Islamic Integrated Liquidity Management
Oracle FLEXCUBE Universal Banking
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FINANCIAL SERVICES

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1.   About this Manual

1.1 <u>Introduction</u>

This manual is designed to help acquaint you with the Islamic Integrated Liquidity Management module of Oracle FLEXCUBE.

This manual provides answers to specific features and procedures that you need to be aware of for the module to function successfully. Besides this User Manual, while maintaining the interface related details, you can invoke the context sensitive help available for each field. This help encapsulates the purpose of each field within a screen. Placing the cursor on the relevant field and striking the <F1> key on the keyboard can obtain information specific to a particular field.

1.2 <u>Audience</u>

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

Role	Function
Back office data entry Clerks	Input functions for maintenance related to the interface.
Back office Managers/Officers	Authorization functions

1.3 <u>Organization</u>

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	*Integrated Liquidity Management - An Overview* offers an introduction to the module and its features.
Chapter 3	*Islamic Integrated Liquidity Management Maintenance* explains how to maintain certain parameters before defining account structures for integrated liquidity management process.
Chapter 4	*Batch Maintenance* explains the Batches that need to be maintained for II
Chapter 5	*Batch processing* explains various processes related to batches maintained for the Islamic Liquidity Management
Chapter 6	**IP Batch Processing** explains about the process involved in IP batch
Chapter 7	*Reports* give a detailed account of report generation from this module and the contents of such reports.
Chapter 8	*Annexure A* – Lists the Accounting Entries for Profit and Charge Product applicable for the Integrity Liquidity Management module.

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Chapter 9	*Annexure B* – Lists the Profit and Charge rules that need to be maintained for the Islamic Integrity Liquidity Management module.

1.4 <u>Related Documents</u>

The Procedures User Manual

1.5 <u>Glossary of Icons</u>

This User Manual may refer to all or some of the following icons:

Icons	Function
✖	Exit
➕	Add row
➖	Delete row
⏎	Option List

2. Islamic Integrated Liquidity Management - An Overview

2.1 <u>Introduction</u>

Liquidity Management refers to the services your bank provides to its corporate customers thereby allowing them to optimize profit on their checking/current accounts by sweeping funds from different accounts. Your corporate customers can, therefore, manage the daily liquidity in their business in a consolidated way.

Customers need to define 'account structures' which form the basis of liquidity management. The account structure reflects the hierarchical relationship of the accounts as well as the corporate strategies in organizing accounts relationships.

Islamic liquidity management supports sweeping funds. Sweeping is the process where physical funds are moved in account structure from child to parent or parent to child.

The Islamic Integrated Liquidity Management (ILM) module in Oracle FLEXCUBE supports a multi-branch, multi-currency liquidity management structure using architecture of 'System Accounts'. This enables the system to keep track of balances in accounts in the structure, calculate profit on the accounts in the structure as well as track the history of the sweep structure.

🛑 System accounts are internal accounts created by the system based on the role played by an account in an Account Structure.

This document is broadly classified into two sections as follows:

- Maintenance required for ILM
- EOD Batch operations and sequenc

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3. Maintaining Parameters for Islamic Integrated Liquidity Management

3.1 Introduction

You need to maintain certain parameters before you define account structures for integrated liquidity management process. They are:

- Account class
- IC – SDE Maintenance
- IP Rule Maintenance
- IP Product Maintenance
- Customer Maintenance
- Islamic Account Maintenance
- Transaction Code
- Product Event class and Accounting entries for ILM
- ILM Branch parameters Maintenance
- Group Code Maintenance
- Account Structure Maintenance
- Group Account Linkage
- Other Maintenances

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3.2 Maintaining Account Classes

You can use the Account Class feature in Oracle FLEXCUBE to create a set of accounts which have the same characteristics. You can invoke the 'Account Class Maintenance' screen by typing 'IADACCLS' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. Click on the 'Preferences' button in the 'Account Class Maintenance' screen to invoke the 'Preferences' screen.

You are required to input the following details in this screen:

Integrated Liquidity Management

Check this option to indicate that accounts created under this Account Class should be part of an ILM Structure. If the option is checked, the system creates system accounts (internal accounts) for each account that is linked in a sweep structure and tracks the balances on both the actual accounts as well as these system accounts. It also calculates profit on these system accounts.

🛑 Profit on accounts that are not part of an account structure are calculated on the actual customer account.

3.3 <u>Maintaining SDEs</u>

In order to calculate Profit, Oracle FLEXCUBE uses components called 'data elements' that provide the required data.

System Data Elements (SDEs) are values such as the balance in an account or the number of transactions in a day. This information is constantly updated in the system and is readily available for computation of Profit. These values can only be picked up by the system while applying Profit. User cannot indicate what the value of an SDE should be.

The following SDEs will be used in IC Processing:

SDE (System Data Elements)	Description
ILBD_ULT_DR_BAL	Captures the book dated Debit balance of the pool header in this Data element during the IC calculation process
ILBD_ULT_CR_BAL	System populates the book dated Credit balance of the pool header in this data element during the IC calculation process
ILVD_ULT_DR_BAL	System populates the value dated Debit balance of the pool header in this data element during the IC calculation process
ILVD_ULT_CR_BAL	System populates the value dated Credit balance of the pool header in this variable during the IC calculation process
ILBD_CP_DR_CONT	This data element captures the Compensated contribution of the book dated Debit balance
ILBD_CP_CR_CONT	This data element captures the Compensated contribution of the book dated Credit balance
ILVD_CP_DR_CONT	This data element captures the Compensated contribution of the value dated Debit balance
ILVD_CP_CR_CONT	This data element captures the Compensated contribution of the value dated Credit balance
ILBD_NCP_DR_CONT	This data element captures the Non Compensated contribution of the book dated Debit balance
ILBD_NCP_CR_CONT	This data element captures the Non Compensated contribution of the book dated Credit balance
ILVD_NCP_DR_CONT	This data element captures the Non Compensated contribution of the value dated Debit balance
ILVD_NCP_CR_CONT	This data element captures the Non Compensated contribution of the value dated Credit balance

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3.4 Maintaining UDEs

User Data Elements (UDEs) are elements (such as Profit or Tax rate) the values for which are provided by the User. The following User Data Elements (UDE) can be specified in IP Rule Maintenance:

- Debit Rate for Sweep Balance
- Credit Rate for Sweep Balance
- Inter-Bank Rate
- Tax Rate

3.5 Creating Profit & Charges Rules

You can use the SDEs and UDEs that you have previously defined to create formula to be used by the system for Profit calculations in the 'Profit & Charges Rule Maintenance' screen. You can invoke the 'Profit & Charges Rule Maintenance' screen by typing 'IPDRLMNT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

You are required to input the following detail in this screen:

Integrated LM

Choose this option if you want to use the product for Integrated Liquidity Management processing.

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Integrated LM Type

Specify the type of System Account to which the product ought to be linked. It can be:

- Pool Leader: Indicates that the Rule will apply to Header accounts in a structure.
- Pool Reallocation: Indicates that the rule will apply to Parent and Child Accounts below the Header Account.

Refer the chapter 'Annexure B – IC Rule Set-up' in this User Manual for suggested IC rules.

3.5.1 Creating Profit & Charges Products

You can invoke the 'Profit And Charges – Profit Product Preferences' screen by clicking 'Preferences' button on the 'Profit And Charges Product Maintenance' screen. You can invoke the latter by 'typing 'IADPRMNT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

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You can input the following details in this screen:

Integrated LM Product

Choose this option if you want to use the product for Integrated Liquidity Management processing.

Integrated LM Type

Specify the type of System Account to which the product ought to be linked. It can be:

- Pool Leader: Indicates that the Rule will apply to Header accounts in a structure.
- Pool Reallocation: Indicates that the rule will apply to Parent and Child Accounts below the Header Account.

Refer the chapter 'Annexure A - Accounting Entries' in this User Manual for suggested IC products.

3.5.2 <u>Maintaining IP Special Conditions for Customer Accounts</u>

The 'Islamic Accounts Maintenance' screen is used to create accounts for a given Customer using the desired account class and currency combination. You can invoke the 'Islamic Accounts Maintenance' screen by typing 'IADCUSAC' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Click 'Profit' button in 'Customer Account Maintenance' screen to invoke 'IP Special Conditions Maintenance' sub-screen, where you can maintain IP special conditions for ILM accounts.

IC Special Conditions Maintenance

Account Details

Account

Calculation Account

Booking Account

☐ Interest Statement Required

☐ Dr Cr Advices

Charge Booking Account

Interest Start Date

Interest Booking Account Branch

Charge Booking Branch

Charge Start Date

◄ ▶ + −

Product Details

Product *

User Defined Element Currency

☐ Waive

☐ Generate UDE Change Advise

☑ Open

UDE Id

Dates

+ − ▤

☐ Effective Date *	Open
☐	☑

Interest SDE

+ − ▤

☐ User Defined Element Id *	UDE Id	Rate Code
☐		

Deposit

Ok   Exit

🛑 ILM accounts need to be created with special conditions by attaching the products with effective date and UDE values.

3.5.2.1 IP Special Conditions

The system displays the following fields on the basis of your choice in the IP Rule and IP Product screens.

Integrated LM

The system defaults the value specified in the product screen from based on product selected from the option list.

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Integrated LM Type

The system displays the value on the basis of your choice in the IP Rule and IP Product screens.

3.6 Maintaining Product Event Class & Accounting Entries

When you define an Events Class, you choose, first of all, the set of events that would belong to the class. Events are, usually, unique to a module.

The events that you would like to include in an Events Class can be identified through the 'Events Accounting Entries and Advices Class Maintenance' screen. This screen is invoked from the Application Browser.

You can invoke the 'Events Class Maintenance' screen by typing 'CSDACTCL' 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 in this screen:

Class Code

An Events Class is identified with a unique Code and a Description. This indicates the name of the event class to which the events for ILM processing will be linked.

Description

You need to enter a brief description for the class code.

Module

Events are, usually, unique to a module. Specify the module as IL to define the events for Islamic Liquidity Management module.

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Event Code

Specify a valid code for the event you need to maintain. The adjoining option list displays all valid codes maintained for IL events. You can select the appropriate one.

Event Description

Once you specify the class code and module, click on add icon. The system will display the events associated with the Integrated Liquidity Management module.

The following events are available for the integrated liquidity management module:

- SWBK : Sweep Booking
- RVSW: Reverse of Sweep Booking
- RALL: Reverse ALL (Book / Reverse Sweep)

3.6.1 Defining Accounting Entries for Event

You can indicate the accounting entries that should be passed at an event in the Accounting Entries section of the 'Events Class' screen. This section is invoked by clicking the 'Accounting Entries' button.

As part of the Accounting Entry details of an event, you should specify the following details:

- The accounting role
- The amount tag
- If a debit or a credit
- The transaction code

Accounting Role

If accounting entries are to be passed for an event, you have to indicate the different Accounting Roles. At an event in the life cycle of a deal, involving a product to which you associate the class, the appropriate entries will be passed under the specified Accounting Roles.

The adjoining option list displays a list of all the available accounting roles.

Amount Tag

The amount (i.e. the available balance, booking dated balance etc.) that is to be posted for an event, is referred to as the Amount Item. The tag associated with an Amount Item is the Amount Tag.

The adjoining option list displays a list of the amount tags that are maintained in the system. You can choose a tag by double clicking on it.

Debit/Credit

You have already specified the type of account to which an entry should be passed, and the tag which identifies the amount (available balance, booking dated balance etc.) that should be passed. In this field, you must indicate if the amount is to be debited from credited to the specified account. Choose the Debit or Credit indicator.

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Transaction Codes

Every accounting entry in Oracle FLEXCUBE involves a Transaction Code that describes the nature of the entry. This code and its description will identify the original sweep book, reverse booking and their corresponding reversals. The Transaction Code for both legs of the transaction would be the same.

The table below illustrates the accounting entries for each event that you need to set up for the liquidity management module.

Event	Debit/Credit Indicator	Accounting Role	Amount Tag
SWBK	DR	CHILD	*CR_CONT*
SWBK	CR	PARENT	CR_CONT
SWBK	CR	CHILD	DR_CONT
SWBK	DR	PARENT	DR_CONT
RVSW	DR	PARENT	CR_CONT
RVSW	CR	CHILD	CR_CONT
RVSW	DR	CHILD	DR_CONT
RVSW	CR	PARENT	DR_CONT

Refer to the Modularity User Manual for further information on setting up accounting details.

3.6.2 Associating Branch to Event Class

After you define the accounting entries that need to be passed for a set of events, you need to associate the event accounting entries to the branches of your bank.

You can invoke the 'ILM Branch Parameter Maintenance' screen by typing 'ILDBRPRM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

For field details refer 'Associating Branch to Event Class' section in 'Maintaining Parameters for Integrated Liquidity Management' of IL module.

Branch parameters maintained for IL modules is applicable for II module and the vice versa. Hence a single maintenance in any of the both modules is sufficient.

3.7 Group Code Maintenance

In Oracle FLEXCUBE, you can bring together several accounts to form a 'Group' for ILM processing. You can then link this group code to the Header Account maintained as part of Account Structure. In Oracle FLEXCUBE, group codes allow you to uniquely identify a given account structure for ILM processing.

You can invoke the 'Integrated Liquidity Management Group Code Maintenance' screen by typing 'IIDGRPCD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

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You can input the following details in this screen:

Group Code and Description

Enter a unique code to identify the group code in the system. Enter a brief description.

Effective Date

Specify the date from which the group will become active in the system. You will not be allowed to input Back Valued Dates (BVT) here.

Sweep Basis

You need to indicate if the sweep should be performed on Book Dated balance or Value Dated Balance for the entire structure falling under the group. . If BVT support is required, it must have 'Value Dated' option.

Pool Benefit

If you select this option, profit re-allocation is carried out for the child accounts involved in the group.

Reverse Sweep

Indicate whether reverse sweeps should be performed during BOD batch.

BVT Applicable

Specify if BVT processing is applicable for a group

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BVT Unit

Indicate the unit the system should consider while calculating the BVT date. This can be Days/Months

BVT Duration

This indicates the number of BVT units allowed as back period from today's date while calculating BVT date.

For instance, to indicate 30 Days input 'Days' as BVT Unit and '30' in the BVT Duration fields. Similarly, to indicate 2 months, the BVT Unit should be 'Months' and the BVT Duration '2'.

🛑 Note the following:

- If the Sweep basis is Book Dated, back value dated transaction is not allowed.
- While maintaining a new Group, the system validates if 'ILM Applicable' check box is checked at the branch level.
- BVT is considered only from the same day, if it's posted on working day. If it is posted on a holiday, then the system considers BVT from the next working day. The same is applicable for BVT entries entered by the system to the account.

3.7.1 <u>A Note on Back Valued Transactions</u>

The system rebooks the sweeps (in case of physical pooling) and adjusts the profit amount that had been accrued and settled in the accounts when you input a transaction with a back value date. In case of a change in the Account Structure in the interim between the Back Value Transaction (BVT) date and current date, the system uses the account structure existing on the execution days.

The following points need to be kept in mind for BVT Processing:

- It is performed only for sweeps which are value based.
- The corresponding System Account active on the Effective Date is considered for a back valued transaction to an account. (BVT for Islamic ILM is considered only when it is a working day)
- The processing involves replaying the sweep from the least date of the BVT which means that the Contributions and Pool Balances of the System Accounts are calculated afresh. The balances in all accounts of the structure are reworked and the sweeps carried out again for each of the previous sweep having the same value date.
- The value dated balances of the Parent Account as well as the Child Accounts in the Account Structure are updated
- In Customer Account Statements, only the back value transaction will be available on the date that it was posted.

The system follows the following process for replaying sweeps:

1. It omits BOD processing for the least back value date only and continues till the current processing date. It then identifies the value dated balance of the current processing date for the corresponding System Account and carries out the EOD processing.

2. For a particular Effective Date, it calculates Sweep Amount for the corresponding System Accounts.

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3. It fetches the entry posted for the BVT date from the Sweep Log and compares it with the Sweep Amount that has been calculated currently.

4. If the Sweep Amounts are equal, no entry is posted.

5. If the Sweep Amounts are different, it reverses the entry that was posted for the BVT date (SWBK) and the corresponding entry that was used during BOD to reverse the entry above Reverse sweep booking (RSBK)

6. Reversal of Reverse Sweep (RSWR) entry gets posted during reversal of RVSW.

7. It inputs a new entry whose booking date is the processing date of the BVT and whose value date is the BVT date. This entry is entered into the Daily Log.

8. It then updates the post sweep balances for a combination of Account + Effective Date + System Account.

🛑 Every time a physical sweep is executed, the system stores the credit balance and the unused OD limit in the Parent Account before and after the sweep.

3.8 **Maintaining Account Structures**

In Oracle FLEXCUBE, you can define a structure for the various accounts participating in the ILM process and set up a hierarchy for the accounts - establish the relationships or links among the accounts that are to be part of the Group.

You need to define the account structure and the hierarchy for ILM processing in the 'Islamic Account Structure' screen. You can invoke the 'Account Structure Maintenance' screen by typing 'IIDSWEEP' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

You can define the following parameters as part of maintaining the account structure for ILM processing:

3.8.1 Indicating Account Details

Specify the following details.

Account

First, you need to specify the account (main or affiliate account) which has to be part of the account structure.

Account Type

You need to indicate whether the account that you have specified is a main account or secondary account. The account type defines the relationship between the accounts.

- Select the option 'Parent' to indicate that the account is the main account in the hierarchy.
- Select the option 'Child' to indicate that the account is a secondary account in the hierarchy.

You will not be able to link the accounts at the same level in an account structure.

If you de-link a parent account from a structure or link it to another parent in the same structure, the associated child accounts linked to it will also follow the parent account.

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Effective Date

You need to indicate the date from which the account structure is available in the system for ILM processing.

Parent Account

This is applicable only if you are maintaining a child account. You need to indicate the parent account for the child here.

🛑 You cannot link a child account to more than one parent account.

Booking Account

You need to indicate the account to which the profit amount is to be booked during profit reallocation (after Profit is calculated).

🛑 The booking account linked to the account should have the same currency as the account.

Scheme

Indicate the type of structure for which the link is being defined. The following types are possible:

- Sweep: Indicates that the level of the structure is Sweep, in which movement of funds is physical.

Profit Reallocation

Check this option to allow profit to be re-allocated to child accounts based on their contribution.

3.8.2 Maintaining Sweeping Parameters

Specify the following details.

Sweep Type

This indicates the sweep type of the parent and child account. The sweep type can be either of the following:

- Debit (Sweep Out)
- Credit (Sweep In)
- Target Balance Agreement

Base Amount

The amount depends on the sweep type that you have selected.

- If the sweep type is Debit, the Amount indicates the balance in the account that should trigger a sweep out of funds. The sweep transaction will be executed if the balance in the account becomes greater than this amount.
- If the sweep type is Credit, the Amount indicates the balance in the account that should trigger a sweep in of funds. The sweep transaction will be executed if the balance in the account goes below this amount.
- If the sweep type is Target Balance, the Amount indicates the minimum balance that is to be left behind in the Child Account after the sweep is performed. A value of zero indicates Zero Balancing sweeps.

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Multiples Amount

This indicates the multiples amount in which the system performs sweeps.

Example:

Let us assume the following:

- Available amount in account: 900
- Base Amount: 100
- Multiples amount: 250

In this case, the system works out the amount to be swept as follows:

900 – ((mod (900 – 100) / 250) + 100)

900 – (50 + 100) **= 750**

3.8.2.1 Validating Account Structure

The system validates the following for account structure:

- Account must not be linked to more than one Parent Account
- Account must not participate in another account structure with different header account
- There must not be any cyclic links in the structure
- Accounts that act as a Parent Account in the structure must be explicitly maintained with the account type as Parent
- Back Dated Structure Change is disallowed
- Accounts at the same level in the structure must not be linked
- If a Parent Account is delinked from a structure or linked to another parent in the same structure, then the Child Accounts linked to it must also be delinked or linked accordingly
- If 'Scheme' is maintained as 'Sweep', then the Parent Account and Child Account must be in the same currency
- Parent and Child Account in the account structure must be in the same fund ID
- Effective date of child must be greater than or equal to parent structure
- Base amount must not be assigned to parent structure

### 3.8.3 Closing Accounts in an Account Structure

The following steps explain how to close an account in a given account structure. Let us assume that, in the structure shown below, we need to close account P2 and attach account C2 directly to H1.

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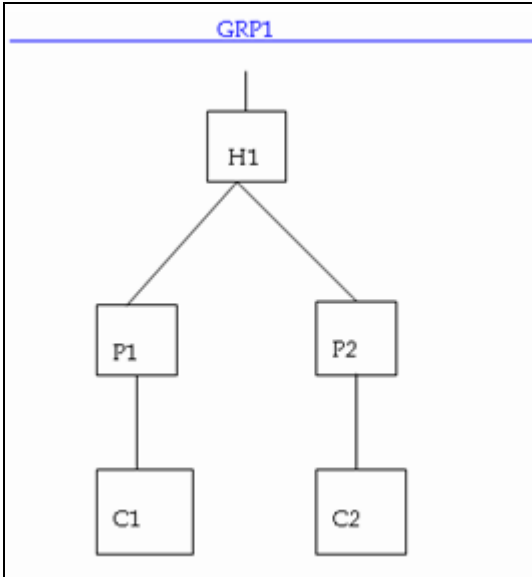
The steps to be followed for the closure are:

- Child Account C2 is closed first (You can query to find out the child accounts of a given parent account, say P2)
- Subsequently, account P2 is closed.
- Account C2 is now freshly linked with H1.

After the structure change has been carried out, the new structure appears as shown below:
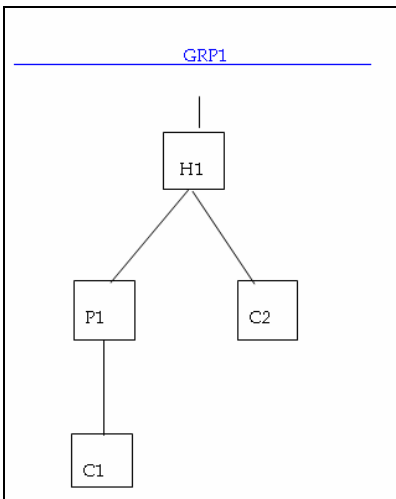
In the new structure (i.e. after the change), account C2 will have a new 'System Account' associated with it.

🛑 BVT is not applicable for a group if any of the account structure closes and BVT falls in that period.

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3.8.4 Creating Group Account Linkages

You can link the account structure to the group codes that you have maintained in the 'Islamic Account Group Linkage Maintenance' screen. You can invoke the 'Account Group Linkage Maintenance' screen by typing 'IIDGRPLN' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

In this screen, you need to specify the following:

Header Account

The system will display the parent accounts maintained as part of account structure maintenance. Select the account which you want to link to the group.

Effective Date

Indicate the date on which the structure under the group should come into effect.

Group Code

Indicate the group code to which you want to link the account structure.

3.8.4.1 Validating Group Account Linkages

The system validates the following for group account linkages:

- Modification of Account Group linkage is disallowed for an effective date
- If a record has to be closed, then the structure reporting to the group code must be validated. The structure must be linked to the new group code for the effective date greater than the closure date
- Group linkage effective date must be greater than or equal to Group code effective date

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- Effective date of Account structure related to group linkage must be greater than or equal to linkage effective date

For example, the following structure may be defined for a Group Code 'GRP'

HACC (Header Account)

    -- **PACC1** (Child to HACC)

        -- **CACC1** (Child to PACC1)

    -- **PACC2** (Child to HACC)

        -- **CACC2** (Child to PACC2)

        -- **CACC3** (Child to PACC2)

In the above structure, PACC2 is the Child Account in the link HACC – PACC2 whereas Parent Account in PACC2 – CACC.

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4. Batch Maintenance

4.1 Introduction

Apart from the maintenances mentioned in previous sections, Oracle FLEXCUBE enables you maintain Batch processes. This chapter provides an input on various batches maintained for the module.

4.2 Maintaining EOD Batch

You are required to maintain the following sequence for ILM batches that need to be run, for any branch which is enabled for ILM. You can invoke the 'Mandatory Batch Program Maintenance' screen by typing 'EIDMANPR' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

At EOTI – Stage

- ILBATCH or IIBATCH (any one of them) – carries out both conventional and Islamic ILM processing
- IPEOD

At BOD - Stage

- ILBATCH or IIBATCH – any one of them
- IPEOD

Intra Day Batch

- IIINTSWP or ILINTSWP (any one of them) – carries out both conventional and Islamic ILM processing

The various mandatory programs are show below:

4.3 Maintaining Mandatory Program for IIBATCH during End of Transaction Input

IIBATCH processes the account structure based on the group code maintained at 'Islamic Group Codes Maintenance' level. This batch creates or updates the system accounts based on the account structure maintained for the ILM accounts.

Mandatory Batch Program Maintenance

New Enter Query

Branch * 002

Function Id *

Module *

Sequence Number

Description

End of Cycle Group * ○ Txn Input
○ End of Txn Input
○ End of Fin Input
● End of Day
○ Beginning of Day

Error Handling ● Stop Automatic EOD Run
○ Continue Automatic EOD

Frequency Daily
Holiday Rule Do Not Execute
Execution Layer ● Database
○ Application
Sub Stage 1

Number Of Days
Run Date
Job Code
Description

Predecessors

+ — ▦

☐ Predecessors *

Fields

Input By
Date Time

Authorized By
Date Time

Modification Number
☐ Authorized
☐ Open

Exit

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4.4 Maintaining Mandatory Program for IPEOD during End of Transaction Input

IPEOD batch calculates the profit for the CASA and system accounts for the Mudarabah rate computed by the PDM batch.

🛑 IP batch should run only if IIBATCH is successful. Hence, in IPEOD mandatory program, you need to maintain the field predecessor as IIBATCH so that the IP Batch will not run if IIBATCH fails.

4.5 Maintaining Mandatory Program for IIBATCH during BOD

Mandatory Batch Program Maintenance

New | Enter Query

Branch * 002
Module *
Function Id *
Sequence Number
Description

End of Cycle Group *
- ○ Txn Input
- ○ End of Txn Input
- ○ End of Fin Input
- ◉ End of Day
- ○ Beginning of Day

Error Handling
- ◉ Stop Automatic EOD Run
- ○ Continue Automatic EOD

Frequency   Daily
Holiday Rule   Do Not Execute
Execution Layer   ◉ Database
                  ○ Application
Sub Stage   1

Number Of Days
Run Date
Job Code
Description

Predecessors

☐ Predecessors *

Fields

Input By	Authorized By	Modification Number	
Date Time	Date Time	☐ Authorized	Exit
		☐ Open	

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4.6 Maintaining Mandatory Program for IPEOD during BOD:

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5. Batch Process

5.1 Introduction

Each batch maintained in the previous section involves a unique process. The subsequent sections of this chapter explains the various processes related to batch (real time, intra day and end of day) maintained by the system as part of ILM processing.

5.2 Intraday Batch Processing

A particular group code could be processed during intraday batch, post updates are disallowed to the account structure. After running intraday batch, the system will not generate group code during IIBATCH processing.

5.3 End of Day Processing

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5.3.1 Generating System Accounts

An account can play the role of child or parent in an account structure. For this purpose (and to help in the processing of corrections such as back value dated transactions), Oracle FLEXCUBE creates system accounts. This helps the system to identify the role of the account in a structure at any point of time.

The resolution for generation of system accounts is as follows:

- The system identifies all the active groups in the branch to which the accounts are linked in Account Structure Maintenance. The system also identifies all the accounts in the Account Structure.
- The system identifies the ultimate parent account or Header Account linked to the group in a structure creates System Accounts for the given structure. The system accounts are created for every account.
- The system assigns level called System Account level apart from the level of the account in the structure that you have maintained.

For instance, in the illustration explained under the section 'Linking Account Structure to Group Code', the Account Structure for the Group GRP is maintained as:

Child Account	Parent Account	IL Relation
HACC	GRP	C
HACC	HACC	P
PACC1	HACC	C
PACC2	HACC	C
PACC1	PACC1	P
PACC2	PACC2	P
CACC1	PACC1	C
CACC2	PACC2	C
CACC3	PACC2	C

The System Account is created for the above mentioned Account Structure as follows:

Account	IL Relation As	System Account	Account Level	System Account Level
HACC	Parent	T3	2	1
HACC	Header	T4	2	2
PACC1	Child	T1	2	3
PACC2	Child	T2	2	3

Account	IL Relation As	System Account	Account Level	System Account Level
PACC1	Parent	S3	3	1
PACC1	Header	S4	3	2
PACC2	Parent	S6	3	1
PACC2	Header	S7	3	2
CACC1	Child	S1	3	3
CACC2	Child	S2	3	3
CACC3	Child	S5	3	3

- The System Account will have the same account Class, currency and customer ID as that of the customer account.
- The attributes defined in the Account Structure Maintenance are carried forward for the corresponding System Accounts.

5.3.2 Sweeping

During End of Day (EOD) process, you can execute the sweep process for integrated liquidity management.

When you execute this process, based on your specifications, funds are swept between accounts in a structure. That is:

- In a multi-tiered sweep structure, sweeps of a lower level will be done before the sweeps of a higher level.
- System identifies the level of the System Accounts and the contribution of each account to its respective Pool is calculated. This information is stored at the Account + System Account + Effective Date level.
- For sweeping structures, system will also post accounting entries as follows:

Dr	Contributing Account	Amount
Cr	Receiving Account	Amount

- The value date and posting date for the entries will be the date on which the sweep is actually executed.
- If a sweep cannot be executed because of any reason, the system stores the information for reporting.

5.3.3 Batch process for Sweep Eligible Balance

To determine the Contribution Amount, the ILM batch considers the Sweep Eligible Balance instead of the Available Balance.

Example

Account Balance:	2,000.00
Sweep InEligible Balance:	500.00

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Sweep Eligible Balance: 1,500.00

🛑 The Sweep Ineligible Balance is populated from E-Gifts DEUPLOAD interface based on the 'AIP Eligible' value as Y or N. Any record with 'AIP Eligibility' set to N increases the Sweep InEligible balance by that amount.

6. IP Batch Processing

6.1 Introduction

This chapter will describe IP batch processing performed in the Islamic ILM module.

6.2 IP Processing for Account Structures

Profit resolution for customer accounts with non-integrated LM IP products is carried out by the system at the time of saving the accounts. In the case of customer accounts with integrated LM type of IP product, System Account records for the customer accounts are created after the account structure has been maintained. The system accounts are created on the basis of their account type (Header and Reallocation) and are resolved in a similar manner to customer accounts.

The following are the processes involved for IP Batch:

- The Header Account is identified on the basis of system account level
- Details of dates for liquidation/ accrual/ calculation and previous liquidation for the various ILM type products linked to a customer account are stored when a new system account is created
- Profit is accrued only for Header account based on the Mudarabah rate maintained.
- During Liquidation entries will be deferred according to the product setup
- In between the deferred liquidation period, the profit distribution batch is run to derive the new Mudarabah rate.
- Back value is calculated for new Mudarabah rate and adjustment entries are posted for accruals processed earlier on deferred liquidation date.
- Profit liquidation entries will be passed according to account structure and group setup.

Profit Calculation, Liquidation and Reallocation are based on the following:-

- For Pool Lead Group – Profit is calculated at the Header level. The consolidated pool Balances profit is calculated based on Mudarabah rate and no profit is calculated at the Child Account level.
- After PDM batch is run for the associated fund ID, the system computes Mudarabah rate to Header Account for UDE field under 'Profit' section at 'Islamic Account Maintenance' level and liquidates the profit only to Header Account based on the derived Mudarabah rate.

    Profit will not be reallocated for child accounts.

- For Pool Reallocation Group – Profit is calculated for compensated portion (CP) of the pool balance at the child profit rate and non compensated portion (NCP) of the pool balance at the Header rate based on the Mudarabah rate derived for Header accounts. After PDM batch is run for the associated fund ID, the system computes Mudarabah rate to Header Account and Child Accounts for UDE field under 'Profit' section at 'Islamic Account Maintenance' level and liquidates the profit to Header & Child Accounts based on the Mudarabah rate derived for Header Account.

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The following SDEs are used to process IP batch:

| SI No	SDE	Sweeping
1	ILVD_ULT_DR_BAL ILVD_ULT_CR_BAL	Profit calculation for the header account for Mudarabah rate.
3	IL_DR_EFF_RATE IL_CR_EFF_RATE ILVD_CP_DR_CONT ILVD_CP_CR_CONT ILVD_NCP_DR_CONT ILVD_NCP_CR_CONT	Calculated applying same Mudarabah rate derived for the header to the child accounts.

6.2.1 Processing Profit Distribution

The Mudarabah rate is derived by running the Profit Distribution Batch with respect to the profit earned under respective fund ID.

The following example gives a clear picture of the process:

Example

Consider the following account structure which is linked to the group code GRP1.
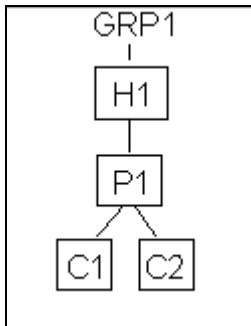
For the above structure, the corresponding month starting balances and base amount are as follows:

- H1

  Balance: 110000

  Base Amount: 10000
- P1

  Balance: 80000

  Base Amount: 10000
- C1

  Balance: 55000

  Base Amount: 5000
- C2

  Balance: 40000

  Base Amount: 3000
- The System Accounts of account type 'C' and 'P' of Header account and account type 'H' of Child System Accounts are not used for IP Processing.
- Pool Balance will be kept track only for system account whose account type is 'H'
- Profit distribution entries will be passed as follows:

  Dr- Parent Account

  Cr – Child Account

If we consider that there is no transaction in the above accounts during the month, then the month end profit calculations for the following cases are illustrated in the table below.

The following example illustrates the above mentioned Islamic ILM processing:

Header System Account

The three System Accounts generated for any Header Account will have the balance as mentioned below:

Header: The sum of all the child balance in a particular group will get stored in the header account.

Parent: The Balance available for its own account will get stored in this system accounts.

Child: The Balance available in parent will get moved to child as it has to contribute to its parent.

Intermediate System Account

The three System Accounts generated for any Intermediate Parent Account will have the balance as mentioned below:

Header: The sum of all the child balance in a particular group will get stored in the header account.

Parent: The Balance available for its own account will get stored in this system accounts.

Child: The Balance available in parent will get moved to child as it has to contribute to its parent.

Profit calculation is based on the following for different scenarios:

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Pool Header

The following are the scenarios for pool header:

Only ILM IP Product attached to the Header Account Class

Profit is calculated based on the Mudarabah rate derived for the Header Account through ILM Product and no IP Calculation for the base amount if it is more than 0.

Only ILM IC Product attached to the Header Account Class and Normal IP for the Child Account

Profit is calculated based on the Mudarabah rate derived for the Header Account through ILM Product and no IP Calculation for the base amount if it is more than 0.

For Child account base amount the profit would be calculated.

Validating IP for the Header Account along with normal IP

The system validates the following for IP:

- Both Normal and ILM IP products attached to the Header account class

    Profit is calculated based on the Mudarabah rate derived for the header account through ILM product and for base amount through Normal IP product.
- Both normal and ILM IP Product are attached to the Header Account Class and only Normal IP for the Child Account

    Profit is calculated based on the Mudarabah rate derived for the header account through ILM product and for base amount through Normal IP product to both Header and Child Account.

Pool Reallocation with Benefit

The following are the scenarios for pool Reallocation with Benefit:

Only ILM IP Product attached to the Header and Child Account Class:

If normal profit product is not attached to Child Account to calculate profit for available base amount and only ILM product is attached to the Child Account, then the system considers the Mudarabah rate derived for Header Account to reallocate profit to Child Accounts based on its contribution.

Both Normal IP as well as ILM product attached to the Header and Child Account Class

If both normal and ILM products are attached, then the system derives Mudarabah rate for normal products based on its base amount available after sweep. Mudharabah rate for ILM product is derived based on Header Account's Mudarabah rate.

Considering the previous example, we can arrive at the following:

Pool Header:

Only ILM product at header account level

Below table illustrates a single day calculation

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Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1SYS1	C							Not used
H1	110000		257000	H1SYS2	H		257000	10	70.41	15	105.62	105.62
H1				H1SYS3	P	100000		0		0		0
P1		10000		P1SYS1	C	157000		0	0	0	0	0
P1	80000		10000	P1SYS2	H		157000					Not used
P1		0		P1SYS3	P	80000		0	0		0	0
C1	55000	5000	5000	C1SYS1	C	50000		0	0	0	0	0
C2	40000	3000	3000	C2SYS1	C	37000		0	0	0	0	0

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate After PDM	Profit After PDM	Profit Liq
H1	100000	0	257000	H1SYS1	C							Not used
H1	100000	0	257000	H1SYS2	H		257000	10	2112.33	15	3168.49	3168.49
H1	100000	0	257000	H1SYS3	P	100000						Not used
P1	80000	10000	10000	P1SYS1	C	157000		5	0	15	0	0
P1	80000	0	10000	P1SYS2	H		157000					Not used
P1	80000	0	10000	P1SYS3	P	70000		5	0	15	0	0

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
C1	55000	5000	5000	C1SYS1	C	50000		5	0	15	0	0
C2	40000	3000	3000	C2SYS1	C	37000		5	0	15	0	0

Both ILM and Normal IP product at header account level:

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1SYS1	C							Not used
H1	110000		257000	H1SYS2	H		257000	10	70.41	15	105.62	105.62
H1		0		H1SYS3	P	100000		8		10		2.74
P1		10000		P1SYS1	C	157000		8	0	10	0	2.74
P1	80000		10000	P1SYS2	H		157000					Not used
P1		0		P1SYS3	P	80000		0	0		0	0
C1	55000	5000	5000	C1SYS1	C	50000		0	0	0	0	0
C2	40000	3000	3000	C2SYS1	C	37000		0	0	0	0	0

Only ILM product at header account level and Normal IP for child account base amount:

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1SYS1	C							Not used
H1	110000		257000	H1SYS2	H		257000	10	70.41	15	105.62	105.62

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Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1		0		H1SYS3	P	100000		8		10		0
P1		10000		P1SYS1	C	157000		0	0	0	0	0
P1	80000		10000	P1SYS2	H		157000					Not used
P1		0		P1SYS3	P	80000		0	0		0	0
C1	55000	5000	5000	C1SYS1	C	50000		4	0	5	0	0.68
C2	40000	3000	3000	C2SYS1	C	37000		4	0	3	0	0.25

Both Normal and ILM product at header as well as for child account:

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1SYS1	C							Not used
H1	110000		257000	H1SYS2	H		257000	10	70.41	15	105.62	105.62
H1		0		H1SYS3	P	100000		8		10		2.74
P1		10000		P1SYS1	C	157000		8	0	10	0	2.74
P1	80000		10000	P1SYS2	H		157000					Not used
P1		0		P1SYS3	P	80000		0	0		0	0
C1	55000	5000	5000	C1SYS1	C	50000		4	0	5	0	0.68
C2	40000	3000	3000	C2SYS1	C	37000		4	0	3	0	0.25

Pool Reallocation

Only ILM IC Prodcut attached to the Header and Child account class:

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Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1	110000	0	257000	H1SYS1	C							Not used
H1	110000	0	257000	H1SYS2	H		257000	10	2112.33	15	3168.49	3168.49
H1	110000	0	257000	H1SYS3	P	100000						Not used
P1	80000	10000	10000	P1SYS1	C	157000		5	0	15	0	1935.62
P1	80000	0	10000	P1SYS2	H		157000					Not used
P1	80000	0	10000	P1SYS3	P	70000		5	0	15	0	863.01
C1	55000	5000	5000	C1SYS1	C	50000		5	0	15	0	616.44
C2	40000	3000	3000	C2SYS1	C	37000		5	0	15	0	456.16

Both Normal IC as well as ILM product attached to the Header and Child account class

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1	110000	0	257000	H1SYS1	C							Not used
H1	110000	0	257000	H1SYS2	H		257000	10	2112.33	15	3168.49	3168.49+41.10
H1	110000	0	257000	H1SYS3	P	100000						Not used
P1	80000	10000	10000	P1SYS1	C	157000		5	0	15	0	0
P1	80000	0	10000	P1SYS2	H	70000	157000					Not used
P1	80000	0	10000	P1S	P	7000		5	0	15	0	863.01

			YS3	0					+41.10
C1	55000	5000	5000	C1SYS1	C	50000		5	0	15	0	616.44 +20.55
C2	40000	3000	3000	C2SYS1	C	37000		5	0	15	0	456.16 +12.33

7. Reports

7.1 Introduction

Reports provide details of various events in the life of a specific contract, or across contracts at a specific point of time. For every module in Oracle FLEXCUBE, you can generate reports. This chapter details out the reports that you can generate from Islamic Integrated Liquidity Management module of Oracle FLEXCUBE.

You can generate the following report for the Islamic Integrated Liquidity Management module:

- Account Structure Report

7.2 Account Structure Report

Account structure report provides information on the type of account and effective date of each account. You can set preferences as to generation of the report using 'Account Structure Report' screen. To invoke the screen, type 'ILRTQURY' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

7.2.1 Report Options

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You can set your preferences for report generation on this screen.

Group Code

Specify the group code for which you are generating the report. The option list displays all valid group codes maintained in the system. Choose the appropriate one.

Once you have specified the group code, click OK button. The system displays the print option screen. Here, you can set your preferences as to printing the report. Click OK button to print the report.

7.2.2 Contents of the Report

The contents of Account Structure report have been discussed under the following heads:

Header

The 'Header' carries the title of the report, branch code, branch date, user ID, module from which the report has been generated, date and time at which the report has been generated and the page number of the report.

Body

You can find the following details in the body of the report:

Branch Code	The code that identifies the branch.
Account	The account number for which the corresponding details are provided.
Account Type	The type of corresponding account.
Effective Date	The effective date of the corresponding account.

8.   Annexure A - Accounting Entries

8.1   Accounting Entries for ILM

This Annexure lists the suggested event-wise accounting entries that can be set up, for the Interest and Charge product applicable for the Integrated Liquidity Management module of Oracle FLEXCUBE.

8.2   Events

You need to set up the following events for a profit product:

Event Code	Event Description
ILIQ	Interest Liquidation
IACR	Interest Accruals

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Event Code	Event Description
SWBK	Sweep Booking
RVSW	Reverse Sweep

8.3 Event-wise Accounting Entries for Products

You can set up various IP products for liquidity management. Some representative products are listed below:

- Pool Header Product – 'PHR1'
- Pool Reallocation Product – 'PLC1'

8.3.1 Pool Header Product

To define a pool header product, you need to check 'ILM Product' check box in preference tab at Product level and select 'ILM Type' as 'Pool Lead'.

Consider the below accounting entries table for Pool Header product 'PHR1', which provides details about mapping of the accounting role to amount tag:

8.3.1.1 IACR: Interest Accrual

Accounting Entries

Accounting Role	Amount Tag	Dr/Cr Indicator
PHR1-PNL-1	IACR	Credit
PHR1-ACCR-1	IACR	Debit
PHR1-PNL_ADJ-1	IACR_ADJ	Credit
PHR1-ACR_ADJ-1	IACR_ADJ	Debit
PHR1-PNL-2	IACR	Debit
PHR1-ACCR-2	IACR	Credit
PHR1-PNL_ADJ-2	IACR_ADJ	Debit
PHR1-ACR_ADJ-2	IACR_ADJ	Credit

8.3.1.2 ILIQ: Interest Liquidation

Accounting Entries

Accounting Role	Amount Tag	Dr/Cr Indicator
PHR1-ACCR-1	ILIQ	Credit
PHR1-BOOK-1	ILIQ	Debit

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Accounting Role	Amount Tag	Dr/Cr Indicator
PHR1-ACQUIRED-1	IACQUIRED	Credit
PHR1-BOOK-1	IACQUIRED	Debit
PHR1-ACQUIRED-2	IACQUIRED	Debit
PHR1-BOOK-2	IACQUIRED	Credit
PHR1-ACCR-2	ILIQ	Debit
PHR1-BOOK-2	ILIQ	Credit
PHR1-TPBL-3	TAX	Credit
PHR1-BOOK-3	TAX	Debit
PHR1-TPBL_ADJ-3	TAX_ADJ	Credit
PHR1-BOOK-3	TAX_ADJ	Debit

8.3.2 Pool Reallocation Product

To define a pool reallocation product, you need to check 'ILM Product' check box in preference tab at Product level and select 'ILM Type' as 'Pool Reallocation.' Also, you need to check the 'Reallocation through Header' check box.

Consider the below accounting entries table for Pool Reallocation product 'PLC1', which provides details about mapping of the accounting role to amount tag

8.3.2.1 IACR: Interest Accrual

Accounting Entries

Accounting Role	Amount Tag	Dr/Cr Indicator
PLC1-PNL-1	IACR	Debit
PLC1-ACCR-1	IACR	Credit
PLC1-PNL_ADJ-1	IACR_ADJ	Debit
PLC1-ACR_ADJ-1	IACR_ADJ	Credit
PLC1-PNL-2	IACR	Credit
PLC1-ACCR-2	IACR	Debit

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Accounting Role	Amount Tag	Dr/Cr Indicator
PLC1-PNL_ADJ-2	IACR_ADJ	Debit
PLC1-ACR_ADJ-2	IACR_ADJ	Credit

8.3.2.2 ILIQ: Interest Liquidation

Accounting Entries

Accounting Role	Amount Tag	Dr/Cr Indicator
PLC1-ACCR-1	ILIQ	Credit
PLC1-BOOK-1	ILIQ	Debit
PLC1-ACQUIRED-1	IACQUIRED	Credit
PLC1-BOOK-1	IACQUIRED	Debit
PLC1-ACQUIRED-2	IACQUIRED	Debit
PLC1-BOOK-2	IACQUIRED	Credit
PLC1-ACCR-2	ILIQ	Debit
PLC1-BOOK-2	ILIQ	Credit
PLC1-TPBL-3	TAX	Credit
PLC1-BOOK-3	TAX	Debit
PLC1-TPBL_ADJ-3	TAX_ADJ	Credit
PLC1-BOOK-3	TAX_ADJ	Debit

8.3.3 Sweep and Reverse Sweep

8.3.3.1 SWBK: Sweep Booking

Accounting Entries

Accounting Role	Amount Tag	Dr/Cr Indicator
CHILD	CR_CONT	DR
PARENT	CR_CONT	CR
CHILD	DR_CONT	CR
PARENT	DR_CONT	DR

8.3.3.2 RVSW: Reverse Sweep

Accounting Entries:

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Accounting Role	Amount Tag	Dr/Cr Indicator
PARENT	CR_CONT	DR
CHILD	CR_CONT	CR
CHILD	DR_CONT	DR
PARENT	DR_CONT	CR

9. Annexure B – IP Rule Set-up

9.1 Introduction

This Annexure lists the Profit and Charge (IP) rules that need to be maintained for the Integrated Liquidity Management module of Oracle FLEXCUBE. It also gives the UDEs and rates for which values need to be maintained.

9.2 IC Rule Maintenance

The components required to calculate profit (the principal, period, and rate) are broadly referred to as 'Data Elements'. Data elements are of two types:

- System Data Elements (SDEs)
- User Data Elements (UDEs)

In addition to specifying how the SDEs and UDEs are connected through the formulae, you also define certain other attributes for a rule using the 'Profit and Charges Rule Maintenance' screen. You can invoke this screen by typing 'IPDRLMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

For details about the screen, refer the chapter 'Maintaining Interest Rules' in the Interest and Charges User Manual.

You can maintain rules for the following:

- Pool Header
- Pool Reallocation

9.2.1 Pool Header

Specify the following details:

On Account Opening Month

Check this box.

On Account Closure Month

Check this box.

SDE

Maintain the following SDEs:

- DAYS
- ILVD_ULT_CR_BAL
- ILVD_ULT_DR_BAL

UDE

You can maintain the following UDE:

MUDARABAH_RATE Type

For the UDE, select the option 'Rate' from the adjoining drop-down list.

Get Latest

For the UDE, select the option 'Use Effective' from the adjoining drop-down list.

Click 'Formulas' button and invoke the 'Formulas' screen.

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You need to maintain two booked and two tax formulae.

Formula 1 – being the debit formula

Specify the following details:

Book Flag

Select 'Booked' from the adjoining drop-down list.

Periodicity

Choose 'Daily' from the adjoining drop-down list.

Debit/Credit

Select 'Debit' from the adjoining drop-down list.

Days in a Month

Select 'Actuals' from the adjoining drop-down list.

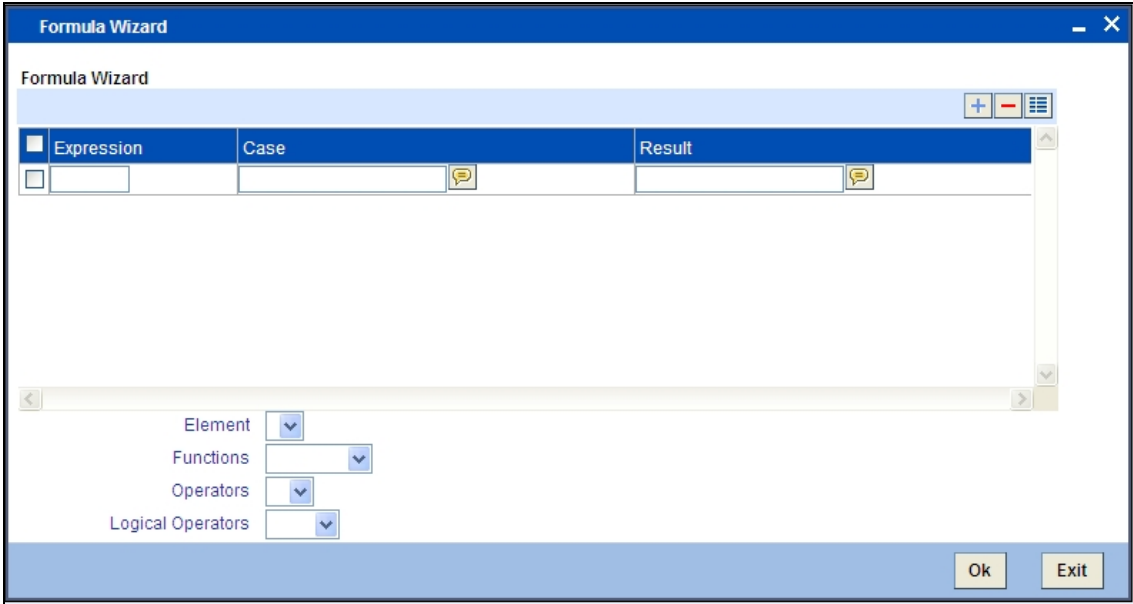**Days in a Year**

Select '365' from the adjoining drop-down list.

Accrual Required

Check this box.

Rounding Required

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen.

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Specify the following expressions:

Case	Result
ILVD_UTL_DR_BAL>0	(ILVD_ULT_DR_BAL*MUDARABAH_RATE*DAYS)/36500

Formula 2 – being the credit formula

Specify the following details:

Book Flag

Select 'Booked' from the adjoining drop-down list.

Periodicity

Choose 'Daily' from the adjoining drop-down list.

Debit/Credit

Select 'Credit' from the adjoining drop-down list.

Days in a Month

Select 'Actuals' from the adjoining drop-down list.

Days in a Year

Select '365' from the adjoining drop-down list.

Accrual Required

Check this box.

Rounding Required

Check this box.

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Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
ILVD_UTL_CR_BAL>0	(ILVD_ULT_CR_BAL*MUDARABAH_RATE*DAYS)/36500

Formula 3 – being the tax formula for debit

Specify the following details:

Book Flag

Select 'Tax' from the adjoining drop-down list.

Periodicity

Choose 'Periodic' from the adjoining drop-down list.

Debit/Credit

Select 'Debit' from the adjoining drop-down list.

Days in a Month

Select 'Actuals' from the adjoining drop-down list.

Days in a Year

Select 'Actuals' from the adjoining drop-down list.

Rounding Required

Check this box.

Tax Category

Select 'TAXAPPLIC' from the adjoining drop-down list.

Basis Percent

Specify '100' as the basis percent.

Local Currency Basis

Check this box.

Tax Payable Currency Flag

Specify 'Local Currency' here.

Basis Amount Option

Select 'Currency Default' from the adjoining drop-down list.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
FORMULA1>0	ROUND(FORMULA1*HTAX_RATE/100,2)

Formula 4 – being the tax formula for credit

Specify the following details:

Book Flag

Select 'Tax' from the adjoining drop-down list.

Periodicity

Choose 'Periodic' from the adjoining drop-down list.

Debit/Credit

Select 'Credit' from the adjoining drop-down list.

Days in a Month

Select 'Actuals' from the adjoining drop-down list.

Days in a Year

Select '365' from the adjoining drop-down list.

Rounding Required

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
FORMULA2>0	ROUND(FORMULA2* HTAX_RATE / 100,2)

9.2.2 Pool Reallocation

Specify the following details:

On Account Opening Month

Check this box.

On Account Closure Month

Check this box.

SDE

Maintain the following SDEs:

- DAYS

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- ILVD_CP_CR_CONT
- ILVD_CP_DR_CONT
- ILVD_NCP_CR_CONT
- ILVD_NCP_DR_CONT

UDE

You can maintain the following UDE:

MUDARABAH_RATE Type

For the UDE, select the option 'Rate' from the adjoining drop-down list.

Get Latest

For the UDE, select the option 'Use Effective' from the adjoining drop-down list.

Click 'Formulas' button and invoke the 'Formulas' screen. You need to maintain two booked and one tax formulae.

Formula 1 – being the debit formula

Specify the following details:

Book Flag

Select 'Booked' from the adjoining drop-down list.

Periodicity

Choose 'Daily' from the adjoining drop-down list.

Debit/Credit

Select 'Debit' from the adjoining drop-down list.

Days in a Month

Select 'Actuals' from the adjoining drop-down list.

Days in a Year

Select '365' from the adjoining drop-down list.

Rounding Required

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. You need to maintain three booked and three non-booked formulae.

Formula 1

Specify the following expression:

Case	Result

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(ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) > 0	((ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) * MUDARABAH_RATE* DAYS) / 36500

Formula 2 – being the credit formula

Specify the following details:

Book Flag

Select 'Booked' from the adjoining drop-down list.

Periodicity

Choose 'Daily' from the adjoining drop-down list.

Debit/Credit

Select 'Credit' from the adjoining drop-down list.

Days in a Month

Select 'Actuals' from the adjoining drop-down list.

Days in a Year

Select '365' from the adjoining drop-down list.

Rounding Required

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
(ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) > 0	((ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) * MUDARABAH_RATE* DAYS) / 36500

Formula 3 – being the tax formula for debit

Specify the following details:

Book Flag

Select 'Tax' from the adjoining drop-down list.

Periodicity

Choose 'Periodic' from the adjoining drop-down list.

Debit/Credit

Select 'Debit' from the adjoining drop-down list.

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Days in a Month

Select 'Actuals' from the adjoining drop-down list.

Days in a Year

Select '365' from the adjoining drop-down list.

Rounding Required

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
FORMULA2>0	ROUND(FORMULA2* CTAX_RATE / 100,2)

9.3 UDE Value Maintenance

You can maintain UDE values for the rules using the 'Profit & Charges User Data Element Maintenance' screen. You can invoke the 'Profit & Charges User Data Element Maintenance' screen by typing 'IPDUDVAL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

For details about the screen, refer the chapter 'Giving UDE Values for Condition' in the Interest and Charges User Manual.

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10. Screen Glossary

10.1 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
CSDACTCL	Events Class Maintenance
EIDMANPR	Mandatory Batch Program Maintenance
IIDGRPLN	Account Group Linkage Maintenance
IIDSWEEP	Account Structure Maintenance
ILDBRPRM	ILM Branch Parameters Maintenance
ILRTQURY	Account structure Report

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Oracle Corporation
World Headquarters
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Worldwide Inquiries:
Phone: +1.650.506.7000
Fax: +1.650.506.7200
www.oracle.com/ financial_services/