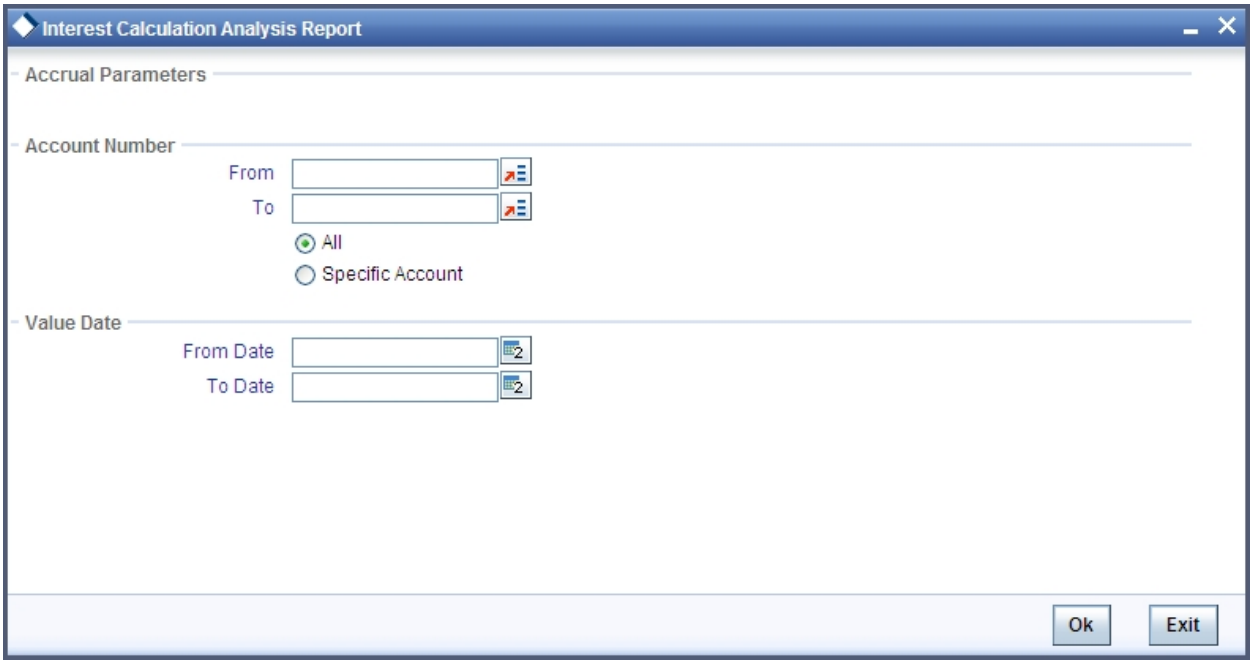
Body of the report

The following details are displayed:

Product Category	This indicates the product category to which the contract belongs.
Account Number	This indicates the account number of the contract.
Customer ID and Name	This indicates the customer ID and name.
Amount	This indicates the amount financed for the contract.
Euro Equivalent	This indicates the Euro equivalent of the amount financed.
Currency	This indicates the contract currency.
Value Date	This indicated the value date of the contract.
Maturity Type	This indicates the type of contract maturity.
Maturity Date	This indicates the maturity date.
Component Name	This indicates the component name.
Amount	This indicates the component amount.
Euro Equivalent	This indicates the Euro equivalent of the amount.
Waiver	This indicates the contract waive amount.

11.35 Profit Calculation Report

This report displays the account details of profit calculation, component wise. You can invoke 'Interest Calculation Analysis Report' screen by typing 'CIRPCALC' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can specify the following preferences:

From (Account Number)

Enter the account number from which the report has to be generated.

To (Account Number)

Enter the account number to which the report has to be generated.

From Date

Enter the value date range from which the report has to be generated.

To Date

Enter the value date range to which the report has to be generated.

11.35.1 Contents of the report

The contents of the 'Profit Calculation Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

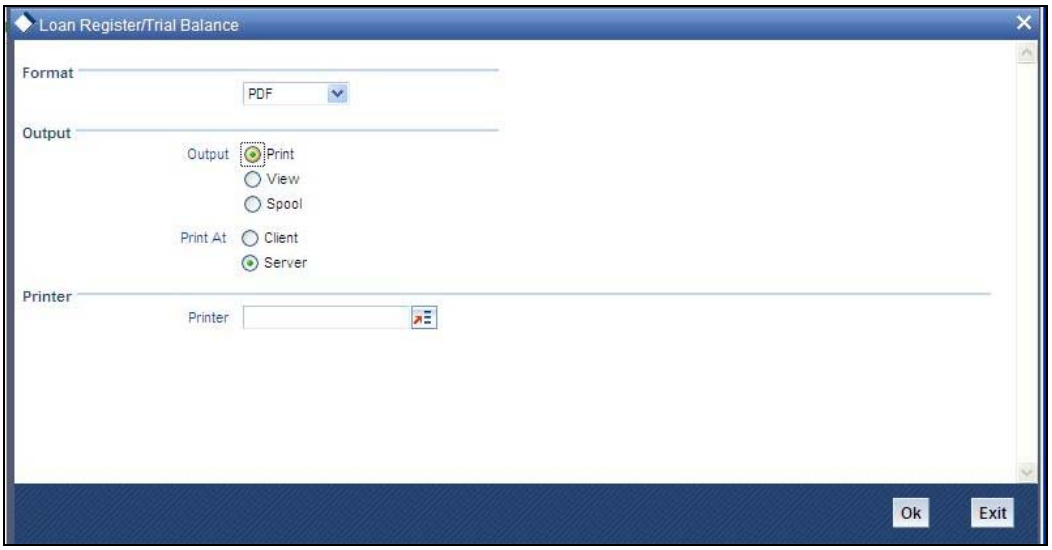
Body of the report

The following details are displayed:

Account Number	This indicates the account number of the contract.
Value Date	This indicates the value date of the contract.
Maturity Type	This indicates the type of contract maturity.
Customer ID and Name	This indicates the customer ID and name.
Component Name	This indicates the component name.
Int Method	This indicates the profit method used to calculate profit.
Currency	This indicates the contract currency.
Start Date	This indicates the start date of the profit calculation.
End Date	This indicates the end date of the profit calculation.
Basis Amount	This indicates the basis amount used to calculate profit.
Rate	This indicates the rate at which the profit is calculated.
No Of Days	This indicates the number of days for profit calculation.
Profit Amount	This indicates the profit amount of the contract.

11.36 Finance Register/Trial Balance Report

This report displays the trial balance details for contracts. You can invoke this screen by typing 'CIRPTRBL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. The screen is displayed below:



You can indicate the following preferences for generating the report:

Format

Select the format in which you want to generate the report. The following options are available:

- HTML
- RTF
- PDF
- Excel

Output

Select the mode of output. The available options are:

- Print
- View
- Spool

Printer

Specify the path of the printer if you want to print the report.

11.36.1 Contents of the report

The contents of the 'Finance Register/Trial Balance Report' are discussed under the following heads:

Header

The Header carries the title of the Report, information on the branch code, branch date, the date and time of report generation, the user-ID of the user generating the report, module, page and the event date.

Body of the report

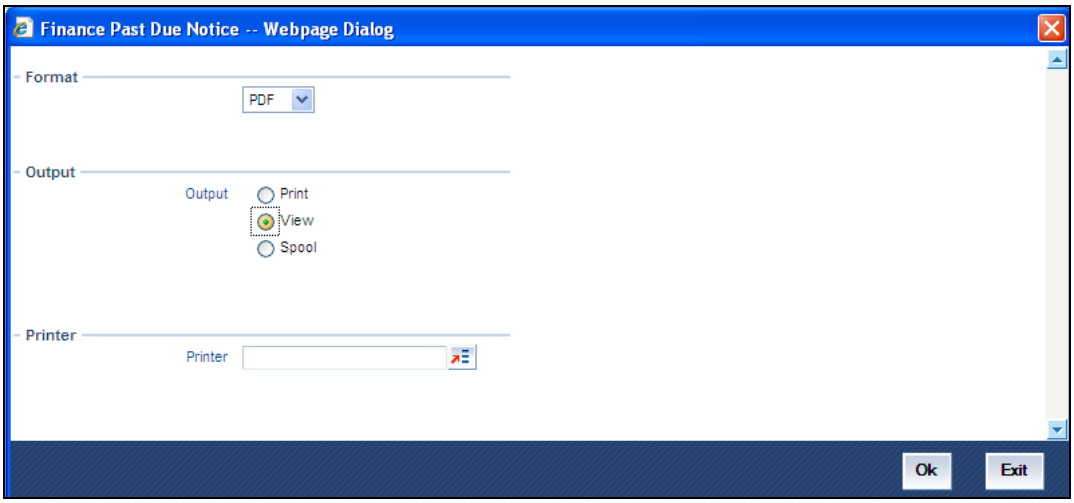
The following details are displayed:

Note Number	This indicates the account number of the contract.
Short Name	This indicates the name of the company.
Off Ty	This indicates customer MIS and category
Profit Rate	This indicates the profit rate.
Face Amount	This indicates the Face Amount.
Net Payoff	This indicate the net payoff.
P/O diem	This indicates the P/O diem.
Payment Amount	This indicates the total due to be paid.
Unadvance Principal	This indicates the unadvanced principal.
Profit Payment	This indicates the profit payment.
Profit Balance	This indicates the balance profit.
Late Fee Due	This indicates the last fee due.
Principal Payment	This indicates the principal amount.
Principal Balance	This indicates the balance principal.
Esc Balance	This indicates the esc balance.
Note/Ren	This indicates the note/ren.

Payment Due	This indicates the payment due date.
Maturity	This indicates the maturity date.

11.37 Finance Past Due Notice

This report displays the finance contracts that are past due for payment. You can invoke the screen to generate this report by typing 'CIRPLNPD' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can indicate the following preferences for generating the report:

Format

Select the format in which you want to generate the report. The following options are available:

- HTML
- RTF
- PDF
- Excel

Output

Select the mode of output. The available options are:

- Print
- View
- Spool

Printer

Specify the path of the printer if you want to print the report.

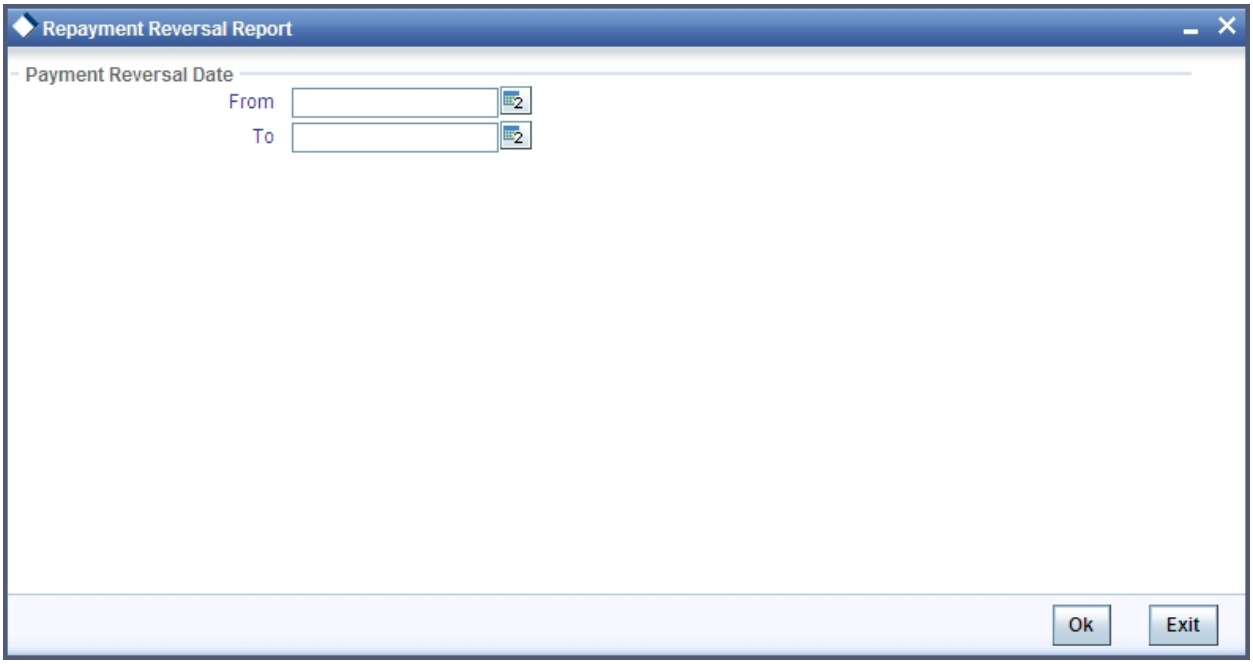
11.37.1 Contents of the Report

The generated report is in letter format will all necessary details indicating the customer that payment is past due. The following details are displayed:

Bank Address	This indicates the address of the bank.
Account Number	This indicates the finance account number.
Currency	This indicates the currency of the account.
Principal Amount	This indicates the principal amount of the finance.
Payment Due Date	This indicates the due date of payment against the finance.
Amount of Payment	This indicates the amount to be paid on the due date.

11.38 Repayment Reversal Report

This report lists all the accounts for which repayment schedule amounts have been reversed. You can invoke the screen to generate this report by typing 'CIRRPREV' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can indicate the following preferences for generating the report:

From

Specify the date from which repayment reversal details should be made available in the report. The system will include all contracts whose date is equal to or greater than this date.

To

Specify the date till which repayment reversal details should be made available in the report. The system will include all contracts whose date is equal to or lesser than this date.

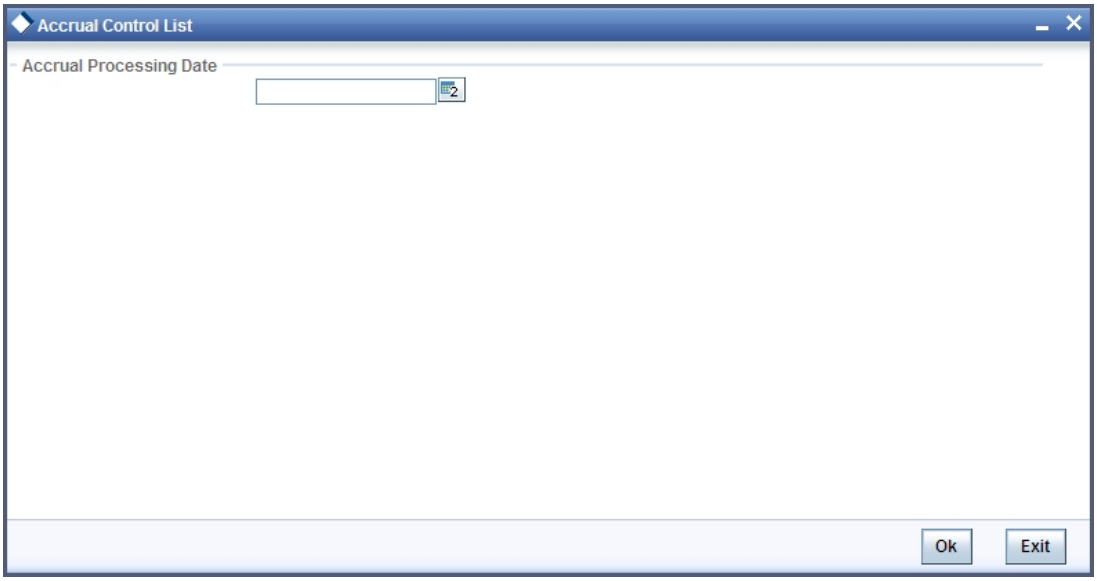
Body of the Report

The following details are available in the report:

Sr. No.	This indicates the serial number.
Contract Ref Number	This indicates the unique reference number for the contract.
Value Date	This indicates the value date of the contract.
Customer Name	This indicates the customer in the contract.
City	This indicates the city of the customer.
Nationality	This indicates the nationality of the customer.
Passport No	This indicates the passport number of the customer.
NID No	This indicates the National Identity number of the customer.
Payment Reversal Date	This indicates the date on which the payment has been reversed for the contract.
Payment Reversed Amount	This indicates the payment amount reversed.
SI Account No	This indicates the SI account number of the customer.
Reversal User Id	This indicates the user who has done the reversal.
Reversal Authorizer ID	This indicates the user who authorized the reversal.

11.39 Accrual Control List

This report displays accruals for various finance contracts. You can invoke the screen for generating this report by typing 'CIRPACCR' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



11.39.1 Contents of the Report

The options that you have specified while generating the report are printed at the beginning of the report. Apart from the header the following information is provided for each contract:

Body of the Report

The following details are displayed:

Account Number	This is the account number of the contract.
Account Status	This is the status of the account.
Component Name	This is the component of the finance against which accrual entries are passed.
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed.
Value Date	This is the value date of the contract
Current Accrual	This is the amount for which accrual entries are passed for the current month.
Product Code	This is the product code for the contract.

12. Annexure A – Accounting Entries and Advices

12.1 Accounting entries for Islamic Financing

This section contains details of the suggested accounting entries that can be set up, for the Islamic Financing module of Oracle FLEXCUBE. The details of the suggested accounting entries are given event-wise.

12.2 Events

The following is an exhaustive list of events that can take place during the lifecycle of an Islamic Financing contract. In the subsequent paragraphs we shall examine the accounting entries and advices for each of the events listed below.

Event Code	Event Description
ACCR	Accrual
ADCH	ADHOC charge application
ALIQ	Auto liquidation
ARVN	Automatic Rate Revision
BADJ	Back Dated Adjustment
BNTC	Billing Notice Event
BOOK	Booking Of Contract
CLOS	Closure for off balance sheet comp
DNTC	Delinquency Notice Event
DSBR	Disbursement
INIT	Contract Initiation
ISTM	Profit Statement Event
LCYP	LCY update processing
LIQB	Liquidation Tanking
LSTM	Finance Statement Event
MLIQ	Manual Liquidation
NOVA	Novation

Event Code	Event Description
PROV	Provisioning
READ	Readjustment Processing
REOP	Reopen of finance account
REVC	Reversal Of Contract
REVD	Reversal Of Disbursement
REVN	Rate Revision
REVP	Reversal Of Payment
RNOG	Re-Negotiation
ROLB	Roll Over Booking
ROLL	Roll Over Of Contract
SROL	Special Roll over
STSH	Installment Status Change
TAXC	Specific Tax Calculation
UDCN	UDE Cascade Change
USGR	Un-Secured GL Transfer Reversal
USGT	Unsecured GL Transfer
VAMB	Value Dated Amendment Booking
VAMI	Value Dated Amendment Initiation
YACR	Yield to Maturity based Discount Accrual
UIDB	Unearned Profit Booking
PACR	Principal Accrual
CONF	Sale Confirmation
INSR	Insurance Renewal

Event Code	Event Description
VPRV	Vendor Payment Reversal
VPAY	Vendor Payment

12.3 Accounting Roles

In this section we have provided a list of sample accounting roles.

Accounting Role	Description
ASSETGL	The Customer GL to which the Finance Account movements are reported.
PRINCIPAL_LIQD	Principal Liquidated
PRINCIPAL_INCR	Principal Increased
COMPONENT _INC	Component Income
COMPONENT EXP	Component Expense
COMPONENT RIA	Component Received in Advance
COMPONENT PAY	Component Payable
COMPONENT REC	Component Receivable
COMPONENT PIA	Component Paid in Advance
BRIDGE GL	Intersystem Bridge GL
SETTLEMENT ACCOUNT	Customer Account Settled From / To
FEES_REC	Fees Receivable
CHARGES_REC	Adhoc Charges Receivable
PURCHASE ASSET	Purchase Asset GL
COMPONENT_UID	Component Unearned Profit Booking
DEFPRINCIPAL	Deferred Rental (Principal) Account
PRINCIPALINC	Income from *Ijarah* (Principal)
DealerWIPACC	Dealer work in progress in account
WAKALA_ASSETGL	Real Asset for *Wakala* account

Accounting Role	Description
WAKALA_SUSPGL	Suspense GL for *Wakala-Murabaha*
INSURANCE_ACC	Insurance Company account
INSURANCE_REC	Account Receivable – Insurance collection
ASSET_FINANCING	Istisna Asset financing

12.3.1 Accounting roles for the YACR event

Accounting Role	Acquisition Type	Role Type
EIMDISCRIA	Discount	Asset
EIMDISCINC	Discount	Asset
EIMPREMPIA	Premium	Asset
EIMPREMEXP	Premium	Asset
EIMINTADJREC	Par	Asset
EIMINTADJINC	Par	Asset

12.4 Event-wise Advices

In this section we will discuss the suggested events and advices that should be generated for that particular event in the life cycle of Islamic Financing.

12.4.1 BOOK

The system uses this event to enter details of a finance account. However, at this stage the account is not initialized thus there will not be a change in the balance but you can perform other activities (processing fee etc) for the finance account. The accounting entries passed will be either Contingent Entries for disbursement or component liquidations entries.

Advice Name	Description	Format Name
CL_CONT_ADV	Contract Advice	CL_CONTR_STMT

You can maintain the following accounting entries for *Murabaha* product along with the other entries.

Accounting Role	Amount Tag	Dr /Cr
PURCHASE ASSET	PRINCIPAL	Dr
CR_SETTLEMENT_BRIDGE	PRINCIPAL	Cr

The following accounting entries for ‘Amount Financed’ and ‘Down Payment’ are passed for this event:

For Financial Lease without Asset Booking

Accounting Role	Amount Tag	Dr /Cr
PURCHASE_ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL_DOWNPMNT	Dr
CR_SETTL_BRIDGE (Dealer A/c)	PRINCIPAL	Cr
CR_SETTL_BRIDGE (Dealer A/c)	PRINCIPAL_DOWNPMNT	Cr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr /Cr
PURCHASE_ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL_DOWNPMNT	Dr
CR_SETTL_BRIDGE	PRINCIPAL	Cr
CR_SETTL_BRIDGE (Dealer A/c)	PRINCIPAL_DOWNPMNT	Cr

The following accounting entries are passed for this event for the down payment:

Accounting Role	Amount Tag	Dr /Cr
PURCHASE_ASSET	PRINCIPAL	Dr
VENDORPAYABLEGL	PRINCIPAL	Cr
PURCHASE_ASSET	PRINCIPAL_DOWNPMNT	Dr
VENDORPAYABLEGL	PRINCIPAL_DOWNPMNT	Cr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr /Cr
ASSET_FINANCING	PRINCIPAL	Dr
VENDORPAYABLEGL	PRINCIPAL	Cr

12.4.2 INIT

The system uses this event to initiate a finance with a value date as the date of initiation. However, you can not disburse the finance under this event.

Advice Name	Description	Format Name
CL_INIT_ADV	Initiation Advice	CL_INIT_ADV
CL_CAP	Capitalization Advice	CL_CAP_ADV
CL_CONT_ADV	Contract Advice	CL_CONTR_STMT
CLST_SUMMARY	Finance Summary Statement Advice	CL_LOAN_SUMMARY
COUPON	Coupon Advice	ADV_COUPON

The following accounting entries are passed for this event:

For Operational Lease

Accounting Role	Amount Tag	Dr /Cr
INT_INC	PRINCIPAL_DOWNPMNT	Cr
DR_SETTL_BRIDGE	PRINCIPAL_DOWNPMNT	Dr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr /Cr
LOAN_ACCOUNT	PRINCIPAL	Dr
ASSET_FINANCING	PRINCIPAL	Cr

12.4.3 UIDB

The system uses this event whenever there is a change in principal or in rate revision. This event is triggered along with INIT, DSBR, VAMI, REVN, ROLL and MLIQ events.

Accounting Role	Amount Tag	Dr /Cr
ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL	Cr

For unearned profit booking, the entries passed are:

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_REC	COMPONENT_UINT	Dr
COMPONENT_UID	COMPONENT_UINT	Cr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_REC	COMPONENT_UINT	Dr
COMPONENT_UID	COMPONENT _UINT	Cr

For Rebate Amount Calculation

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_REC	COMPONENT_UINT	Dr
COMPONENT_UID	COMPONENT_UINT	Cr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr /Cr
PROFIT_REC	PROFIT_UINT	Dr
PROFIT_UID	PROFIT_UINT	Cr

12.4.4 DSBR

This event is marked by the disbursement of the finance amount. The disbursement may be done manually or can be triggered by a disbursement schedule**.** The finance account will have debit balances after total disbursement.

Advice Name	Description	Format Name
CR_ADV	Credit Advice	CL_CR_ADV
CLST_DETAILS	Finance Detailed Statement Advice	CL_LOAN_DETAIL
CLST_SUMMARY	Finance Summary Statement Advice	CL_LOAN_SUMMARY
TAX_ADVICE	Tax Advice	CL_TAX_ADVICE

The entries passed are:

Accounting Role	Amount Tag	Dr /Cr
LOAN_AC	PRINCIPAL	Dr
CR_SETTLEMENT_BRG	PRINCIPAL	Cr

You can maintain the following accounting entries for *Murabaha* product along with the other entries.

Accounting Role	Amount Tag	Dr /Cr
ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL	Cr

The following accounting entries for 'Amount Financed' and 'Down Payment' are passed for this event:

For Financial Lease without Asset Booking

Accounting Role	Amount Tag	Dr /Cr
LOAN_ACCOUNT	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL	Cr
PURCHASE ASSET	PRINCIPAL_DOWNPMNT	Cr
DR_SETTL_BRIDGE (Customer A/c)	PRINCIPAL_DOWNPMNT	Dr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr /Cr
PURCHASE ASSET	PRINCIPAL	Cr
DEALERWIPACC	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL_DOWNPMNT	Cr
DR_SETTL_BRIDGE	PRINCIPAL_DOWNPMNT	Dr
LOAN_ACCOUNT	PRINCIPAL	Dr
DEFPRINCIPAL	PRINCIPAL	Cr

For Insurance Refund

Accounting Role	Amount Tag	Dr /Cr

Accounting Role	Amount Tag	Dr /Cr
DR_SETTL_BRIDGE	COMPONENT_DP	Dr
COMPONENT_PAY	COMPONENT_DP	Cr
COMPONENTPAY	COMPONENT_DP	Dr
CR_SETTL_BRIDGE	COMPONENT_DP	Cr

Note the following:

- The finance account of the customer reports to an internal GL of the bank, determined by the Role to Head mapping done at the product level.
- A settlement bridge account is used since there is a probability of the customer account being present in another system which is capable of interfacing with Oracle FLEXCUBE. During the reconciliation process, the appropriate customer account in the relevant system is credited with the finance amount.

The following accounting entries are passed for DSBR event for the down payment:

Accounting Role	Amount Tag	Dr /Cr
DPRCVDGL	PRINCIPAL_DOWNPMNT	Dr
PURCHASE_ASSET	PRINCIPAL_DOWNPMNT	Cr
LOAN_ACCOUNT	PRINCIPAL	Dr
PURCHASE_ASSET	PRINCIPAL	Cr

The following accounting entries are passed for this event for the product with Insurance Required:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTL_BRIDGE	COMPONENT_DP	Dr
COMPONENTPAY	COMPONENT_DP	Cr
COMPONENTPAY	COMPONENT_DP	Dr
CR_SETTL_BRIDGE	COMPONENT_DP	Cr

The following accounting entries can be set up for the DSBR event in insurance renewal processing:

Accounting Role	Amount Tag	Dr /Cr	Netting
DR_SETTL_BRIDGE	COMPONENT_DP	Dr	No
COMPONENTPAY	COMPONENT_DP	Cr	Yes
COMPONENTPAY	COMPONENT_DP	Dr	Yes
CR_SETTL_BRIDGE	COMPONENT_DP	Cr	No
CR_SETTL_BRIDGE	COMPONENT_PREMIUM	Dr	No
INSURANCE_ACC	COMPONENT_PREMIUM	Cr	No

The following accounting entries are maintained for *Istisna* UIDB product for this event:

Accounting Role	Amount Tag	Dr /Cr
VENDORPAYABLEGL	PRINCIPAL	Dr
CR_SETTL_BRIDGE	PRINCIPAL	Cr

12.4.5 ACCR

The accrual of the various components will be triggered based on the accrual parameters you maintain at the product level.

The following accounting entries are passed for this event:

For Profit Accrual

Accounting Role	Amount Tag	Dr /Cr
INT_REC	INT_ACCR	Dr
INT_INC	INT_ACCR	Cr

For Compensation Profit Accrual

Accounting Role	Amount Tag	Dr /Cr
PENAL_INT_REC	PENAL_INT_ACCR	Dr
PENAL_INT_INC	PENAL_INT_ACCR	Cr

For unearned profit booking

Accounting Role	Amount Tag	Dr /Cr

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_UID	COMPONENT_ACCR	Dr
COMPONENT_INC	COMPONENT_ACCR	Cr

For Financial Lease without Asset Booking

Accounting Role	Amount Tag	Dr /Cr
COMPONENT RECEIVABLE	INT_ACCR	Dr
INCOME	INT_ACCR	Cr

For Operational Lease

Accounting Role	Amount Tag	Dr /Cr
COMPONENT RECEIVABLE	COMPONENT _LIQD	Dr
INT_INC	COMPONENT _LIQD	Cr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr /Cr
COMPONENT UID	COMPONENT_ACCR	Dr
COMPONENT INC	COMPONENT_ACCR	Cr

For Rebate Amount Calculation

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_UID	COMPONENT_ACCR	Dr
COMPONENT_INC	COMPONENT_ACCR	Cr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr /Cr
*Compname*EXP	Compname_ACCR	Dr
*Compname*PAY	Compname_ACCR	Cr

12.4.6 ADCH

The following accounting entries are passed for this event for Islamic Financing product to process the insurance refund component:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTL_BRIDGE	COMPONENT_ADCH	Dr
COMPONENT_PAY	COMPONENT_ADCH	Cr
COMPONENT_PAY	COMPONENT_ADCH	Dr
CR_SETTL_BRIDGE	COMPONENT_ADCH	Cr

12.4.7 ALIQ and MLIQ

Depending on the mode of liquidation opted for, whether automatic or manual, the appropriate event is triggered. A batch process will be triggered at EOD for payments that are marked for auto liquidation.

ALIQ

Advice Name	Description	Format Name
DR_ADV	Debit Advice	CL_DR_ADV
DELINQYADV	Delinquency Advice	CL_DELQ_ADV

MLIQ

Advice Name	Description	Format Name
BILNOTC	Billing Advice	CL_BILL_ADVC
DELINQYADV	Delinquency Advice	CL_DELQ_ADV
PAYMENT_ADVICE	Payment Advice	CL_PMT_ADV

The accounting entries for these events will be as follows:

Principal Repayment

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	PRINCIPAL_LIQD	Dr
LOAN_AC	PRINCIPAL_LIQD	Cr

Profit Repayment

Accounting Role	Amount Tag	Dr /Cr

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	INT_LIQD	Dr
INT_REC	INT_LIQD	Cr

Compensation Profit Repayment

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	PENAL_INT_LIQD	Dr
PENAL_INT_REC	PENAL_INT_LIQD	Cr

Prepayment Compensation

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	Component_LIQD	Dr
componentINC	Component_LIQD	Cr

For Rebate Amount Calculation

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER A/C (DR_SETTL_BRIDGE)	COMPONENT_LIQD	Dr
COMPONENT_REC	COMPONENT_LIQD	Cr
COMPONENT_UID	COMPONENT_UINR	Dr
COMPONENT_REC	COMPONENT_UINR	Cr

The accounting entries for these events with the residual amount liquidation will be as follows:

Accounting Role	Amount Tag	Dr /Cr
LOAN_ACCOUNT	PRINCIPAL_RV	Cr
DR_SETTL_BRIDGE	PRINCIPAL_RV	Dr
COMPONENT RECEIVABLE	INTEREST_RV	Cr
DR_SETTL_BRIDGE	INTEREST_RV	Dr

The following accounting entries can be set up to process the product with Insurance required:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTL_BRIDGE	COMPONENT_LIQD	Dr

Accounting Role	Amount Tag	Dr /Cr
COMPONENTPAY	COMPONENT_LIQD	Cr
COMPONENTPAY	COMPONENT_LIQD	Dr
CR_SETTL_BRIDGE	COMPONENT_LIQD	Cr

The following accounting entries can be set up for the MLIQ/ALIQ event to process insurance renewal:

Accounting Role	Amount Tag	Dr /Cr	Netting
DR_SETTL_BRIDGE	COMPONENT_LIQD	Dr	No
COMPONENTPAY	COMPONENT_LIQD	Cr	Yes
COMPONENTPAY	COMPONENT_LIQD	Dr	Yes
CR_SETTL_BRIDGE	COMPONENT_LIQD	Cr	No
CR_SETTL_BRIDGE	COMPONENT_REC	Dr	No
INSURANCE_REC	COMPONENT_REC	Cr	No

The following accounting entries are maintained for rebate component for this event:

Accounting Role	Amount Tag	Dr /Cr
*Compname*PAY	Compname_LIQD	Dr
CR_SETTL_BRIDGE	Compname_LIQD	Cr

12.4.8 STCH

This event is triggered when a status change occurs. It could be a Forward Status Change (FSTC) where the finance moves from one adverse status to another or a Backward Status Change (BSTC) wherein, on repayment of overdue installments, a reversal of status takes place. The status derivation rule is used to resolve the status. The change may occur due to a status rule being activated. If the number of days by which a component becomes overdue, exceeds the allowed number of days (may be referred to as the grace period), the component can undergo a status change if a status rule is defined with such a criteria. A status change is triggered if any condition defined for the rule is satisfied.

The accounting entries, if maintained for the events (FSTC and BSTC) will be triggered. The accounting role provided will be the same for all the changes. However, the Role to Head mapping rules will resolve the entries to the appropriate accounts for each status.

Profit accrual for status 'ACTIVE'

Accounting Role	Amount Tag	Dr /Cr

Accounting Role	Amount Tag	Dr /Cr
INT_REC (Mapped to a Real Asset)	INT_ACCR	Dr
INT_INC (Mapped to a Real Income GL)	INT_ACCR	Cr

Profit accrual for status 'PAST DUE'

Accounting Role	Amount Tag	Dr /Cr
INT_REC (Mapped to a Contingent Asset)	INT_ACCR	Dr
INT_INC (Mapped to a Contingent Liability)	INT_ACCR	Cr

12.4.9 VAMB and VAMI

These statuses are triggered because of making amendments to a finance account.

VAMB (Booking of a Value Dated Amendment)

This event is triggered when you book a value dated amendment.

You can book for an amendment of the following:

- Maturity date
- Principal Increase
- Rate change

The batch program will identify the changes booked and the same is triggered appropriately on the value date by the VAMI event.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV

VAMI (Initiation of a Value Dated Amendment)

This event will pick up the future dated VAMBs and on the value date, initiate the same.

The accounting entries for an increase in principal will be as follows:

Accounting Role	Amount Tag	Dr /Cr

Accounting Role	Amount Tag	Dr /Cr
LOAN_AC	PRINCIPAL_INCREASED	Dr
CR_SETTLEMENT_BRG	PRINCIPAL_INCREASED	Cr

Any change to Rate and Tenor (Maturity Date) will alter the original finance schedules.

The following accounting entries are passed for this event:

For Financial Lease without Asset Booking

Accounting Role	Amount Tag	Dr /Cr
LOAN_ACCOUNT	PRINCIPAL_INCR	Dr
CR_SETTL_BRIDGE	PRINCIPAL_INCR	Cr

12.4.10 ROLL

This event is triggered when a finance is renewed with new terms. Rollover will have either a combination of liquidation and rollover of Principal. It can also have liquidation of Profit and compensation Profit.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV
CL_ROLL_ADV	Rollover Advice	CL_ROLL_ADV
PAYMENT_ADVICE	Payment Advice	CL_PMT_ADV

The entries passed for rollover of the Principal are as follows:

Accounting Role	Amount Tag	Dr /Cr
CR_SETTLEMENT_BRG	PRINCIPAL_ROLL	Cr
LOAN_AC	PRINCIPAL_ROLL	Dr

For liquidation of Principal, the following entries are passed:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	PRINCIPAL_LIQD	Dr
LOAN_AC	PRINCIPAL_LIQD	Cr

For liquidation of Profit and Compensation Profit, the entries are:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	LIQD_AMT	Dr
INT_REC	INT_LIQD	Cr
PENAL_INT_REC	PENAL_INT_LIQD	Cr

You may encounter the following cases:

Case 1: Rollover only Principal Outstanding; Pay Profit & Compensation Outstanding

In this case, both 'PRINCIPAL_LIQD' and 'PRINCIPAL_ROLL' will be zero and hence the 'LOAN_ACCOUNT' balance is not affected.

The Outstanding Profit and Principal will be liquidated. Referring to the accounting entries above,

- INT_LIQD = Profit Outstanding
- PENAL_INT_LIQD = Compensation Profit Outstanding
- LIQD_AMT = INT_LIQD + PENAL_INT_LIQD (If Netting is 'ON' and both have the same Settlement Account).

Case 2: Rollover Principal + Profit Outstanding; Pay Compensation Outstanding

In this case,

- PRINCIPAL_LIQD = 0,
- PRINCIPAL_ROLL = INT_ROLL (which is the Profit Rolled over as Principal);
- PENAL_INT_LIQD = Compensation Profit Outstanding
- LIQD_AMT = PENAL_INT_LIQD (If Netting is on and both have the same Settlement Account).

Case 3: Rollover Principal + Profit + Compensation Outstanding

PRINCIPAL_ROLL = INT_ROLL + PENAL_INT_ROLL

LIQD_AMT = 0

Case 4 - a: Rollover Special Amount, Amount > Principal Outstanding

This is in effect a disbursement. Therefore,

PRINCIPAL_ROLL = SPECIAL_AMOUNT – PRINCIPAL_OUTSTANDING

Since the rolled over amount is greater than the outstanding principal, it will be positive and hence an increase in the finance amount is registered.

Case 4 – b: Rollover Special Amount, Amount < Principal Outstanding

This results in a decrease in Principal and hence

PRINCIPAL_ROLL = SPECIAL_AMOUNT – PRINCIPAL_OUTSTANDING will lead to a negative amount which will reduce the Dr Balance on the Finance Account.

12.4.11 SROL – Special Roll-over

This event is triggered when a roll-over is done and it involves a change in the currency, product and customer.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV
CL_ROLL_ADV	Roll-over Advice	CL_ROLL_ADV

12.4.12 RNOG – Re-negotiation

This event is triggered when a customer is not being able to honor the terms and conditions of the credit. In such a situation, the client re-negotiates the terms and conditions of the credit before maturity date.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV
PAYMENT_ADVICE	Payment Advice	CL_PMT_ADV

12.4.13 NOVA – Novation

This event is triggered when a primary customer is changed.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV

12.4.14 REVC – Finance Reversal

This event is triggered when a finance is withdrawn. This will pass the DSBR entries with a reversal of signs (-ve) for the amounts, as follows:

Accounting Role	Amount Tag	Dr /Cr

Accounting Role	Amount Tag	Dr /Cr
LOAN_AC	- PRINCIPAL	Dr
CR_SETTLEMENT_BRG	- PRINCIPAL	Cr

12.4.15 REVP - Payment Reversal

The latest payment made, both auto and manual, will be reversed during this event. This will pass the ALIQ or MLIQ event selected with a reversal of signs for the amounts.

Reversal of Principal Repayment

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	- PRINCIPAL_LIQD	Dr
LOAN_AC	- PRINCIPAL_LIQD	Cr

Reversal of Profit Repayment

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	- INT_LIQD	Dr
INT_REC	- INT_LIQD	Cr

Reversal of Compensation Profit Repayment

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	- PENAL_INT_LIQD	Dr
PENAL_INT_REC	- PENAL_INT_LIQD	Cr

12.4.16 REVN – Periodic Rate Revision

This will change the Floating Profit Rates based on the periodicity that you maintain.

Advice Name	Description	Format Name
CL_INT_STMT	Profit Statement Advice	CL_INT_STMT
RATECH_ADV	Rate Change Advice	CL_RTCH_ADV

12.4.17 ARVN – Automatic Rate Revision

This will change the Floating Rate as and when the rate changes.

Advice Name	Description	Format Name

Advice Name	Description	Format Name
CL_INT_STMT	Profit Statement Advice	CL_INT_STMT
RATECH_ADV	Rate Change Advice	CL_RTCH_ADV

12.4.18 UDCH – User Defined Element Value Changes

This event will be triggered whenever there is a change in the UDE values. This will be required to have Rate revision advices sent to the customers.

12.4.19 YACR – Yield to Maturity Discount Accrual

This event will be triggered for the computation of IRR. The following accounting entries will be passed:

Accounting Role	Amount Tag	Dr /Cr
EIMDISCRIA	EIM_ACCR	Dr
EIMDISCINC	EIM_ACCR	Cr
EIMPREMEXP	EIM_ACCR	Dr
EIMPREMPIA	EIM_ACCR	Cr

If refunding needs to be done as part of with complete pre-payment, the following entries should be passed in addition to the ones specified above:

Accounting Role	Amount Tag	Dr /Cr
<Charge Comp>_RIA	EIM_ADJ	Dr
CR_SETTL_BRIDGE	EIM_ADJ	Cr
DR_SETTL_BRIDGE	EIM_ADJ	Dr
<Charge Comp>_PIA	EIM_ADJ	Cr

12.4.20 CLIQ – Charge Liquidation

This event triggers the liquidation of charges applicable to the finance accounts. You need to set up the following entries for this event:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTL_BRIDGE	<Charge Comp>_LIQD	Dr
<Charge Comp>_RIA	<Charge Comp>_LIQD	Cr

Accounting Role	Amount Tag	Dr /Cr
CR_SETTL_BRIDGE	<Charge Comp>_LIQD	Dr
<Charge Comp>_PIA	<Charge Comp>_LIQD	Cr

12.4.21 PACR – Principal Accrual

This event realizes the principal payment in different accounts. You need to set up the following entries for this event:

Accounting Role	Amount Tag	Dr /Cr
DEFPRINCIPAL	PRINCIPAL_PACR	Dr
PRINCIPALINC	PRINCIPAL_PACR	Cr

12.4.22 INSR – Insurance Renewal

This event triggers renewal of insurance. You need to set up the following entries for this event:

Accounting Role	Amount Tag	Dr /Cr
INSURANCE_REC	COMPONENT_REC	Dr
CR_SETTL_BRIDGE	COMPONENT_REC	Cr
CR_SETTL_BRIDGE	COMPONENT_PREMIUM	Dr
INSURANCE_ACC	COMPONENT_PREMIUM	Cr

13. Retrieving Information in Oracle FLEXCUBE

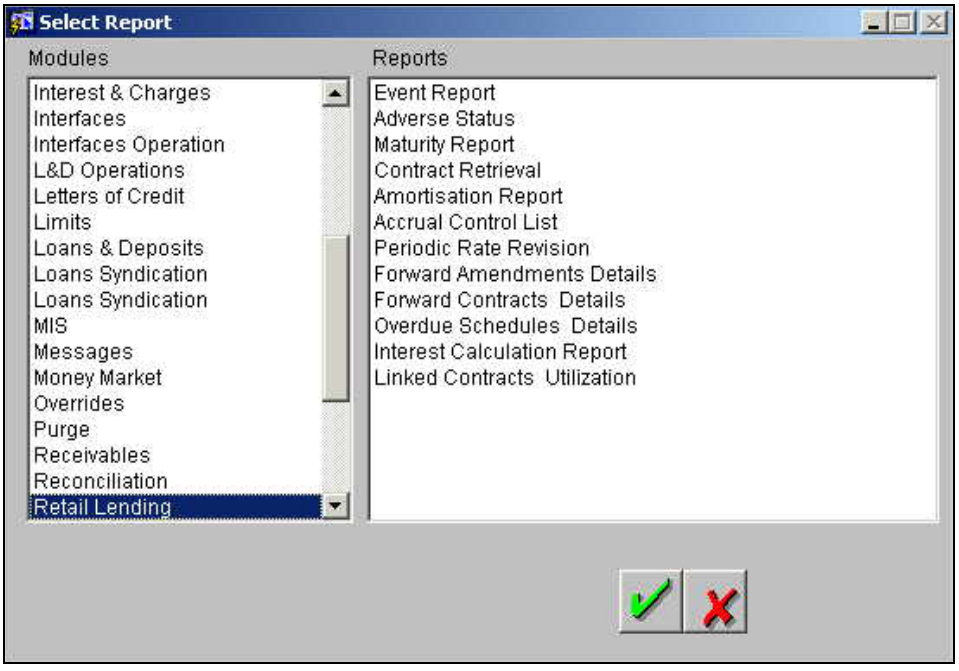
13.1 Introduction

During the day, or at the end of the day, you may want to retrieve information on any of the several operations that were performed during the day in your bank. You can generate this information in the form of reports in Oracle FLEXCUBE.

For every module you can generate reports, which give you data about the various events in the life of a specific contract, or across contracts, at a specific point in time. You can have analysis reports, daily reports, exception reports (reports on events that ought to have taken place on the contract but have not, due to various reasons), history reports and so on. A set of report formats is pre-defined for every module.

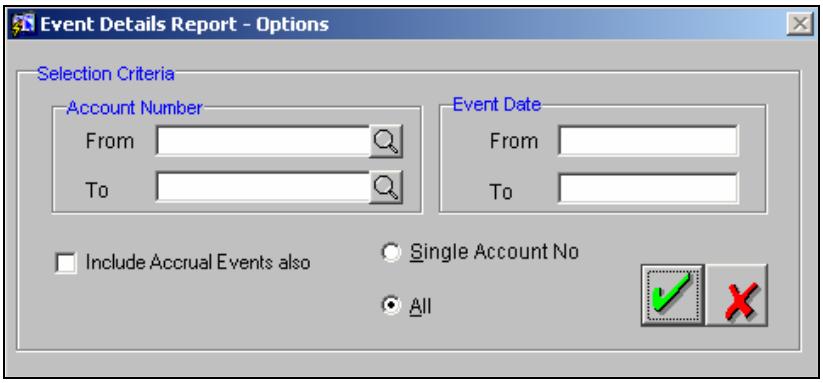
13.1.1 Generating reports

From the Application Browser, select the Reports option, and then the Generate option under it. The Select Report screen will be displayed.

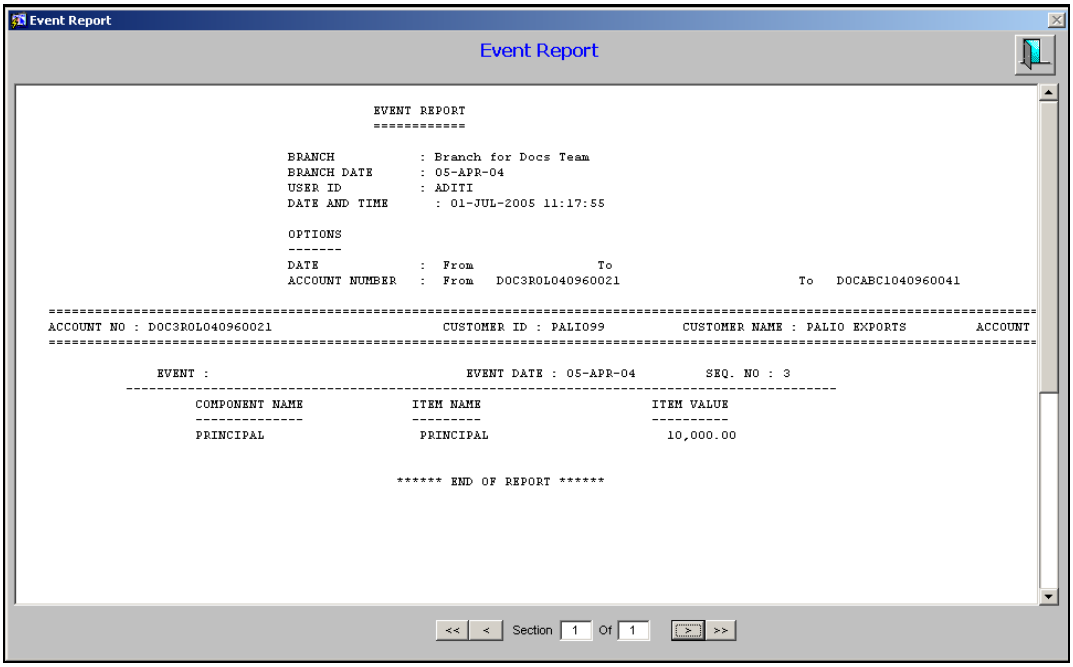


A list of all the modules to which you have access rights are displayed in the screen. When you click on a module, all the reports for which you have access rights under the selected module are displayed. Highlight the report you want to generate and click on the button. Click on the button if you do not want to generate the report.

When you click on the button, the options screen is opened, when you can specify your selection options. Given below is the Event Details Report – Options screen, which has been used as an example:



Click on the button when you have specified your preferences. The report will be generated and displayed as shown below:

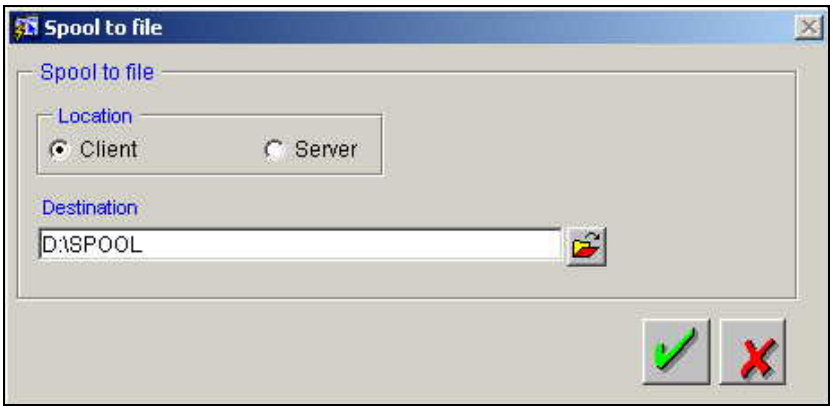


13.1.2 Specifying the Output of a Report

When a report is generated, you can either Save, or Print the same.

13.1.2.1 Saving a report

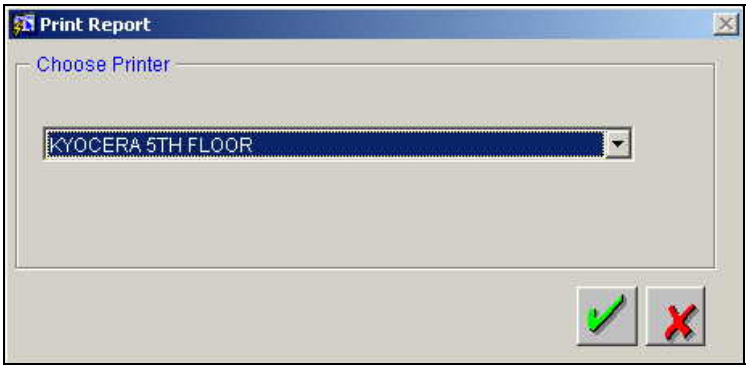
Click on the button. The Spool to File screen will be invoked:



Select the location as ‘Client’ or ‘Server’ to specify where the report needs to be spooled. The destination is determined at the maintenance level. If you wish to change the same, click on the button. You will be allowed to select a directory.

13.1.2.2 Printing a report

Click on the button. The following screen will be invoked:



From the drop-down list, select the name of a printer defined in the Printer Maintenance table. The report will be printed on this printer.

13.1.3 Contents of the report

The contents of the report are discussed under the following heads:

Header

The Header section of the report carries the title of the Report, information on the User who generated the report, the branch code, the date and time and the page number of the report.

Body of the report

The actual contents of the report are displayed in this section. It is detailed for each report, in the subsequent sections of this document.

13.2 Accrual Control List

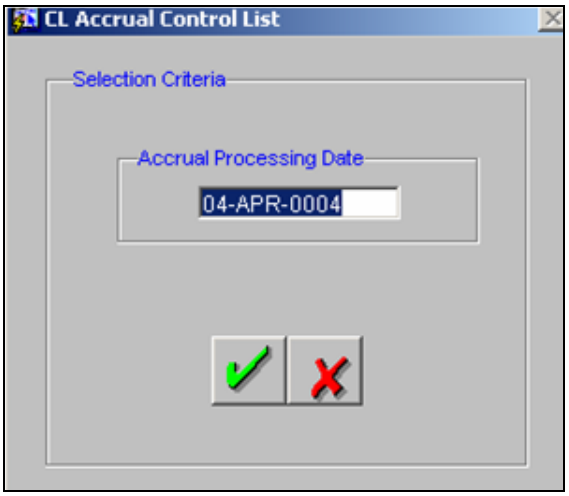
The accrual control journal gives the details of accruals done on finance contracts, as of a specific date.

This report shows the Events and Component details for each account and will be generated for a specific combination of the Account Number, Event Date and Branch Name.

The Component and Item details will be displayed based on Events and Account Number.

13.2.1 Selection Options

If you generate the report manually, the report will list the accounts whose Accrual Processing Date is equal to the date that you specify in the screen CL Accrual Control List.



13.2.2 Contents of the Report

The options that you have specified while generating the report are printed at the beginning of the report. Apart from the header the following information is provided for each contract:

13.2.3 Body of the Report

Account Number	The account number of the contract
Status	The status of the finance contract
Component	This is the component of the finance against which accrual entries are passed
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed
Current	This is the amount for which accrual entries are passed for the current

Account Number	The account number of the contract
Accrual	month
Value Date	The Value Date of the contract

13.3 Accrual Control List Summary

The Accrual Control List Summary report summarizes the details of accruals product wise.

13.3.1 Contents of the Report

Apart from the header the following information is provided for each contract:

Body of the Report

Product	This is the product for which the summary report is being generated
Status	The status of the finance contract under the product
Component	This is the component of the finance against which accrual entries are passed, for the contract under the product
Ccy	This is the component currency. If not specified at the Component level, the finance currency is displayed
Current Accrual	This is the amount for which accrual entries are passed for the current month
Value Date	The Value Date of the contract under this product

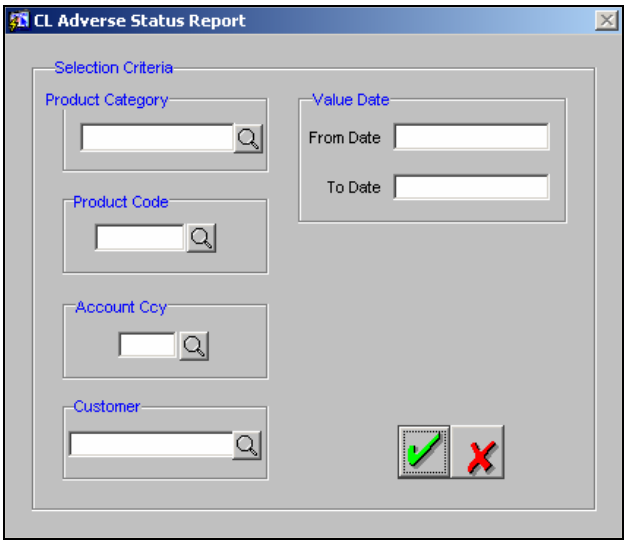
13.4 Adverse Status Report

The Adverse status report gives details of finance contracts that have moved into a status other than active and liquidated.

The amounts outstanding for the various components are reported in this report.

13.4.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate the Adverse Status report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Account Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

13.4.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Apart from the header the following information is provided for each contract:

Body of the Report

PRODUCT	This is the product for which the report is generated
STATUS	This is the current status of the component that is in a status other than Active or Liquidated. The status codes are defined for a product and applied to contracts involving the product
CUSTOMER	This is the CIF ID of the customer involved in the finance.
CUSTOMERNAME	The name of the customer
CONTRACTREFNO	This is the reference number of the finance being reported
COMPONENT	The component whose status details the report reflects
CCY	This is the component currency. If not specified at the Component level, the finance currency is displayed
MATURITY	This is the Maturity Date of the finance
MAXOVERDUEDAYS	If more than one account is overdue under the product, this field will reflect the number of overdue days of the account with the highest number of overdue days
OVERDUEAMT	This is the total amount that is overdue for the component as of the date of report generation

13.5 Adverse Status Summary Report

The Adverse Status Summary report summarizes the details of each contract.

13.5.1 Contents of the Report

Apart from the header the following information is provided for each contract:

Body of the Report

PRODUCT	This is the product for which the report is generated
STATUS	This is the current status of the contract for which details are being reported
COMPONENT	This is the component of the finance against which the payment due is being reported. If more than one component falls due on the same day they will be reported one by one
CURRENCY	This is the component currency. If not specified at the Component level, the finance currency is displayed

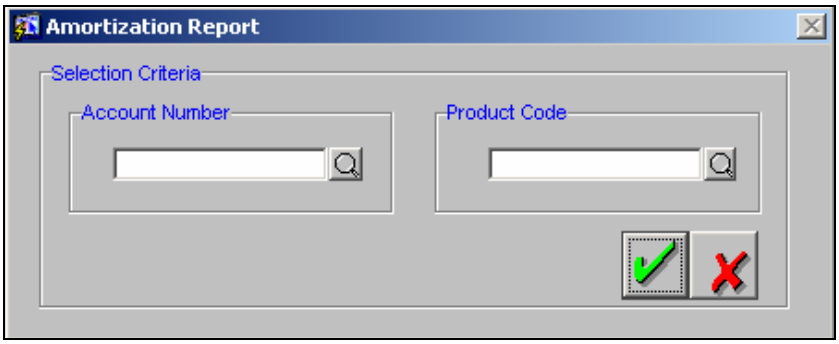
EARLIEST DUEDATE	For all the finances reported, this is the earliest date on which a repayment is due
LATEST DUEDATE	For all the finances reported, this is the latest date on which a repayment is due
CUMULATIVE OVERDUEAMT	This is the total amount that is overdue for the component(s) as of the date of report generation

13.6 Amortization Report

The Amortization Report gives the amortization details of finance contracts.

13.6.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Account Number

Enter the Account Number for which amortization details should be displayed in the report. If you do not enter an account number here, the report will be generated for all accounts.

Product Code

Enter the Product Code of the product for which the amortization details should be displayed in the report. If you do not enter a code here, the report will be generated for all products.

13.6.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Apart from the header the following information is provided for each contract:

Body of the Report

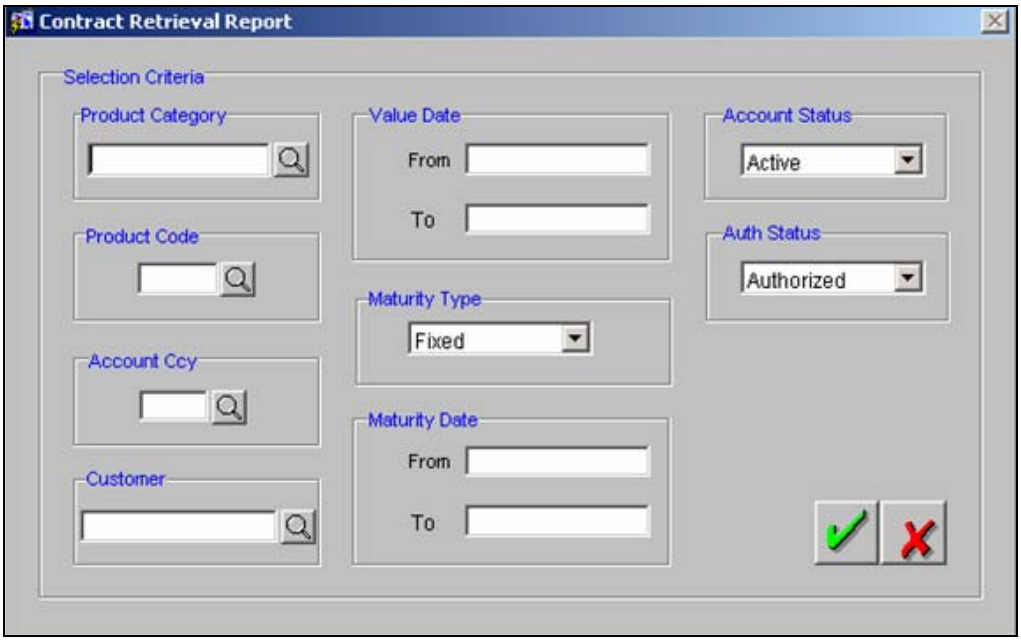
REFERENCE NO	This is the reference number of the finance being reported
PRINCIPAL	The principal amount of the finance being reported
PRODUCT	This is the product for which the report is generated
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
TENOR	The tenor of the finance being reported
YEAR	This is the year for which the amortization details are being displayed in the report
DUE DATE	The due date of an installment of the finance
INSTALLMENT	This is the installment amount of the finance
PROFIT DUE	The profit amount due
PRINCIPAL DUE	The principal amount due
TOTAL PRINCIPAL DUE	The total principal amount due on the finance

13.7 Contract Retrieval Report

The Contract Retrieval report gives you comprehensive information about a finance contract. Information about finance contracts that are active, liquidated and reversed can be retrieved through this report. You can generate the report for a variety of reasons.

13.7.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate the Contract Retrieval Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Account Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To (Value Date)

Enter the Value Date of the contracts. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be

- Fixed - this type of a finance has a fixed maturity date
- Call - If the maturity date is not fixed the finance can be liquidated any time

You can generate the report either for fixed maturity finances or call finances.

From (Maturity Date)

Specify the Maturity Date of the finance. The report will be generated for all contracts whose Maturity Date is equal to, or greater than the date you have specified here.

To (Maturity Date)

Specify the Maturity Date of the finance. The report will be generated for all contracts whose Maturity Date is equal to, or less than the date you have specified here.

Account Status

You can generate the report based on the status of the finance contract. The report can be generated for finances with the following statuses only:

- Active
- Liquidated
- Reversed
- To be initiated

All the finances with the specified status for the specific period will be reported.

Auth Status

You can generate the report for finance contracts either with an authorized or unauthorized status.

13.7.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Account No.	The account number for which the report is being generated
Account Status	This is the current status of the account
Outstanding	This is the total outstanding amount that the customer has to repay. This amount also includes amounts belonging to earlier schedules that

Amount	are yet to be paid. In case the customer has made pre-payments the outstanding amount can be less than the due amount
Product Code	This is the product for which the report is generated
Product Category	This is the product category to which the generated report belongs
User Ref No	This is the reference number of the finance being reported
Customer	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Related Ref No	This is the alternate account number
Account Currency	The currency of the account
Financed Amount	The finance amount financed
Original Start Date	This is the original start date of the finance
Booking Date	The Booking Date of the contract
Value Date	The Value Date of the contract
Maturity Type	This is the Maturity Type of the contract
Maturity Date	The Maturity Date of the contract
Tenor	The tenor of the finance
User Defined Status	The status of the finance
Auth Status	The authorization status of the contract
Liquidation Mode	The liquidation mode of the contract
Rollover Mode	The rollover mode
Rollover	The rollover count

Count	
Component	The components of the finance are listed here
Ccy	This is the currency of the component
Rate Type	This is the rate type
Code Usage	This is the code usage
Effective Rate(%)	This is the effective rate
Special Amount	This is the special amount for the component

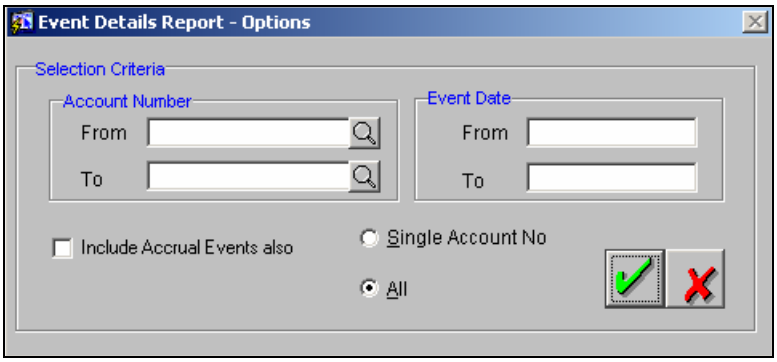
13.8 Event Report

Contract events are events that have taken place during the tenor of a finance contract.

Contract Events report gives a list of all the events that have taken place during the tenor of a finance contract. The events are listed by their Value Date.

13.8.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

From (Account Number)

Select the starting account number. The system will display event details of all accounts from this account number.

To (Account Number)

Select the ending account number. The system will display event details of all accounts upto this account number.

If you do not enter an account number in the above two field, the system will display the event details of all accounts.

From (Event Date)

Enter the date from which event details should be generated in the report for accounts.

To (Event Date)

Enter the date upto which event details should be generated in the report for accounts.

You have the option of not specifying the 'From' and 'To' dates, but if you specify the 'From Event Date', it will be mandatory for you to specify the 'To Event Date'.

Include Accrual Events also

Check this box to indicate accrual related events should be included.

Single Account No.

Select this option to indicate the report should be generated for a single account number or for a range.

All

Select this option to indicate the report should be generated for all accounts.

13.8.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

ACCOUNT NO	The account number of the contract
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
ACCOUNT CCY	The currency of the account
EVENT	This is the code of the event for which details are being reported
EVENT DATE	This indicates the date on which the event took place.
SEQ. NO.	The sequence number of the event
COMPONENT NAME	The component for which details are displayed in the report

ITEM NAME	The amount tag
ITEM VALUE	The value of the amount tag

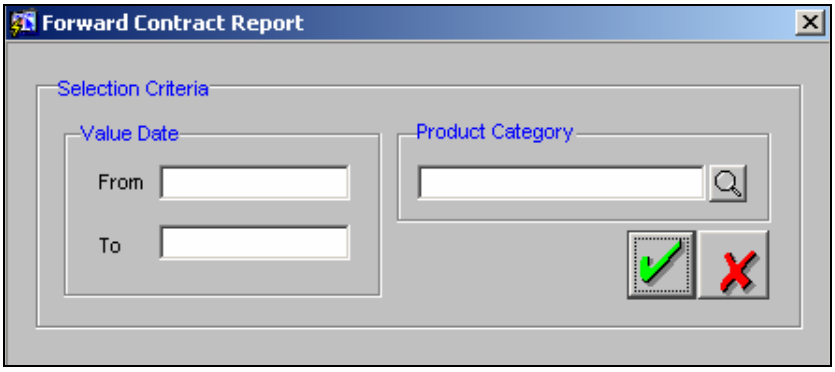
13.9 Forward Contract Report

A forward contract is a finance with a future value date. The value date is the date on which the finance takes effect. The tenor of the finance contract will begin on this date. All accounting entries for the finance contract, all calculations for profit and all the other components based on the tenor will be made from this date onwards.

The forward contract report gives details of all the finance contracts with a future value date. Only contracts that take effect on a date later than or same as the specified date are included in the report.

13.9.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

From (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

It is not mandatory for you to enter the ‘From’ and ‘To’ dates.

Product Category

You can generate the Forward Contract Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

13.9.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Product Category	This is the product category to which the generated report belongs
Account No	The account number of the contract for which the report is generated
Customer Id	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Amount	This is the principal amount involved in the finance
EuroEqv	The Euro equivalent of the finance amount
Value Date	This is the date on which the finance takes effect
Mat.Type	This is the maturity type of the finance. It could be fixed or call.
Mat. Date	This is the date on which the finance matures. The maturity date is generated in the report only in case of fixed maturity finances.
CHARGE DETAILS	
Component	The component on which a charge is being applied
Amount	The charge amount
Euro Eqv.	The Euro equivalent of the charge
Waiver	Whether or not the charge has been waived
PROFIT DETAILS	
Component	The profit component
Amount	The profit amount
Euro Eqv	The Euro equivalent
Rate	The profit rate being applied
Effective	The effective profit rate

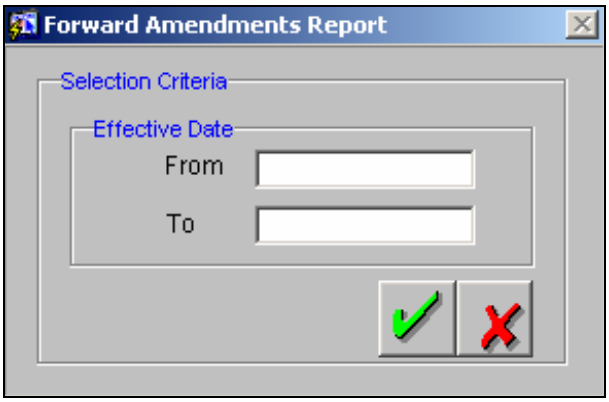
Rate	
Waiver	Whether the profit has been waived

13.10 Forward Amendments Details Changes Report

The Forward Amendments Details Changes Report gives a list of all the amendments made to contracts with a future value date.

13.10.1 Selection Options

If you generate the report manually, the report will list the accounts whose Effective Date is between the dates that you specify in the screen Forward Amendments Report screen.



You can specify the following preferences for the report:

From (Effective Date)

Enter the date from which the report should include amendment details.

To (Effective Date)

Enter the date upto which the report should include amendment details.

13.10.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

ACCOUNT NO	The account number of the contract for which the report is being generated
MATURITY DATE	The Maturity Date of the contract
VALUE DATE	The Value Date of the contract

LOAN AMOUNT	The principal finance amount of the contract
CURRENCY	This is the component currency. If not specified at the Component level, the finance currency is displayed
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
TRANSACTION DATE	The date of the transaction
AMENDMENT DATE	The date of amendment
NEW MATURITY DATE	The Maturity Date after amendment
DIFFERENTIAL AMOUNT	This is the difference between the original financed amount and the new financed amount. If there is no change in the finance value, this field will be zero.
LATEST ESN	The latest Event Sequence Number
COMPONENT NAME	The component that has been amended
NEW RATE	The new rate that has been applied to the component
OLD RATE	The original rate
NEW RATE CODE	The new rate code
OLD RATE CODE	The original rate code
LATEST ESN	This is the latest Event Sequence Number

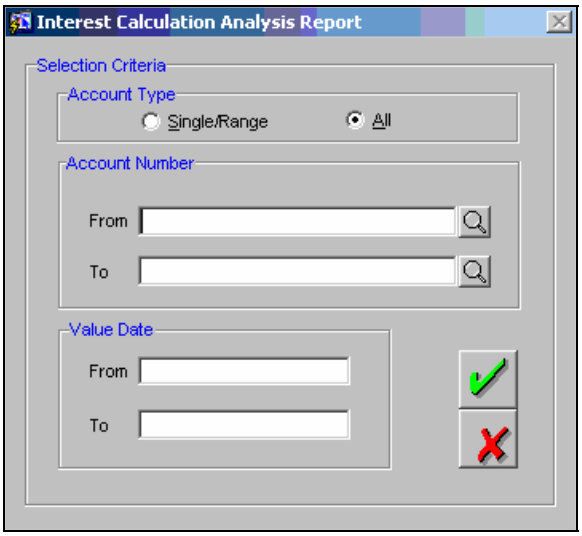
13.11 Profit Calculation Analysis Report

The Profit Calculation Analysis Report is generated for the accounts required between the given Value Date ranges.

The report will be generated for a specific combination of Branch, Account Number and Value Date range.

13.11.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Single/Range (Account Type)

Select this option to indicate you are either specifying a range of account numbers or a specific one whose report is to be generated.

All (Account Type)

Select this option to indicate the report should be generated for all accounts.

From (Account Number)

Select the starting account number. The system will display details of all accounts from this account number.

To (Account Number)

Select the ending account number. The system will display details of all accounts upto this account number.

From (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

13.11.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

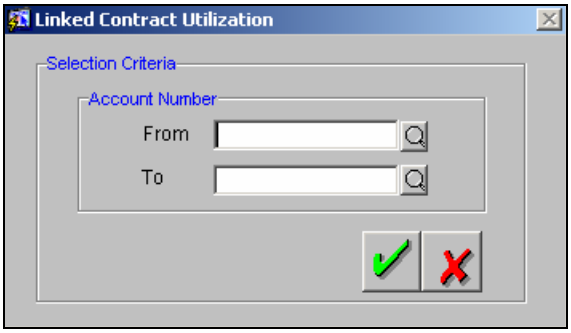
AccountNo.	The account number of the contract for which the report is being generated
Value Date	The Value Date of the contract
Maturity Date	The Maturity Date of the finance contract
Customer Id	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Component	The component for which details are being displayed in the report
Int. Method	The method if profit calculation
Currency	The account currency
Start Date and End Date	Reflects the various periods of change of profit rate
Basis Amount	The basis amount on which the profit is calculated
Rate	The profit rate applicable to a certain period
No. of Days	The number of days for which the rate is applicable
Profit Amount	The is the profit amount

13.12 Linked Contracts Utilization Report

This report will include the details of the accounts, lines or collaterals that have been linked to an account, based on the selection criteria. Linkage Account details and the Amount Financed will be shown for each Account in this report.

13.12.1 Selection Options

If you generate the report manually, the report will list the accounts that you have specified in the Linked Contract Utilization screen.



You can specify the following preferences for the report:

From (Account Number)

Select the starting account number. The system will display event details of all accounts from this account number.

If you enter an account number in this field, you will have to enter an account number in the field 'To'.

To (Account Number)

Select the ending account number. The system will display event details of all accounts upto this account number.

If you do not enter an account number in the above two fields, the system will display the event details of all accounts.

13.12.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Account Number	The account number of the contract
Amount Financed	The finance amount
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed
Value Date	The Value Date of the contract
Maturity Date	The Maturity Date of the finance contract
Linkage Type	This is the linkage type
Linked Ref. No.	The reference number of the linkage type
Customer ID	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Linkage Amount	The amount linked
Secured Portion	This is the secured portion of the finance

13.13 Maturity Report

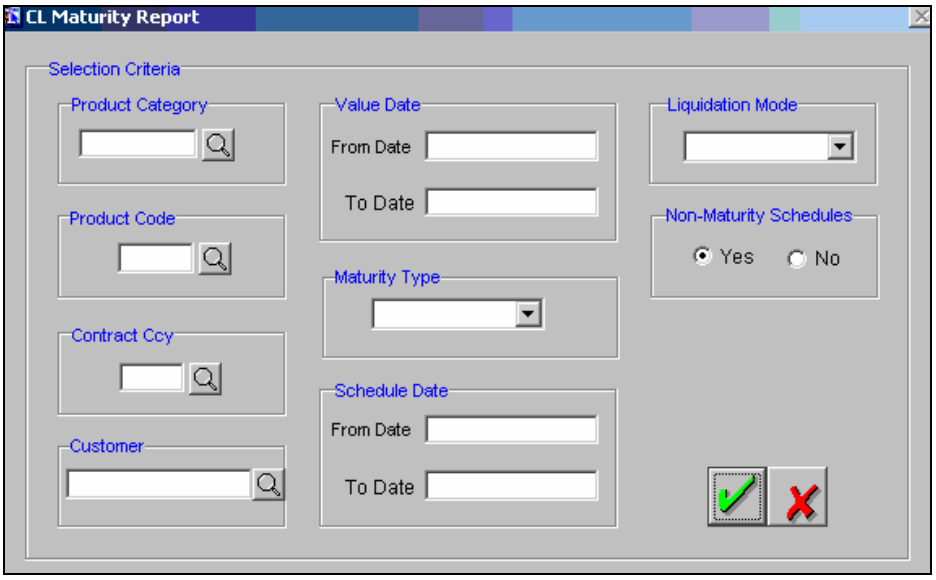
The maturity report gives information about a contract that is:

- Maturing during the period that you specify

- Have schedules falling due during that period

13.13.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate the Contract Retrieval Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Contract Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be

- Fixed - this type of a finance has a fixed maturity date.
- Call - If the maturity date is not fixed the finance can be liquidated any time.

You can generate the report either for fixed maturity finance or call finances.

From Date (Schedule Date)

Specify the Starting Date of the schedule.

To Date (Schedule Date)

Specify the Ending Date of the schedule.

Liquidation Mode

Components of a finance can be liquidated automatically or manually. In auto liquidation a schedule will be automatically liquidated on the day it falls due. In manual liquidation a schedule amount has to be liquidated manually.

You can generate the report based on the liquidation mode that you have specified. The report can be generated only for finances with auto liquidation or you can generate the report for finances that have to be manually liquidated.

Non Maturity Schedules

Select the option 'YES' to indicate you want the report to include finances which have not matured. Select the option 'NO' to indicate it should include matured finances.

13.13.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

13.13.3 Body of the Report

CALL CONTRACTS	
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer

CALL CONTRACTS	
ACCOUNT NUMBER	The account number for which the report is being generated
Ccy	This is the component currency. If not specified at the Component level, the finance currency is displayed
FINANCED AMOUNT	The finance amount
OUTSTANDING AMOUNT	This is the total outstanding amount that the customer has to repay. This amount also includes amounts belonging to earlier schedules that are yet to be paid. In case the customer has made pre-payments the outstanding amount can be less than the due amount.
FIXED MATURITY CONTRACTS	
DUE DATE	This is the due date for the due amount
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
ACCOUNT NUMBER	The account number for which the report is being generated
MATURITY DATE	Maturity Date of the finance
COMPONENT	Component which is due
CCY	Currency of the component
DUE AMOUNT	The amount which is due
O/S AMOUNT	This is the due amount minus the amount paid

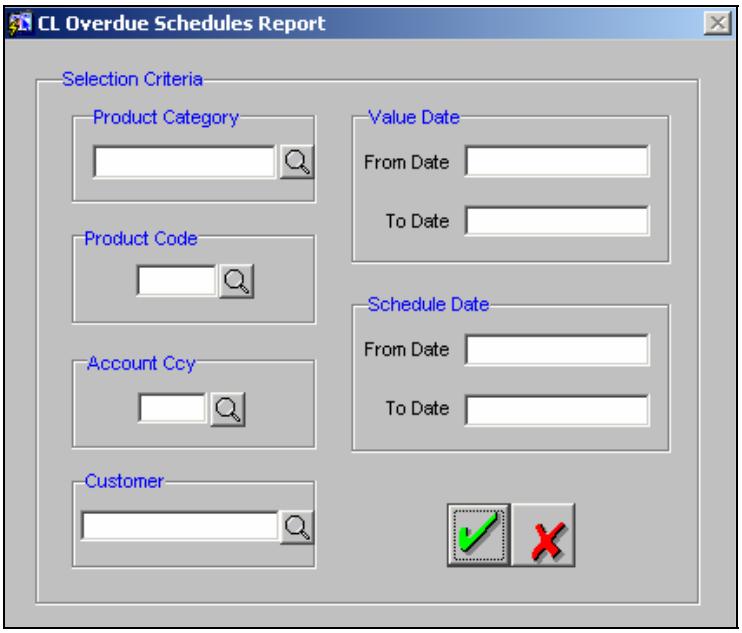
13.14 Overdue Schedules Details

Repayment schedules can be defined for various components of a product like principal, profit, commission and fees. These schedules will apply to all the finances involving the product unless you redefine them at the time of processing the finance.

The Overdue Schedules report gives details of all repayment schedules of a finance that are overdue (i.e., are not paid even when they are beyond their scheduled repayment dates.

13.14.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



Product Category

You can generate the Overdue Schedules Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Contract Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

From Date (Schedule Date)

Specify the Starting Date of the schedule.

To Date (Schedule Date)

Specify the Ending Date of the schedule.

13.14.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

13.14.3 Body of the Report

DUEDATE	The due date of the component which is overdue
OVERDUEDAYS	The number of days by which the component is overdue
CUSTOMER	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
ACCOUNT NUMBER	The account number of the customer for whom the report is being generated
STATUS	The status of the component which is overdue
COMPONENT	The component which is overdue
Ccy	This is the component currency. If not specified at the Component level, the finance currency is displayed
OVERDUE AMT	This is the component amount that is overdue
EURO EQUIVALENT	This is the euro equivalent of the overdue amount

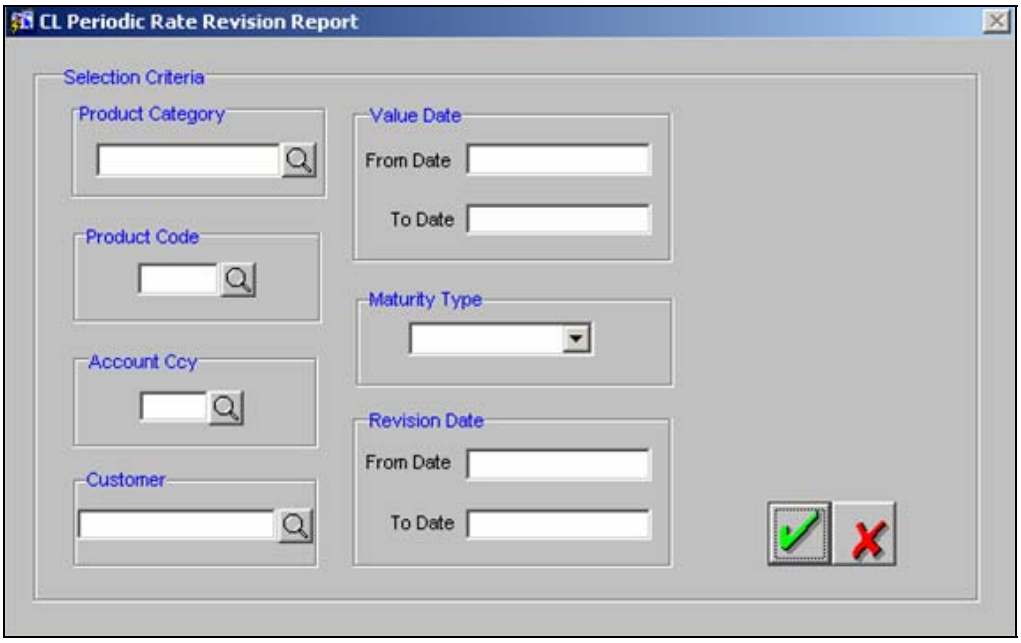
13.15 Periodic Rate Revision

The Periodic Rate Revision Report lists the details of a customer, the rate revision date and the effective rate.

The report will be generated for a specific combination of Revision Date, Customer, Account Number and Rate Code.

13.15.1 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Product Code

Select the Product Code from the option list which contains all valid products under the category you have selected.

Account Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be:

- Fixed - this type of a finance has a fixed maturity date
- Call - If the maturity date is not fixed the finance can be liquidated any time

You can generate the report either for fixed maturity finance or call finances.

From Date (Revision Date)

Enter the Revision Date from which the report has to be generated.

To Date (Revision Date)

Enter the Revision Date upto which the report has to be generated.

13.15.2 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

13.15.3 Body of the Report

REVN DATE	The rate revision date
RATE CODE	The rate code
CUSTOMER	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
CONTRACTREFNO	This is the reference number of the finance being reported
CCY	This is the component currency. If not specified at the Component level, the finance currency is displayed
CONTRACTAMOUNT	The contract amount
COMPONENT	The component that has undergone a rate revision
COMPONENTCCY	The currency of the component
UDEID	The User Defined Element
EFFECTIVE RATE	The rate applicable

14. Screen Glossary

14.1 Function ID List

The following table lists the function id and the function description of the screens covered as part of this User Manual.

Function ID	Function Description
BABIDBAT	Intra Day Batch Start
CFDFLTRT	LD MM Floating Rate Input
CIDACCNT	Unexpected Branch Holiday Summary
CIDACCVM	Islamic Account Amendment
CIDACHST	Account History Details
CIDADCHG	Adhoc Charges
CIDASSDT	Aset Closure
CIDCATMT	Credit Rating Category Maintenance
CIDCRRMT	Credit Rating Rule
CIDDPMNT	Islamic Hamish Jiddayah Detail
CIDIMROL	Inactive Rollover Input
CIDINADT	Inactive Accounts Details
CIDLQSPN	Liquidation Suspension
CIDMNDSB	Manual Disbursement
CIDMROLL	Rollover Input
CIDMSTCH	Manual Status Change
CIDNOVDT	Account Reassign
CIDPRMNT	Islamic Financing Product
CIDPYMNT	CI Payment
CIDRENOG	Account Renegotiation
CIDSIMDT	Account Simulation

Function ID	Function Description
CIDSIMPT	Payment Simulation
CIDSIMVD	Amendment Input
CIDTSALE	Sale Confirmation Details
CIDVEHMA	Vehicle Details Maintenance
CIRACREV	Contract Reversal Report
CIRCOMLM	Committed Limits
CIRDLEPP	Early Pre Payment (Maturity) Report
CIRDLRPR	Daily Repayment Report
CIRDSBRM	Islamic Financing Disbursement Report
CIRFLPAY	Payoff Report
CIRFTPAY	Future Payment Report
CIRGLIAB	Islamic Financing Guarantors Liabilities
CIRINSRD	Islamic Financing Insurance Report
CIRMATDT	Maturity Report
CIRMISDT	Islamic Financing Detailed MIS
CIRPACCR	Accrual Control List
CIRPALPE	Automatic Finance Payment Exception
CIRPAMSC	Amortization Schedule
CIRPAYAC	Account Payoff Calculator
CIRPAYLM	Line Payoff Calculator
CIRPCALC	Interest Calculation Analysis Report
CIRPDLIN	Advice of Delinquent Notes
CIRPEVNT	Event Details Report
CIRPFRWD	Financing Forward Contracts
CIRPFWCH	Forward Amendments Report
CIRPLGBL	Ledger Balance Verification

Function ID	Function Description
CIRPLICU	Linked Contract Utilization
CIRPLNHT	Financing History
CIRPLNPD	Finance Past Due Notice
CIRPMATR	Maturity Report
CIRPNWLN	New Finance Contracts
CIRPOSCH	Overdue Schedules report
CIRPRETR	Contract Retrieval Report
CIRPREVN	Periodic Rate Revision Report
CIRPRLNT	Financing Rollover Notice
CIRPRLVR	Financing Rollover Monitoring
CIRPSTAT	Adverse Status Report
CIRPTPAY	Partial Pay Off Report
CIRPTRBL	Financing Register/Trial Balance
CIRRPREV	Repayment Reversal Report
CIRVAMID	Islamic Financing Enhancement Report
CISACCNT	Islamic Account Summary
CLDBATCH	CL Batch
CLDBKPMT	Lending Bank Parameters
CLDBRPMT	Lending Branch Parameters
CLDCHKMT	Check List Maintenance
CLDHOLMT	Holiday Period Maintenance
CLDPOLMT	Policy Maintenance
CLDPRCMT	Product Category
CLDPROMT	Promotions Details
CLDSDEMT	System Data Elements
CLDSTDPL	Standard Policies

Function ID	Function Description
CLDTPROC	Automatic Process Definition
CLDUDCMT	User Defined Element Cascade
CLDUDRMT	User Defined Element Rule
CLDUDVMT	User Defined Element Values Maintenance
LMDTYPES	Limit Types
UDDCLEVT	CL User Defined Events Triggering
VPDLIQON	Vendor Payment Detailed
XPDVNMNT	Vendor Maintenance

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