

Exchange Traded Derivatives User Guide

# **Oracle FLEXCUBE Universal Banking**

Release 12.2.0.0.0

**Part No. E74659-01**

May 2016

Exchange Traded Derivatives User Guide  
Oracle Financial Services Software Limited

Oracle Park

Off Western Express Highway  
Goregaon (East)  
Mumbai, Maharashtra 400 063  
India

Worldwide Inquiries:

Phone: +91 22 6718 3000

Fax: +91 22 6718 3001

[www.oracle.com/financialservices/](http://www.oracle.com/financialservices/)

Copyright © 2007, 2016, Oracle and/or its affiliates. All rights reserved.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

U.S. GOVERNMENT END USERS: Oracle programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, delivered to U.S. Government end users are "commercial computer software" pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, use, duplication, disclosure, modification, and adaptation of the programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, shall be subject to license terms and license restrictions applicable to the programs. No other rights are granted to the U.S. Government.

This software or hardware is developed for general use in a variety of information management applications. It is not developed or intended for use in any inherently dangerous applications, including applications that may create a risk of personal injury. If you use this software or hardware in dangerous applications, then you shall be responsible to take all appropriate failsafe, backup, redundancy, and other measures to ensure its safe use. Oracle Corporation and its affiliates disclaim any liability for any damages caused by use of this software or hardware in dangerous applications.

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited.

The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

This software or hardware and documentation may provide access to or information on content, products and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third-party content, products, and services. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third-party content, products, or services.

---

# Contents

|                                                                                    |            |
|------------------------------------------------------------------------------------|------------|
| <b>1. Preface .....</b>                                                            | <b>1-1</b> |
| 1.1 Introduction.....                                                              | 1-1        |
| 1.2 Audience.....                                                                  | 1-1        |
| 1.3 Documentation Accessibility .....                                              | 1-1        |
| 1.4 Abbreviations.....                                                             | 1-2        |
| 1.5 Organization .....                                                             | 1-2        |
| 1.6 Related Documents .....                                                        | 1-3        |
| 1.7 Glossary of Icons.....                                                         | 1-3        |
| 1.8 Related Documents .....                                                        | 1-3        |
| <b>2. Exchange Traded Derivatives – An Overview .....</b>                          | <b>2-1</b> |
| 2.1 Introduction.....                                                              | 2-1        |
| 2.2 Portfolios.....                                                                | 2-1        |
| 2.2.1 Features of Portfolios .....                                                 | 2-1        |
| 2.2.2 Own Portfolio .....                                                          | 2-1        |
| 2.2.3 Customer Portfolio.....                                                      | 2-2        |
| 2.2.4 Advices .....                                                                | 2-3        |
| 2.3 Interaction with the Margin Maintenance Sub-System .....                       | 2-3        |
| 2.4 Illustration of the ETD Workflow .....                                         | 2-4        |
| <b>3. Underlying Asset Definition .....</b>                                        | <b>3-1</b> |
| 3.1 Underlying Asset Definition .....                                              | 3-1        |
| 3.1.1 Invoking Underlying Asset Definition Screen.....                             | 3-1        |
| <b>4. Creating Instrument Products .....</b>                                       | <b>4-1</b> |
| 4.1 Instrument Product Creation.....                                               | 4-1        |
| 4.1.1 Invoking the Exchange Derivatives Instrument Product Definition Screen. .... | 4-1        |
| 4.1.2 Preferences Button.....                                                      | 4-3        |
| 4.1.3 Branch and Currency Restrictions Button .....                                | 4-4        |
| 4.1.4 MIS Details Button.....                                                      | 4-5        |
| <b>5. Defining ET Instruments .....</b>                                            | <b>5-1</b> |
| 5.1 Instrument Definition.....                                                     | 5-1        |
| 5.1.1 Invoking Instrument Definition Screen.....                                   | 5-1        |
| 5.1.2 Series Button .....                                                          | 5-8        |
| 5.1.3 Examples of Capturing Actual Instruments in Oracle FLEXCUBE .....            | 5-9        |
| 5.2 Margin Maintenance at Instrument Level .....                                   | 5-25       |
| 5.2.1 Invoking the Instrument Margin Screen.....                                   | 5-26       |
| 5.3 Margin Details and Instrument Price Details .....                              | 5-26       |
| <b>6. Creating Portfolio Products and Portfolios .....</b>                         | <b>6-1</b> |
| 6.1 Portfolio Product Creation .....                                               | 6-1        |
| 6.1.1 Invoking the Exchange Derivatives Portfolio Product Definition Screen ....   | 6-1        |
| 6.1.2 Accounting Roles Button .....                                                | 6-8        |
| 6.1.3 Events Button .....                                                          | 6-8        |
| 6.1.4 Branch Currency Button .....                                                 | 6-9        |
| 6.1.5 Customer Button.....                                                         | 6-9        |
| 6.1.6 MIS Button.....                                                              | 6-10       |

|           |                                                                        |            |
|-----------|------------------------------------------------------------------------|------------|
| 6.2       | Margin Products Maintenance .....                                      | 6-11       |
| 6.2.1     | Invoking the Margin Product Definition Screen .....                    | 6-11       |
| 6.2.2     | Preferences Button.....                                                | 6-13       |
| 6.3       | Margin Settlement .....                                                | 6-13       |
| 6.3.1     | Invoking the Margin Settlement Screen.....                             | 6-13       |
| 6.4       | Margin call .....                                                      | 6-14       |
| 6.4.1     | Invoking the Scheme Maintenance Screen .....                           | 6-15       |
| 6.5       | Portfolios Definition.....                                             | 6-16       |
| 6.5.1     | Invoking the Portfolio Definition Maintenance .....                    | 6-17       |
| 6.5.2     | Role to Head Button .....                                              | 6-22       |
| 6.5.3     | Instrument Restrictions Button .....                                   | 6-22       |
| 6.5.4     | Margin Button .....                                                    | 6-23       |
| 6.5.5     | MIS Button.....                                                        | 6-24       |
| 6.5.6     | Broker Button.....                                                     | 6-25       |
| <b>7.</b> | <b>Defining Deal Products .....</b>                                    | <b>7-1</b> |
| 7.1       | Deal Product Creation .....                                            | 7-1        |
| 7.1.1     | Invoking the Exchange Derivatives Deal Product Definition Screen ..... | 7-2        |
| 7.1.2     | Preferences Button.....                                                | 7-3        |
| 7.1.3     | Charge Button .....                                                    | 7-4        |
| 7.1.4     | Events Button .....                                                    | 7-5        |
| 7.1.5     | Branch Currency Button .....                                           | 7-5        |
| 7.1.6     | Portfolio Restrictions Button .....                                    | 7-6        |
| 7.1.7     | Instrument Restrictions Button .....                                   | 7-6        |
| 7.1.8     | Fields Button.....                                                     | 7-7        |
| 7.1.9     | MIS Button.....                                                        | 7-7        |
| 7.2       | ET Deal Processing.....                                                | 7-8        |
| 7.2.1     | Processing the ET Deals .....                                          | 7-8        |
| 7.2.2     | Charges Button.....                                                    | 7-14       |
| 7.2.3     | Events Button .....                                                    | 7-14       |
| 7.2.4     | Settlements Button .....                                               | 7-15       |
| 7.2.5     | Specifying Advices for the Deal.....                                   | 7-15       |
| 7.2.6     | Fields Button.....                                                     | 7-15       |
| 7.2.7     | MIS Button.....                                                        | 7-16       |
| 7.2.8     | Associating a Broker and Product with a Rule .....                     | 7-17       |
| 7.2.9     | Long Short Deal Financial Amendment.....                               | 7-17       |
| 7.3       | Liquidation Deals.....                                                 | 7-17       |
| 7.3.1     | Invoking the Liquidation Deals Screen .....                            | 7-18       |
| 7.3.2     | Settlement Button .....                                                | 7-21       |
| 7.3.3     | Charges Button.....                                                    | 7-21       |
| 7.3.4     | Viewing the Accounting Entries posted for an LQ transaction.....       | 7-21       |
| 7.3.5     | Specifying the Advices for a Deal.....                                 | 7-21       |
| 7.3.6     | Fields Button.....                                                     | 7-21       |
| 7.3.7     | MIS Button.....                                                        | 7-21       |
| 7.3.8     | Brokerage Button.....                                                  | 7-22       |
| 7.3.9     | Liquidation Deal Financial Amendment.....                              | 7-23       |
| 7.4       | Deals Matching.....                                                    | 7-23       |
| 7.4.1     | Invoking Liquidation Deals Screen .....                                | 7-23       |
| 7.4.2     | Operations you can perform on a Matched and Unmatched Deal .....       | 7-26       |
| <b>8.</b> | <b>General Maintenance .....</b>                                       | <b>8-1</b> |
| 8.1       | Bank Parameters Maintenance .....                                      | 8-1        |

|            |                                                                                    |             |
|------------|------------------------------------------------------------------------------------|-------------|
| 8.1.1      | Invoking the Bank Parameters Screen .....                                          | 8-1         |
| 8.2        | Price Code Details .....                                                           | 8-2         |
| 8.2.1      | Invoking Price Code Maintenance Screen .....                                       | 8-2         |
| 8.3        | Underlying Asset Prices .....                                                      | 8-3         |
| 8.3.1      | Invoking Underlying Asset Price Maintenance Screen.....                            | 8-3         |
| 8.4        | Instrument Price Details .....                                                     | 8-4         |
| 8.4.1      | Invoking Instrument Price Details Screen.....                                      | 8-4         |
| 8.5        | Broker Accounts .....                                                              | 8-5         |
| 8.5.1      | Invoking Broker Master Maintenance Screen.....                                     | 8-5         |
| 8.6        | Broker Scheme.....                                                                 | 8-7         |
| 8.6.1      | Invoking Broker Scheme Definition .....                                            | 8-7         |
| <b>9.</b>  | <b>Automatic Daily Processing .....</b>                                            | <b>9-1</b>  |
| 9.1        | ETD Batch Processes at EOD.....                                                    | 9-1         |
| 9.1.1      | Invoking the End of Day Batch Start Screen .....                                   | 9-1         |
| 9.2        | Automatic Events Executed during End of Day for Futures .....                      | 9-2         |
| 9.2.1      | Settlement of Opening Deals.....                                                   | 9-3         |
| 9.2.2      | Realized Revaluation of Open Positions .....                                       | 9-3         |
| 9.2.3      | Settlement of all Closing Deals for the Day.....                                   | 9-4         |
| 9.2.4      | Liquidation of all Open positions on the Expiry Date .....                         | 9-4         |
| 9.3        | Automatic Events Executed during End of Day for Options .....                      | 9-5         |
| 9.3.1      | Settlement of Opening Deals for Options .....                                      | 9-5         |
| 9.3.2      | Settlement of Closing Deals .....                                                  | 9-5         |
| 9.3.3      | Notional Revaluation of Open Positions for Options with Option Style Premium ..... | 9-6         |
| 9.3.4      | Automatic Exercise of options/ Assignment of Exercise.....                         | 9-6         |
| 9.3.5      | Automatic Expiry of Out / At the Money Positions .....                             | 9-6         |
| 9.3.6      | Reversal of Notional Revaluation for Options with Option Style of Premium .....    | 9-7         |
| 9.3.7      | Producing Instrument Detail and Instrument Price Detail Handoffs .....             | 9-7         |
| 9.4        | Sample Accounting Entries for the various events .....                             | 9-10        |
| 9.5        | Future Deals .....                                                                 | 9-10        |
| 9.5.1      | Instrument Details - CME-90 day US T-bill-Future .....                             | 9-11        |
| 9.5.2      | Deal I – Reference Number D20101 .....                                             | 9-12        |
| 9.5.3      | Deal II – Reference Number D20302 .....                                            | 9-13        |
| 9.5.4      | Deal III – Reference Number D20401 .....                                           | 9-15        |
| 9.6        | Option Deals.....                                                                  | 9-16        |
| 9.6.1      | European Option Deals with Option Style Premium.....                               | 9-17        |
| 9.6.2      | Deal I – Reference Number D10103 .....                                             | 9-19        |
| 9.6.3      | Deal II –Reference Number D10201 .....                                             | 9-20        |
| 9.6.4      | Deal II –Reference Number D10402 .....                                             | 9-21        |
| 9.6.5      | American Option Deals with Future Style Premium .....                              | 9-22        |
| 9.6.6      | Deal I – Reference Number D20104 .....                                             | 9-24        |
| 9.6.7      | Deal II – Reference Number D20601 .....                                            | 9-25        |
| <b>10.</b> | <b>Annexure A – Event-wise Accounting Entries for your Own Portfolio .....</b>     | <b>10-1</b> |
| 10.1       | ETD Events .....                                                                   | 10-1        |
| 10.2       | Amount Tags .....                                                                  | 10-2        |
| 10.3       | Accounting Roles.....                                                              | 10-3        |
| 10.4       | Event-wise Accounting Entries for your Own portfolio.....                          | 10-5        |
| 10.5       | Event-wise Accounting Entries for your Customer's portfolio .....                  | 10-19       |
| <b>11.</b> | <b>Annexure B - Advice tags and their descriptions .....</b>                       | <b>11-1</b> |
| 11.1       | Branch Details .....                                                               | 11-1        |

|            |                                                               |             |
|------------|---------------------------------------------------------------|-------------|
| 11.1.1     | <i>Advice Tag Description</i> .....                           | 11-2        |
| 11.1.2     | <i>Customer Details</i> .....                                 | 11-2        |
| 11.1.3     | <i>Underlying Asset Details</i> .....                         | 11-2        |
| 11.1.4     | <i>Charge Details</i> .....                                   | 11-2        |
| 11.1.5     | <i>Portfolio Details</i> .....                                | 11-4        |
| 11.1.6     | <i>Series Details</i> .....                                   | 11-4        |
| 11.1.7     | <i>Instrument Details</i> .....                               | 11-4        |
| 11.1.8     | <i>Broker Details</i> .....                                   | 11-6        |
| 11.1.9     | <i>Long Short deal details</i> .....                          | 11-6        |
| 11.1.10    | <i>Liquidation deal details</i> .....                         | 11-9        |
| 11.2       | <i>Message Types</i> .....                                    | 11-10       |
| 11.2.1     | <i>Transactions Holdings Statements for a Portfolio</i> ..... | 11-12       |
| 11.2.2     | <i>Long Short Deal Confirmation advice</i> .....              | 11-15       |
| 11.2.3     | <i>Assignment Notice</i> .....                                | 11-17       |
| 11.2.4     | <i>Exercise Confirm Notice</i> .....                          | 11-19       |
| 11.2.5     | <i>EFP Confirm Notice</i> .....                               | 11-21       |
| 11.2.6     | <i>Expiry Confirm Notice</i> .....                            | 11-22       |
| <b>12.</b> | <b>Function ID Glossary .....</b>                             | <b>12-1</b> |

---

# 1. Preface

## 1.1 Introduction

This manual is designed to help acquaint you with the Exchange Traded Derivatives module of Oracle FLEXCUBE.

The manual provides an overview to the module and takes you through the various steps involved in maintaining instruments, portfolios, and deals. It also explains how to track life-cycle events of holdings in your own, or in your customer's portfolio.

## 1.2 Audience

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

| Role                                    | Function                                       |
|-----------------------------------------|------------------------------------------------|
| Back office data entry Clerks           | Input functions for deals/queries              |
| Back office Managers/Officers           | Authorization functions/queries                |
| Product Managers                        | Product definition and authorization           |
| End of Day Operators                    | Processing during End of Day/ beginning of day |
| Financial Controller / Product Managers | Generation of queries/reports                  |

## 1.3 Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc>.

## 1.4 Abbreviations

| Abbreviation | Description                |
|--------------|----------------------------|
| ETD          | Exchange Traded Derivative |
| ET           | Exchange Traded            |
| LQ           | Liquidation type of deal   |
| LS           | Long Short deal type       |
| CM           | Clearing Member            |
| EOD          | End of Day                 |

## 1.5 Organization

This manual is organized into the following chapters:

| Chapter          | Description                                                                                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chapter 1</b> | <i>About this Manual</i> gives information on the intended audience. It also lists the various chapters covered in this User Manual.                                                                                     |
| <b>Chapter 2</b> | <i>Exchange Traded Derivatives - An Overview</i> gives a snapshot of the features that the module provides.                                                                                                              |
| <b>Chapter 3</b> | <i>Underlying Asset Definition</i> details the procedures for defining Underlying Assets in Oracle FLEXCUBE.                                                                                                             |
| <b>Chapter 4</b> | <i>Creating Instrument Products</i> explains how to set up ET instruments as products in Oracle FLEXCUBE.                                                                                                                |
| <b>Chapter 5</b> | <i>Defining ET Instruments</i> explains how you can define instruments.                                                                                                                                                  |
| <b>Chapter 6</b> | <i>Creating Portfolio products and Portfolios</i> describes how you can set-up portfolio products for the ETD module. It also explains how you can create individual portfolios for your bank and your bank's customers. |
| <b>Chapter 7</b> | <i>Defining Deal Products</i> explains the features unique to the Deal product.                                                                                                                                          |
| <b>Chapter 8</b> | <i>General Maintenance</i> explains the necessity of maintaining the following:<br>Instrument Prices<br>Commodity Price<br>Price Codes<br>Broker Accounts<br>Broker Schemes                                              |
| <b>Chapter 9</b> | Automatic Daily Processing                                                                                                                                                                                               |

|                   |                                                                                                                                                                                                                                                                                                   |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chapter 10</b> | Annexure A – Event-wise Accounting Entries for your Own Portfolio                                                                                                                                                                                                                                 |
| <b>Chapter 11</b> | Annexure B - Advice tags and their descriptions                                                                                                                                                                                                                                                   |
| <b>Chapter 8</b>  | <i>Processing an ET Deal</i> discusses how you can process Long/Short and Liquidation type of deals. It also explains how you can match deals for your bank's own portfolios.                                                                                                                     |
| <b>Chapter 10</b> | <i>Automatic Daily Processing</i> discusses the End of Day processes that are carried out during the life-cycle of an ETD contract.<br><br>In addition, you will also find samples of accounting entries that will be posted during the batch processing programs for Futures as well as Options. |
| <b>Chapter 11</b> | <i>Annexure A</i> provides a list of suggested event-wise accounting entries for your bank's as well as your customer portfolios.                                                                                                                                                                 |
| <b>Chapter 12</b> | <i>Annexure B</i> contains a list of all the advice tags that will be shipped along with the module.                                                                                                                                                                                              |

## 1.6 Related Documents

- The Procedures User Manual

## 1.7 Glossary of Icons

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

| Icons                                                                               | Function    |
|-------------------------------------------------------------------------------------|-------------|
|  | Exit        |
|  | Add row     |
|  | Delete row  |
|  | Option List |

## 1.8 Related Documents

- The Procedures User Manual
- The Messaging System User Manual
- The Management Information System (MIS) User Manual

---

## 2. Exchange Traded Derivatives – An Overview

### 2.1 Introduction

The Exchange Traded Derivatives (ETD) module of Oracle FLEXCUBE is an automated and flexible back office system with the capability to process exchange traded derivative instruments such as Options and Futures.

Using this module you can capture details of long and short deals and liquidation type of deals entered at your front office, process them and track life-cycle events of holdings in your own, or in your customer's portfolio.

This chapter contains the following sections:

- [Section 2.2, "Portfolios"](#)
- [Section 2.3, "Interaction with the Margin Maintenance Sub-System"](#)
- [Section 2.4, "Illustration of the ETD Workflow"](#)

### 2.2 Portfolios

This section contains the following topics:

- [Section 2.2.1, "Features of Portfolios"](#)
- [Section 2.2.2, "Own Portfolio"](#)
- [Section 2.2.3, "Customer Portfolio"](#)
- [Section 2.2.4, "Advices"](#)

#### 2.2.1 Features of Portfolios

Listed below are the various features of portfolios in the ETD module of Oracle FLEXCUBE.

#### 2.2.2 Own Portfolio

- Opening long and short positions:
  - You can book contingent entries for the Long and Short positions opened during the day.
  - You can define the premium exchange involved in Option Style Options, and book the premium amount.
  - You have the facility to define and book the brokerage amount and charges involved in the deal.
- Closing long and short positions:
  - You can reverse contingent entries for all contracts that have been closed.
  - You have the facility to calculate the closing gains and losses and book appropriate entries for the same.
- Revaluation of Futures and Options
  - As part of the End of Day activities you can perform realized revaluation on futures and future style options based on the closing price of the instrument and the series.
  - For option style options you can perform a Memo or Notional revaluation for the entire portfolio depending on the frequency that you choose to maintain.
- Exercise of Options

- Facility to reverse the contingent entries for those contracts that have been exercised.
- Facility to calculate the exercise gain based on the difference between the price of the underlying asset and the Strike Price of the instrument and book accounting entries for the same.
- Assignment of Options
  - Facility to reverse the contingent entries for contracts that have been exercised.
  - Facility to calculate the assignment loss based on the difference between the price of the underlying asset and the strike price of the instrument and book entries for the same.
- Exchange of futures for physicals
  - Facility to reverse the contingent entries while exchanging futures for physicals.
  - Facility to calculate the exchange loss or gain based on the difference between the price of the underlying asset and the acquisition price and book entries for the same.
- Expiry of Options
  - On the expiry date, if the series is Out of the Money, the system will process an automatic expiry for the series. Similarly if the series is In the Money, an automatic exercise/assignment of options event will be processed.
  - The system also calculates the expiry loss or gain depending on whether it is a long or short deal. The respective accounting entries are also booked.
- Expiry of Futures
  - In the case of futures, on the expiry date the system automatically exchanges futures for physicals.

---

**Note**

While exercising and assigning options, or during expiry of options and futures only the price differential (i.e., the Exercise Gain or the Loss) will be processed by the ETD module.

---

For options the price differential is the difference between the spot price of the underlying asset and the strike price of the instrument. For futures the price differential is calculated as the difference between the spot price of the underlying asset and the acquisition price of the instrument.

### **2.2.3 Customer Portfolio**

- Opening long and short positions:
  - You can define the premium exchange involved in Option Style Options, and book the premium amount.
  - You have the facility to define and book the charges involved in the deal.
- Closing long and short positions:
  - You can calculate the closing gains and losses and book appropriate entries for the same.
- Revaluation
  - Based on the closing price of the instrument and the series you can perform realized revaluation on futures and future style options on a daily basis as part of the end of day activities.
- Exercise of Options
  - You can book the premium for future style options.

- The difference between the Strike Price and the Underlying Asset Price is calculated and the appropriate accounting entries are booked for the same.
- Assignment of Options
  - You can book the premium for future style options
  - You can book the difference between the Price of the Underlying Asset and the Strike Price of the instrument and pass entries for the same.
- Exchange of futures for physicals
  - You can book the difference between the price of the underlying asset and the acquisition price and book entries for the same.
- Expiry of Options
  - As on the expiry date if the series is Out of the Money, the system will process an automatic expiry for the series. Similarly if the series is In the Money automatic exercise/assignment of options event will be processed.
- Expiry of Futures
  - In the case of futures with future style options the system automatically books the deal premium amount.

#### **2.2.4 Advices**

For every deal that is entered in the system a deal confirmation advice can be generated and sent to the portfolio customer.

### **2.3 Interaction with the Margin Maintenance Sub-System**

The ETD module interacts with the Margin Maintenance sub-system for the purpose of resolving money settlements arising due to the various events processed in the ETD module. The margin maintenance module offers you the flexibility of netting all settlements for a counterparty (Broker or Portfolio Customer).

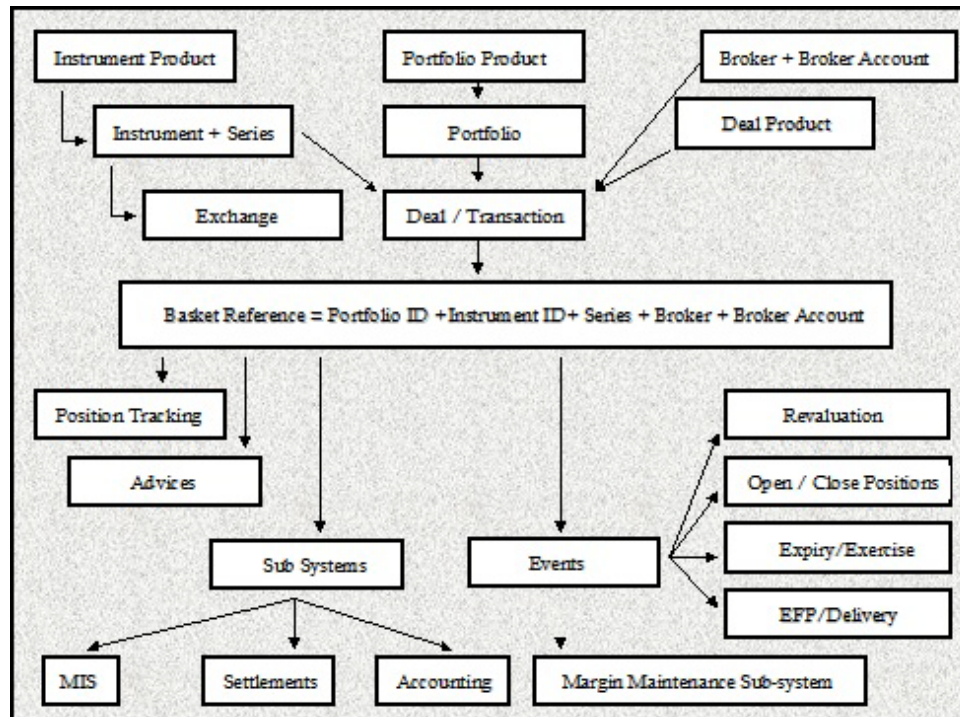
---

For additional information about the sub-system refer to the Margin Maintenance user manual.

---

## 2.4 Illustration of the ETD Workflow

The data diagram given below adequately illustrates the work-flow of the ETD module:



---

## 3. Underlying Asset Definition

Derivatives are contracts, which convey the right/obligation to buy or sell a specified asset at a specified price at a specified future date. An underlying asset (or also called Commodity) of the derivative contract is the one that is to be bought or sold on a future date. Existing currencies within Oracle FLEXCUBE can be identified as underlying assets. For example U S Dollar (USD), which is recognized as a currency in Oracle FLEXCUBE, would be the underlying asset for a US Dollar option. Similarly, Equities, Bonds and Zero Coupon bonds can also be defined as underlying assets.

This chapter details the procedures for defining Commodities (or Underlying Assets) in Oracle FLEXCUBE.

This chapter contains the following sections:

- [Section 3.1, "Underlying Asset Definition"](#)

### 3.1 Underlying Asset Definition

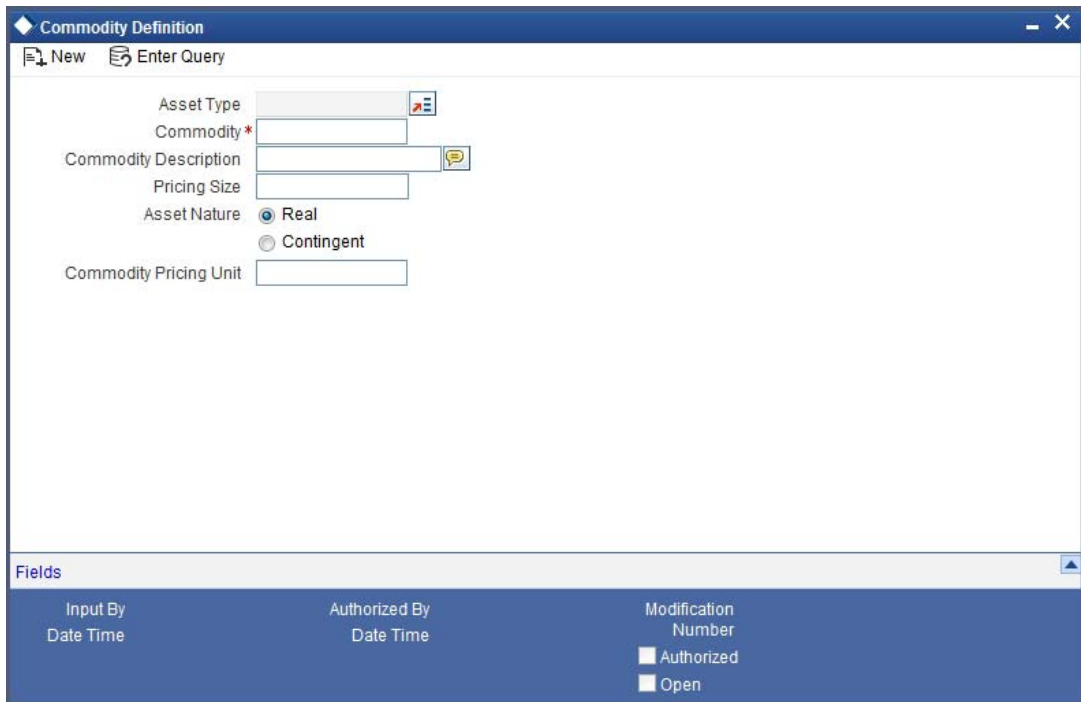
This section contains the following topic:

- [Section 3.1.1, "Invoking Underlying Asset Definition Screen"](#)

#### 3.1.1 Invoking Underlying Asset Definition Screen

In Oracle FLEXCUBE, the underlying assets or commodities can be categorized and maintained through the 'Underlying Asset Definition' screen.

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



To enter new records in this screen, click new icon. You can specify the following details in the screen.

### **Underlying Asset**

Specify a name for the underlying asset here. This name that you give to a underlying asset identifies the underlying asset throughout the module. Ensure that the name assigned to the underlying asset is unique and is not used to identify any underlying asset commodity/asset. This is a mandatory field.

You can follow your convention for naming the commodity. However, the name should not exceed 16 characters.

### **Underlying Asset Description**

You may provide additional details of the underlying asset here. Your description for the underlying asset can be in no more than 255 characters. This description is associated with the underlying asset for information retrieval purposes only.

### **Asset Type**

Specify the Asset Type under which your asset should be grouped. Although you can define as many asset types as required, a list of pre-defined asset types is available in Oracle FLEXCUBE. This list includes:

- Bond
- Commodity
- Currency
- Derivatives
- Equity
- Index
- Interest rates

Select the appropriate asset type from the adjoining list of options.

---

#### **Note**

Individual underlying asset can be mapped to any one of the above asset types. However, while defining currency assets (like U S Dollar, Great British Pound, Japanese Yen, to name a few) you have to strictly map them to the Asset Type – Currency. Similarly while defining indices (like the BSE Sensex, NYSE, LSE etc) it is mandatory that you map them to the Asset Type – Index.

---

For example, while maintaining USD (U.S Dollar) as a commodity, you must group it under the Asset type – Currency. Similarly if you create a commodity titled – BSESENSEX, it should be grouped under the asset type – INDEX.

### **Nature of Asset**

Specify the nature of the asset under which the underlying asset is categorized. This indicates the basic nature of the underlying asset. The options available are:

- Real
- Contingent

Indicate whether the nature of the underlying asset is 'Real' or 'Contingent' depending on the physical holding of the underlying. Let us assume that you are identifying a particular currency in Oracle FLEXCUBE as an underlying asset. In this case the nature of the asset will be 'Real'. However, if you are maintaining an option on a currency swap as an underlying asset, the underlying asset or commodity is not the currency but the currency swap itself. Therefore the underlying asset becomes a contingent asset.

### Pricing Size and Underlying Pricing Unit

You can indicate how the underlying asset is priced in the market by specifying the market price per unit of the underlying. Since every instrument that is processed in the system automatically inherits the characteristics of the underlying asset, the pricing size and the unit will be defaulted to the Instrument.

For instance, let us assume you are maintaining the currency DEM (Deutsche Mark) as a underlying asset in Oracle FLEXCUBE. If DEM is quoted in the market in terms of 1 DEM, then the Pricing Size and the Pricing Size Unit that you specify will be as follows:

| Field             | Value |
|-------------------|-------|
| Pricing Size      | 1     |
| Pricing Size Unit | DEM   |

Similarly, if you are capturing the details of the commodity titled Crude Oil and Crude Oil is quoted in the Market in terms of 1 barrel, your entries in the respective fields will be:

| Field             | Value  |
|-------------------|--------|
| Pricing Size      | 1      |
| Pricing Size Unit | Barrel |

Examples of how to define an underlying asset in Oracle FLEXCUBE

Let us assume you want to define the following underlyings:

- DEM (Deutsche Mark)
- Crude Oil

While maintaining the details of each underlying your entries in Oracle FLEXCUBE will have to be as follows:

#### Scenario 1 – DEM

| Field             | Value     |
|-------------------|-----------|
| Underlying Asset  | DEM       |
| Asset Type        | CUR-RENCY |
| Nature of Asset   | Real      |
| Pricing Size      | 1         |
| Pricing Size Unit | DEM       |

#### Scenario 2 - Crude OIL

| Field     | Value |
|-----------|-------|
| Commodity | CRUDE |

|                   |        |
|-------------------|--------|
| Asset Type        | FUEL   |
| Asset Nature      | Real   |
| Pricing Size      | 1      |
| Pricing Size Unit | Barrel |

---

## 4. Creating Instrument Products

An Instrument Product is a broad classification of instruments. It provides a general framework and serves to classify or categorize instruments.

The first attribute you define for a product is its Type. In other words, you indicate the type of instruments that the product involves. In Oracle FLEXCUBE you can set up products for the following instrument types:

- Futures
- Options

After making this basic classification, you can create the product to suit your requirement. Within the broad categories of the type of instruments listed above, you can further define attributes that are characteristic to the type.

All the instruments associated with the product inherit the attributes that you define for the product. You will not be allowed to change any of these attributes at the time of capturing a specific contract.

### **Who can create a product?**

A product can be created only in the Head Office of your bank. Any user in the head office with the requisite rights can create a product.

This chapter contains the following sections:

- [Section 4.1, "Instrument Product Creation"](#)

## **4.1 Instrument Product Creation**

This section contains the following:

- [Section 4.1.1, "Invoking the Exchange Derivatives Instrument Product Definition Screen"](#)
- [Section 4.1.2, "Preferences Button"](#)
- [Section 4.1.3, "Branch and Currency Restrictions Button"](#)
- [Section 4.1.4, "MIS Details Button"](#)

### **4.1.1 Invoking the Exchange Derivatives Instrument Product Definition Screen**

You can create and maintain an instrument product through the 'Exchange Derivatives Instrument Product Definition' screen.

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

### Product Code

Specify a four character product code for your product. Every product that you create is identified by its own unique product code.

### Product Description

Specify a short description for identifying the instrument product quickly. The short description cannot exceed 35 characters. It is meant for information purposes only and will not be printed on any customer correspondence.

### Product Type

An important detail in defining a product is to specify the nature of the product you are creating. The product type identifies the basic nature of a product. An ETD Instrument product that you create can be of the following types:

- Options (O)
- Futures (F)

Indicate the appropriate product type by selecting it from the adjoining list of options.

### Product Group

You must classify each product under a specific group. The different groups are defined in the 'Product Group Definition' screen. Indicate the group to which a product belongs by selecting the group code from the adjoining list of options.

### Product Slogan

You may specify a marketing punch line to be associated with the product. This slogan is printed on all the advices that are sent to the customers of instruments associated with this product.

### Product Start Date and End Date

For using a product over a specific period, you can define a Start Date and an End Date. The settlement date of an instrument involving a product should be:

- Same as or later than the Start Date

- Same as or earlier than the End Date of the product

The Start and End Date of a product is useful when you are defining a product that is applicable for a specific period.

---

#### Note

If you do not specify an End Date, the product can be used until it is closed.

---

#### Remarks

Provide information about the product for the internal reference of your bank. These remarks are shown when the details of the instrument are displayed or printed. This information is not printed on any correspondences with the customer.

### 4.1.2 Preferences Button

Preferences are the options available for defining the attributes of a product. The instruments categorized under a product will inherit the preferences that are defined for it.

To invoke the 'Instrument Product Preferences' screen, click 'Preferences' button. In this screen you can define preferences for the product you are creating.

In this screen, the following are displayed from the values you specify in the Product Maintenance screen:

- Product code and Description
- Product Type and Description

You may specify the following product preferences in the Preferences screen.

#### Asset Type

You need to associate the product with an asset type. A list of all the asset types maintained at your bank is available in adjoining list of options. From this list select the asset type to be linked to the product.

#### Physical Settlement Possible

Here you can indicate whether the long party involved in the deal can take physical possession of the underlying asset upon exercise or expiry of the instrument.

Select the **Physical Settlement Possible** checkbox to indicate that for instruments involved in the product the long party can take possession of the underlying asset. Leave this box unchecked to indicate that physical settlement is not possible.

For example, consider that you are specifying the preferences of a product which is meant for Index futures. In such a case as there is no physical delivery of the index involved you must leave this box unchecked.

#### **Prior Settlement Possible**

Positions in the Options contracts can be exchanged for the underlying assets by exercising the options. Similarly, positions in Futures contracts can be settled by exchanging them for the underlying physical assets/Underlyings.

You have to indicate whether the positions of instruments involving this product can be exchanged for positions in the underlying asset before the expiry date. Select the **Prior Settlement Possible** check box to allow exchange of positions before the expiry date. Leave this box unchecked to indicate that exchange of positions should not be allowed.

#### **Auto Exercise**

Select this check box to indicate that instruments should be exercised automatically. During EOD process, any instrument will be automatically exercised only if this option is checked for the underlying product.

Whenever an instrument is liquidated before expiry, the instrument will be open until it is exercised manually or through an upload from an external system.

An example of how to define an Instrument Product in Oracle FLEXCUBE

Let us assume you want to define an American Currency Option where the product code ACYO. It should be linked to the underlying asset type Currency. You want to allow the long party to take possession of the underlying asset. Moreover, the instrument involving this product can be settled before the expiry date. Your entries in the Instrument Product screen should look like this:

| Field                        | Value    |
|------------------------------|----------|
| Product Code                 | ACYO     |
| Product Type                 | Option   |
| Asset Type                   | Currency |
| Physical Settlement Possible | Yes      |
| Prior Settlement Possible    | Yes      |

While capturing the details of a European Index Option, apart from specifying a unique product code, you will have to specify Index in the Asset Type field and leave the 'Physical Settlement Possible' box unchecked.

### **4.1.3 Branch and Currency Restrictions Button**

When you create a product it is, by default, available for use in all the currencies maintained in your bank. Through the 'Branch/Currency Restrictions' screen you can restrict the use of a product to specific currencies only. Invoke this screen by clicking 'Branch Currency' button from product maintenance screen.

If you restrict a specific currency in the Product Branch and Currency screen you will not be allowed to use it as a pricing currency for instruments involving this product.

---

**Note**

Refer to the section titled 'Specifying Branch and Currency Restrictions' in the chapter titled 'Product' in 'Modularity' User Manual.

---

#### 4.1.4 MIS Details Button

You can define the Management Information Details (MIS) details for the instrument product that you are creating through the 'MIS Details' screen. Invoke this screen by clicking 'MIS' button.

The screenshot shows the 'MIS Details' window with the following components:

- Product Code:** A text input field.
- MIS Group:** A text input field.
- Pool Code:** A text input field.
- Default From MIS Group:** A blue button.
- MIS Classes:** A table with columns 'MIS Class' and 'MIS Code'. It includes a '1 Of 1' indicator and a 'Go' button.
- Cost Code:** A list of five empty text input fields.
- Buttons:** 'Ok' and 'Exit' buttons at the bottom right.

Through the MIS product details screen you can link the product to transaction MIS codes. The transaction codes linked to the product are defaulted to the instrument.

*For more details on 'MIS Details' screen refer section titled 'Invoking the MIS details screen for a product' in the MIS user Manual.*

---

## 5. Defining ET Instruments

Each instrument that you enter in Oracle FLEXCUBE should necessarily be associated with an instrument product. To recall, you have already defined instrument products to group together or categorize instruments that share broad similarities. Instrument products provide a general framework and serve to classify or categorize instruments.

Under each Product that you have defined, you can enter specific instruments. By default, an instrument inherits all the attributes of the instrument product, which is associated with it. These include:

- Instrument Type
- Asset Type linked to the product
- Whether physical settlement of the underlying asset is possible
- Whether settlement can be made prior to the Expiry Date

This means that you will not have to define the general attributes each time you enter the instrument details. In addition to the product preferences, you will have to capture the other details of the instrument. They include:

- Instrument details
- Underlying Asset details
- Pricing details
- Price movement details
- Max Open and Long positions
- Days of settlement
- Initial margin per contract

This chapter contains the following sections:

- [Section 5.1, "Instrument Definition"](#)
- [Section 5.2, "Margin Maintenance at Instrument Level"](#)
- [Section 5.3, "Margin Details and Instrument Price Details"](#)

### 5.1 Instrument Definition

This section contains the following topics:

- [Section 5.1.1, "Invoking Instrument Definition Screen"](#)
- [Section 5.1.2, "Series Button"](#)
- [Section 5.1.3, "Examples of Capturing Actual Instruments in Oracle FLEXCUBE"](#)

#### 5.1.1 Invoking Instrument Definition Screen

Invoke the 'Instrument Definition' screen by typing 'ENDUINST' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

All ET instruments must be designated at inception either as Future or as Option instruments. At the time of product definition you would have indicated whether the product being defined is meant for future instruments or options. When you associate an instrument with a product, the specifications you made for the instrument product are defaulted to the instrument. You will not be allowed to change the defaulted specifications.

#### 5.1.1.1 Specifying the Instrument details

##### Reference

In Oracle FLEXCUBE, instrument reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the instrument you are entering. It is also used in all transactions related to this instrument. Here the system generates a unique 16 digit alphanumeric reference value for each instrument.

##### Instrument Identification

You can provide your own reference number or value for the instrument here. This is called the 'Instrument Identification'. The 'Instrument Identification' in addition to the 'Reference' generated by the system identifies the instrument.

The 'Instrument Identification' should be unique and cannot be used to identify any other instrument. It also cannot exceed 16 characters. By default, the instrument Reference number generated by the system is taken as the Instrument ID.

##### Description

Here you can provide a brief description for the instrument. This description cannot exceed 35 characters.

##### Contract Size and Unit

As part of specifying the instrument details you have to indicate the number of the units of the underlying asset that makes this instrument.

For instance, let us assume that the underlying asset for an instrument is Wheat. Each instrument entitles the holder to buy or sell 100 Kilograms of Wheat. Your entries in the Contract Size and Unit fields will be as follows:

| Field         | Value       |
|---------------|-------------|
| Contract Size | 100         |
| Unit          | Kilo-grams. |

Similarly, if the underlying asset happens to be a currency - DEM and if each instrument entitles the holder to buy or sell 1,000,000 DEM your entries in the respective fields should look like this:

| Field         | Value     |
|---------------|-----------|
| Contract Size | 1,000,000 |
| Unit          | DEM       |

### Value

In addition to specifying the Contract Size and Unit you can capture additional details pertaining to the instrument or the underlying.

The details that you capture in this field are meant for your bank's internal reference and will not be used for processing the contract.

### Call/Put

While capturing the details of an Option instrument, you need to indicate whether the option is a Call or a Put option. In the ETD module the Call and Put Options are treated as two separate instruments in all respects.

Therefore, when an Exchange issues Call and Put options on the same underlying assets, you need to have defined two instruments to take care of the two Options.

### Premium

Indicate the premium style, which should be picked up for the particular option.

You can choose one of the following options here:

- Choose **Option Style** for booking the Premium Amount for the Deal during the Opening/Closing of the Position, along with the deal. This means there is no Variation Margin (Cash Settlement of Revaluation Differences based on Daily Closing Price of the Instrument) to be processed for such instruments. For your own portfolios, you are allowed to do a Notional Revaluation for such Instruments.
- Choose **Option with Futures Style** for not booking the Premium Amount during the Opening/Closing of Position, i.e. there is no exchange of Cash during the deal. But based on the every day closing prices of the Instrument, there will be a variation Margin Computation that has to be exchanged between the Portfolio and Broker (Revaluation based on Cash Basis).

### 5.1.1.2 Specifying the Underlying Asset details

#### **Underlying Asset**

After you have indicated the instrument details, you must specify the underlying asset, which is to be linked to the instrument being defined. The option list available for this field is populated based on the Asset Type linked to the product involving this instrument. You can select an appropriate underlying code.

#### **Pricing Multiple**

Specify the Pricing Multiple of the underlying here. The Pricing Multiple is the multiplication factor that should be applied to the Price of the Underlying to arrive at the price per contract.

#### **Example**

Let us assume that you are maintaining the details of a Gold Option. The Contract Size you have specified is as follows:

| Field         | Value       |
|---------------|-------------|
| Contract Size | 10          |
| Unit          | Kilo-grams. |

The underlying you have linked to this instrument is Gold and it is priced in terms of 10 grams.

The Pricing Multiple that you define for this contract will be:

10 kilograms of gold/10 grams of gold = 1000.

Thus, on the option Exercise Date if the Spot Price of Gold is 50 USD for 10 grams of gold, the instrument will be considered to be at the money, if it has a Strike Price of 50000 USD (50 USD X 1000) per contract.

Indicate the multiplication factor that should be applied to the commodity price of the underlying.

#### **Price Code**

A single underlying can be linked to several instruments issued at various exchanges. As a result, there might be slight price variations in the closing price of the same underlying in each exchange where the instrument is traded.

Since the system automatically picks up all open position contracts for auto Expiry/Exercise, on the expiry date of the instrument, the closing price of the underlying is required for triggering this process. Therefore, if each of the exchanges where the underlying trades is identified by a unique price code, it becomes possible to associate the price code to be used to pick up the closing price of the underlying for processing the Expiry/Exercise event.

On saving the record, the other details of the underlying - such as the Pricing Size, the Pricing Unit and the Nature of the Asset - are defaulted from the Underlying Asset Maintenance screen, depending on the underlying that you link with the instrument. You cannot change them.

### 5.1.1.3 Specifying the Price Details of the Instrument

#### **Pricing Currency and Asset Currency**

As part of specifying the Pricing Details you have to indicate the currency in which the instrument is to be priced in. The asset currency of the product involved in the instrument is defaulted as the pricing currency.

You can change the pricing currency only if the underlying asset also happens to be a currency. In such a case, since the asset currency differs from the pricing currency you have to change it manually.

Example

#### **Scenario I**

Let us carry forward the earlier example of the Gold Option. In this example the Pricing Currency is USD. The Asset Currency will also be USD. Therefore, if you were to take a long Position (Call), the system will pass Contingent Entries to the Contingent Bought and Contingent Bought Offset GLs. Both the entries will be posted in USD.

#### **Scenario II**

You are processing a DEM Call Option priced in USD. In this case the Pricing Currency will be USD and the Asset Currency will be DEM. Therefore, if you were to take a long position (Call), the system will post Contingent Entries to the Contingent Bought and Contingent Bought Offset GLs. In this case, the Contingent Asset entry will be posted in DEM (asset currency) and the Contingent Bought Offset will be posted in USD (pricing currency).

#### **Precision**

You have to specify the maximum decimal places that can be allowed for quoting the Instrument price.

#### **Pricing Size, Pricing Unit and Instrument Pricing Multiple**

While specifying the contract size of the Gold Option instrument we had indicated that the contract size was 10 kilograms of Gold. Now, as part of specifying the premium of this option if we were to specify that it should be quoted per every gram of gold, the instrument pricing size and unit will be as follows:

| Field                   | Value |
|-------------------------|-------|
| Instrument Pricing Size | 1     |
| Instrument Pricing Unit | Gram  |

Consequently, the multiplication factor to arrive at the Cost Per Contract (Pricing Multiple) equals 10000.

### 5.1.1.4 Specifying the Price Movement Details

#### **Minimum Movement**

To be able to trade in the instrument, the exchange might specify a certain minimum movement in the price of the instrument. The price that you enter in this field is merely for information purposes and is not used during contract processing. This value is also referred to as the Tick Size of the Instrument.

#### **Maximum Movement**

The value that you capture in this field is meant for your internal reference only. No processing is done in Oracle FLEXCUBE based on this value. This price is set at the exchange and is indicative of the forward movement in the instrument price. When the instrument price

reaches this limit, trading in this instrument will be suspended for the particular day by the exchange.

#### **5.1.1.5 Specifying Maximum Open Positions details**

Certain exchanges you deal in may place restrictions to mitigate the default risk by the various investors. Irrespective of the exchange having this restriction, your bank may want to impose a restriction on the open positions held by your portfolio customers. You can do this by specifying the maximum open long and short positions.

Your entries in this field are meant purely for information purposes. Oracle FLEXCUBE being a back end processing system will not perform any validations against these values that you capture in these fields.

#### **5.1.1.6 Specifying the Days for Settlement**

##### **Money**

Specify the Money settlement days here. When a particular deal involves money settlement, (Option Premium in case of an Open Deal for an Option or an Exercise deal) the money settlement days are used to arrive at the date on which the money settlement should take place.

For instance if you indicate that the money settlement date is two days, the system calculates the money settlement date in the following manner:

##### **Deal Date + 2 Working Days**

Your entry in this field determines the Value Date for Money Settlement.

##### **Physical**

When a particular deal involves physical settlement of the underlying asset, (Exercise of Stock Options or Interest Rate Options) you need to indicate the physical settlement days. The system calculates the Value Date of the Physical Settlement based on the number of days that you specify in this field.

For instance, if you specify the number of days as one, the value date for physical settlement of the underlying asset will be done in the following manner:

##### **Deal Date + 1 Working Day**

#### **5.1.1.7 Specifying the Initial Margin for Open contracts**

##### **Long and Short**

In certain exchanges it is mandatory that you deposit as collateral (Initial Margin), a fixed percentage of the Contract Value. You need to specify the percentage of initial margin for every open contract held by the investor. The percentage that you specify can change on a day-to-day basis. Similarly the percentage per Open Short Contract may differ from the percentage per Open Long Contract

Since the ETD module does not calculate the Initial Margin Requirements, the value that you specify in this field represents an approximate percentage that will be required as Initial Margin. The percentage of the contract amount that you enter in these fields will not be considered for processing.

##### **Currency**

Indicate the currency in which the percentage amount is to be paid. This field assumes significance only when the margin amount is paid in cash. A list of currencies maintained in

Oracle FLEXCUBE is displayed in the available option list. You can choose the appropriate currency.

#### **5.1.1.8 Specifying Other details**

##### **Default Broker**

Your bank may trade in instruments involving brokers and clearing houses. You have to indicate the ID of the broker/clearing member involved in the deal. A list of all customers categorized as brokers and clearing members through the Customer Information maintenance screen are available in the list of options. You can choose the appropriate ID.

Subsequently, whenever this instrument is chosen in the deal, the broker for the deal is defaulted from this value. You can change the broker ID if necessary.

##### **Issuer**

This is the ID of the exchange that has issued the particular instrument. The list of options available for this field contains a list of all customers categorized as Issuers through the Customer Information File details screen. You can associate the appropriate issuer ID with this instrument.

##### **Clearing House**

You have to capture the ID of the clearing house where the settlement of trades is to take place.

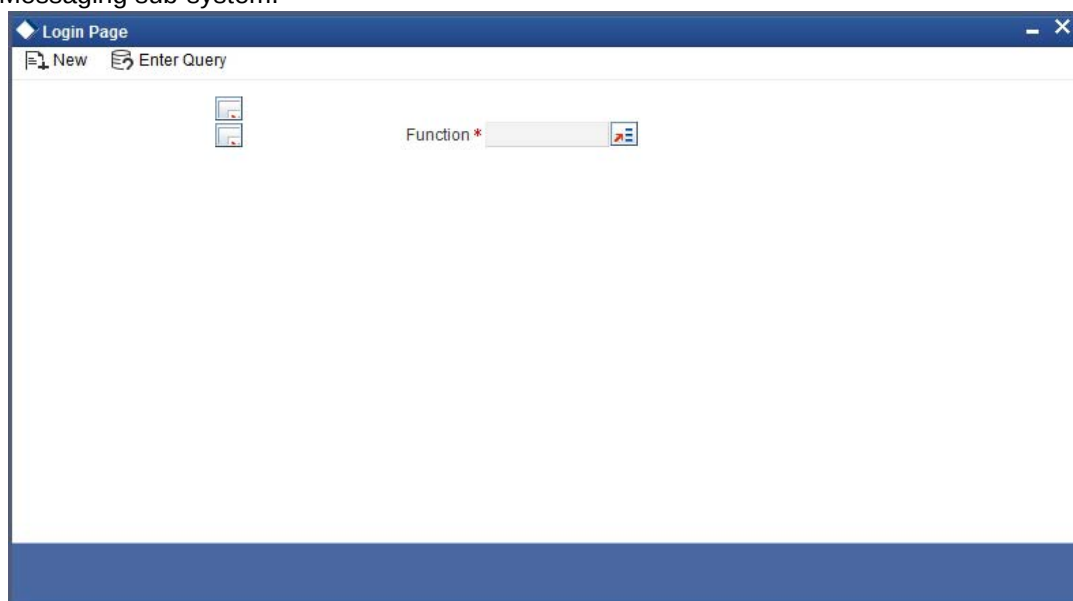
The daily settlement of trades in Oracle FLEXCUBE will be carried out, based on your holiday specifications in the Holiday Calendar maintenance screen. Processing for a day is skipped, if both the branch and the clearing house are configured for a holiday as of the processing date.

##### **Contract Standard**

You can capture additional information about the ETD instrument that you are processing. The additional text that you capture should not exceed 255 characters. The details that you capture in this field can pertain to any of the following:

- Instrument involved in the deal
- Underlying asset
- Physical settlement of the deal
- Money settlement of the deal

This information will be printed on all the advices that are sent to your portfolio customers if you identify Contract Standard as an Advice Tag, while specifying message formats in the Messaging sub-system.



### 5.1.2 Series Button

A single instrument can have multiple series attached to it. At a given point in time multiple series of the same instrument can be traded simultaneously depending on the expiration months for each series.

Let us assume, you are maintaining the details of Wrought Iron Futures, traded in the London metal exchange. The instrument has two series attached to it. The details of the series are as follows:

#### **Series I**

| Series      | Description                                  |
|-------------|----------------------------------------------|
| Series ID   | LME – Wrought Iron Futures – DEC 2000 series |
| Opening Day | 01 Dec 2000                                  |
| Lifetime    | 6 months                                     |

#### **Series II**

| Series      | Description                                  |
|-------------|----------------------------------------------|
| Series ID   | LME – Wrought Iron Futures – JAN 2001 series |
| Opening Day | 01 Dec 2001                                  |
| Lifetime    | 5 months                                     |

In the subsequent section, we will see how these details can be captured in the Series Definition screen.

To define the tradable series for each instrument click 'Series' button in the 'Instrument Definition - XDerivatives' screen. The 'Instrument Series' screen is displayed.

Each time the exchange introduces a new series for the instrument, the instrument maintenance record should be unlocked and the details of the new series captured.

#### Series Id

To identify the series, you need to assign a unique 16 character code to the series. After you associate a code with the series, you have to capture a brief description of the series. This description will be associated with the series for information retrieval purposes.

#### Strike Price

While capturing the details of an option instrument, you need to indicate the price at which the option buyer can purchase the asset for a call option or sell the asset in the case of a put option.

The Strike Price is specified in terms of the Pricing Size and Unit maintained for the Instrument. Therefore, it is multiplied by the instrument pricing multiple to arrive at the contract value.

#### Trade Start Date and Expiry Date

You can indicate the time period for which the series can be traded in the market by specifying the following:

- Trade Start Date
- Expiry Date

The Trade Date is the first date on which the series can be traded in the market. The value dates of deals involving the particular series cannot be earlier than the Trade Date.

The Expiry Date is the date on which the series expires. The value dates of any of the deals involving the series cannot be later than the expiry date. The automatic Expiry/Exercise liquidation of all open positions for a series is done as part of the End of Day activities on the expiry date of the series.

### 5.1.3 Examples of Capturing Actual Instruments in Oracle FLEXCUBE

In this section we will see how the details of actual ET instruments, traded in the market can be captured using the ETD module of Oracle FLEXCUBE.

Given below are some samples:

### **5.1.3.1 Example I - One Month Euribor Futures**

#### **Contract Standard**

The European Interbank Offered Rate (EURIBOR) for one-month euro time deposits.

#### **Contract Value**

EUR 3,000,000

#### **Settlement**

Cash Settlement, payable on the first exchange trading settlement day immediately following the Last Trading Date.

#### **Price Determination**

In percent, with three decimal places, expressed as 100 minus the going rate of interest.

#### **Minimum Price Change**

0.005 percent, equivalent to a value of EUR 12.50.

#### **Maturity Months**

The six nearest calendar months. The longest term available is therefore six months.

#### **Last Trading Day – Final Settlement Day**

Two exchange trading days prior to the third working Wednesday of the respective settlement month, provided that on that day the FBE/ACI has determined the reference interest rate EURIBOR pertaining to one-month euro time deposits; otherwise, the preceding day. Trading in the maturing contract ceases at 11:00 am CET.

#### **Daily Settlement Price**

The volume-weighted average price of the last five trades of the day, provided they are not older than 15 minutes; or, if more than five trades have occurred during the final minute trading, then the volume weighted average price of all trades that occurred during that final minute. If such a price cannot be determined, or if the price so determined does not reasonably reflect prevailing market conditions, then Eurex will establish the official settlement price.

#### **Final Settlement Price**

Eurex establishes the final settlement price at 11:00 am CET on the last trading day based on the reference interest rate (EURIBOR) for one-month euro time deposits as determined by FBE/ACI. To fix the Final Settlement Price, the EURIBOR rate is rounded to the nearest price interval (0.005, 0.01 or multiple thereof) and is then subtracted from 100

#### **Trading Hours**

8.45 am until 7.00 pm CET.

### **In Oracle FLEXCUBE**

To fit this requirement in Oracle FLEXCUBE you have to specify the following details in the Instrument Definition screen:

| Field         | Value  |
|---------------|--------|
| Product Code  | FEU1   |
| Option/Future | Future |

|                      |              |
|----------------------|--------------|
| Asset Type           | Time Deposit |
| Physical Settlement  | Yes          |
| Settle Before Expiry | Yes          |

### Instrument Details

| Field                  | Value                              |
|------------------------|------------------------------------|
| Reference              | 000FEU100123                       |
| Instrument             | 1-Month-Euribor-TimeDeposit-Future |
| Nature of Asset        | Real                               |
| Asset Currency         | EUR                                |
| Contract Size          | 1                                  |
| Contract Size Unit     | Deposit                            |
| Contract Value         | 3000000                            |
| Pricing Currency       | EUR                                |
| Pricing Size           | 1                                  |
| Pricing Size Unit      | Deposit/30000                      |
| Pricing Unit Multiple  | 30000                              |
| Precision              | 3                                  |
| Minimum Price Movement | 0.005                              |

### Underlying Asset Details

| Field                 | Value                             |
|-----------------------|-----------------------------------|
| Underlying Asset      | ETD (1-Month-Euribor-TimeDeposit) |
| Pricing Size          | 1                                 |
| Pricing Size Unit     | Deposit / 30000                   |
| Pricing Unit Multiple | 30000                             |
| Price Code            | EUREX                             |

#### 5.1.3.2 Example II – Option on Three month Euribor Futures

##### **Contract Standard**

Three-Month EURIBOR Futures. The nominal value of one futures contract is EUR 1,000,000.

##### **Contract Value**

One Three-Month EURIBOR Futures contract.

**Settlement**

The exercise of a Three-Month EURIBOR Futures option results in the creation of a corresponding Three-Month EURIBOR Futures position for the buyer as well as the seller to whom the exercise is assigned. The position is established after the Post-Trading Period of the exercise day, and is based on the agreed exercise price.

**Price Determination**

In points, with three decimal places.

**Minimum Price Change**

0.005 of a point, equivalent to a value of EUR 12.50.

**Last Trading Day**

Two exchange trading days prior to the third Wednesday of the respective settlement month, provided that on that day the FBE/ACI has determined the reference interest rate EURIBOR pertaining to three-month euro time deposits; otherwise, the preceding day. Trading in the maturing contract ceases at 11:00 a.m. CET.

**Daily Settlement Price**

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price.

**Exercise**

American style, i.e. an option can be exercised up to the end of the Post-Trading Period on any exchange trading day during the lifetime of the option.

**Expiration Months**

The next four months within the cycle March, June, September and December; i.e. options contracts are available with a lifetime of 3, 6, 9 and a maximum of 12 months. The maturity month of the underlying futures contract and the expiration month of the option are identical.

**Exercise Value**

Options series have exercise prices with intervals of 0.10 of a point (e.g. 96.40, 96.50, 96.60). Twenty-one exercise prices are introduced initially for each expiration month.

**Option Premium**

The premium is settled using the 'futures-style' method.

**Trading Hours**

8:30 a.m. until 7:00 p.m. CET.

**In Oracle FLEXCUBE**

To fit this requirement in Oracle FLEXCUBE you have to specify the following details in the Instrument Definition screen:

| Field               | Value                |
|---------------------|----------------------|
| Product Code        | OEU3                 |
| Option/Future       | Option               |
| Asset Type          | Interest Rate Future |
| Physical Settlement | Yes                  |

|                         |     |
|-------------------------|-----|
| Settle Before<br>Expiry | Yes |
|-------------------------|-----|

### Instrument Details

| Field                  | Value                                                                                    |
|------------------------|------------------------------------------------------------------------------------------|
| Reference              | 0000EU300123                                                                             |
| Instrument             | Option on Three-Month EURIBOR Futures contract.                                          |
| Nature of Asset        | Contingent                                                                               |
| Asset Currency         | EUR                                                                                      |
| Contract Size          | 1                                                                                        |
| Contract Size Unit     | Future Contract                                                                          |
| Contract Value         | One Three-Month EURIBOR Futures contract.                                                |
| Pricing Currency       | EUR                                                                                      |
| Pricing Size           | 1                                                                                        |
| Pricing Size Unit      | Future Contract / 30000                                                                  |
| Pricing Unit Multiple  | 30000                                                                                    |
| Precision              | 3                                                                                        |
| Minimum Price Movement | 0.005                                                                                    |
| Contract Standard      | Three-Month EURIBOR Futures. The nominal value of one futures contract is EUR 1,000,000. |

### Underlying Asset Details

| Field                 | Value                                     |
|-----------------------|-------------------------------------------|
| Underlying Asset      | One Three-Month EURIBOR Futures contract. |
| Pricing Size          | 1                                         |
| Pricing Size Unit     | Future Contract / 30000                   |
| Pricing Unit Multiple | 30000                                     |
| Price Code            | EUREX                                     |

#### 5.1.3.3 Example III – Equity Options on German Shares

##### Contract Size

Contracts are generally based on 100 shares of the underlying instrument. However, for shares with a nominal or calculated value of DEM 50 or equivalent in euro, the contract size is 10 shares. Options on Munich Re and Allianz have a contract size of 50 shares.

##### Minimum Price Change

The minimum price change for options is EUR 0.01. In the case of options on shares with a nominal value of DEM 50, price changes of DEM 0.1 are possible.

**Settlement**

Physical delivery of 10, 50, or 100 shares, respectively, of the underlying security.

**Settlement Day**

Two exchange trading days after exercise.

**Last Trading Day**

The third Friday of the expiration month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday.

**Daily Settlement Price**

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price.

**Exercise**

American style, i.e. an option can be exercised until 18:30 on any exchange trading day during the lifetime of the option, except on days where resolutions regarding dividends take place.

**Expiration Months**

**Group A shares:** the three nearest calendar months, as well as the following two months within the cycle March, June, September and December thereafter (i.e. up to a maximum lifetime of 9 months).

**Group B shares:** the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter (i.e. up to a maximum lifetime of 12 months).

**Group C shares:** the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, and the following two months within the cycle June and December thereafter (i.e. up to a maximum lifetime of 24 months).

**Exercise Price**

Options series may have the following exercise prices:

Shares with a nominal or calculated value of DEM 50 Shares with a nominal or calculated value of DEM 50

| Exercise Prices      | Exercise Price Intervals                     |
|----------------------|----------------------------------------------|
| EUR 1 to EUR 20      | EUR 1                                        |
| EUR 22 to EUR 50     | EUR 2                                        |
| EUR 52,50 to EUR 100 | EUR 2,50 only the two next expiration months |
| EUR 55 to EUR 100    | EUR 5                                        |
| EUR 110 to EUR 200   | EUR 10                                       |
| EUR 220 to EUR 500   | EUR 20                                       |
| EUR 525 to EUR 1.000 | EUR 25 only the two next expiration months   |

|                      |         |
|----------------------|---------|
| EUR 550 to EUR 2.000 | EUR 50  |
| EUR 2.100 and above  | EUR 100 |

Shares with a nominal or calculated value of DEM 5 and DEM10 or equivalent in euro:

| Exercise Prices      | Exercise Price Intervals                     |
|----------------------|----------------------------------------------|
| EUR 1 to EUR 20      | EUR 1                                        |
| EUR 22 to EUR 50     | EUR 2                                        |
| EUR 52,50 to EUR 100 | EUR 2,50 only the two next expiration months |
| EUR 55 to EUR 200    | EUR 5                                        |
| EUR 210 and beyond   | EUR 10                                       |

For each expiration month, there are at least three call and three put series, providing an in-the-money, at-the money and out-of-the-money exercise price. For options contracts with lifetimes of 18 or 24 months (XXL Options), the exercise price intervals are doubled.

### Underlying Instruments

Eurex equity options on German shares are traded in the following groups according to their expiration months:

| Group A                 | Group B                     | Group C                             |
|-------------------------|-----------------------------|-------------------------------------|
| 1, 2, 3, 6 and 9 months | 1, 2, 3, 6, 9 and 12 months | 1, 2, 3, 6, 9, 12, 18 and 24 months |

Shares with a (calculated) nominal value of DEM 5 or equivalent in euro:

|                                     |                                  |                        |
|-------------------------------------|----------------------------------|------------------------|
| Adidas (ADS)                        | Bay. Hypo- und Vereinsbank (HVM) | Allianz-Holding (ALV)  |
| Degussa Hüls (DHA)                  | Dresdner Bank (DRB)              | BASF (BAS)             |
| Henkel Vz. (HEN3)                   | Lufthansa (LHA)                  | Bayer (BAY)            |
| Metro (MEO)                         | Mannesmann (MMN)                 | Commerzbank (CBK)      |
| Münchener Rück- versicherung (MUV2) | RWE (RWE)                        | Daimler Chrysler (DCX) |
| SAP Vz. (SAP3)                      | Thyssen Krupp (TKA)*             | Deutsche Bank (DBK)    |
| Schering (SCH)                      |                                  | Deutsche Telekom (DTE) |
|                                     |                                  | Hoechst (HOE)          |
|                                     |                                  | Siemens (SIE)          |
|                                     |                                  | VEBA (VEB)             |

|                                   |  |          |
|-----------------------------------|--|----------|
|                                   |  | VW (VOW) |
| Münchener Rückversicherung (MVUZ) |  |          |

Shares with a nominal or calculated value of DEM 50 or equivalent in euro:

|                |                |
|----------------|----------------|
| Karstadt (KAR) | BMW (BMW)      |
| Linde (LIN)    | Preussag (PRS) |
| MAN (MAN)      | VIAG (VIA)     |

#### **Trading Hours (CET)**

9:00 a.m. until 5:00 p.m. CET.

All equity options are subject to mandatory market making.

#### **Option Premium**

Payable in full on the exchange trading day immediately following the trade date.

#### **In Oracle FLEXCUBE**

The details that you specify in the Instrument Definition screen should be as follows:

| Field                | Value  |
|----------------------|--------|
| Product Code         | OTSK   |
| Option/Future        | Option |
| Asset Type           | Equity |
| Physical Settlement  | Yes    |
| Settle Before Expiry | Yes    |

### Instrument Details

| Field              | Value                            |
|--------------------|----------------------------------|
| Reference          | 000OTSK00123                     |
| Instrument         | Option on Allianz -Holding (ALZ) |
| Nature of Asset    | Real                             |
| Asset Currency     | EUR                              |
| Contract Size      | 100                              |
| Contract Size Unit | Shares                           |
| Call Put Indicator | Call                             |
| Pricing Currency   | EUR                              |

| Field                    | Value                                                                        |
|--------------------------|------------------------------------------------------------------------------|
| Pricing Size             | 1                                                                            |
| Pricing Size Unit        | Share                                                                        |
| Pricing Unit Multiple    | 100                                                                          |
| Precision                | 2                                                                            |
| Minimum Price Movement   | 0.01                                                                         |
| Money Settlement Days    | 1                                                                            |
| Physical Settlement days | 2                                                                            |
| Contract Standard        | 100 Shares of Allianz-Holding of par value 5 DEM each (or equivalent in EUR) |

### Underlying Asset Details

| Field                 | Value           |
|-----------------------|-----------------|
| Underlying Asset      | Allianz-Holding |
| Pricing Size          | 1               |
| Pricing Size Unit     | Share           |
| Pricing Unit Multiple | 100             |
| Price Code            | FSE             |

#### 5.1.3.4 **Example IV – Dax® Futures**

##### **Contract Standard**

The Deutscher Aktienindex (DAX).

##### **Contract Value**

EUR 25 per DAX index point.

##### **Settlement**

Cash settlement based on the Final Settlement Price, payable on the first exchange trading day following the Last Trading Day.

##### **Price Determination**

In points, with one decimal place.

##### **Minimum Price Change**

0.5 of a point, equivalent to a value of EUR 12.50.

##### **Maturity Months**

The three successive quarterly months within the cycle March, June, September and December.

##### **Last Trading Day**

The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading ceases at the start of the call phase of the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET.

##### **Daily Settlement Price**

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price.

##### **Final Settlement Price**

The value of the DAX, determined on the basis of the aggregate prices of the DAX component shares on the Last Trading Day, as determined in the Intraday Auction on the electronic system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET.

##### **Trading Hours**

8:25 a.m. until 5:00 p.m. CET.

### **In Oracle FLEXCUBE**

To fit this requirement in Oracle FLEXCUBE you have to specify the following details in the Instrument Definition screen:

| <b>Field</b>         | <b>Value</b> |
|----------------------|--------------|
| Product Code         | FDAX         |
| Option/Future        | Future       |
| Asset Type           | Index        |
| Physical Settlement  | No           |
| Settle Before Expiry | Yes          |

### Instrument Details

| Field                 | Value                               |
|-----------------------|-------------------------------------|
| Reference             | 000FDAX00123                        |
| Instrument            | DAX-Future                          |
| Nature of Asset       | Real                                |
| Asset Currency        | EUR                                 |
| Contract Size         | 1                                   |
| Contract Size Unit    | Point                               |
| Contract Value        | EUR 25 per DAX ® index point        |
| Pricing Currency      | EUR                                 |
| Pricing Size          | 1                                   |
| Pricing Size Unit     | Point                               |
| Pricing Unit Multiple | 25                                  |
| Precision             | 1                                   |
| Contract Standard     | The Deutscher Aktienindex (DAX ® ). |

### Underlying Asset Details

| Field                 | Value                               |
|-----------------------|-------------------------------------|
| Underlying Asset      | The Deutscher Aktienindex (DAX ® ). |
| Pricing Size          | 1                                   |
| Pricing Size Unit     | Point                               |
| Pricing Unit Multiple | 25                                  |
| Price Code            | DAX-5:30 Quote                      |

#### 5.1.3.5 Example V – Dax® Options

##### **Contract Standard**

The Deutscher Aktienindex (DAX).

##### **Contract Value**

EUR 5 per DAX index point.

##### **Settlement**

Cash settlement, payable on the first exchange trading day following the Last Trading Day.

**Price Determination**

In points, with one decimal place.

**Minimum Price Change**

0.1 of a point, equivalent to a value of EUR 0.50.

**Last Trading Day**

The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading ceases at the start of the call phase of the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET.

**Daily Settlement Price**

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price.

**Final Settlement Price**

The value of the DAX, determined on the basis of the aggregate prices of the DAX component shares on the Last Trading Day, as determined in the Intraday Auction on the electronic system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET.

**Exercise**

European style, i.e. an option may only be exercised on the Last Trading Day of the respective option series, up to the end of the Post-Trading Period.

**Expiration Months**

The three nearest calendar months, the three following months within the cycle March, June, September and December thereafter, as well as the two following months of the cycle June and December thereafter; i.e. options contracts are available with a lifetime of 1, 2, 3, max 6, max 9, max 12, as well as max 18 and max 24 months.

**Exercise Price**

Exercise price intervals for DAX(r) Options are as follows:

| Expiration months with a remaining term up to | Number of exercise prices | Exercise price intervals, in Index Points |
|-----------------------------------------------|---------------------------|-------------------------------------------|
| 9 months                                      | 9                         | 50                                        |
| 12 months                                     | 5                         | 100                                       |
| 24 months                                     | 5                         | 200                                       |

At least five exercise prices are introduced initially for each expiration month.

**Option Premium**

The EUR equivalent of the premium in points is payable in full, on the first exchange trading day following the trade date.

**Trading Hours (CET)**

8:25 a.m. until 5:00 p.m.

### **In Oracle FLEXCUBE**

The details that you specify in the Instrument Definition screen should be as follows:

| <b>Field</b>         | <b>Value</b> |
|----------------------|--------------|
| Product Code         | ODAX         |
| Option/Future        | Option       |
| Asset Type           | Index        |
| Physical Settlement  | No           |
| Settle Before Expiry | Yes          |

### Instrument Details

| Field                    | Value                             |
|--------------------------|-----------------------------------|
| Reference                | 000ODAX00123                      |
| Instrument               | DAX-Option                        |
| Nature of Asset          | Real                              |
| Asset Currency           | EUR                               |
| Contract Size            | 1                                 |
| Contract Size Unit       | Point                             |
| Contract Value           | EUR 5 per DAX index point         |
| Call Put Indicator       | Call                              |
| Pricing Currency         | EUR                               |
| Pricing Size             | 1                                 |
| Pricing Size Unit        | Point                             |
| Pricing Unit Multiple    | 5                                 |
| Precision                | 1                                 |
| Minimum Price Movement   | 0.1                               |
| Money Settlement Days    | 1                                 |
| Physical Settlement days | 2                                 |
| Contract Standard        | The Deutscher Aktienindex (DAX ®) |

### Underlying Asset Details

| Field                 | Value                              |
|-----------------------|------------------------------------|
| Underlying Asset      | The Deutscher Aktienindex (DAX ®). |
| Pricing Size          | 1                                  |
| Pricing Size Unit     | Point                              |
| Pricing Unit Multiple | 5                                  |
| Price Code            | DAX-Daily-5.30                     |

## 5.2 Margin Maintenance at Instrument Level

This section contains the following topics:

- [Section 5.2.1, "Invoking the Instrument Margin Screen"](#)

### 5.2.1 Invoking the Instrument Margin Screen

Initial and maintenance margins are maintained at the instrument level for a combination of instrument ID and portfolio. The 'Instrument Margin' screen can be used to capture details regarding percentage of initial and maintenance margins for each open contract.

Invoke the 'Instrument Margin' screen by typing 'ENDINMRG' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

| Input By  | Authorized By | Modification Number |
|-----------|---------------|---------------------|
| Date Time | Date Time     |                     |

Authorized ☐ Open ☐

#### Branch

The current logged-in branch is displayed here.

#### Instrument Identification

Select the instrument ID from the adjoining list of values provided.

#### Portfolio Identification

Select the portfolio ID from the adjoining list of values provided.

#### Initial Margin Level (%)

Indicate the initial margin percentage per open contract for a combination of instrument ID and Portfolio.

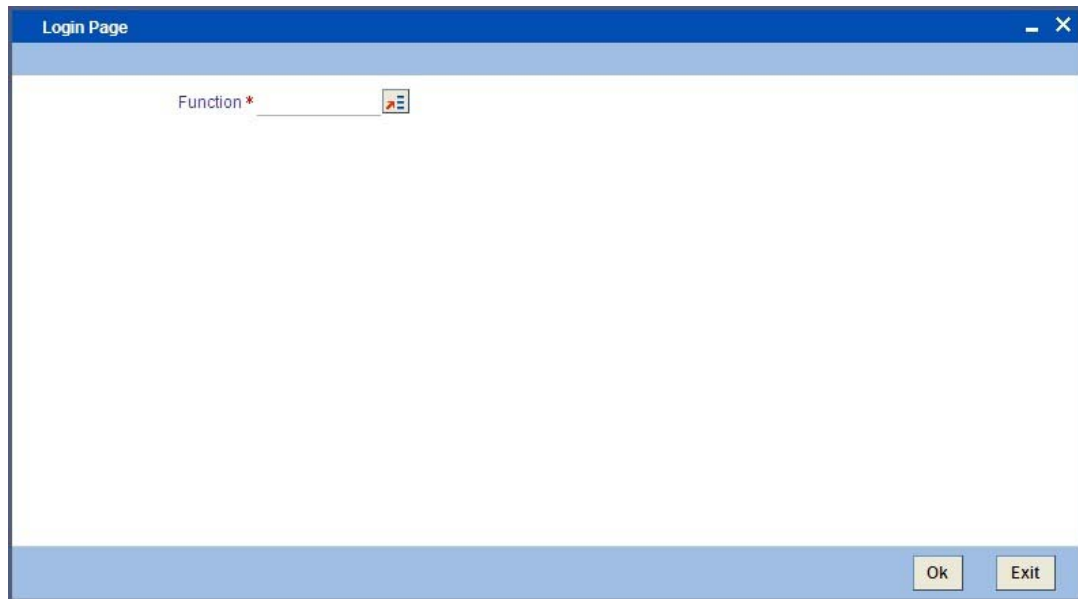
#### Maint Margin Level (%)

Indicate the maintenance margin percentage per open contract for a combination of instrument ID and Portfolio.

## 5.3 Margin Details and Instrument Price Details

Use the 'Intra Day Batch Start' screen to upload the following details into Oracle FLEXCUBE from an external system:

- Initial and maintenance margin details (Function Id - MGSCHUPL)
- Instrument Price details (Function Id - EDINPRUP)



To start the upload, specify the respective Function Id in the 'Intra Day Batch Start' screen and click 'Ok' button.

The system processes records with the details one by one and uploads all the valid records into the system and rejects ones with errors. The system also checks for duplicate records and if they exist, then they are amended.

---

## 6. Creating Portfolio Products and Portfolios

A 'Portfolio Product' is a category or a type of portfolio. For instance, you can define your investment portfolio of Currency Options, as a product in Oracle FLEXCUBE. A portfolio product can, thus, serve to classify the portfolios that you maintain in your bank.

Grouping your portfolios into products helps you standardize your bank portfolios across branches.

A product is created in the Head Office branch of your bank. Any user in the head office, with the requisite rights, can create a product.

This chapter contains the following sections:

- [Section 6.1, "Portfolio Product Creation"](#)
- [Section 6.2, "Margin Products Maintenance"](#)
- [Section 6.3, "Margin Settlement"](#)
- [Section 6.4, "Margin call"](#)
- [Section 6.5, "Portfolios Definition"](#)

### 6.1 Portfolio Product Creation

This section contains the following topics:

- [Section 6.1.1, "Invoking the Exchange Derivatives Portfolio Product Definition Screen"](#)
- [Section 6.1.2, "Accounting Roles Button"](#)
- [Section 6.1.3, "Events Button"](#)
- [Section 6.1.4, "Branch Currency Button"](#)
- [Section 6.1.5, "Customer Button"](#)
- [Section 6.1.6, "MIS Button"](#)

#### 6.1.1 Invoking the Exchange Derivatives Portfolio Product Definition Screen

You can capture information pertaining to a portfolio product through the 'Exchange Derivatives Portfolio Product Definition' screen.

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

In this screen, you can enter the following basic details of the product:

- Product code and module
- Description of the product
- Product type
- Slogan for the product
- Group to which the product belongs
- Start Date of the product
- End Date of the product
- Remarks

### Product Code and Product Description

You can identify a product that you maintain with a unique Product Code, and a brief description.

In the Product Code field, you must assign the product a unique code (which is unique across all the modules of Oracle FLEXCUBE). This code helps in identifying the product. You can briefly describe a product that you create in the Description field.

### Product Module

The services that you offer in a module will be specific to the module. For example, a portfolio maintenance scheme is specific to the ETD (Portfolio) module. You can view the module in which you are creating a product in the Product Module field.

### Product Type

The first attribute that you define for a portfolio product is its *type*. You can broadly classify portfolio products into two types:

- Customer Portfolio (C) – the definition and maintenance of customer portfolio products help you manage your customer's trades and investments.

- Own Portfolio (O) – the definition and maintenance of Own portfolio products help you manage your bank's own trades and investments.

Under each *type* you can create multiple portfolio products.

### **Product Slogan**

You can enter a slogan for the product that you are creating. In the Slogan field enter a slogan that suitably announces the product to your customers.

If you are creating your own portfolio, you can identify it with an appropriate slogan for your bank's internal reference purposes.

### **Product Group**

Grouping products according to the common features they share, helps you organize information relating to the services you provide. This helps you retrieve information easily.

You can invoke a list of all the product groups that you have maintained in your bank. Choose the product group to which the product you are creating belongs.

### **Product Start Date and End Date**

When you create a product, you must also specify a date from which it can be offered. You may also specify the date up to which you would like to offer the product. Enter these dates in the Start Date and End Date fields.

---

#### **Note**

You cannot offer a product beyond the specified end date. If you do not specify an end date for a product, you can offer it for an indefinite period.

---

### **Remarks**

If you want to enter any remarks regarding the product, do so in the Remarks field.

## **6.1.1.1 Specifying other Details for the Portfolio Product**

Every product that you maintain in Oracle FLEXCUBE, will impact specific accounting heads (GLs). When you build a Class of Accounting Roles and Heads, you will have to identify all heads specific to a service, and indicate their roles, individually.

The different stages in the life cycle of a portfolio are referred to as events. After identifying accounting roles and mapping them with account heads, you will have to identify the accounting entries, which ought to be posted when individual events are triggered in Oracle FLEXCUBE. For instance, the opening of long and short positions will be recorded as two separate events in Oracle FLEXCUBE.

The mapping of accounting roles to respective account heads and the identification of life-cycle events at which they ought to be triggered automates the process of posting accounting entries.

A single portfolio product can have multiple portfolios within it. Although, the various events that are likely to occur in a portfolio can be defined under a single product, you can choose to post accounting entries to specific GLs for the different portfolios and Instruments within a portfolio product.

Assume this scenario: Your bank is trading in a variety of Currency, Index Options and in Commodity, Index and Interest Rate Futures.

Typically on a daily basis you would like to process the following activities or events for all types of Options and Futures:

- Open Long / Short Positions
- Revalue Long/Short Positions
- Close Long /Short positions
- Process expiry of Long/Short positions
- Exercise Long positions
- Assign Short positions
- Exchange for physicals in Long / Short positions

When each of these events is triggered in Oracle FLEXCUBE, appropriate accounting entries need to be posted to a variety of GLs.

Besides, you would also like to perform notional revaluation for the open positions on a daily basis.

To cater to these diverse requirements you would need to set-up portfolio products, wherein for each product you have to:

- Identify the GL types and GLs that would be impacted
- Define life-cycle events
- Create role to head mappings

In addition to identifying the accounting entries, you would also need to identify the MIS Heads under which you would like to report the portfolio

To eliminate the process of defining multiple portfolio products, and to restrict portfolios within a product from holding specific instrument products, you need to follow a *preferential hierarchy* while defining accounting roles and account heads. The order in which you would need to define Role to Head mappings is as follows:

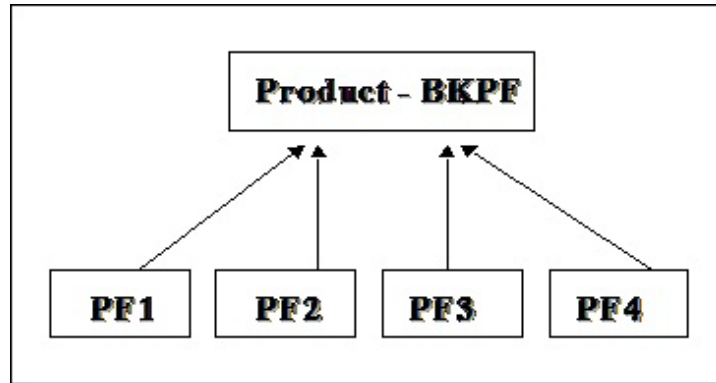
1. A portfolio and the Instrument involved in the portfolio.
2. A portfolio and the Instrument Product involved in the portfolio.
3. A specific portfolio.
4. A portfolio product as a whole.

By defining role to head mappings at the four hierarchical levels you can maintain a single, comprehensive portfolio product, which can be used to process all possible events for options as well as futures for all portfolios.

#### Example

Let us assume that your bank has maintained a portfolio product titled BKPF. Since a product can have multiple portfolios, you have maintained several portfolios within BKPF. Each of these portfolios will cater to specific instrument types.

This diagram shows the portfolio product – portfolio relationship.



The portfolio **PF1** is meant for deals involving Currency and Index Options

As per the preferential hierarchy method, the role to head mappings specified for this product is as follows:

**Preference I - Portfolio ID + Instrument ID**

| Portfolio ID | Instrument ID    | Accounting Class |
|--------------|------------------|------------------|
| PF1          | DEM_OPTION_LIFFE | ACR01            |

**Preference II – Portfolio ID + Instrument Product**

| Portfolio ID | Instrument Product | Accounting Class |
|--------------|--------------------|------------------|
| PF1          | CCYO               | ACR02            |

**Preference III – Portfolio ID**

| Portfolio ID | Accounting Class |
|--------------|------------------|
| PF1          | ACR03            |

**Preference IV – Portfolio Product**

| Portfolio Product | Accounting Class |
|-------------------|------------------|
| BKPF              | ACR04            |

The Role to Head mapping maintained within each class is as follows:

**ACR01**

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET       | CA001        |
| SOLD_CCY_EQ     | CL001        |

**ACR02**

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET       | CA002        |
| SOLD_CCY_EQ     | CL002        |

**ACR03**

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET       | CA003        |
| SOLD_CCY_EQ     | CL003        |

**ACR04**

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET       | CA004        |
| SOLD_CCY_EQ     | CL004        |

**Scenario I**

You want to Open a Long Position (EOLG), in the Currency Option – USD\_Options\_CME in PF1

The accounting entries that need to be posted at the initiation of this event are as follows:

| Accounting Role          | Description | Dr./Cr. Indicator |
|--------------------------|-------------|-------------------|
| Contingent Asset         | Asset Value | Debit             |
| Contingent Asset Off-set | Asset Value | Credit            |

When this event is triggered, the system posts the relevant accounting entries only after identifying the respective Role to Head mapping based on the preferential hierarchy that we have set up.

Since we have not associated an accounting class with the **PF1+ USD\_Options\_CME** (Portfolio ID+ Instrument ID) combination, it will move to the next level and search for the class associated with the **PF1 + CCYO** (Portfolio ID + Instrument Product) combination.

We have already associated the accounting class **ACR02** with this combination; therefore the relevant accounting entries are posted to GLs maintained within this class:

| Accounting Role | Description | Account Head | Dr./Cr. Indicator |
|-----------------|-------------|--------------|-------------------|
| BOT_ASSET       | Asset Value | CA002        | Debit             |
| SOLD_CCY_EQ     | Asset Value | CL002        | Credit            |

## Scenario II

Similarly, assume you want to Open a Long Position in the Index Option – DAX\_OPTION\_FSE in PF1. As in the previous case, the Contingent Asset is to be debited and the Offset account is to be credited.

Since the system has to pick up the relevant accounting entries based on the hierarchical preference, it will search for the accounting class associated with the:

5. PF1 + DAX\_OPTION\_FSE (Portfolio ID + Instrument ID) combination.
6. PF1+INDO (Portfolio ID + Instrument Product) combination.
7. PF1 (Portfolio ID)

We have associated the accounting class **ACR03** with PF1. The accounting entries that are passed for this event will be as follows:

| Accounting Role | Description         | Account Head | Dr./Cr. Indicator |
|-----------------|---------------------|--------------|-------------------|
| BOT_ASSET       | Option Strike Price | CA003        | Debit             |
| SOLD_CCY_EQ     | Option Strike Price | CL003        | Credit            |

---

## Note

Therefore, to open a long position for both Index and Currency options within the portfolio PF1, the accounting treatment remains the same. However, the Account Heads (GLs) that are impacted (debited/credited) while posting the entries differ.

---

For the Currency Option, in P F1 the account heads that are impacted are:

- CA002 (Contingent Asset)
- CL002 (Contingent Asset Offset)

For the Index Option, in PF1 the account heads that are impacted are:

- CA003 (Contingent Asset)
- CL003 (Contingent Asset Offset)

### Scenario III

Assume, you have not maintained the first three hierarchical preferences. When the search results prove unsuccessful, the accounting entries will be posted directly to the default GLs maintained at the portfolio product level.

Since we have associated the accounting class **ACR04** with **BKPF** the account heads that will be impacted will be as follows:

| Accounting Role | Description         | Account Head | Dr./Cr. Indicator |
|-----------------|---------------------|--------------|-------------------|
| BOT_ASSET       | Option Strike Price | CA004        | Debit             |
| SOLD_CCY_EQ     | Option Strike Price | CL004        | Credit            |

#### 6.1.2 Accounting Roles Button

You can map appropriate Accounting Roles to Account Heads for the *portfolio product* through the Role to Head mapping screen. To invoke this screen, click 'Roles' button.

For a detailed procedure on how to map Accounting Roles to Account Heads, refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE.

---

#### Note

The Role to Head mapping definition for the following hierarchical levels:

---

1. Portfolio + Instrument ID
2. Portfolio + Instrument Product
3. Portfolio ID

#### 6.1.3 Events Button

After mapping accounting roles to specific heads you have to define life-cycle events for deals involving this product and identify the accounting entries which ought to be posted when individual events are triggered in Oracle FLEXCUBE.

The following is the list of events for a portfolio, which you can maintain in Oracle FLEXCUBE:

- Assignment of Exercise
- Closing of Long /Short positions
- Exchange of physicals - Take /Make delivery
- Opening of Long /Short positions
- Revaluation of Long / Short positions
- Expiry of Long / Short options
- Exercise of Options
- Reversal – Assignment of Exercise
- Reversal – Closing of Long / Short position
- Reversal Exchange of Physicals – Take /Make delivery
- Reversal – Opening of Long / Short positions

- Reversal – Reversal of Long position
- Reversal – Reval of Short positions
- Reversal – Expiry of Long / Short positions
- Reversal Exercise of Options

You have to identify the life-cycle events which need to be associated with the portfolio product you are setting up.

When each of these events is triggered in Oracle FLEXCUBE, appropriate accounting entries need to be posted. For instance, while 'Opening a Long Position' you will:

- Debit the Contingent Asset
- Credit the Contingent Asset Offset

Therefore you need to associate every event with appropriate accounting entries. You can define the accounting entries that have to be passed for a *set of events*, as an 'Event Accounting Entries and Advices Class'. You can associate event-wise accounting entries through The Event Accounting Entry and Advice definition of the Product Definition screen. To do this, click 'Events' button from the 'Portfolio Product' screen.

---

**Note**

Refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE for a detailed procedure on how to associate accounting entries with events.

---

*For further details on maintaining Accounting Entries and Advices refer 'Product Definition' User Manual under Modularity.*

#### **6.1.4 Branch Currency Button**

The portfolio product that you create is, by default, available for use in all the various branches of your bank. Through the Product Branch and Currency screen you can restrict the use of a product to specific branches only. To invoke this screen, click 'Branch Currency' button from the 'Portfolio Product' screen.

If you restrict a specific branch from using the portfolio product, the branch will not be allowed to use the particular portfolio product for defining portfolios.

---

**Note**

Refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE for a detailed procedure on how to restrict specific branches for a portfolio product.

---

#### **6.1.5 Customer Button**

Customers can be grouped according to the common characteristics that they share. For example, you can group your customers into any of the following:

- Banks
- Corporates
- Financial Institutions (excluding banks)
- Individuals

While defining Customer Portfolio products you can choose to restrict specific customer categories from using the customer portfolio product through the Customer Categories Restriction screen. To invoke this screen, click 'Customers' button from the 'Portfolio Product' screen.

### Exempting specific customers belonging to a category

You can exempt customers, belonging to a particular category, from the allowed or disallowed list that you maintain.

#### Example

You have maintained 'Financial Institutions' as a customer category. You do not want the product to be made available to 'Financial Institutions'.

You, however, wish to make the product available to the financial institution Cavillieri and Barrett Inc.,

When you include Financial Institutions in your disallowed list, all customers belonging to the category will be displayed in the Customer Access column. Move to Cavillieri and Barrett on the list, and specify the Restriction Type as 'Allowed'.

---

#### Note

Refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE for a detailed procedure on how to restrict customer categories from using a customer portfolio product.

---

## 6.1.6 MIS Button

You can define the Management Information Details (MIS) details for the portfolio product that you are creating through the 'MIS Details' screen.

The screenshot shows the 'MIS Details' window. At the top, there's a title bar with a diamond icon and the text 'MIS Details'. Below the title bar, there are three input fields: 'Product Code', 'MIS Group', and 'Pool Code'. To the right of these fields is a button labeled 'Default From MIS Group'. Below the input fields, there's a section titled 'MIS Classes' which contains a table with two columns: 'MIS Class' and 'MIS Code'. To the right of the table, there's a section titled '- Cost Code' with several empty input fields. At the bottom right of the window, there are two buttons: 'Ok' and 'Exit'.

Through the MIS product details screen you can link the product to transaction MIS codes. The transaction codes linked to the portfolio product are defaulted to all the portfolios involving the product.

For more details on 'MIS Details' screen refer section titled 'Invoking the MIS details screen for a product' in the MIS user Manual.

## 6.2 Margin Products Maintenance

This section contains the following topics:

- [Section 6.2.1, "Invoking the Margin Product Definition Screen"](#)
- [Section 6.2.2, "Preferences Button"](#)

### 6.2.1 Invoking the Margin Product Definition Screen

You can maintain Margin Products in Oracle FLEXCUBE. The information about a margin product is captured through the 'Margin Product Maintenance' screen.

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

Margin Product Definition

New Enter Query

Product Code \* Exchange Rate Variance (%)

Product Description \* Override Limit \*

Product Type Stop Limit \*

Description Rate Code \*

Slogan Rate Type \*

Product Group

Product Group Description

Start Date

End Date

Remarks

Accounting Roles | Events | Customer | Preferences | MIS | Fields

Maker Date Time:

Checker Date Time:

Mod No Record Status

Authorization Status

Exit

In this screen, you can enter the following basic details of the margin product:

- Product code and module
- Description of the product
- Product type
- Slogan for the product
- Group to which the product belongs
- Start date of the product
- End date of the product
- Remarks

For further information on the generic attributes that you can define for a product, please refer the following Oracle FLEXCUBE User Manuals under Modularity:

- Product Definition

- Charges
- User Defined Fields

### **Product Code and Product Description**

You can identify a product that you maintain with a unique Product Code, and a brief description.

In the Product Code field, you must assign the product a unique code (which is unique across all the modules of Oracle FLEXCUBE). This code helps in identifying the product. You can briefly describe a product that you create in the Description field.

### **Product Module**

The services that you offer in a module will be specific to the module. For example, a portfolio maintenance scheme is specific to the ETD (Portfolio) module. You can view the module in which you are creating a product in the Product Module field.

### **Product Type**

The first attribute that you define for a portfolio product is its *type*. You can broadly classify portfolio products into two types:

- Broker Margin Product (BR) – the definition and maintenance of broker margin products help you manage the broker's margin requirement.
- Customer Margin Product (PF) – the definition and maintenance of Customer portfolio products help you manage the margin requirement of the bank that the customer is to satisfy.

Under each *type* you can create multiple portfolio products.

### **Product Slogan**

You can enter a slogan for the product that you are creating. In the Slogan field enter a slogan that suitably announces the product to your customers.

If you are creating your own portfolio, you can identify it with an appropriate slogan for your bank's internal reference purposes.

### **Product Group**

Grouping products according to the common features they share, helps you organize information relating to the services you provide. This helps you retrieve information easily.

You can invoke a list of all the product groups that you have maintained in your bank. Choose the product group to which the product you are creating belongs.

### **Product Start Date and End Date**

When you create a product, you must also specify a date from which it can be offered. You may also specify the date up to which you would like to offer the product. Enter these dates in the Start Date and End Date fields.

---

#### **Note**

You cannot offer a product beyond the specified end date. If you do not specify an end date for a product, you can offer it for an indefinite period.

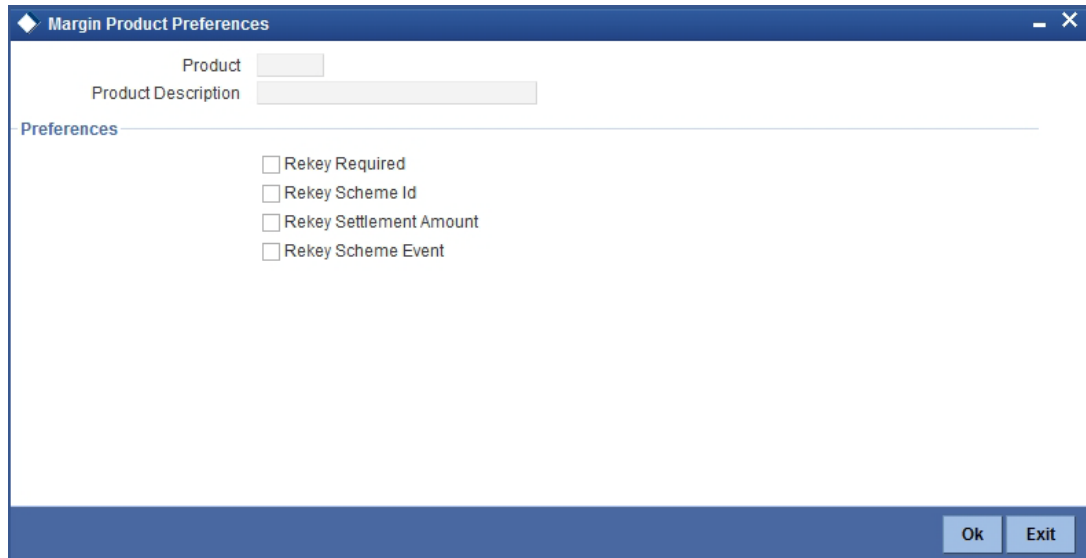
---

### **Remarks**

If you want to enter any remarks regarding the product, do so in the Remarks field.

## 6.2.2 Preferences Button

Click 'Preferences' button to specify preferences for the product through the 'Margin Product Preferences' screen.



In Oracle FLEXCUBE, all operations on a deal (input, amendment, modification, etc.) have to be authorized by a user other than the one who entered the deal details. These operations have to be carried out before the end-of-day activities have begun. Authorization is a way of checking the entries made by a user.

As part of specifying the preferences for a deal product, you can indicate that details of certain fields should be re-entered when a deal is invoked for authorization, as a cross-checking mechanism. The complete details of the deal will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the 're-key' fields.

If no re-key fields have been defined, the details of the deal involving the product will be displayed immediately when the authorizer calls the deal for authorization. The re-key option also serves as a means of ensuring the accuracy of inputs.

## 6.3 Margin Settlement

This section contains the following topics:

- [Section 6.3.1, "Invoking the Margin Settlement Screen"](#)

### 6.3.1 Invoking the Margin Settlement Screen

Settlement transactions may be in the form of initial margin collected or paid to a customer or broker or the liquidation of a net receivable or payable position of a scheme. You can capture settlement details through the 'Margin Settlement' screen.

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

Specify the following details in this screen:

#### **Scheme ID**

Select the ID of the scheme for which margin settlement will be processed. When you select a Scheme ID, the description of the scheme, the currency, the counterparty and transaction date will be defaulted. You will not be allowed to change these details. You will, however, be allowed to change the Settlement Branch and Account defaulted.

#### **Scheme Event**

Select the scheme event to be triggered during margin settlement. You can either choose the option 'Refund' or 'Top Up'.

#### **Amount**

Enter the amount to be settled in the transaction.

#### **Settlement Account**

As mentioned above, the settlement branch and account will be defaulted when you select the Scheme ID. You have the option of changing the same.

#### **Value Date**

Enter the date on which the margin settlement should be carried out.

You will be allowed to delete an unauthorized settlement transaction. You can also reverse a transaction. The event RTOP or RREF will be triggered depending on whether the scheme event is MTOP or MREF.

## **6.4 Margin call**

This section contains the following topics:

- [Section 6.4.1, "Invoking the Scheme Maintenance Screen"](#)

## 6.4.1 Invoking the Scheme Maintenance Screen

You can maintain scheme details in the 'Scheme Maintenance' screen.

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

The screenshot displays the 'Scheme Maintenance' application window. At the top, there are buttons for 'New' and 'Enter Query'. The main area is divided into several sections: 'Product Code' and 'Description' at the top; 'Reference Number' and 'Scheme Id' in the middle; 'Scheme Details' section containing 'Customer Number', 'Rate Type' (set to 'Buy/Sell Rate'), 'Fund Id', and 'Description'; 'Settlement' section with 'Branch' and 'Account'; and 'Margin Level' section with 'Calculation Date', 'Initial', and 'Maintenance'. A bottom bar shows 'Fields | MIS | Settlement' and a status area with 'Input By', 'Authorized By', 'Modification Number', and checkboxes for 'Authorized' and 'Open'.

Enter the following details in this screen:

### Product

Select the margin product from the option list. When you select the product, the Scheme Type will be defaulted.

### Reference No.

In Oracle FLEXCUBE, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the instrument you are entering; it is also used in all transactions related to this instrument. Hence the system generates a unique 16 digit alphanumeric number for each instrument.

### Scheme ID

You can enter an ID or reference number for the scheme. The Scheme ID, in addition to the 'Reference' generated by the system, will identify the scheme. This ID should be unique and cannot be used to identify any other scheme. Besides it cannot exceed 16 characters. By default, the instrument Reference number generated by the system will be taken as the Scheme ID.

### Scheme Type

When you select the product, the Scheme Type will be displayed here. You will not be allowed to change the same.

### Description

You can capture a brief description that is to be associated with the scheme. The description that you enter cannot exceed 35 characters.

### Customer No.

Select the customer for whom the scheme is being created.

**Rate Type**

Select the Rate Type. You have the following options:

- Buy/Sell Rate
- Mid Rate

The system will pick this up during conversion to scheme currency.

**Currency**

Select the currency in which the scheme is to be maintained.

**Rate Code**

Select the Rate Code from the option list provided. The system will pick this up during conversion to scheme currency.

**Fund ID**

Select the fund id from the option list provided.

**Settlement Branch and Account**

The settlement branch and account will be defaulted for the scheme. You will be allowed to change the same.

**Auto settlement during margin call**

You can indicate if the system needs to collect the required margin when the margin balance is lesser than the maintenance margin.

If you check this box, the system will collect the required margin from the settlement account. Incase the system was not able to collect the margin, a margin call is generated.

**Calc Date**

Enter the date on which the initial margin and maintenance margin are entered in the system.

**Initial**

Enter the initial margin here.

**Maintenance**

Enter the maintenance margin here.

**Balance**

This displays the current balance of the margin scheme.

You can query the margin balances of a scheme through the Scheme Balances Query screen.

## 6.5 Portfolios Definition

This section contains the following topics:

- [Section 6.5.1, "Invoking the Portfolio Definition Maintenance"](#)
- [Section 6.5.2, "Role to Head Button"](#)
- [Section 6.5.3, "Instrument Restrictions Button"](#)
- [Section 6.5.4, "Margin Button"](#)
- [Section 6.5.5, "MIS Button"](#)
- [Section 6.5.6, "Broker Button"](#)

### 6.5.1 **Invoking the Portfolio Definition Maintenance**

After you have created ET Portfolio Products, you can proceed to set up an ET portfolio. To recall, in Oracle FLEXCUBE you can define ET portfolios for your:

- Bank
- Bank's Customers

In addition, you can maintain any number of portfolios for each branch or customer.

The portfolios that you set up should necessarily be associated with a portfolio product. All portfolios associated with a portfolio product will inherit the attributes defined for it. You can change certain attributes that are defaulted to suit the portfolio you are defining.

While setting up a portfolio you can indicate the following details:

- Portfolio product that is to be associated with the portfolio.
- Notional revaluation method and frequency. (in case of a bank portfolio)
- Option costing method that is to be used - LIFO, FIFO, deal matching, WAC (in case of a bank portfolio).
- Margin Scheme, which is to be linked to the particular portfolio (in case of a customer portfolio).
- Brokers and Broker Accounts which are to be associated with the portfolio.

You can further specify restrictions on the instruments and instrument products that the portfolio can trade in. The other preferences specified for the portfolio product are defaulted to the portfolio. These preferences cannot be changed. However, you can set-up the Role to Head mappings for the first three hierarchical levels (Portfolio + Instrument ID, Portfolio + Instrument Product, Portfolio ID) at the portfolio level.

You can enter the details of a portfolio through the 'Portfolio Definition Maintenance' screen.

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

### Portfolio Product

You should necessarily use a product that has already been created to enter the details of a portfolio. Depending on the type of portfolio you are creating, you can select an appropriate product code from the option list available.

A portfolio inherits all the attributes defined for the product associated with it. You can also add details that are specific to the portfolio depending on the portfolio type you are creating. For instance if you are setting your own portfolio you can indicate the following:

- Option costing method that is to be used
- Whether notional revaluation is required.

If you are maintaining the details of your customer's portfolio, you must specify the customer involved in the portfolio along with the other details.

### Reference Number

In Oracle FLEXCUBE, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the portfolio you are defining. Hence the system generates a unique number for each portfolio.

The portfolio reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number.

### Portfolio Identification

Besides the reference number generated by the system, you can enter a unique reference ID for the portfolio. This ID, in addition to the Reference Number generated by the system, will be used to identify the portfolio. This ID should be unique and cannot be used to identify any other portfolio. It cannot exceed 16 characters.

## Portfolio Description

In addition to the ID, you can also capture a brief description that is to be associated with the portfolio. The description that you enter cannot exceed 35 characters.

## Portfolio Type

The product type is defaulted depending on the portfolio product that you associate with the portfolio. For instance, if you are setting up a portfolio to manage your bank's own trades and investments you will associate the portfolio with the appropriate portfolio product meant for your bank's use. Upon association, the value in the Portfolio Type field will be defaulted as 'Own'.

Similarly, if you are defining a customer portfolio the value in the Portfolio Type field will be defaulted as 'Customer'.

---

### Note

For each product type you can set up multiple portfolios.

---

## Customer Number

If you are capturing the details of a Customer Portfolio, you have to indicate the ID of the customer involved in the portfolio. You can select the respective CIF ID from the available list.

---

### Note

CIF IDs are assigned to customers of your bank through the Customer Information File Definition screen of the Core Services module of Oracle FLEXCUBE.

---

## Fund Identification

In Oracle FLEXCUBE, you can identify and define specific branches of your bank as Fund Branches. In fund branches, only the bank's own portfolios can be defined.

When the branch for which you are setting up a portfolio has been defined as Fund Branch, you must associate the portfolio with a Fund ID. Since there might be multiple funds defined in the branch, you must select the appropriate Fund ID from the available list. The portfolio that is associated with the Fund ID becomes the fund's portfolio.

## Costing Method

A costing method is used to determine your holding cost in a portfolio. Since futures and options with future style of premium are revalued on a cash basis (Variation Margin) everyday, the system automatically uses the Weighted Average method as the basis for costing these instruments.

However, while setting up a bank portfolio for options with option style of premium, you have to indicate the costing method that is to be used. Based on the preference of your bank you can select an option from the option list:

The costing methods for options are as given below:

- Weighted Average Cost (WAC)
- Last in first out (LIFO)
- First in first out (FIFO)
- Deal matching (DMAT)

The costing method for futures will only be WAC.

---

**Note**

In Oracle FLEXCUBE profit and loss calculations are maintained only for the bank's own portfolio. Therefore, you can specify this preference only while setting up your own portfolios.

---

---

**Note**

- If the costing method is LIFO or FIFO, at the time of processing EOLG, EOSH and Exchange of physicals, the system will automatically do a matching of deals based on deal time stamp to arrive at the closure and EFP gain or loss.
  - If the costing method is DMAT, you will have to carry out a manual matching based on which, the system will compute the closure gain or loss at the end of the day.
  - If the costing method is DMAT and deal matching has not been done, the EOD Batch will skip the basket
- 

For a Non WAC Portfolio, the Closure and EFP gain or loss is computed as follows:

$(\text{Number of contracts} * \text{Cost per contract of the closing/expiry deal}) - (\text{Total deal cost})$

The total deal cost is computed as follows:

$\text{Cost per contract} * \text{No. of matched contracts for deals that are matched with the closing deal.}$

During EEPL/ EEPS the closing deal will be the liquidation deal booked manually or automatically at expiry.

For a WAC Portfolio, the Closure and EFP gain or loss is computed as follows:

$(\text{Number of contracts} * \text{Cost per contract of closing / expiry deal}) - (\text{Latest WAC for the basket})$

### **Specifying Revaluation Details**

#### **Notional Revaluation Required**

Check the box 'Notional Reval Req'd.' to indicate the portfolio has to be revalued notionally.

#### **Frequency**

If you have indicated that the portfolio has to be revalued notionally, you have to specify the frequency at which it has to be revalued. The options available are as follows:

- Daily
- Monthly
- Yearly

In the case of monthly, quarterly, half yearly or yearly revaluation, you should specify the date on which the revaluation should be done during the month. For example, if you specify the date as '30', revaluation will be carried out on that day of the month, depending on the frequency.

If you want to fix the revaluation date for the last working day of the month, you should specify the date as '31' and indicate the frequency. If you indicate the frequency as monthly, the revaluation will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.

If you specify the frequency as quarterly and fix the revaluation date as 31, the revaluation will be done on the last day of the month at the end of every quarter. It works in a similar fashion for half-yearly and yearly revaluation frequency.

If you set the revaluation frequency as quarterly, half yearly or yearly, you have to specify the month in which the first revaluation has to begin, besides the date on which the revaluation should be done.

#### Example

You have selected the half-yearly option and specified the start date as 31 and the start month as June.

The first revaluation will be done on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December.

If the revaluation date falls on a holiday, the system does the revaluation on the previous working day before the holiday.

For example, let us assume that the revaluation date falls due on 31 June, which happens to be a holiday. The system completes the revaluation on the 30 June, which happens to be a working day.

### **Specifying Statement Details**

#### **Frequency**

If you have indicated that a Statement of holdings and transaction should be generated for the customer portfolio, you have to indicate the frequency with which a statement should be generated.

The frequency that you specify can be:

- Daily
- Monthly
- Quarterly
- Half-yearly or
- Yearly

Based on the frequency that you specify you can also indicate the start date and month for the generation of the statement. The system generates a statement of holding and transactions automatically, as part of the end of cycle processing based on the preferences that you specified here.

When the statement generation date falls on a holiday, the statement is generated on the next working day after the holiday.

## 6.5.2 Role to Head Button

As part of defining the portfolio product, you have associated the product with an appropriate accounting class. To associate accounting role to head mappings (or classes) for the first three hierarchical levels click 'Role To Head' button in the 'Portfolio Definition' screen.

**Role To Head Mapping**

Portfolio Role To Head Class Mapping

Portfolio Id \*  Role To Head

Portfolio Description \*  Description

**Instrument Product - Role To Head Class Mapping**

| Product              | Description          | Role To Head         | Description          |
|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

**Instrument Role To Head Class Mapping**

| Instrument Id        | Description          | Role To Head         | Description          |
|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

In the 'Portfolio Role to Head Mapping' screen, you can link accounting Role to Head mapping classes with any of the following:

- Portfolio and an Instrument ID
- Portfolio and an Instrument Product
- Portfolio ID

---

### Note

For a detailed procedure on:

- How to map Accounting Roles to Account Heads, or
  - How to link an accounting class with any of the three levels.
- 

Refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE.

## 6.5.3 Instrument Restrictions Button

You can establish certain controls over the instruments and instrument products that a portfolio can trade in. You can achieve these controls by specifying restrictions through the

'Instrument Restrictions' screen. To invoke this screen, click 'Instrument Restrictions' button in the Portfolio Definition screen.

The screenshot shows the 'Instrument Restrictions' window. At the top, there are input fields for 'Portfolio Id \*' and 'Portfolio Description \*'. Below these, the 'Instrument Product Restrictions' section contains a table with columns 'Product Code' and 'Description'. To the right of this section are radio buttons for 'Restriction Type' with 'Allowed' and 'Disallowed' options. The 'Disallowed' option is selected. Below this, the 'Portfolio Instrument Access' section contains a table with columns 'Instrument Id', 'Product Code', 'Instrument Description', and 'Allowed/Disallowed'. The 'Allowed/Disallowed' column has a dropdown menu currently showing 'Disallowed'.

In this screen, you can identify the Instruments or Instrument Products the portfolio can trade in. As a result, the portfolio will not be allowed to trade in those instruments/instrument products that you restrict in this screen.

---

#### Note

For a detailed procedure on how to restrict specific instruments or instrument products refer to the Common Procedures manual of Oracle FLEXCUBE.

---

### 6.5.4 Margin Button

The different stages in the life-cycle of an ET deal are called events. All of these events involve money settlements either with the broker involved in the deal or with the portfolio customer. In the case of customer portfolios you may have to do money settlements with the broker as well as with the portfolio customer.

In Oracle FLEXCUBE, you have the option of netting settlements for the broker and the portfolio customer across events and portfolios. You can do this by linking the portfolio and the broker account with a margin scheme.

A margin scheme is a pool of balance maintaining a net receivable or payable position for a broker or a Customer. You can choose to liquidate the scheme either partially or wholly at any given point in time.

While defining a customer portfolio you can link a margin scheme for every currency that the customer holds positions in. To link a margin scheme with a portfolio click 'Margin' button in the Product Definition screen.

### 6.5.5 MIS Button

As part of specifying the portfolio product details you would have identified the MIS transaction codes under which portfolios within the product are to report to. These transaction codes will be defaulted to portfolio. You can choose to change the defaults specifically for a portfolio. Click 'MIS' button in the Portfolio Definition screen. The Transaction MIS Maintenance screen will be displayed.

Identify the transaction code (s) under which you would like to report the portfolio.

---

**Note**

Refer to the Common Procedures manual for a detailed procedure.

---

### 6.5.6 Broker Button

Through the Portfolio Broker Account Linkage screen you can:

- Identify the brokers that are to be associated with the portfolio.
- Identify broker accounts and map them to relevant Broker codes

A portfolio can have positions only in the broker accounts that you maintain in this screen. Click 'Broker' button in the Portfolio Definition screen. The 'Broker Details' screen gets displayed.

Broker Details

Portfolio Id \*

Portfolio Description \*

Portfolio Broker Account Details

| Broker Id | Broker Account |
|-----------|----------------|
|           |                |

---

**Note**

Annexure A lists all the possible accounting entries for your banks and customer portfolios.

---

---

## 7. Defining Deal Products

A Deal product is a category or type of deal. It provides a general framework and serves to classify or categorize deals. A deal product can also represent a specific service offered by your bank.

The first attribute you can define for a product is its *Type*. In other words you indicate the type of deals that the product can cater to. In Oracle FLEXCUBE you can set up products for the following deal types:

- Liquidation deals (LQ deals)
- Long / Short deals (LS deals)

You can use Liquidation type of deal products for processing deals which involve any of the following activities:

- Manual exercise of options
- Manual assignment of options
- Exchange for physicals of futures

Long /Short type of deal products can be used for processing deals involving the following activities:

- Opening of Long/Short Positions in Futures and Options
- Closing of Long/Short Positions in Futures and Options

The accounting entries passed, the messages that are generated and the processing of deals involving a product are determined by your entry in the Product Type field.

Whenever a product is created or modified, on authorization of the deal product, Oracle FLEXCUBE notifies the external system of the modification and creation of deal products. The notification code used will be NOTIF\_ET\_DEALPRODUCT.

*Refer the documentation on Messages for further information on Notification Message.*

This chapter contains the following topics:

- [Section 7.1, "Deal Product Creation"](#)
- [Section 7.2, "ET Deal Processing"](#)
- [Section 7.3, "Liquidation Deals"](#)
- [Section 7.4, "Deals Matching"](#)

### 7.1 Deal Product Creation

This section contains the following topics:

- [Section 7.1.1, "Invoking the Exchange Derivatives Deal Product Definition Screen"](#)
- [Section 7.1.2, "Preferences Button"](#)
- [Section 7.1.3, "Charge Button"](#)
- [Section 7.1.4, "Events Button"](#)
- [Section 7.1.5, "Branch Currency Button"](#)
- [Section 7.1.6, "Portfolio Restrictions Button"](#)
- [Section 7.1.7, "Instrument Restrictions Button"](#)
- [Section 7.1.8, "Fields Button"](#)

- [Section 7.1.9, "MIS Button"](#)

### 7.1.1 Invoking the Exchange Derivatives Deal Product Definition Screen

The information about the deal product is captured through the 'Exchange Derivatives Deal Product Definition' screen.

You can invoke this screen by typing 'EDDDLPRD' 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 capture the basic information about the product. This includes:

- Assigning a Code and Description to the product
- Specifying the type of product
- Associating the product with a Product Group
- Creating a slogan for the product
- Specifying the life-span of a product

The basic details about the product are common for every product that you capture in the ETD module of Oracle FLEXCUBE. However, while defining a deal product you need to specifically indicate the exchange rate variance that is to be associated with the product.

#### Indicating the Exchange Rate Variance

For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is *greater than* the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance.

When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all deals associated with the deal product.

#### **Override Limit**

If the variance between the default rate and the rate input varies by a percentage between the Rate Override Limit and the Rate Stop Limit, you can save the deal by providing an override.

### Stop Limit

If the variance between the defaulted rate and the rate that is entered varies by a percentage *greater than or equal to the Rate Stop Limit*, you cannot save the deal.

### Rate Code

While settling charges for cross currency settlements, you can choose to debit the customer by applying the mid rate or by using the buy/sell spread over the mid-rate.

### Rate Type

In addition to specifying the Rate Code you have to indicate the Rate Type which should be picked up for exchange rate conversions involving settlement of charges for cross currency deals. You can maintain any one of the following as the Rate Type:

- Cash Rate
- TT Rates
- Bill Rates

---

#### Note

Information pertaining to specific attributes of a product has to be defined in the sub – screens within the Product Definition Main screen.

---

## 7.1.2 Preferences Button

Click 'Preferences' button to specify preferences for the product. The 'Deal Product Preferences' screen is invoked.

The screenshot shows a 'Preference' dialog box. It has a title bar with a diamond icon and the text 'Preference'. Inside the dialog, there are two input fields: 'Product Code' and 'Product Description'. Below these fields is a section titled 'Rekey Fields' which contains a list of checkboxes: 'Portfolio Id Key', 'Instrument Id Key', 'Series Id Key', 'Broker Id Key', 'Broker Account Key', 'No of Contracts Key', and 'Price Key'. At the bottom right of the dialog are two buttons: 'Ok' and 'Exit'.

### Indicating Rekey Fields

In Oracle FLEXCUBE, all operations on a deal (input, amendment, modification, etc.) have to be authorized by a user other than the one who entered the deal details. These operations have to be carried out before the end-of-day activities have begun. Authorization is a way of checking the entries made by a user.

As part of specifying the preferences for a deal product, you can indicate that details of certain fields should be re-entered when a deal is invoked for authorization, as a cross-checking mechanism. The complete details of the deal will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the 're-key' fields.

You can specify any or all of the following as re-key fields:

- Broker Account
- Instrument ID
- Portfolio ID
- Series ID
- Broker ID
- Number of Contracts
- Price

If no re-key fields have been defined, the details of the deal involving the product will be displayed immediately when the authorizer calls the deal for authorization. The re-key option also serves as a means of ensuring the accuracy of inputs.

You can specify the authorization re-key fields through the Deal Product Preferences screen.

### 7.1.3 **Charge Button**

In the ETD module of Oracle FLEXCUBE, charges can be associated and accounted for, only with the Booking of the deal. You can calculate and deduct charges as a percentage of the deal amount.

You can specify the charge components applicable to a product, when your bank has to

- Collect money from the Customer/Broker
- Pay money to the Customer/Broker

For deals under a Long/Short type of deal products the deal amount is calculated as follows:

|               |   |                                       |
|---------------|---|---------------------------------------|
| Futures Deals | = | Future Price X Number of Contracts.   |
| Options Deals | = | Option Premium X Number of Contracts. |

For option and future deals under a Liquidation type of deal product the charge amount is calculated as:

|               |   |                                              |
|---------------|---|----------------------------------------------|
| Futures Deals | = | Underlying Spot Price X Number of Contracts. |
| Option Deals  | = | Underlying Spot Price X Number of Contracts. |

You should necessarily use a charge class to indicate the charge components applicable to the product. A charge class is a specific type of component that you can build with certain attributes. You can build a charge class, for instance, with the attributes of a specific type of charge component, such as 'Charges for booking an LS deal'. The charges that you link to the deal product will be made applicable to all the deals involving the product.

You can link charge components with the deal product through the Deal Charge Definition screen.

### 7.1.4 **Events Button**

The different stages in the life cycle of a deal are referred to as Events. In the ETD module the following events are possible for a deal:

| Event Code | Description                                                      |
|------------|------------------------------------------------------------------|
| EBOK       | Booking a deal                                                   |
| EAMD       | Amendment of trade time stamp of a deal that is yet to be booked |
| EMAT       | Deal Matching                                                    |
| EREV       | Reversal of a deal                                               |

At an event, you may want to generate advices, or post accounting entries. For instance, while booking a deal in your customer portfolio, you would:

- Pass the requisite charge related entries
- Print a confirmation advice for the benefit of your customer

When defining a deal product, firstly, you have to identify the accounting roles and heads for the product in the Product Accounting Role to Head Mapping screen. Similarly you have to specify the different event details in through the Product Event Accounting Entries and Advices screen, by either of the following ways:

- Associating the product with an appropriate Role to Head Mapping class and an Events Class
- Mapping accounting roles to heads and defining event details specifically for the product.

The appropriate accounting entries will be posted and the relevant advices can be generated only while booking a deal (EBOK event). During amendment of trade time stamp of a deal that is yet to be processed in the system, (EAMD) and for deal matching (EMAT), the system will not post any accounting entries. Neither will you be allowed to generate any advices for these events.

For reversing a deal (EREV), the system does an automatic reversal of all the accounting entries that were passed when the particular deal was booked (EBOK).

*For further details on maintaining Accounting Entries and Advices refer 'Product Definition' User Manual under Modularity.*

### 7.1.5 **Branch Currency Button**

The deal product that you create is, by default, available for use in all the various branches of your bank. You can choose to restrict the branches of your bank, which can offer it. In addition to restricting the branches that can offer the deal product, you have the option of identifying currencies in which an 'allowed' branch can offer the product.

Through the Product Branch and Currency screen you can restrict the use of the deal product to specific branches and currencies of your bank.

When the pricing currency of instruments involving the deal product happens to be a restricted currency you will not be allowed to deal in the respective instruments.

---

**Note**

Refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE for a detailed procedure on how to restrict specific branches and currencies for a deal product.

---

### **7.1.6 Portfolio Restrictions Button**

You can establish certain controls over the portfolios that your branches can deal in. You can achieve these controls by specifying 'restrictions'. While defining a deal product, you can choose to specify portfolio restrictions for the product, either by:

- Using a portfolio restriction class or
- Defining these restrictions specifically for the product.

The respective branch of your bank will not be allowed to trade in deals involving the portfolio that you have chosen to restrict.

---

**Note**

Refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE for a detailed procedure on how to restrict specific portfolios for a deal product.

---

### **7.1.7 Instrument Restrictions Button**

You can choose to restrict specific instruments from trading in the deal product through the Instrument Restriction screen. You can maintain a list of allowed/disallowed instruments for a specific deal product through the Instrument Restrictions screen in the Deal Product Definition screen.

---

**Note**

For a detailed procedure refer to the 'Common Procedures' User Manual of Oracle FLEXCUBE.

---

### 7.1.8 Fields Button

The User Defined Fields (UDFs) are additional fields that are available for use depending on the bank's requirement. You can define UDFs in the 'Product User Defined Fields' screen. Click 'Fields' button to invoke the screen below.

Product Code

Product Description

**Fields**

1 Of 1

| Field Number         | Field Name           |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

*For a detailed discussion about maintaining UDFs refer the User Defined Fields manual.*

### 7.1.9 MIS Button

You can define the Management Information Details (MIS) details for the deal product that you are creating by clicking 'MIS' button from the 'Deal Product Maintenance' screen.

Product Code

MIS Group

Pool Code

**MIS Classes**

1 Of 1

| MIS Class            | MIS Code             |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

Cost Code

#### **MIS Group**

You should link a product to an MIS group. By doing so, you indicate the MIS group under which all deals linked to the product should be tracked.

### **Pool Code**

On linking the product to an MIS group, you should also indicate the Pool code from the product will borrow and lend.

### **Transaction Codes**

If you have linked a product to an MIS Group, the Transaction MIS Codes defined for the group will be displayed by default.

If you have not linked an MIS Group, you can specify the applicable Transaction Codes here. The number of transaction codes displayed depends on the number of transaction MIS codes maintained for your bank.

### **Cost Codes**

Similarly, if you have linked an MIS Group to the product, the cost codes defined for the group will be displayed. You have the option to change them. If you have not linked an MIS Group with the product, you can indicate the applicable cost codes.

After you make the specifications, click **Ok** to save them. On saving you entries, you are returned to the ET Product Definition screen.

*For further details refer to the MIS user manuals.*

## **7.2 ET Deal Processing**

This section contains the following topics:

- [Section 7.2.1, "Processing the ET Deals"](#)
- [Section 7.2.2, "Charges Button"](#)
- [Section 7.2.3, "Events Button"](#)
- [Section 7.2.4, "Settlements Button"](#)
- [Section 7.2.5, "Specifying Advices for the Deal"](#)
- [Section 7.2.6, "Fields Button"](#)
- [Section 7.2.7, "MIS Button"](#)
- [Section 7.2.8, "Associating a Broker and Product with a Rule"](#)
- [Section 7.2.9, "Long Short Deal Financial Amendment"](#)

### **7.2.1 Processing the ET Deals**

Using the ETD module of Oracle FLEXCUBE, you can process the following deal types:

- Liquidation Deals
- Long/Short Deals

These could be value dated today, or back value dated deals.

Each deal that you enter in Oracle FLEXCUBE should necessarily be associated with a deal product.

You have already defined deal products to group together or categorize deals that share broad similarities. Deal products provide a general framework and serve to classify or categorize deals.

Under each Product that you have defined, you can enter specific deals based on your requirement. By default, a deal inherits all the attributes of the product, which is associated with it.

A deal would require information on the following:

- ET instrument involved in the deal
- Series, which is being traded
- Number of contracts that are traded
- Deal Type being processed (whether it is a buy/sell or liquidation type of deal)
- Option Premium or the price at which an option is bought or sold excluding any commissions, trading fees and applicable levies. The option premium is expressed in index points per contract. While capturing future deals you will have to indicate the Future Price.
- Value Date of the money settlement
- Portfolio involved in the deal – whether it is a customer or bank portfolio
- Broker involved in the deal
- Details of the broker account involved in the deal

In the ETD module you have to process Long/Short and Liquidation deals using two separate screens. They are:

- Long Short deal input screen
- Liquidation deal input screen

Moreover, these deals could be directly captured in Oracle FLEXCUBE or uploaded from an external system. You can nevertheless amend an uploaded deal in Oracle FLEXCUBE. In case of uploaded deals, users other than the maker also can unlock an unauthorized deal and modify the details of the record.

For deal matching purposes of your bank's own portfolios, you can use the ET Deal Matching screen.

These details, and several others, required to process the two types of ET deals in Oracle FLEXCUBE have been discussed in the course of this chapter.

You can process buy sell type of deals. through the 'Long/Short Deals' screen.

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

You can choose to enter the details of a deal either by using a deal product. You should necessarily use a long/short deal product that has already been created to enter the details of a long/short deal. Based on the type of deal you are entering, you can select a product from the list of options positioned next to the Product field.

The details, which you can view or specify in the 'Long/Short Deals' screen are explained below.

### Contract Reference

In Oracle FLEXCUBE, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the deal you are entering, it is also used in all the accounting entries and transactions related to this deal. Hence the system generates a unique number for each deal.

### User Reference

You can enter a reference number for the deal. A deal will be identified by this number in addition to the Deal Reference Number generated by the system. This number should be unique and cannot be used to identify any other deal. By default, the Deal Reference Number generated by the system will be taken as the User Reference Number.

### External Ref No

If the transaction is being uploaded from an external source, you can specify the identification for the deal in the external source, as the external reference number.

### Reversed Reference

The reference number of the contract that is being reversed and rebooked is displayed here.

### Source

You have to specify the source from which deal is to be uploaded.

## Instrument Identification and Series Identification

While entering the details of a deal, you should indicate the instrument and series that the deal involves.

You have already restricted specific instruments from trading in the deal product in the Instrument Restriction screen of the Deal Product screen. When you associate a product with the deal, the restrictions defined for the particular product are made applicable to the deal.

You have to select the Instrument Identification which is to be associated with the deal. A list of all the 'allowed' instruments is available alongside. As you have already maintained the instrument, all the attributes of the deal like the contract size and unit, underlying details, pricing details, initial margin per contract, days of settlement, will be processed based on these details.

After you associate an instrument with the deal, you can the series identification.

## Contracts

Indicate the number of contracts that are to be traded. The system multiplies the Number of Contracts and the Contract Size to arrive at the quantity of the actual underlying that is involved in the trade.

Based on the number that you specify, the system calculates the quantity of the actual underlying that is involved in the trade and displays it in the adjacent field.

## Example

Let us assume, you are processing a contract with the following details:

| Field          | Value                                                  |
|----------------|--------------------------------------------------------|
| Deal Reference | 000DP01003260006                                       |
| User Reference | LDeal001                                               |
| Product        | Long Short deals for Portfolio Customers.              |
| Instrument ID  | CME90DTB-PUTE-OP.                                      |
| Description    | Chicago Mercantile Exchange – 90 Day T-bill Put Option |
| Series         | 96-NOV-2000                                            |
| Contract       | 15                                                     |
| Deal Type      | Long                                                   |

Where the Long holder, for each long contract held, has the right to sell hundred units of the T-bill. Consequently, a deal involving 15 Contracts translates to 1500 (15 x 100) units of the T-bill involved in the trade.

## Deal Type

While capturing the details of a specific deal you have to indicate whether it is a Buy (Long) or Sell (Short) type of deal.

You can select the appropriate preference from the available list.

### **Premium/Future Price**

For Options, the Option Premium is the price at which an option is bought or sold excluding any commissions, trading fees and applicable levies.

For index based options, the price has to be specified in index points per contract. For non index based options, the premium has to be expressed in terms of the Instrument Pricing Unit specified at the time of defining the instrument.

While capturing future deals you will have to indicate the Future Price. For index based futures, the price has to be specified in index points per contract. For non index based futures, the price has to be expressed in terms of the Instrument Pricing Unit indicated at the time of instrument definition.

For instance, let us assume that you are capturing the details of a commodity Option. The commodity involved in the instrument is Wheat and the Option Premium is quoted in the market in terms of kilograms. Accordingly you have priced the instrument in the following manner:

| Field                        | Value     |
|------------------------------|-----------|
| Instrument Pricing Size      | 1         |
| Instrument Pricing Size Unit | Kilo-gram |

The system calculates and displays the Deal Value of the contract in the adjacent field, based on your entry in this field. The Deal Value is calculated in the following manner:

Example: Futures Price/Option Premium X Number of Contracts X Instrument Pricing Multiple

You are capturing the details of a Short type of deal with the following details:

| Field               | Value                                               |
|---------------------|-----------------------------------------------------|
| Deal Reference      | 000DP01003280008                                    |
| User Reference      | WheatF1                                             |
| Product             | DP01 (Long Short deals for Portfolio Customers)     |
| Instrument ID       | CBOWHEAT-CALE-FP                                    |
| Description         | Chicago Board of Trade, European Style call option. |
| Series              | 4.00-NOV-2000                                       |
| Number of Contracts | 12                                                  |
| Deal Type           | Short                                               |
| Option Premium      | 0.25 (USD Per KG)                                   |

The Instrument Details, which will be taken into account for processing, are:

- The Contract Size – 10 Kilograms.

- The Asset Currency - USD.
- The Pricing Currency - USD.
- The Pricing Multiple = 10.

Since the Number of Contracts involved is 12, the quantity of the actual commodity involved in the trade will be calculated as follows:

12 (Number of Contracts) X 10 (Contract Size) = 120 KGs.

The Option Premium is 0.25 USD Per Kilogram. Therefore the Deal Value will be calculated as follows:

0.25 (Option Premium) X 12 (Number of Contracts) X 10 (Pricing Multiple).

The Deal Value will be displayed as **30 USD**

### **Value Date**

Specify the Value Date here. The Value Date represents the date from which the obligation or the right on the underlying asset takes effect on the parties involved in the deal.

The Value Date you specify can be one of the following:

- Today's date
- Past Date

### **Time Stamp and Transaction Date**

The Time Stamp is the exact time at which the deal transaction took place in the exchange. You have to specify the time at which the deal transaction took place.

The transaction date is the date on which you entered the deal into Oracle FLEXCUBE. The system gives the present date as the transaction date. You cannot change it.

### **Money Settlement Date**

The Money Settlement Date (or the MSTL Date) represents the Value Date of the Money Settlement of the Premium Amount in a Long/Short option deal.

If there is any money settlement involved in the deal you are processing, you can indicate the date on which the money settlement for the Premium Amount in a long/short option should be done.

### **Portfolio Identification**

Every deal that you capture in Oracle FLEXCUBE should be associated with the respective portfolio. For instance, if you are capturing the details of a deal on behalf of your bank's customer you must link it to the relevant customer portfolio. Similarly, while entering the details of a deal on behalf of your bank, you have to link it to the appropriate bank portfolio.

While defining a deal product, you would have established certain controls over the portfolios that your branches can deal in by defining restrictions for the product. The list provided alongside this field contains all the 'allowed' portfolios for this product. Select the appropriate portfolio from this list.

---

### **Note**

If you are capturing the details of a deal on behalf of your customer's portfolio, then the CIF ID and the Name of the customer involved in the portfolio are defaulted in the respective fields.

---

**Broker/Clearing Member**

Specify the Broker ID of the broker through whom the deal was brokered. You can select a Broker ID from the available list. The available list contains the codes assigned to brokers with whom you can enter deals.

**Broker Account**

Select the Broker Account from the adjoining list. This account represents the actual account where the positions will be updated.

**Basket Reference**

The Basket Reference number is the unique reference number or identifier that the system assigns, each time you process a deal with the following combination:

Portfolio ID + Instrument ID + Series ID + Broker + Broker Account

The reference number is referred to as the Basket Reference.

Once generated, all subsequent deals in the same combination will be referenced with this ID. Life cycle processing for all events in the basket will be carried out based on the basket reference number.

**Other Details**

These details of the instrument involved in the deal are displayed in the respective fields. These details include:

- Strike Price (if any) of the instrument series).
- Expiry date of the instrument series.
- Underlying Asset associated with the instrument involved in the deal.
- Contract Standard or any additional details of the instrument involved in the deal.

### **7.2.2 Charges Button**

You can specify the charges that should be levied on every deal that is booked in the ETD module. The charge components linked to the deal product are defaulted to the deal.

You can choose to recover the charges either from the Broker or the Portfolio Customer.

When a charge component that is applied to a deal is liquidated, the relevant accounting entries are passed based on the accounting entry set-up for the deal product.

### **7.2.3 Events Button**

As stated earlier, in the ETD module you can collect charges for booking the deal in Oracle FLEXCUBE. You have already associated the required charge components at the time of defining the product. Additionally, you have also identified the GL/SLs that ought to be impacted when accounting entries are posted for these charges.

You can view the accounting entries for the deal-booking (EBOK) event through the Events Accounting Entry and Overrides screen. All the accounting entries that were passed for the booking event will be displayed.

The following information is provided for each event:

- Branch
- Account
- The currency of the Account

- The amount tag
- The transaction code associated with the deal
- Dr/Cr indicator
- Value Date
- The Charge Amount in the Currency of the Account, when the currency is a foreign currency.
- The exchange rate that was used for the conversion, if the Account is a foreign currency account.
- Amount in local currency
- All the overrides that were encountered for the event will also be displayed.
- The date and time on which the entry was entered in Oracle FLEXCUBE.

#### **7.2.4 Settlements Button**

Along with other charge related details of a deal, you have to specify the accounts that have to be debited or credited depending on whether the charges are to be collected or paid. The Debit and Credit accounts and the amount indicate the accounting entry that has to be passed at your bank to effect the deal.

Apart from the details of accounts that have to be debited and credited for the charge amount you will have to capture the following details to effect a deal successfully:

- Details about the route through which the money settlement should take place.
- Indicate whether a payment message needs to be generated.

#### **7.2.5 Specifying Advices for the Deal**

While defining the deal product you have already maintained the list of advices that need to be generated for deals associated with the product.

The details of the advices applicable for an event are displayed in the Advices screen. The party ID to whom a specific advice should be sent is picked up automatically based on the Party/Advice mapping done for the counterparty.

#### **7.2.6 Fields Button**

You can view the UDFs only if you have maintained the same for the product involved in the deal. To view the UDFs defined for the product, click 'Fields' button. The list of fields and default values specified for the product to which the deal is associated is displayed.

You can add to the list of fields defaulted from the product but you will not be allowed to remove a field from the defaulted list.

You can change the values defaulted from the product to suit the deal you are processing.

*For more details on defining custom fields in Oracle FLEXCUBE, refer the 'User Defined Fields' User Manual.*

## 7.2.7 MIS Button

You can choose to perform MIS Refinancing on a daily basis for all bill contracts, only if this option has been enabled in the Bank-wide Preferences screen. If the MIS refinancing has been set to a daily frequency, you have to indicate the refinance rate pick up specification through the transaction MIS sub-screen while processing the contract.

Click 'MIS' button to invoke the 'MIS' screen.

In this screen, the transaction type of MIS class, the cost code and pool code will be picked up from the product under which the deal is processed. The composite MIS code will be picked up from the definition made for the customer, on behalf of whom the deal is being processed.

You have to indicate whether the system should pick up the MIS Rate associated with the pool linked to the contract or whether you would like to maintain a rate specific to the contract. You can indicate your choice by selecting any one of the following options:

- Pool Code – indicating that the MIS Rate maintained for the pool code should be used for refinancing.
- Contract Level – indicating that you would like to maintain a specific MIS Rate for the particular contract.

*Refer the 'MIS' User Manual for more details on maintaining MIS related information for a product and contract.*

### **7.2.8 Associating a Broker and Product with a Rule**

While capturing details of a contract, brokerage can also be specified if the broker code chosen is associated with the deal product. Brokerage association enables you to link a product, a rule, a currency or a currency pair (in the case of foreign exchange products) and a broker. The attributes of the brokerage rule that you apply will be associated with contracts defined in this combination. This can be done through the Brokerage Association screen.

For further information on the Brokerage Association screen, refer to the chapter Processing Brokerage in the Brokerage User Manual.

### **7.2.9 Long Short Deal Financial Amendment**

During amendment, if any field other than the 'Time Stamp' and 'Remarks' fields of a deal is modified, system will treat the amendment as a financial amendment. System will reverse the previous deal and book a new deal with modified details. The external reference number of the original deal is retained and the two deals are linked by the external reference number.

Oracle FLEXCUBE provides the facility to amend the financial details of an LS deal through external upload. If an amendment is uploaded without settlement details but there is no change in the product ID, instrument ID and the portfolio, system will default the settlement details of the original deal.

Financial amendments of LS deals are uploaded by the service FCUBSETDService with the operation ETDLSDealModify.

---

#### **Note**

System allows financial amendments of LS deals only through Gateway uploads and not through the front-end.

---

## **7.3 Liquidation Deals**

This section contains the following topics

- [Section 7.3.1, "Invoking the Liquidation Deals Screen"](#)
- [Section 7.3.2, "Settlement Button"](#)
- [Section 7.3.3, "Charges Button"](#)
- [Section 7.3.4, "Viewing the Accounting Entries posted for an LQ transaction"](#)
- [Section 7.3.5, "Specifying the Advices for a Deal"](#)
- [Section 7.3.6, "Fields Button"](#)
- [Section 7.3.7, "MIS Button"](#)

- [Section 7.3.8, "Brokerage Button"](#)
- [Section 7.3.9, "Liquidation Deal Financial Amendment"](#)

### 7.3.1 Invoking the Liquidation Deals Screen

Through the Liquidation Deal (LQ) Input you can:

- Manually exercise European Options for Long Positions on the Expiry Date.
- Manually exercise American Options for Long Positions on or before the Expiry Date.
- Manually assign European Options for Short Positions on the Expiry Date.
- Manually assign American Options for Short Positions on or before the Expiry Date.
- Manually exchange for Physicals for Long/Short Future Positions.

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

While entering the details of a liquidation deal you should necessarily use an LQ product that exists in the system. You can select the appropriate product code from the available list.

#### User Reference

If the transaction is being uploaded from an external source, you can specify the identification for the deal in the external source, as the external reference number.

#### Reversed Reference

The reference number of the contract that is being reversed and rebooked is displayed here.

## Source

You have to indicate the source from which deal is to be uploaded.

## Basket Reference

After you identify the product, which should be used to capture the details of the deal you have to specify the Basket to which the deal belongs. Select the Basket Reference number from the list of options alongside this field. After selecting the reference number, click 'Basket' button.

**List of Values Basket Reference**

Search

Basket Reference % Portfolio Id %

Instrument Id %

Fetch Values

Search Results

First Previous 1 Of 1 Next Last Go

| Basket Reference | Portfolio Id | Portfolio Customer | Instrument Id | Series Id | Broker Id | Broker Account | Current Balance | Type |
|------------------|--------------|--------------------|---------------|-----------|-----------|----------------|-----------------|------|
|------------------|--------------|--------------------|---------------|-----------|-----------|----------------|-----------------|------|

No Records Found for the Specified Criteria

On indicating the Basket reference number the following details about the basket are displayed:

- Portfolio ID
- Instrument ID
- Series ID
- Broker
- Broker Account

If you are processing a Customer Deal, the name of the customer involved in the portfolio will be displayed in as well.

---

### Note

- The current balance in the basket will also be displayed for your reference. You have to identify the basket to which the deal you are liquidating belongs.
  - If you select the portfolio, the instrument and the broker, and for this combination that you have specified, there is no Basket Reference Number, the basket will be created and the balance of the same will be updated. If the liquidation amount of the contracts is more than the balance available in the basket, the system will save the liquidation deal, but at EOD display the message 'Insufficient Balance in Basket'.
- 

## Contracts

The number of contracts that have been liquidated in the basket is defaulted as the current balance in the basket. You can change this default value and indicate the number of contracts within the basket that have to be liquidated.

### **Deal Type**

After identifying the number of contracts that have to be liquidated, you have to indicate the type of liquidation that has to be performed on the contracts. The options available are:

- Exercise of Options
- Assignment of Options
- EFP of Futures Long
- EFP of Futures Short

Select the appropriate option from the list.

### **Spot Price**

Specify the Spot Price of the underlying asset involved in the instrument. The spot price is to be expressed in terms of the Underlying Pricing Unit as maintained in the Underlying Asset Definition screen.

### **Value Date**

The Value Date represents the date on which the basket is to be liquidated. This is the date as of which the accounting entries will be posted for booking the liquidation gains and losses.

### **Time Stamp and Transaction Date**

You have to capture the exact time at which the deal transaction took place in the exchange.

The transaction date is the date on which you entered the deal into Oracle FLEXCUBE. The system puts today's date as the transaction date. You cannot change this date.

### **Settle Date**

If the basket involves physical settlement of the underlying asset you have to indicate the date on which the physical settlement of futures should be done.

---

#### **Note**

The ETD module of Oracle FLEXCUBE does not support any processing with respect to the physical settlement of deals.

---

### **Money Settlement Date**

If there is any money settlement involved in the liquidation deal you are processing, you can indicate the date on which the money settlement of liquidation gains/losses is to be done.

### **Other details of the LQ Details screen**

The following details of the Liquidation details screen are picked up from the Instrument Definition screen and displayed in their respective fields on saving your entries:

- Strike Price at which the option buyer can purchase the asset for a call option or sell the asset in the case of a put option.
- Underlying Asset involved in the deal
- Basket Reference number involved in the deal
- Expiry Date of the series
- Additional information about the instrument pertaining to the instrument itself, or the underlying asset, the physical settlement of the deal or the money settlement of the deal is displayed in the Standard field.

### **7.3.2 Settlement Button**

The settlement accounts are the accounts, which will be impacted (debited/credited) for settling the liquidation gains and losses.

### **7.3.3 Charges Button**

You can specify the charges that should be levied on every LQ deal that is booked in the ETD module. The charge components linked to the deal product will be defaulted to the LQ deal.

You can choose to recover the charges either from the Broker or the Portfolio Customer.

During liquidation, the relevant accounting entries are passed based on the accounting entry set-up for the deal product.

### **7.3.4 Viewing the Accounting Entries posted for an LQ transaction**

The charge components associated with the liquidation product will be defaulted to the deal. You can view the GL/SLs that will be impacted when accounting entries are posted for booking (EBOK) the liquidation deal through the Liquidation Events Accounting Entries and Overrides screen.

The accounting entries will be displayed along with the overrides that were encountered while processing the transaction.

### **7.3.5 Specifying the Advices for a Deal**

The details of the advices applicable for an event are displayed in the Advices screen. The party ID to whom a specific advice should be sent is picked up automatically based on the Party/Advice mapping done for the counterparty.

### **7.3.6 Fields Button**

You can view the UDFs only if you have maintained the same for the product involved in the deal. To view the UDFs defined for the product, click 'Fields' button. The list of fields and default values specified for the product to which the deal is associated is displayed.

You can add to the list of fields defaulted from the product but you will not be allowed to remove a field from the defaulted list.

You can change the values defaulted from the product to suit the deal you are processing.

*For more details on defining custom fields in Oracle FLEXCUBE, refer the 'User Defined Fields' User Manual.*

### **7.3.7 MIS Button**

You can choose to perform MIS Refinancing on a daily basis for all bill contracts, only if this option has been enabled in the Bank-wide Preferences screen. If the MIS refinancing has been set to a daily frequency, you have to indicate the refinance rate pick up specification through the transaction MIS sub-screen while processing the contract.

Click 'MIS' button to invoke the 'MIS' screen.

In this screen, the transaction type of MIS class, the cost code and pool code are picked up from the product under which the deal is processed. The composite MIS code is picked up from the definition made for the customer, on behalf of whom the deal is being processed.

You have to indicate whether the system should pick up the MIS Rate associated with the pool linked to the contract or whether you would like to maintain a rate specific to the contract. You can indicate your choice by selecting any one of the following options:

- Pool Code – indicating that the MIS Rate maintained for the pool code should be used for refinancing.
- Contract Level – indicating that you would like to maintain a specific MIS Rate for the particular contract.

*Refer the 'MIS' User Manual for more details on maintaining MIS related information for a product and contract.*

### 7.3.8 **Brokerage Button**

While capturing details of a contract, brokerage can also be specified if the broker code chosen is associated with the deal product. Brokerage association enables you to link a product, a rule, a currency or a currency pair (in the case of foreign exchange products) and a broker. The attributes of the brokerage rule that you apply will be associated with contracts defined in this combination. This can be done through the Brokerage Association screen.

*For further information on the Brokerage Association screen, refer to the chapter Processing Brokerage in the Brokerage User Manual.*

### **7.3.9 Liquidation Deal Financial Amendment**

During amendment, if any field other than the 'Time Stamp' and 'Remarks' fields of a module is modified, system will treat the amendment as a financial amendment. System will reverse the previous deal and book a new deal with modified details. The external reference number of the original deal is retained and the two deals are linked by the external reference number.

Oracle FLEXCUBE provides the facility to amend the financial details of a liquidation deal through external upload. If an amendment is uploaded without settlement details but there is no change in the product ID, instrument ID and the portfolio, system will default the settlement details of the original deal.

Financial amendments of liquidation deals are uploaded by the service FCUBSETDService with the operation ETDLQDealModify.

---

#### **Note**

System allows financial amendments of LQ deals only through Gateway uploads and not through the front-end.

---

## **7.4 Deals Matching**

This section contains the following topics:

- [Section 7.4.1, "Invoking Liquidation Deals Screen"](#)
- [Section 7.4.2, "Operations you can perform on a Matched and Unmatched Deal"](#)

### **7.4.1 Invoking Liquidation Deals Screen**

You can match deals for your bank's own portfolios through the ETD module of Oracle FLEXCUBE. If the portfolio from which you are buying or selling is priced using the Deal Matching methodology, you should identify the buy deal against which the sell/liquidation deal is to be matched. You can do this through the 'Deal Matching' screen of the ETD module.

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

### Basket Reference

In this screen, first you specify the Basket Reference for which you intend to do the Deal Matching. The Basket Reference number available in the option list is displayed based on the following criteria:

1. The Portfolio involved in the basket should be your Bank's own portfolio.
2. The Option Costing Method specified for the portfolio should be Deal Matching.
3. The Instrument involved in the Basket should be an Option with Option Style Premium.

You can select a valid Basket Reference Number from the available list. The other details involved in the Basket are displayed in the respective fields on saving your entries. These details include:

- Instrument ID
- Series ID
- Portfolio ID
- Broker ID
- Broker Account

### Closing Deal Reference

After having specified the Basket Reference, you should indicate the closing deal reference number. The Closing Deal can either be a Long/Short type of a deal or can be an Exercise/ Assignment Deal.

This closing deal has to be matched to one or more opening deals. However, while matching deals you should take care of the following:

- The Value Date of the Opening Deal should be less than or equal to the Value Date of the Closing Deal.
- If value date of the Closing Deal is equal to the Value Date of the Opening Deal, then the Trade Time Stamp of the Opening Deal should be less than the Trade Time Stamp of Closing Deal.

Also, the total number of contracts of the Closing Deal that should be matched should be equal to the number of contracts that you wish to close.

Example

### Scenario I

Let us assume, you are 20 Contracts long in a particular instrument where the instrument details are as follows:

Strike Price = 10 USD.

Contract Size is 1 Unit of the Underlying Asset.

The balance of 20 Contracts have been built up by the following deals.

|                   |          |             |                                  |
|-------------------|----------|-------------|----------------------------------|
| 10 Con-<br>tracts | Lon<br>g | Deal00<br>1 | Premium Paid= 2 USD per Contract |
| 4 Contracts       | Lon<br>g | Deal00<br>2 | Premium Paid= 3 USD per Contract |
| 6 Contracts       | Lon<br>g | Deal00<br>3 | Premium Paid= 4 USD per Contract |

Let us assume you are doing an Exercise Deal for 12 Contracts (Deal004 – Underlying Price = 12 USD). You would like to match this Exercise Deal of 12 Contracts partially to Deal001 and Deal003.

Your deal matching preferences in the Deal Matching screen will read as follows:

|                       |             |                  |
|-----------------------|-------------|------------------|
| Deal004 matched<br>to | Deal00<br>1 | 6 Con-<br>tracts |
| Deal004 matched<br>to | Deal00<br>3 | 6 Con-<br>tracts |

After, this matching

- Deal001 will have unmatched number of Contracts as 4.
- Deal002 will have unmatched number of Contracts as 4.
- Deal003 will have unmatched number of Contracts as 0.
- Deal004 will have unmatched number of Contracts as 0.

The system will compute the Exercise Gain / Loss as follows:

- Cost of Deal001 for 6 Contracts =  $6 \times 2 = 12$  USD
- Cost of Deal003 for 6 Contracts =  $6 \times 4 = 24$  USD

Total Cost = 36 USD.

The difference between the Underlying Price and Strike Price will be computed as:

- $12 - 10 = 2$  USD per Contract
- $2 \times 6 = 12$  USD for 6 Contracts

Thus, the Exercise Loss will be computed as **36 USD – 12 USD = 24 USD**

In the above example, the number of Contracts matched were equal to the Number of Contracts of the Closing Deal (exercise deal) i.e. 12.

Now, consider this scenario.

#### Scenario II

|                                                          |   |         |
|----------------------------------------------------------|---|---------|
| You are long in an Option for 5 Contracts                | - | Deal001 |
| Subsequent to that, you do a Short Deal for 10 Contracts | - | Deal002 |

Since, Deal002 is subsequent to Deal001, deal matching should be done as follows:

|                    |         |             |
|--------------------|---------|-------------|
| Deal002 Matched to | Deal001 | 5 Contracts |
|--------------------|---------|-------------|

This will result in,

- Deal001 having '0' unmatched number of Contracts.
- Deal002 having '5' unmatched number of Contracts.

Deal002 will be processed for the following events:

- ECLG - Closing of Long Position for 5 Contracts.
- EOSH - Opening of Short Position for 5 Contracts.

The Basket will now result in a balance of 5 Short.

### 7.4.2 Operations you can perform on a Matched and Unmatched Deal

The deal matching operation results in the event EMAT for the closing deal. You will need to authorize this event either through the Long/Short or the Liquidation deal depending on the Deal Type of the Closing Deal.

To Un-match the deal, you must first select the Matched deal which has to be Unmatched using the list of values under the 'Branch' field. Then click 'QUERY' Button

If you need to 'unmatch' or remove the matching associated with a particular deal you can do so by clicking 'Unmatch' button in the Deal Matching screen. The unmatching operation also introduces an event EUMT in the closing deal. You will have to authorize this event.

---

#### Note

Authorization of the EUMT (Unmatching) event results in the reversal of the Closing Deal.

---

During the end of day batch run, the system will compute the number of contracts for which a closing operation has to be performed (EXRL, EAXS, ECLG, ECSH). If the number of contracts that have been matched for the closing deal does not tally with the number of contracts that need to be closed, the entire basket will be skipped as an exception. This basket will be subsequently picked up for processing the next day provided the matching has been rectified.

---

## 8. General Maintenance

As part of the general maintenance required for the successful functioning of the ETD module you should maintain:

- Instrument Prices
- Underlying Asset Prices
- Price Codes
- Broker Account details
- Broker Schemes

The necessity for maintaining these details is explained in sections dedicated to these topics in the sections that follow.

This chapter contains the following sections:

- [Section 8.1, "Bank Parameters Maintenance"](#)
- [Section 8.2, "Price Code Details"](#)
- [Section 8.3, "Underlying Asset Prices"](#)
- [Section 8.4, "Instrument Price Details"](#)
- [Section 8.5, "Broker Accounts"](#)
- [Section 8.6, "Broker Scheme"](#)

### 8.1 **Bank Parameters Maintenance**

This section contains the following topics:

- [Section 8.1.1, "Invoking the Bank Parameters Screen"](#)

#### 8.1.1 **Invoking the Bank Parameters Screen**

You need to maintain bank parameters for the ETD module. The same can be done through the 'Bank Parameter Maintenance' screen.

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

### Expiry Deal Product

Select an expiry deal product. During EOD, when expiry happens, the system will book the deal using the product that you have specified here.

### Exercise Deal Product

Select an exercise deal product. During EOD, when exercise happens, the system will book the deal using the product that you have specified here.

## 8.2 Price Code Details

This chapter contains the following topics:

- [Section 8.2.1, "Invoking Price Code Maintenance Screen "](#)

### 8.2.1 Invoking Price Code Maintenance Screen

You need to maintain price codes for each Underlying Asset and Instrument that is maintained in the system. You can do this through the 'Price Code Maintenance' screen.

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

Price Code Maintenance

New Enter Query

Price Code\*  
Description

Fields

Input By  
Date Time

Authorized By  
Date Time

Modification  
Number

Authorized  
Open

In this screen you should enter a code to identify the price and subsequently assign a brief description to identify the price code easily.

## 8.3 Underlying Asset Prices

This chapter contains the following topics:

- [Section 8.3.1, "Invoking Underlying Asset Price Maintenance Screen"](#)

### 8.3.1 Invoking Underlying Asset Price Maintenance Screen

The prices of commodities maintained in Oracle FLEXCUBE keep fluctuating depending on their market rates. As a result, you need to revalue each underlying on a daily basis.

Underlying Asset prices can be updated through the 'Underlying Asset Price Maintenance' screen. You can invoke this screen by typing 'EDDCORAT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

In this screen, enter the following details:

### Underlying Asset

To indicate the revaluation price, you should first select the code of the underlying asset whose price is to be revalued. The option list includes all the commodities you have maintained in the system through the Underlying Asset Definition screen. The Pricing Size and Pricing Unit (both of which you would have maintained through the Underlying Asset Definition screen), are displayed based on the underlying selected.

Under 'Price Detail', you can specify the following details.

### Price Code

Select the underlying price code from the option list. The option list includes all price codes that you have maintained through the Price Code Maintenance screen.

### Currency

Indicate the currency in which the price of the underlying asset is to be revalued.

### Market Price

The Market Price is the price of the underlying asset as quoted in the market on that date.

### Market Date

This is the date for which the market price is maintained.

## 8.4 Instrument Price Details

This section contains the following topics:

- [Section 8.4.1, "Invoking Instrument Price Details Screen"](#)

### 8.4.1 Invoking Instrument Price Details Screen

Since prices of underlying assets/commodities linked to instruments keep fluctuating based on the market conditions the prices of instruments maintained in Oracle FLEXCUBE have to

be revalued on a daily basis. You should capture the revalued prices for each instrument through the 'Instrument Price Definition' screen.

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

As part of indicating the Instrument Price you have to capture the following details:

#### **Instrument Identification**

Select the instrument for which you are maintaining prices.

You can specify the following details under 'Series Details'.

#### **Series ID**

Select the ID of the Series to which the instrument is attached. The option list includes all Series Ids you have maintained through the Instrument Series screen.

#### **Market Date**

Indicate the date as of which you are maintaining the market price for the instrument.

#### **Market Price**

Specify the Market Price of the instrument. If you fail to update this price, during EOD, the system will pick up the previous day's price for the purpose of revaluation.

## **8.5 Broker Accounts**

This section contains the following topics:

- [Section 8.5.1, "Invoking Broker Master Maintenance Screen"](#)

### **8.5.1 Invoking Broker Master Maintenance Screen**

You can capture details of broker accounts, which should associated with the Broker ID through the 'Broker Master Maintenance' screen. Only those accounts maintained in this screen will be impacted while processing margin settlement transactions involving the particular broker.

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

Based on the Broker ID you select, the system displays other details such as Name, Address, Street, City, and Country of the Broker from the CIF Maintenance screen.

The other details that you need to specify are:

### Category

Select the customer category under which the broker is categorized. You have the following options:

- Broker
- Exchange
- Clearing Member

### Booking

Select the method in which the brokerage amount is to be liquidated. The options available are:

- Advance
- Arrears

---

### Note

The 'Arrears' option is not valid if you have selected the 'Exchange Traded Derivatives' check box.

---

**Tax Paid**

In this section, select the account, which is to be debited when tax is to be paid in the field 'Account'. Also select the transaction code associated with the account in the field 'Txn Code'.

**Tax Payable**

In this section, select the tax payable account in the field 'Account' and select the transaction code associated with the Tax Payable account in the field 'Txn Code'.

**Liquidation Transaction Code**

Select the transaction code which is to be associated with brokerage liquidation.

**Tax Scheme**

Select the tax scheme which is to be associated with the Broker Account and Currency combination.

**Payable Currency**

Select the currency in which the brokerage amount is to be booked.

**Applicable For – Exchange Traded Derivatives**

Select this check box to indicate the broker, whose details you maintaining, can be used in the ETD module of Oracle FLEXCUBE.

If you check this box, the system will display an override stating the booking method will be 'Advance'.

Under the 'Broker Account' table you can specify the following.

**Account**

Specify the account of the broker. The adjoining option list gives you a list of accounts. Choose the appropriate one. You cannot specify the same account number for another broker. Each broker should have account numbers unique to him.

---

**Note**

It is mandatory for you to specify at least one account number for the broker.

---

**Description**

Enter a brief description for the account.

## 8.6 **Broker Scheme**

This section contains the following topics:

- [Section 8.6.1, "Invoking Broker Scheme Definition"](#)

### 8.6.1 **Invoking Broker Scheme Definition**

You can associate a broker with an existing broker margin scheme through the 'Broker Scheme Linkage' screen.

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

Broker Scheme Linkage

New Enter Query

Branch \*

Broker \*

Broker Account \*

Currency \*

Scheme Id \*

Fields

| Input By  | Authorized By | Modification Number |
|-----------|---------------|---------------------|
| Date Time | Date Time     |                     |
|           |               | Authorized          |
|           |               | Open                |

In this screen you can specify the following details.

#### **Branch**

Specify the branch code of the branch in which you are maintaining the Broker Scheme details record.

#### **Broker**

Specify the Broker ID of the broker, for whom you are maintaining the Broker Account, Currency, and Margin Scheme combination.

#### **Broker Account**

Specify the broker account to be used for settling margin transactions.

#### **Currency**

Specify the currency of the scheme, which is to be linked to the Broker ID.

#### **Scheme ID**

Specify a valid broker Scheme ID. The option list available for the Scheme ID will be populated depending on your specification in the Currency field. For instance if you select USD as the currency, the system displays the broker schemes with USD as the scheme currency.

---

## 9. Automatic Daily Processing

The End of Cycle (EOC) events constitute a set of programs, which are automatically triggered during the batch processes. The EOD process is designed to tie up all the operations for a financial day and prepare the system for the next day.

---

### Note

During End of Day, the batch process should be run after End of Transaction Input (EOTI) has been marked for the day, but before End of Financial Input (EOFI) has been marked for the day.

---

As part of running the End of Day processes for Exchange Traded Derivatives, the system does an automatic Deal Settlement, whereby all deals that were booked during the day will be processed sequentially. This includes:

- For Futures:
  - Deals that result in Open Positions in the Basket.
  - Deals that close an existing Open Position.
  - Deals that Exchange Open Positions for Physicals.
  - Automatic Exchange for Physicals (on the Futures Expiry Date)
- For Options:
  - Exercise deals.
  - Assignment deals
  - Automatic Expiry of Out of Money options (on the Option Expiry Date)
  - Automatic Exercise / Assignment of In the Money options (on the Option Expiry Date).

All the deals within a basket are processed in the order of the Value Date + Trade Time Stamp of the Deal.

This chapter contains the following sections:

- [Section 9.1, "ETD Batch Processes at EOD"](#)
- [Section 9.2, "Automatic Events Executed during End of Day for Futures"](#)
- [Section 9.3, "Automatic Events Executed during End of Day for Options"](#)
- [Section 9.4, "Sample Accounting Entries for the various events"](#)
- [Section 9.5, "Future Deals"](#)
- [Section 9.6, "Option Deals"](#)

### 9.1 ETD Batch Processes at EOD

This section contains the following topics:

- [Section 9.1.1, "Invoking the End of Day Batch Start Screen"](#)

#### 9.1.1 Invoking the End of Day Batch Start Screen

The ETD batch process is a POST-EOTI batch function. The batch can be run anytime, after marking EOTI and before marking EOFI. As part of End of Day (EOD) process for ETD, the

system does an automatic deal settlement in the order in which the deals have been booked during the day.

All deals within a basket are processed in the order of Value Date + Time Stamp of deal. Notional Revaluation done during previous EOD will be reversed before processing for the day begins. If there is a back dated deal, all the events in the basket after the back valued timestamp will be reversed during EOD and all deals booked after that back valued timestamp will be processed again.

To run the Batch process, use the 'End of Day Batch Start' screen. You can invoke this screen by typing 'AEDEODST' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

| Branch * | Current Status | Run Till | Time Level |
|----------|----------------|----------|------------|
|          |                |          |            |

Thereafter, click 'Ok' button, to start the batch process at the EOD.

To exit the screen without running the batch click 'Exit' or 'Cancel' button.

---

#### Note

You cannot cancel an EOD Batch process once it has begun.

---

## 9.2 Automatic Events Executed during End of Day for Futures

This section contains the following topics:

- [Section 9.2.1, "Settlement of Opening Deals"](#)
- [Section 9.2.2, "Realized Revaluation of Open Positions"](#)
- [Section 9.2.3, "Settlement of all Closing Deals for the Day"](#)
- [Section 9.2.4, "Liquidation of all Open positions on the Expiry Date"](#)

### 9.2.1 Settlement of Opening Deals

This process will update the Cost of the portfolio based on the new holdings. The events that can be triggered in Oracle FLEXCUBE for settling open deals are:

| Event Code | Description               |
|------------|---------------------------|
| EOLG       | Opening of Long Position  |
| EOSH       | Opening of Short Position |

Example

|                              |   |                                     |
|------------------------------|---|-------------------------------------|
| Opening Position for the day | - | 10 Contracts Long                   |
| Last Market Price            | - | 230 USD for 10 contracts.           |
| Deals for the Day            | - | 2 Contracts Long at 25 USD/Contract |

The result of the Settlement Process will be 12 Contracts at 280 USD, where the average cost of holding will be (280/12 USD) **23.33 USD**.

### 9.2.2 Realized Revaluation of Open Positions

As part of this running this process the system will equal the Holding Cost of the portfolio to the Current Market Price and account for the Realized Gain or Loss.

The events that can be triggered in Oracle FLEXCUBE for processing Realized Revaluation is:

| Event Code | Description                   |
|------------|-------------------------------|
| ERVL       | Revaluation of Long Position  |
| ERVS       | Revaluation of Short Position |

Let us extend the above example and see what happens when Realized Revaluation is done for all Open Positions in Futures:

**Existing Positions:**

|                              |                                      |
|------------------------------|--------------------------------------|
| Opening Position for the day | 10 Contracts Long.                   |
| Last Market Price            | 230 USD for 10 contracts.            |
| Deals for the Day            | 2 Contracts Long at 25 USD/Contract. |

**Result**

|                              |                                                 |
|------------------------------|-------------------------------------------------|
| Result of Settlement Process | 12 Contracts at 280 USD                         |
| Average Cost of Holding      | $9280/12 = 23.33$ USD                           |
| New Price per Contract       | 25 USD                                          |
| Revaluation Gain             | 1.67 USD per contract = 20.04 for 12 contracts. |
| New Holding Cost             | 25 USD per contract * 12 contracts = 300 USD.   |

**9.2.3 Settlement of all Closing Deals for the Day**

As part of settling all Closing deals for the day, the system calculates and posts accounting entries for the closure gain or loss.

The events that can be triggered in Oracle FLEXCUBE for processing the closure of deals are:

| Event Code | Description                |
|------------|----------------------------|
| ECLG       | Closure of Long Positions  |
| ECSH       | Closure of Short Positions |

**9.2.4 Liquidation of all Open positions on the Expiry Date**

As of the Expiry Date the system will identify all series expiring on that day and liquidate all Open positions in the series. The system reverses contingents.

The events that will be triggered in Oracle FLEXCUBE for liquidating open positions on the Expiry Date are:

| Event Code | Description                    |
|------------|--------------------------------|
| EEPL       | Liquidation of Long Positions. |

|      |                                 |
|------|---------------------------------|
| EEPS | Liquidation of Short Positions. |
|------|---------------------------------|

## 9.3 Automatic Events Executed during End of Day for Options

This section contains the following topics:

- [Section 9.3.1, "Settlement of Opening Deals for Options"](#)
- [Section 9.3.2, "Settlement of Closing Deals"](#)
- [Section 9.3.3, "Notional Revaluation of Open Positions for Options with Option Style Premium"](#)
- [Section 9.3.4, "Automatic Exercise of options/ Assignment of Exercise"](#)
- [Section 9.3.5, "Automatic Expiry of Out / At the Money Positions"](#)
- [Section 9.3.6, "Reversal of Notional Revaluation for Options with Option Style of Premium"](#)
- [Section 9.3.7, "Producing Instrument Detail and Instrument Price Detail Handoffs"](#)

### 9.3.1 Settlement of Opening Deals for Options

While running this process the system updates the cost of the portfolio based on the new holdings. This is done as per the costing method (Deal Matching / Weighted Average / LIFO / FIFO) defined for the portfolio.

---

#### Note

Costing is applicable only for your bank's own portfolios. For customer portfolios, the system only facilitates the money settlement of the Deal Premium. It does not so any costing.

---

The events that will be triggered in Oracle FLEXCUBE for processing the settlement of opening deals for options are:

| Event Code | Description                |
|------------|----------------------------|
| EOLG       | Opening of Long Positions  |
| EOSH       | Opening of Short Positions |

### 9.3.2 Settlement of Closing Deals

As part of the settlement of Closing deals for your bank own portfolios, the closure gain or loss will be computed and accounted for depending on the portfolio Costing Method.

While processing settlement of closing deals for customer portfolios the system does not process any accounting for profit and loss. However, the deal premium will be passed from the Broker/Customer to the Customer/Broker.

The events that will be triggered in Oracle FLEXCUBE for processing the settlement of closing deals for options are as follows:

| Event Code | Description               |
|------------|---------------------------|
| ECLG       | Closure of Long position  |
| ECSH       | Closure of Short Position |

### 9.3.3 **Notional Revaluation of Open Positions for Options with Option Style Premium**

Notional revaluation of open positions can be done only for your bank's own portfolios. The system does a notional revaluation of open positions to compare the current Option Premium with the Acquisition Premium of the basket and to compute the revaluation gain/loss.

The events that will be triggered in Oracle FLEXCUBE for calculating the Notional Revaluation of open positions is as follows:

| Event Code | Description                     |
|------------|---------------------------------|
| EVRL       | Revaluation of Long Positions.  |
| ERVS       | Revaluation of Short Positions. |

### 9.3.4 **Automatic Exercise of options/ Assignment of Exercise**

For Automatic Exercise/Assignment exercise of options the system will identify all 'In the Money' instruments on the Expiry Date and fire automatic exercise (for Long Positions) and Assignment of Exercise (for Short Positions) for the portfolio.

The Instrument and the Series (which is being traded) will be marked as Expired and will be unavailable for further trading.

For your bank's own portfolios, the system will compute the Exercise Gain and Assignment Loss and post relevant accounting entries for the same.

---

#### **Note**

For Customer portfolios, for Options with Future Style Premium, the system does the money settlement for the difference between the underlying asset Spot Price and the Option Strike Price. In addition, the money settlement for the Deal Premium is also calculated.

---

### 9.3.5 **Automatic Expiry of Out / At the Money Positions**

The Automatic Expiry of Out of the Money / At the Money positions will identify all out of/at the money instruments on the Expiry Date and fire an automatic expiry for the portfolio.

The Instrument and Series, which is being traded, will be marked as expired and will not be available for future trading.

For long positions in your bank's own portfolios, the acquisition premium (paid / to be paid – depending on the Premium Style) will be expensed out. For short positions within your bank's own portfolios, the received / to be received premium will be credited as income.

For your customer portfolios, the basket is marked as 'Expired'. In case of Options with Future style of Premium, the money settlement of the premium will be done during the Expiry event.

### **9.3.6 Reversal of Notional Revaluation for Options with Option Style of Premium**

Reversal of Notional revaluation will be done only for your bank's own portfolios.

The event that will be triggered in Oracle FLEXCUBE for the reversal of Notional Revaluation is:

| <b>Event Code</b> | <b>Description</b>                                    |
|-------------------|-------------------------------------------------------|
| RRVL              | Reversal of Notional Revaluation for Long Positions.  |
| RRVS              | Reversal of Notional Revaluation for Short Positions. |

---

#### **Note**

For Options with future style of premium, the system does a Realized Revaluation.

---

### **9.3.7 Producing Instrument Detail and Instrument Price Detail Handoffs**

The instrument details and instrument price details that were created or modified during the day can be handed off in an XML format using the Instrument Batch Handoff process. This batch process collects the data of the instrument details that are either created or modified during the day and generates a notification for the same.

To run the Instrument Batch Handoff process automatically at EOD, you must maintain two mandatory programs – for instrument detail and instrument price detail - under the batch operations. You can do this using the 'Mandatory Batch Program Maintenance' screen.

#### **9.3.7.1 Maintaining Function Inputs**

Prior to maintaining the mandatory programs, you must first maintain the function inputs for Batch EOD Functions. You can do this using the 'Batch EOD Function Inputs' screen. You can invoke this screen by typing 'BADEODFE' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Here you can maintain the function inputs for Batch EOD Functions by specifying the following details:

- Branch of the bank involved
- Function Identification of the EOD function
  - EDINPRHF for Instrument Price Details Handoff
  - EDINSTHF for Instrument Details Handoff
- End of Cycle Group to which the function belongs (in this case you must choose End Of Day)
- Orientation of the generated report (this is optional)

After specifying the above details, you can add the functions input for the function in the 'Function Inputs' table. You must mandatorily specify the Parameter and Data Type for each function. Now you can proceed with maintaining the Instrument Batch Handoff process as a mandatory program.

### 9.3.7.2 Maintaining Mandatory Batch Programs

You can maintain the Instrument Batch Handoff process as a mandatory program using the 'Mandatory Batch Program Maintenance' screen. You can invoke this screen by typing 'EIDMANPE' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

**Mandatory Batch Program Maintenance**

New Enter Query

Branch \* 000  
Module \*

Function \*  
Sequence Number  
Description

End of Cycle Group \*  
☐ Txn Input  
☐ End of Txn Input  
☐ End of Fin Input  
☒ End of Day  
☐ Beginning of Day

Frequency: Daily  
 Holiday Rule: Do Not Execute  
 Execution Layer: ☒ Database ☐ Application  
 Sub Stage: 1

Error Handling  
☒ Stop Automatic End of Day and Run Emergency Program  
☐ Continue with Automatic End of Day

Number Of Days  
 Run Date  
 Job Code  
 Description

**Predecessors**

| Predecessors * |
|----------------|
|                |

**Fields**

| Maker | Checker | Mod No | Date Time: | Date Time: | Record Status | Authorization Status |
|-------|---------|--------|------------|------------|---------------|----------------------|
|       |         |        |            |            |               |                      |

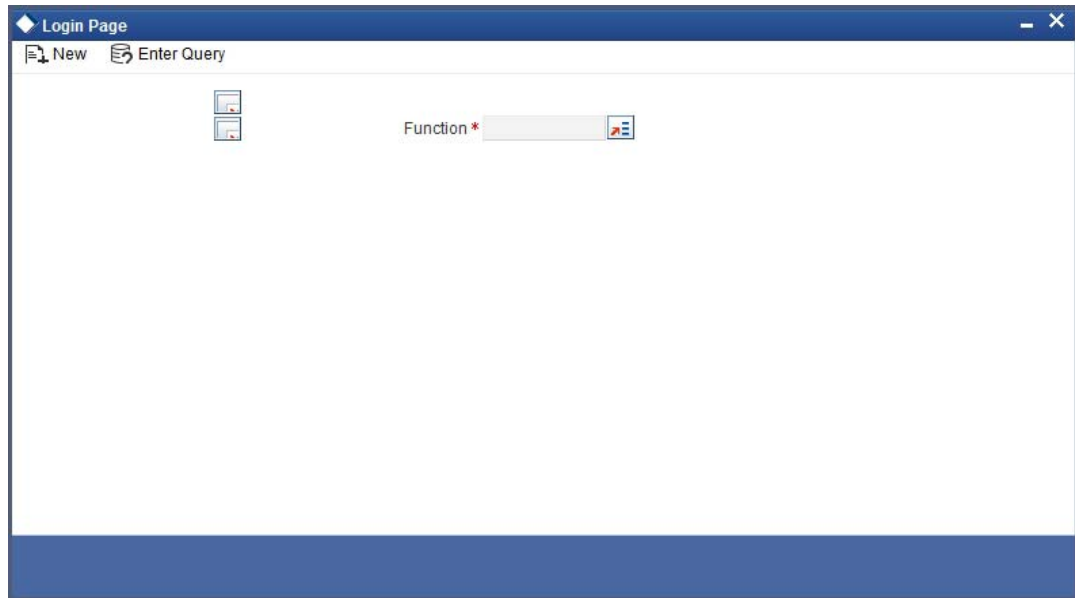
Exit

Here you can maintain the details of the batch program by specifying the following:

- Branch of the bank involved
- Module involved
- Function Identification of the EOD function
  - EDINPRHF for Instrument Price Details Handoff
  - EDINSTHF for Instrument Details Handoff
- End of Cycle Group to which the function belongs (in this case you must choose End Of Day)
- Error Handling measures to be taken
- Frequency of running the program
- Holiday rule for specifying whether the program should be executed on holidays or not.

### 9.3.7.3 Initiating the Instrument Handoffs

Use the 'Intra Day Batch Start' screen to initiate the instrument details and instrument price details handoffs. You can invoke this screen by typing 'BABIDBAT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



To start the handoff, specify the respective Function Id in the 'Intra Day Batch Start' screen and click 'Ok' button.

## 9.4 **Sample Accounting Entries for the various events**

In this section we have given samples of accounting entries that will be posted during the batch processing programs for Futures as well as Options.

## 9.5 **Future Deals**

This section contains the following topics:

- [Section 9.5.1, "Instrument Details - CME-90 day US T-bill-Future"](#)
- [Section 9.5.2, "Deal I – Reference Number D20101"](#)
- [Section 9.5.3, "Deal II – Reference Number D20302"](#)
- [Section 9.5.4, "Deal III – Reference Number D20401"](#)

### 9.5.1 Instrument Details - CME-90 day US T-bill-Future

| Fields                           | Values                      |
|----------------------------------|-----------------------------|
| Instrument Product               | BNDF                        |
| Instrument Type                  | Future                      |
| Underlying Asset Type            | Bond                        |
| Nature of Underlying Asset       | Real                        |
| Underlying Asset                 | 90 Day US T-Bill            |
| Underlying Asset Currency        | USD                         |
| Instrument ID                    | CME-90 day US T-bill-Future |
| Pricing Currency                 | USD                         |
| Contract Size                    | 100                         |
| Contract Size Unit               | T-Bill                      |
| Pricing Precision                | 4 Decimals                  |
| Instrument Pricing Size          | 1                           |
| Instrument Pricing Size Unit     | Unit                        |
| Instrument Pricing Size Multiple | 100                         |
| Underlying Pricing Size          | 1                           |
| Underlying Pricing Size Unit     | T-bill                      |
| Underlying Pricing Unit Multiple | 100                         |
| Underlying Price Code            | CME                         |
| Min Price Movement               | 0.01                        |
| Max Price Movement in a Day      | 10%                         |
| Max Long Position Customer       | 10000                       |
| Max Short Position customer      | 10000                       |
| Max Long Position Self           | 100000                      |
| Max Short Position Self          | 100000                      |
| Default Broker ID                | CITI                        |
| Issuer Exchange                  | CME                         |
| MSTL Days                        | 1                           |
| Physical Settlement Days         | 2                           |
| Initial Margin per Open Long     | 10%                         |

|                               |      |
|-------------------------------|------|
| Initial Margin per Open Short | 10%  |
| Clearing House                | NSCC |
| Margin CCY                    | USD  |

#### Series I

| Field                  | Value                                  |
|------------------------|----------------------------------------|
| Instrument Series      | Nov-00                                 |
| Instrument Description | Bonds future 90 Day T-Bill USCMENon-00 |
| Instrument Start Date  | 28-Aug-2000                            |
| Instrument Expiry Date | 24-Nov-2000                            |

As mentioned earlier in the manual, each time you process a deal with the following combination:

**Basket = Portfolio ID + Instrument ID + Series ID + Broker + Broker Account**

The system assigns a unique reference number known as the Basket Reference Number to this combination.

The details of the Basket involved in the deals used in our examples are as follows:

|                         |   |                             |
|-------------------------|---|-----------------------------|
| Basket Reference Number | - | BSK001                      |
| Portfolio ID            | - | PF001                       |
| Instrument ID           | - | CME-90 day US T-bill-Future |
| Series ID               | - | Nov-00                      |
| Broker ID               | - | CITI                        |
| Broker Account          | - | CB001                       |

### 9.5.2 Deal I – Reference Number D20101

Nature of Contract - Open Long Position for Own Portfolio

| Field       | Value  |
|-------------|--------|
| Deal Number | D20101 |
| Deal Type   | LS     |

|                   |                             |
|-------------------|-----------------------------|
| Deal Product      | DP03                        |
| Instrument ID     | CME-90 day US T-bill-Future |
| Instrument Series | Nov-00                      |
| Buy/Sell          | B                           |
| Booking Date      | 21-Nov-2000                 |
| Value Date        | 21-Nov-2000                 |
| Trade Rate        | 97                          |
| No. of Contracts  | 200                         |

The Basket **BSK001** will be updated with a balance of 200 Long contracts.

The event that needs to be processed in the Basket because of this Deal is: **EOLG**. The accounting entries posted for this event are as follows:

| Accounting Role         | Dr/Cr Indicator | Currency | Amount  | Description                      |
|-------------------------|-----------------|----------|---------|----------------------------------|
| Contingent Asset        | Debit           | USD      | 1940000 | Bought Asset at Asset Currency   |
| Contingent Asset offset | Credit          | USD      | 1940000 | Bought Asset at Pricing Currency |

#### Realized Revaluation entries at EOD

Let us assume that the EOD price of the Instrument is 97.25 USD. At the End of Day the event **ERVL** will be triggered and the following entries will be passed:

| Accounting Role         | Dr/Cr Indicator | Currency | Amount | Description                                                     |
|-------------------------|-----------------|----------|--------|-----------------------------------------------------------------|
| Contingent Asset        | Debit           | USD      | 5000   | Increase in Contingent asset on Revaluation in Pricing Currency |
| Contingent Asset offset | Credit          | USD      | 5000   |                                                                 |
| Customer                | Debit           | USD      | 5000   | Revaluation Gain realized in pricing currency                   |
| Income                  | Credit          | USD      | 5000   |                                                                 |

### 9.5.3 Deal II – Reference Number D20302

Nature of Contract - Partial Liquidation of Long Position for your Own Portfolio.

| Field       | Value  |
|-------------|--------|
| Deal Number | D20302 |
| Deal Type   | LS     |

|                   |                             |
|-------------------|-----------------------------|
| Deal Product      | DP03                        |
| Instrument ID     | CME-90 day US T-bill-Future |
| Instrument Series | Nov-00                      |
| Buy/Sell          | S                           |
| Booking Date      | 23-Nov-2000                 |
| Value Date        | 23-Nov-2000                 |
| Expiry Date       | 24-Nov-2000                 |
| Trade Rate        | 97.75                       |
| No. of Contracts  | 100                         |

In this case since the Portfolio, Instrument, Series, Broker and Broker Account combination is the same as the one that was used to process the earlier deal – D20101, the system uses the same basket BSK001.

The balance in the basket prior to processing this deal was 200 Long contracts. Since we are processing a short deal the balance in the basket will come down to 100 long contracts.

The accounting entries posted for partial liquidation of long contracts will be as follows:

**Event Code - ECLG**

| Accounting Role         | Dr/Cr Indicator | Currency | Amount | Description                         |
|-------------------------|-----------------|----------|--------|-------------------------------------|
| Contingent Asset        | Debit           | USD      | 3500   | Increase in Contingent Asset        |
| Contingent Asset offset | Credit          | USD      | 3500   |                                     |
| Contingent Asset offset | Debit           | USD      | 977500 | Eq. Amt in pricing currency         |
| Contingent Asset        | Credit          | USD      | 977500 | Sold Asset in Asset Currency        |
| Settlement Bridge       | Debit           | USD      | 977500 | Closing Price in Pricing Currency   |
| Control                 | Credit          | USD      | 977500 |                                     |
| Control                 | Debit           | USD      | 974000 | Holding Cost in Pricing Currency    |
| Settlement Bridge       | Credit          | USD      | 974000 |                                     |
| Control                 | Debit           | USD      | 3500   | Gain on closure in Pricing Currency |
| Income                  | Credit          | USD      | 3500   |                                     |

**9.5.4 Deal III – Reference Number D20401**

Nature of Contract – Settlement by exchange of physicals on Contract Expiry (Own Long Position).

| Field       | Value  |
|-------------|--------|
| Deal Number | D20401 |
| Deal Type   | XPL    |

| Field             | Value                       |
|-------------------|-----------------------------|
| Deal Product      | DP04                        |
| Instrument ID     | CME-90 day US T-bill-Future |
| Instrument Series | Nov-00                      |
| Booking Date      | 24-Nov-2000                 |

|                  |             |
|------------------|-------------|
| Value Date       | 24-Nov-2000 |
| Expiry Date      | 24-Nov-2000 |
| Trade Rate       | 97.80       |
| No. of Contracts | 100         |

The Current balance in the Basket is 100 long contracts. Since the instrument expires on 24-Nov-00, all 100 contracts within the basket will cease to exist on the Expiry Date.

The accounting entries that will be posted for the settlement of exchange of physicals on contract expiry will be as follows:

#### Event Code - EEPL

| Accounting Role         | Dr/Cr Indicator | Currency | Amount | Description                                       |
|-------------------------|-----------------|----------|--------|---------------------------------------------------|
| Contingent Asset        | Debit           | USD      | 1500   | Increase in contingent asset in Asset Currency    |
| Contingent Asset offset | Credit          | USD      | 1500   | Increase in contingent asset in pricing currency. |
| Contingent Asset offset | Debit           | USD      | 978000 | Reversal of contingents on EFP                    |
| Contingent Asset        | Credit          | USD      | 978000 |                                                   |
| Real Asset              | Debit           | USD      | 978000 | EFP value in Asset Currency                       |
| Settlement Bridge       | Credit          | USD      | 978000 | EFP value in Pricing Currency                     |
| Settlement Bridge       | Debit           | USD      | 1500   | Gains on EFP                                      |
| Control                 | Credit          | USD      | 1500   |                                                   |

## 9.6 Option Deals

This section contains the following topics:

- [Section 9.6.1, "European Option Deals with Option Style Premium"](#)
- [Section 9.6.2, "Deal I – Reference Number D10103"](#)
- [Section 9.6.3, "Deal II –Reference Number D10201"](#)
- [Section 9.6.4, "Deal II –Reference Number D10402"](#)
- [Section 9.6.5, "American Option Deals with Future Style Premium"](#)
- [Section 9.6.6, "Deal I – Reference Number D20104"](#)
- [Section 9.6.7, "Deal II – Reference Number D20601"](#)

### **9.6.1 European Option Deals with Option Style Premium**

In the earlier section we had a look at the sample accounting entries that were triggered during EOD processing of future deals. We will now have a look at the accounting entries that will get triggered during BOD and EOD processing for Option deals with Option and Future style premium.

The Instrument involved in all the European option deals is - CME-90dayUSTbill-96-Option-Call. The details of this instrument are given below:

#### 9.6.1.1 Instrument Details - CME-90dayUSTbill-96-Option-Call

| Fields                           | Values                                  |
|----------------------------------|-----------------------------------------|
| Instrument Product               | BNEO                                    |
| Instrument Type                  | Option                                  |
| Underlying Asset Type            | Bonds                                   |
| Nature of Underlying Asset       | Real                                    |
| Underlying Asset                 | 90 Day T-Bill US                        |
| Underlying Asset Currency        | USD                                     |
| Call Put Indicator               | Call                                    |
| Instrument ID                    | CME90DTB-CL-E-0P                        |
| Instrument Series                | 96 Nov-00                               |
| Instrument Description           | BondsOption90 Day T-Bill USCME96 Nov-00 |
| Instrument Start Date            | 28-Aug-2000                             |
| Instrument Expiry Date           | 24-Nov-2000                             |
| Pricing Currency                 | USD                                     |
| Contract Size                    | 100                                     |
| Contract Size Unit               | T-Bill                                  |
| Pricing Precision                | 4 Decimals                              |
| Instrument Pricing Size          | 1                                       |
| Instrument Pricing Size Unit     | Unit                                    |
| Instrument Pricing Size Multiple | 100                                     |
| Underlying Pricing Size          | 1                                       |
| Underlying Pricing Size Unit     | T-bill                                  |
| Underlying Pricing Unit Multiple | 100                                     |
| Underlying Price Code            | CME                                     |
| Min Price Movement               | 0.01                                    |
| Max Price Movement in a Day      | Nil                                     |
| Max Long Position Customer       | 10000                                   |
| Max Short Position customer      | 10000                                   |
| Max Long Position Self           | 100000                                  |
| Max Short Position Self          | 100000                                  |

|                               |      |
|-------------------------------|------|
| Default Broker ID             | CITI |
| Issuer Exchange               | CME  |
| MSTL Days                     | 1    |
| Physical Settlement Days      | 2    |
| Initial Margin per Open Long  | Nil  |
| Initial Margin per Open Short | 10%  |
| Clearing House                | NSCC |
| Margin CCY                    | USD  |

The details of the basket involved in the option deals in our example are as follows:

|                         |   |                  |
|-------------------------|---|------------------|
| Basket Reference Number | - | BSK002           |
| Portfolio ID            | - | PF001            |
| Instrument ID           | - | CME90DTB-CL-E-0P |
| Series ID               | - | 96/Nov-00        |
| Broker ID               | - | CITI             |
| Broker Account          | - | CB001            |

### 9.6.2 **Deal I – Reference Number D10103**

Nature of Contract - Open Long European call with Option style Premium on own account

| Field             | Value            |
|-------------------|------------------|
| Deal Number       | D10103           |
| Deal Type         | LS               |
| Deal Product      | DP03             |
| Instrument ID     | CME90DTB-CL-E-0P |
| Instrument Series | 96/Nov-00        |
| Strike Price      | 96               |
| Buy/Sell          | B                |
| Booking Date      | 21-Nov-2000      |
| Value Date        | 21-Nov-2000      |
| Expiry Date       | 24-Nov-2000      |

|                  |        |
|------------------|--------|
| Trade Rate       | 1.95   |
| Premium Style    | Option |
| No. of Contracts | 80     |

As a result of processing this deal, the system creates a basket **BSK002** with the following combination:

**PF001 + CME90DTB-CL-E-0P + 96/Nov-00 + CITI + CB001**

The basket will be created with a balance of 80 Long contracts.

At EOD, the event that needs to be processed in the Basket because of this Deal is: **EOLG**. The accounting entries posted for this event are as follows

| Accounting Role          | Dr/Cr Indicator | Currency | Amount | Description        |
|--------------------------|-----------------|----------|--------|--------------------|
| Contingent Asset         | Debit           | USD      | 768000 | Bought Asset Value |
| Contingent Asset Off-set | Credit          | USD      | 768000 |                    |
| Premium Paid             | Debit           | USD      | 15600  | Deal Premium       |
| Settlement Bridge        | Credit          | USD      | 15600  |                    |

For the event **ERVL**, the following entries will be posted:

| Accounting Role    | Dr/Cr Indicator | Currency | Amount | Description            |
|--------------------|-----------------|----------|--------|------------------------|
| Unrealized Expense | Debit           | USD      | 160    | Notional Loss on Reval |
| Reval Liability    | Credit          | USD      | 160    |                        |

### 9.6.3 Deal II –Reference Number D10201

Nature of Contract - Open Long European Call with Option style Premium on own account

| Field             | Value            |
|-------------------|------------------|
| Deal Number       | D10201           |
| Deal Type         | LS               |
| Deal Product      | DP03             |
| Instrument ID     | CME90DTB-CL-E-0P |
| Instrument Series | 96/Nov-00        |
| Strike Price      | 96               |
| Buy/Sell          | B                |

|                  |             |
|------------------|-------------|
| Booking Date     | 22-Nov-2000 |
| Value Date       | 22-Nov-2000 |
| Expiry Date      | 24-Nov-2000 |
| Trade Rate       | 1.9         |
| Premium Style    | Option      |
| No. of Contracts | 20          |

The balance in the basket prior to processing this deal was 80 Long contracts. Since we are processing a long deal the current balance in the basket will go up to 100 Long contracts.

At EOD, the event that needs to be processed in the Basket because of this Deal is **EOLG**. The accounting entries posted for this event are as follows:

| Accounting Role          | Dr/Cr Indicator | Currency | Amount | Description        |
|--------------------------|-----------------|----------|--------|--------------------|
| Contingent Asset         | Debit           | USD      | 192000 | Bought Asset Value |
| Contingent Asset Off-set | Credit          | USD      | 192000 |                    |
| Premium Paid             | Debit           | USD      | 3800   | Deal Premium       |
| Settlement Bridge        | Credit          | USD      | 3800   |                    |

**ERVL** will be triggered and the following entries will be posted:

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description            |
|-----------------|-----------------|----------|--------|------------------------|
| Reval Asset     | Debit           | USD      | 40     | Notional Gain on Reval |
| Unrealized Gain | Credit          | USD      | 40     |                        |

#### 9.6.4 Deal II –Reference Number D10402

Nature of Contract – Auto Exercise of Long position in an In the Money European Call on Expiry.

| Field             | Value            |
|-------------------|------------------|
| Deal Number       | D10402           |
| Deal Type         | LS               |
| Deal Product      | DP03             |
| Instrument ID     | CME90DTB-CL-E-0P |
| Instrument Series | 96/Nov-00        |

|                  |             |
|------------------|-------------|
| Strike Price     | 96          |
| Booking Date     | 27-Nov-2000 |
| Value Date       | 24-Nov-2000 |
| Expiry Date      | 24-Nov-2000 |
| No. of Contracts | 100         |

The current balance in the basket **BSK002** is 100 long contracts. Since the instrument expires on 24-Nov-2000, all 100 contracts within the basket will cease to exist on the Expiry Date.

The accounting entries that will be posted for the automatic exercise of long positions of the In the Money European call option deals (D10103 and D10201) will be as follows:

#### Event Code - EXRL

| Accounting Role          | Dr/Cr Indicator | Currency | Amount | Description             |
|--------------------------|-----------------|----------|--------|-------------------------|
| Contingent Asset Off-set | Debit           | USD      | 960000 | Reversal of Contingents |
| Contingent Asset         | Credit          | USD      | 960000 |                         |
| Control                  | Debit           | USD      | 19400  |                         |
| Premium Paid             | Credit          | USD      | 19400  |                         |
| Settlement Bridge        | Debit           | USD      | 18000  | Spot Strike Difference  |
| Control                  | Credit          | USD      | 18000  |                         |
| Expense                  | Debit           | USD      | 1400   | Loss on Exercise        |
| Control                  | Credit          | USD      | 1400   |                         |

### 9.6.5 American Option Deals with Future Style Premium

The Instrument involved in all the American option deals is - NSE-HLL-230-Option-Put. The details of this instrument are given below:

#### 9.6.5.1 Instrument Details - NSE-HLL-230-Option-Put

| Fields                           | Values                             |
|----------------------------------|------------------------------------|
| Instrument Product               | EQAO                               |
| Instrument Type                  | Option                             |
| Underlying Asset Type            | Equity                             |
| Nature of Underlying Asset       | Real                               |
| Underlying Asset                 | HINDLEVER                          |
| Underlying Asset Currency        | INR                                |
| Call Put Indicator               | Put                                |
| Instrument ID                    | NSE-HLL-230-Option-Put             |
| Instrument Series                | 23 Jan-01                          |
| Instrument Description           | EquityOptionHINDLEVERNSE230 Jan-01 |
| Instrument Start Date            | 30-Oct-2000                        |
| Instrument Expiry Date           | 26-Jan-2001                        |
| Pricing Currency                 | INR                                |
| Contract Size                    | 100                                |
| Contract Size Unit               | Share                              |
| Pricing Precision                | 2 Decimals                         |
| Instrument Pricing Size          | 1                                  |
| Instrument Pricing Size Unit     | Share                              |
| Instrument Pricing Size Multiple | 100                                |
| Underlying Pricing Size          | 1                                  |
| Underlying Pricing Size Unit     | Share                              |
| Underlying Pricing Unit Multiple | 100                                |
| Underlying Price Code            | NSE                                |
| Min Price Movement               | 0.05                               |
| Max Long Position Customer       | 10000                              |
| Max Short Position customer      | 10000                              |
| Max Long Position Self           | 100000                             |

|                               |        |
|-------------------------------|--------|
| Max Short Position Self       | 100000 |
| Default Broker ID             | SCG    |
| Issuer Exchange               | NSE    |
| MSTL Days                     | 1      |
| Physical Settlement Days      | 2      |
| Initial Margin per Open Long  | 5%     |
| Initial Margin per Open Short | 10%    |
| Clearing House                | NSCCL  |
| Margin CCY                    | INR    |

The details of the basket involved in the option deals in our example are as follows:

|                         |   |                        |
|-------------------------|---|------------------------|
| Basket Reference Number | - | BSK003                 |
| Portfolio ID            | - | PF001                  |
| Instrument ID           | - | NSE-HLL-230-Option-Put |
| Series ID               | - | 230 Jan-01             |
| Broker ID               | - | CITI                   |
| Broker Account          | - | CB001                  |

### 9.6.6 Deal I – Reference Number D20104

Nature of Contract - Open Short in American Put Future Style Option.

| Fields            | Value            |
|-------------------|------------------|
| Deal Number       | D20104           |
| Deal Type         | LS               |
| Deal Product      | DP03             |
| Instrument ID     | NSE-HLL-PUT-A-FP |
| Instrument Series | 230/Jan-01       |
| Strike Price      | 230              |
| Buy/Sell          | S                |
| Booking Date      | 21-Nov-2000      |

|                  |             |
|------------------|-------------|
| Value Date       | 21-Nov-2000 |
| Expiry Date      | 25-Jan-2001 |
| Trade Rate       | 35          |
| No. of Contracts | 20          |

As a result of processing this deal, the system creates a basket **BSK003** with the following combination:

**PF001 + NSE-HLL-230-Option-Put + 230 Jan-01+ CITI + CB001**

The basket will be created with 20 short contracts.

At EOD, the event that needs to be processed in the Basket because of this Deal is: **EOSH**. The accounting entries posted for this event are as follows

| Accounting Role         | Dr/Cr Indicator | Currency | Amount | Description                 |
|-------------------------|-----------------|----------|--------|-----------------------------|
| Contingent Asset        | Debit           | INR      | 390000 |                             |
| Contingent Asset Offset | Credit          | INR      | 390000 | Asset value net of premium. |

For the event **ERVS**, the following entries will be posted:

| Accounting Role         | Dr/Cr Indicator | Currency | Amount | Description                  |
|-------------------------|-----------------|----------|--------|------------------------------|
| Contingent Asset        | Debit           | INR      | 6000   | Increase in Asset            |
| Contingent Asset Offset | Credit          | INR      | 6000   |                              |
| Customer                | Debit           | INR      | 6000   | Realized gain on revaluation |
| Income                  | Credit          | INR      | 6000   |                              |

### 9.6.7 Deal II – Reference Number D20601

Nature of Contract - Assignment Prior to Expiry of Own Short Position in American Put.

| Fields        | Value            |
|---------------|------------------|
| Deal Number   | D20601           |
| Deal Type     | XRS              |
| Deal Product  | DP04             |
| Instrument ID | NSE-HLL-PUT-A-FP |

|                   |             |
|-------------------|-------------|
| Instrument Series | 230/Jan-01  |
| Strike Price      | 230         |
| Booking Date      | 28-Nov-2000 |
| Value Date        | 28-Nov-2000 |
| Expiry Date       | 25-Jan-2001 |
| No. of Contracts  | 20          |

At EOD, the event that needs to be processed in the Basket because of this Deal is **EAXS**. The accounting entries posted for this event are as follows:

| Accounting Role         | Dr/Cr Indicator | Currency | Amount | Description                     |
|-------------------------|-----------------|----------|--------|---------------------------------|
| Contingent Asset Offset | Debit           | INR      | 404000 | Reversal of contingents         |
| Contingent Asset        | Credit          | INR      | 404000 |                                 |
| Control                 | Debit           | INR      | 50000  | Spot strike difference          |
| Settlement Bridge       | Credit          | INR      | 50000  |                                 |
| Settlement Bridge       | Debit           | INR      | 56000  | Deal Premium                    |
| Control                 | Credit          | INR      | 56000  |                                 |
| Control                 | Debit           | INR      | 6000   | Gain on Assignment of positions |
| Income                  | Credit          | INR      | 6000   |                                 |

---

## 10. Annexure A – Event-wise Accounting Entries for your Own Portfolio

This section contains details of the suggested accounting entries that can be maintained, while setting up a portfolio product (for your bank and for your customer's as well) for the ETD module of Oracle FLEXCUBE. The details of the suggested accounting entries are listed event-wise.

- [Section 10.1, "ETD Events"](#)
- [Section 10.2, "Amount Tags"](#)
- [Section 10.3, "Accounting Roles"](#)
- [Section 10.4, "Event-wise Accounting Entries for your Own portfolio"](#)
- [Section 10.5, "Event-wise Accounting Entries for your Customer's portfolio"](#)

### 10.1 ETD Events

The following is an exhaustive list of events that can take place during the lifecycle of an ET deals. In the subsequent paragraphs we shall examine the accounting entries for each of the events listed below.

| Event Code | Event Description                        |
|------------|------------------------------------------|
| EOLG       | Opening of Long Position                 |
| ERVL       | Revaluation of long Position             |
| ECLG       | Closure of Long Position                 |
| EOSH       | Opening of Short Position                |
| ERVS       | Revaluation of Short Position            |
| ECSH       | Closure of Short Position                |
| EXPL       | Expiry of Long Position                  |
| EXPS       | Expiry of Short Position                 |
| EXRL       | Exercise in Long Position                |
| EAXS       | Assignment in Short Position             |
| EEPL       | Exchange for Physicals in Long           |
| EEPS       | Exchange for Physicals in Short          |
| ROLG       | Reversal – Opening of Long Position      |
| RRVL       | Reversal – Revaluation of Long Position  |
| RCLG       | Reversal – Closure of Long Position      |
| ROSH       | Reversal – Opening of Short Position     |
| RRVS       | Reversal – Revaluation of Short Position |

|      |                                            |
|------|--------------------------------------------|
| RCSH | Reversal – Closure of Short Position       |
| RXPL | Reversal – Expiry of Long Position         |
| RXPS | Reversal – Expiry of Short Position        |
| RXRL | Reversal – Exercise in Long Position       |
| RAXS | Reversal – Assignment in Short Position    |
| REPL | Reversal – Exchange for Physicals in Long  |
| REPS | Reversal – Exchange for Physicals in Short |
| EMAT | Event Matching of Deal                     |
| EUMT | Event for Un-matching                      |
| EBOK | Booking of Contract                        |
| EREV | Reversal of Booking                        |
| EAMD | Amendment of Contract                      |

## 10.2 Amount Tags

The Amount Tags listed below are provided in Oracle FLEXCUBE.

| Amount Tag           | Description                                                   |
|----------------------|---------------------------------------------------------------|
| AVG_PREMIUM_PAID     | Average Premium Paid to acquire the Existing Holding          |
| AVG_PREMIUM_RECEIVED | Average Premium Received to acquire the Short Holding         |
| BOOK_VALUE           | Holding Cost of the Instrument                                |
| BOT_ASSET            | Bought Asset in Asset Currency                                |
| BOT_ASSET_DECR       | Decrease in contract Positions in Asset Currency              |
| BOT_ASSET_INCR       | Increase in contract Positions in Asset Currency              |
| BOT_CCY_EQ           | Equivalent Amount in Pricing Currency                         |
| BOT_CCY_EQ_DECR      | Equivalent decrease in contract Positions in Pricing Currency |
| BOT_CCY_EQ_INCR      | Equivalent increase in contract Positions in Pricing Currency |
| CLOSE_PRICE_PREMIUM  | Closing Price / Premium in Pricing Currency                   |
| CLOSURE_GAIN         | Gain on Closure of Position                                   |
| CLOSURE_LOSS         | Loss on Closure of Position                                   |
| DEAL_PREMIUM_AMT     | Deal Premium Amount in Pricing Currency                       |

|                      |                                                               |
|----------------------|---------------------------------------------------------------|
| EFP_GAIN             | Gain due to Exchange of Futures for Physicals                 |
| EFP_LOSS             | Loss due to Exchange of Futures for Physicals                 |
| EXERCISE_ASSIGN_GAIN | Gain due to Assignment of the option                          |
| EXERCISE_ASSIGN_LOSS | Loss due to Assignment of the option                          |
| EXERCISE_GAIN        | Gain due to Exercise of the option                            |
| EXERCISE_LOSS        | Loss due to Exercise of the option                            |
| EXPIRY_GAIN          | Gain due to Expiry of the Instrument                          |
| EXPIRY_LOSS          | Loss due to Expiry of the Instrument                          |
| NOTIONAL_GAIN        | Notional Gain in Pricing Currency                             |
| NOTIONAL_LOSS        | Notional Loss in Pricing Currency                             |
| REALIZED_GAIN        | Realized Gain in Pricing Currency                             |
| REALIZED_LOSS        | Realized Loss in Pricing Currency                             |
| SOLD_ASSET           | Sold Asset in Asset Currency                                  |
| SOLD_ASSET_DECR      | Decrease in contract Positions in Asset Currency              |
| SOLD_ASSET_INCR      | Incr. in Cont. Positions in Asset Currency                    |
| SOLD_CCY_EQ          | Equivalent Amount in Pricing Currency                         |
| SOLD_CCY_EQ_DECR     | Equivalent decrease in contract Positions in Pricing Currency |
| SOLD_CCY_EQ_INCR     | Equivalent increase in contract Positions in Pricing Currency |
| SPOT_STRIKE_DIFF     | Commodity spot minus Strike price of the option               |
| MG_SETLM_AMT_MREF    | Margin Refund Amount                                          |
| MG_SETLM_AMT_MTOP    | Margin Top Up Amount                                          |

In addition to these, you can define any number of amount tags as per your requirement.

## 10.3 Accounting Roles

The following list contains details of the accounting Roles that are applicable to deals involving portfolio products.

| Accounting Role  | Description                | Role Type |
|------------------|----------------------------|-----------|
| BR_-SETLM_BRIDGE | Broker Settlement Bridge   | Asset     |
| PF_-SETLM_BRIDGE | Customer Settlement Bridge | Asset     |

|                |                                  |                      |
|----------------|----------------------------------|----------------------|
| CONT_ASSET     | Contingent Asset                 | Contingent Asset     |
| CONT_ASSET_OFF | Contingent Asset Offset          | Contingent Asset     |
| CONT_LIAB      | Contingent Liability             | Contingent Liability |
| CONT_LIAB_OFF  | Contingent Liability Offset      | Contingent Liability |
| CONTROL        | Control Asset                    | Asset                |
| EFP_GAIN       | Gain due to Exchange of Futures  | Income               |
| EXERCISE_GAIN  | Gain due to Exercise of option   | Income               |
| ASSIGN_GAIN    | Gain due to Assignment of option | Income               |
| EXPIRY_GAIN    | Gain due to Expiry of option     | Income               |
| EFP_LOSS       | Loss due to Exchange of Futures  | Expense              |
| EXERCISE_LOSS  | Loss due to Exercise of option   | Expense              |
| ASSIGN_LOSS    | Loss due to Assignment of option | Expense              |
| EXPIRY_LOSS    | Loss due to Expiry of option     | Expense              |
| TRADING_GAIN   | Closure gain                     | Income               |
| TRADING_LOSS   | Closure loss                     | Expense              |
| PREMIUM_PAID   | Premium paid                     | Asset                |
| PREMIUM_RECVD  | Premium received                 | Liability            |
| REALIZED_GAINS | Realized gains                   | Income               |
| REALIZED_LOSS  | Realized loss                    | Expense              |
| REVAL_ASSET    | Revaluation asset                | Asset                |
| REVAL_LIAB     | Revaluation liability            | Liability            |
| UNREAL_EXPENSE | Unrealized expense               | Expense              |
| UNREAL_INCOME  | Unrealized income                | Income               |
| BR_SETTLEMENT  | Broker Settlement                |                      |
| BR_RECEIVABLE  | Broker Receivable                |                      |
| BR_PAYABLE     | Broker Payable                   |                      |
| PF_SETTLEMENT  | Portfolio Settlement             |                      |
| PF_PAYABLE     | Portfolio Payable                |                      |
| PF_RECEIVABLE  | Portfolio Receivable             |                      |

## 10.4 Event-wise Accounting Entries for your Own portfolio

In the subsequent sections we have defined suggested accounting entries for each of the events in the life-cycle of deals involving your banks portfolio product.

---

### Note

Some of the Amount Tag's linked to the Accounting Roles are user defined.

---

### EOLG - Opening of Long Position

#### Customer Portfolio

| Dr/Cr  | Accounting Role      | Amount Tag            | Applicable             |
|--------|----------------------|-----------------------|------------------------|
| Debit  | PF_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Call & Put Options – O |
| Credit | BR_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT |                        |

#### Own Portfolio

| Dr/Cr  | Accounting Role     | Amount Tag            | Applicable                   |
|--------|---------------------|-----------------------|------------------------------|
| Debit  | CONT_ASSET          | BOT_ASSET             | Futures , Call Options – O,F |
| Credit | CONT_AS-<br>SET_OFF | SOLD_CCY_EQ           |                              |
| Debit  | CONT_LIAB_OFF       | BOT_CCY_EQ            | Put options – O,F            |
| Credit | CONT_LIAB           | SOLD_ASSET            |                              |
| Debit  | PREMIUM_PAID        | DEAL_PREMI-<br>UM_AMT | Call & Put Options – O       |

**EVRL – Revaluation of Long Position**

| Accounting Role  | Amount Tag        | Dr./Cr. Indicator | Applicable                       |
|------------------|-------------------|-------------------|----------------------------------|
| BR_-SETLM_BRIDGE | REALIZED_GAIN     | Debit             | Future, Call and Put Options - F |
| REALIZED_GAINS   | REALIZED_GAIN     | Credit            | Future, Call and Put Options - F |
| REALIZED_LOSS    | REALIZED_LOSS     | Debit             | Future, Call and Put Options - F |
| BR_-SETLM_BRIDGE | REALIZED_LOSS     | Credit            | Future, Call and Put Options - F |
| CONT_ASSET       | BOT_ASSET_INCR    | Debit             | Future, Call Option-F            |
| CONT_ASSET_OFF   | SOLD_C-CY_EQ_INCR | Credit            | Future, Call Option-F            |
| CONT_ASSET_OFF   | SOLD_CCY_EQ_-DECR | Debit             | Future, Call Option-F            |
| CONT_ASSET       | BOT_ASSET_DECR    | Credit            | Future, Call Option-F            |
| CONT_LIAB_OFF    | BOT_C-CY_EQ_INCR  | Debit             | Future, Put Option -F            |
| CONT_LIAB        | SOLD_ASSET_INCR   | Credit            | Future, Put Option -F            |
| CONT_LIAB        | BOT_CCY_EQ_-DECR  | Debit             | Future, Put Option -F            |
| CONT_LIAB_OFF    | SOLD_ASSET_-DECR  | Credit            | Future, Put Option -F            |
| REVAL_ASSET      | NOTIONAL_GAIN     | Debit             | Call & Put Option - C            |
| UNREAL_INCOME    | NOTIONAL_GAIN     | Credit            | Call & Put Option - C            |
| UNREAL_EXPENSE   | NOTIONAL_LOSS     | Debit             | Call & Put Option - C            |
| REVAL_LIAB       | NOTIONAL_LOSS     | Credit            | Call & Put Option - C            |

**ECLG – Closure of Long Position****Customer Portfolio**

| Dr/Cr  | Accounting Role  | Amount Tag          | Applicable                        |
|--------|------------------|---------------------|-----------------------------------|
| Debit  | BR_-SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Futures, Call & Put Options – O,F |
| Credit | PF_-SETLM_BRIDGE | CLOSE_PRICE_PREMIUM |                                   |

|        |                      |            |                                   |
|--------|----------------------|------------|-----------------------------------|
| Debit  | PF_-<br>SETLM_BRIDGE | BOOK_VALUE | Futures, Call & Put Options – O,F |
| Credit | BR_-<br>SETLM_BRIDGE | BOOK_VALUE |                                   |

Own Portfolio

| Dr/<br>Cr | Accounting Role      | Amount Tag               | Applicable                         |
|-----------|----------------------|--------------------------|------------------------------------|
| Debit     | CONT_ASSET           | BOT_ASSET_INCR           | Futures , Call Option - F          |
| Credit    | CONT_AS-<br>SET_OFF  | SOLD_CCY_EQ_INCR         |                                    |
| Debit     | CONT_AS-<br>SET_OFF  | SOLD_CCY_EQ_DECR         | Futures , Call Option – F          |
| Credit    | CONT_ASSET           | BOT_ASSET_DECR           |                                    |
| Debit     | CONT_LIAB_OFF        | BOT_CCY_EQ_INCR          | Futures , Put Option - F           |
| Credit    | CONT_LIAB            | SOLD_ASSET_INCR          |                                    |
| Debit     | CONT_LIAB            | SOLD_ASSET_DECR          | Futures , Put Option – F           |
| Credit    | CONT_LIAB_OFF        | BOT_CCY_EQ_DECR          |                                    |
| Debit     | CONT_AS-<br>SET_OFF  | BOT_CCY_EQ               | Future, Call Options – F & O       |
| Credit    | CONT_ASSET           | SOLD_ASSET               |                                    |
| Debit     | CONT_LIAB            | BOT_ASSET                | Future, Put Options – F & O        |
| Credit    | CONT_LIAB_OFF        | SOLD_CCY_EQ              |                                    |
| Debit     | BR_-<br>SETLM_BRIDGE | CLOSE_PRICE_PRE-<br>MIUM | Futures, Call & Put Options – F, O |
| Credit    | CONTROL              | CLOSE_PRICE_PRE-<br>MIUM |                                    |
| Debit     | CONTROL              | BOOK_VALUE               | Futures, Call & Put Options – F    |
| Credit    | BR_-<br>SETLM_BRIDGE | BOOK_VALUE               |                                    |

|        |                |                  |                                    |
|--------|----------------|------------------|------------------------------------|
| Debit  | CONTROL        | AVG_PREMIUM_PAID | Call & Put Options – O             |
| Credit | PREMIUM_PAID   | AVG_PREMIUM_PAID |                                    |
| Debit  | CONTROL        | CLOSURE_GAIN     | Futures, Call & Put Options – F, O |
| Credit | TRADING_GAIN   | CLOSURE_GAIN     |                                    |
| Debit  | TRADING_LOSS   | CLOSURE_LOSS     | Futures, Call & Put Options – F, O |
| Credit | CONTROL        | CLOSURE_LOSS     |                                    |
| Debit  | CONT_ASSET     | BOT_ASSET_INCR   | Futures , Call Option - F          |
| Credit | CONT_ASSET_OFF | SOLD_CCY_EQ_INCR |                                    |
| Debit  | CONT_ASSET_OFF | SOLD_CCY_EQ_DECR | Futures , Call Option – F          |
| Credit | CONT_ASSET     | BOT_ASSET_DECR   |                                    |
| Debit  | CONT_LIAB_OFF  | BOT_CCY_EQ_INCR  | Futures , Put Option - F           |
| Credit | CONT_LIAB      | SOLD_ASSET_INCR  |                                    |
| Debit  | CONT_LIAB      | SOLD_ASSET_DECR  | Futures , Put Option – F           |
| Credit | CONT_LIAB_OFF  | BOT_CCY_EQ_DECR  |                                    |
| Debit  | CONT_ASSET_OFF | BOT_CCY_EQ       | Future, Call Options – F & O       |
| Credit | CONT_ASSET     | SOLD_ASSET       |                                    |
| Debit  | CONT_LIAB      | BOT_ASSET        | Future, Put Options – F & O        |
| Credit | CONT_LIAB_OFF  | SOLD_CCY_EQ      |                                    |

## **EOSH – Opening of Short Position**

### **Customer Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>     | <b>Applicable</b>      |
|--------------|------------------------|-----------------------|------------------------|
| Debit        | BR_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT | Call & Put Options – O |
| Credit       | PF_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT |                        |

### **Own Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>     | <b>Applicable</b>          |
|--------------|------------------------|-----------------------|----------------------------|
| Debit        | CONT_ASSET             | BOT_ASSET             | Put Option – O,F           |
| Credit       | CONT_ASSET_OFF         | SOLD_CCY_EQ           |                            |
| Debit        | CONT_LIAB_OFF          | BOT_CCY_EQ            | Futures, Call Option – O,F |
| Credit       | CONT_LIAB              | SOLD_ASSET            |                            |
| Debit        | BR_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT | Call & Put Options - O     |

**ERVS – Revaluation of Short Position**

| <b>Accounting Role</b> | <b>Amount Tag</b>     | <b>Dr./Cr. Indicator</b> | <b>Applicable</b>               |
|------------------------|-----------------------|--------------------------|---------------------------------|
| BR_-<br>SETLM_BRIDGE   | REALIZED_GAIN         | Debit                    | Future, Call and Put Options -F |
| REALIZED_GAINS         | REALIZED_GAIN         | Credit                   | Future, Call and Put Options -F |
| REALIZED_LOSS          | REALIZED_LOSS         | Debit                    | Future, Call and Put Options -F |
| BR_-<br>SETLM_BRIDGE   | REALIZED_LOSS         | Credit                   | Future, Call and Put Options -F |
| CONT_ASSET             | BOT_ASSET_INCR        | Debit                    | Put Option – F                  |
| CONT_AS-<br>SET_OFF    | SOLD_C-<br>CY_EQ_INCR | Credit                   | Put Option –F                   |
| CONT_AS-<br>SET_OFF    | SOLD_CCY_EQ_-<br>DECR | Debit                    | Put Option –F                   |
| CONT_ASSET             | BOT_ASSET_DECR        | Credit                   | Put Option –F                   |
| CONT_LIAB_OFF          | BOT_C-<br>CY_EQ_INCR  | Debit                    | Call Option –F , Futures        |
| CONT_LIAB              | SOLD_ASSET_INCR       | Credit                   | Call Option –F , Futures        |
| CONT_LIAB              | SOLD_CCY_EQ-<br>DECR  | Debit                    | Call Option –F , Futures        |
| CONT_LIAB_OFF          | BOT_ASSET_DECR        | Credit                   | Call Option –F , Futures        |
| REVAL_ASSET            | NOTIONAL_GAIN         | Debit                    | Call & Put Options -O           |
| UNREAL_INCOME          | NOTIONAL_GAIN         | Credit                   | Call & Put Options -O           |
| UNREAL_EX-<br>PENSE    | NOTIONAL_LOSS         | Debit                    | Call & Put Options -O           |
| REVAL_LIAB             | NOTIONAL_LOSS         | Credit                   | Call & Put Options -O           |

**ECSH – Closure of Short Positions****Customer Portfolio**

| <b>Dr/<br/>Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>        | <b>Applicable</b>                     |
|-------------------|------------------------|--------------------------|---------------------------------------|
| Debit             | PF_-<br>SETLM_BRIDGE   | CLOSE_PRICE_PRE-<br>MIUM | Futures, Call & Put Options –<br>O, F |
| Credit            | BR_-<br>SETLM_BRIDGE   | CLOSE_PRICE_PRE-<br>MIUM |                                       |

|        |                      |            |                                   |
|--------|----------------------|------------|-----------------------------------|
| Debit  | BR_-<br>SETLM_BRIDGE | BOOK_VALUE | Futures, Call & Put Options – O,F |
| Credit | PF_-<br>SETLM_BRIDGE | BOOK_VALUE |                                   |

#### Own Portfolio

| <b>Dr/<br/>Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>        | <b>Applicable</b>                  |
|-------------------|------------------------|--------------------------|------------------------------------|
| Debit             | CONT_ASSET             | BOT_ASSET_INCR           | Put Options – O, F                 |
| Credit            | CONT_AS-<br>SET_OFF    | SOLD_CCY_EQ_INCR         |                                    |
| Debit             | CONT_AS-<br>SET_OFF    | SOLD_CCY_EQ_DECR         | Put Options – O, F                 |
| Credit            | CONT_ASSET             | BOT_ASSET_DECR           |                                    |
| Debit             | CONT_LIAB_OFF          | BOT_CCY_EQ_INCR          | Future, Call Option – F            |
| Credit            | CONT_LIAB              | SOLD_ASSET_INCR          |                                    |
| Debit             | CONT_LIAB              | SOLD_ASSET_DECR          | Future, Call Option – F            |
| Credit            | CONT_LIAB_OFF          | BOT_CCY_EQ_DECR          |                                    |
| Debit             | CONT_AS-<br>SET_OFF    | BOT_CCY_EQ               | Put Options – O, F                 |
| Credit            | CONT_ASSET             | SOLD_ASSET               |                                    |
| Debit             | CONT_LIAB              | BOT_ASSET                | Futures, Call Options – O, F       |
| Credit            | CONT_LIAB_OFF          | SOLD_CCY_EQ              |                                    |
| Debit             | CONTROL                | CLOSE_PRICE_PRE-<br>MIUM | Futures, Call & Put<br>Options – F |
| Credit            | BR_-<br>SETLM_BRIDGE   | CLOSE_PRICE_PRE-<br>MIUM |                                    |
| Debit             | BR_-<br>SETLM_BRIDGE   | BOOK_VALUE               | Futures, Call & Put<br>Options – F |
| Credit            | CONTROL                | BOOK_VALUE               |                                    |

|        |                |                      |                        |
|--------|----------------|----------------------|------------------------|
| Debit  | PREMI-UM_RECVD | AVG_PREMIUM_RECEIVED | Call & Put Options – O |
| Credit | CONTROL        | AVG_PREMIUM_RECEIVED |                        |
| Debit  | CONTROL        | CLOSURE_GAIN         | Call & Put Options – O |
| Credit | TRADING_GAIN   | CLOSURE_GAIN         |                        |
| Debit  | TRADING_LOSS   | CLOSURE_LOSS         | Call & Put Options - O |
| Credit | CONTROL        | CLOSURE_LOSS         |                        |

### **EXPL – Expiry of Long Position**

#### **Customer Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b> | <b>Applicable</b>     |
|--------------|------------------------|-------------------|-----------------------|
| Debit        | PF_-SETLM_BRIDGE       | DEAL_PREMI-UM_AMT | Call & Put Options –F |
| Credit       | BR_-SETLM_BRIDGE       | DEAL_PREMI-UM_AMT |                       |

#### **Own Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b> | <b>Applicable</b>         |
|--------------|------------------------|-------------------|---------------------------|
| Debit        | CONT_ASSET_OFF         | SOLD_CCY_EQ       | Call Options – O, F       |
| Credit       | CONT_ASSET             | BOT_ASSET         |                           |
| Debit        | CONT_LIAB              | SOLD_ASSET        | Put Options – O & F       |
| Credit       | CONT_LIAB_OFF          | BOT_CCY_EQ        |                           |
| Debit        | CONTROL                | AVG_PREMIUM_PAID  | Call & Put Options – O    |
| Credit       | PREMIUM_PAID           | AVG_PREMIUM_PAID  |                           |
| Debit        | EXPIRY_LOSS            | EXPIRY_LOSS       | Call & Put Options – O, F |
| Credit       | CONTROL                | EXPIRY_LOSS       |                           |
| Debit        | CONTROL                | DEAL_PREMI-UM_AMT | Call & Put Options - F    |

|        |                      |                  |  |
|--------|----------------------|------------------|--|
| Credit | BR_-<br>SETLM_BRIDGE | DEAL_PREMIUM_AMT |  |
|--------|----------------------|------------------|--|

### **EXPS – Expiry of Short Position**

#### **Customer Portfolio**

| Dr/Cr  | Accounting Role      | Amount Tag       | Applicable            |
|--------|----------------------|------------------|-----------------------|
| Debit  | BR_-<br>SETLM_BRIDGE | DEAL_PREMIUM_AMT | Call & Put Options –F |
| Credit | PF_-<br>SETLM_BRIDGE | DEAL_PREMIUM_AMT |                       |

#### **Own Portfolio**

| Dr/Cr  | Accounting Role      | Amount Tag           | Applicable                |
|--------|----------------------|----------------------|---------------------------|
| Debit  | CONT_ASSET_OFF       | SOLD_CCY_EQ          | Put Options – O, F        |
| Credit | CONT_ASSET           | BOT_ASSET            |                           |
| Debit  | CONT_LIAB            | SOLD_ASSET           | Call Options – O & F      |
| Credit | CONT_LIAB_OFF        | BOT_CCY_EQ           |                           |
| Debit  | PREMIUM_RECVD        | AVG_PREMIUM_RECEIVED | Call & Put Options – O    |
| Credit | CONTROL              | AVG_PREMIUM_RECEIVED |                           |
| Debit  | CONTROL              | EXPIRY_GAIN          | Call & Put Options – O, F |
| Credit | EXPIRY_GAIN          | EXPIRY_GAIN          |                           |
| Debit  | BR_-<br>SETLM_BRIDGE | DEAL_PREMIUM_AMT     | Call & Put Options - F    |
| Credit | CONTROL              | DEAL_PREMIUM_AMT     |                           |

## **EXRL – Exercise in Long Position**

### **Customer Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>     | <b>Applicable</b>       |
|--------------|------------------------|-----------------------|-------------------------|
| Debit        | BR_-<br>SETLM_BRIDGE   | SPOT_STRIKE_DIFF      | Call & Put Options –F,O |
| Credit       | PF_-<br>SETLM_BRIDGE   | SPOT_STRIKE_DIFF      |                         |
| Debit        | PF_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT | Call & Put Options –F   |
| Credit       | BR_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT |                         |

### **Own Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>     | <b>Applicable</b>         |
|--------------|------------------------|-----------------------|---------------------------|
| Debit        | CONT_ASSET_OFF         | SOLD_CCY_EQ           | Call Option – O & F       |
| Credit       | CONT_ASSET             | BOT_ASSET             |                           |
| Debit        | CONT_LIAB              | SOLD_ASSET            | Put Option – O & F        |
| Credit       | CONT_LIAB_OFF          | BOT_CCY_EQ            |                           |
| Debit        | CONTROL                | AVG_PREMIUM_PAID      | Call & Put options – O    |
| Credit       | PREMIUM_PAID           | AVG_PREMIUM_PAID      |                           |
| Debit        | BR_-<br>SETLM_BRIDGE   | SPOT_STRIKE_DIFF      | Call & Put options – O, F |
| Credit       | CONTROL                | SPOT_STRIKE_DIFF      |                           |
| Debit        | CONTROL                | EXERCISE_GAIN         | Call & Put options – O, F |
| Credit       | REALIZED_GAIN          | EXERCISE_GAIN         |                           |
| Debit        | REALIZED_LOSS          | EXERCISE_LOSS         | Call & Put options – O, F |
| Credit       | CONTROL                | EXERCISE_LOSS         |                           |
| Debit        | CONTROL                | DEAL_PREMI-<br>UM_AMT | Call & Put Options - F    |
| Credit       | BR_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT |                           |

## **EAXS – Assignment in Short Position**

### **Customer Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>     | <b>Applicable</b>       |
|--------------|------------------------|-----------------------|-------------------------|
| Debit        | PF_-<br>SETLM_BRIDGE   | SPOT_STRIKE_DIFF      | Call & Put Options –F,O |
| Credit       | BR_-<br>SETLM_BRIDGE   | SPOT_STRIKE_DIFF      |                         |
| Debit        | BR_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT | Call & Put Options –F   |
| Credit       | PF_-<br>SETLM_BRIDGE   | DEAL_PREMI-<br>UM_AMT |                         |

### **Own Portfolio**

| <b>Dr/<br/>Cr</b> | <b>Accounting Role</b>    | <b>Amount Tag</b>         | <b>Applicable</b>            |
|-------------------|---------------------------|---------------------------|------------------------------|
| Debit             | CONT_ASSET_OFF            | SOLD_CCY_EQ               | Put Option – O, F            |
| Credit            | CONT_ASSET                | BOT_ASSET                 |                              |
| Debit             | CONT_LIAB                 | SOLD_ASSET                | Call option – O, F           |
| Credit            | CONT_LIAB_OFF             | BOT_CCY_EQ                |                              |
| Debit             | PREMIUM_RECVD             | AVG_PREMIUM_RE-<br>CEIVED | Call & Put options – O       |
| Credit            | CONTROL                   | AVG_PREMIUM_RE-<br>CEIVED |                              |
| Debit             | CONTROL                   | SPOT_STRIKE_DIFF          | Call & Put options –<br>O, F |
| Credit            | BR_SETLM_BRIDGE           | SPOT_STRIKE_DIFF          |                              |
| Debit             | ASSIGN_LOSS               | EXERCISE_AS-<br>SIGN_LOSS | Call & Put options –<br>O, F |
| Credit            | EXERCISE_AS-<br>SIGN_LOSS | CONTROL                   |                              |
| Debit             | EXERCISE_AS-<br>SIGN_GAIN | CONTROL                   | Call & Put options –<br>O, F |

|        |                      |                 |                        |
|--------|----------------------|-----------------|------------------------|
| Credit | EXERCISE_ASSIGN_GAIN | ASSIGN_GAIN     |                        |
| Debit  | DEAL_PREMIUM_AMT     | BR_SETLM_BRIDGE | Call & Put options – F |
| Credit | DEAL_PREMIUM_AMT     | CONTROL         |                        |

### **EEPL – Exchange of physicals in Long**

#### **Customer Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b> | <b>Applicable</b> |
|--------------|------------------------|-------------------|-------------------|
| Debit        | BR_-SETLM_BRIDGE       | EFP_GAIN          | Futures           |
| Credit       | PF_-SETLM_BRIDGE       | EFP_GAIN          |                   |
| Debit        | PF_-SETLM_BRIDGE       | EFP_LOSS          | Futures           |
| Credit       | BR_-SETLM_BRIDGE       | EFP_LOSS          |                   |

#### **Own Portfolio**

| <b>Dr/Cr</b> | <b>Accounting Role</b> | <b>Amount Tag</b>  | <b>Applicable</b> |
|--------------|------------------------|--------------------|-------------------|
| Debit        | BR_-SETLM_BRIDGE       | EFP_GAIN           | Futures           |
| Credit       | REALIZED_GAINS         | EFP_GAIN           |                   |
| Debit        | EFP_LOSS               | EFP_LOSS           | Futures           |
| Credit       | BR_-SETLM_BRIDGE       | EFP_LOSS           |                   |
| Debit        | CONT_ASSET             | BOT_ASSET_INCR     | Futures           |
| Credit       | CONT_ASSET_OFF         | SOLD_CCY_EQ_INCR   |                   |
| Debit        | CONT_ASSET_OFF         | SOLD_CCY_EQ - DECR | Futures           |
| Credit       | CONT_ASSET             | BOT_ASSET_DECR     |                   |
| Debit        | CONT_ASSET_OFF         | SOLD_CCY_EQ        | Futures           |

|        |            |           |  |
|--------|------------|-----------|--|
| Credit | CONT_ASSET | BOT_ASSET |  |
|--------|------------|-----------|--|

### **EEPS – Exchange for physicals in Short**

#### **Customer Portfolio**

| Dr/Cr  | Accounting Role      | Amount Tag | Applicable |
|--------|----------------------|------------|------------|
| Debit  | BR_-<br>SETLM_BRIDGE | EFP_GAIN   | Futures    |
| Credit | PF_-<br>SETLM_BRIDGE | EFP_GAIN   |            |
| Debit  | PF_-<br>SETLM_BRIDGE | EFP_LOSS   | Futures    |
| Credit | BR_-<br>SETLM_BRIDGE | EFP_LOSS   |            |

#### **Own Portfolio**

| Dr/Cr  | Accounting Role      | Amount Tag           | Applicable |
|--------|----------------------|----------------------|------------|
| Debit  | BR_-<br>SETLM_BRIDGE | EFP_GAIN             | Futures    |
| Credit | REALIZED_GAINS       | EFP_GAIN             |            |
| Debit  | EFP_LOSS             | EFP_LOSS             | Futures    |
| Credit | BR_-<br>SETLM_BRIDGE | EFP_LOSS             |            |
| Debit  | CONT_LIAB_OFF        | BOT_CCY_EQ_INCR      | Futures    |
| Credit | CONT_LIAB            | SOLD_ASSET_INCR      |            |
| Debit  | CONT_LIAB            | BOT_CCY_EQ_-<br>DECR | Futures    |
| Credit | CONT_LIAB_OFF        | SOLD_ASSET_DECR      |            |
| Debit  | CONT_LIAB            | SOLD_ASSET           | Futures    |
| Credit | CONT_LIAB_OFF        | BOT_CCY_EQ           |            |

---

#### **Note**

While reversing the accounting entries will be reversed.

---

**ERVL – Revaluation of Long Position**

| Accounting Role      | Amount Tag            | Dr./Cr. Indicator | Applicable                      |
|----------------------|-----------------------|-------------------|---------------------------------|
| BR_-<br>SETLM_BRIDGE | REALIZED_GAIN         | Debit             | Futures, Call & Put Options - F |
| REALIZED_GAINS       | REALIZED_GAIN         | Credit            |                                 |
| REALIZED_LOSS        | REALIZED_LOSS         | Debit             | Futures, Call & Put Options – F |
| BR_-<br>SETLM_BRIDGE | REALIZED_LOSS         | Credit            |                                 |
| CONT_ASSET           | BOT_ASSET_INCR        | Debit             | Futures, Call Options - F       |
| CONT_AS-<br>SET_OFF  | SOLD_C-<br>CY_EQ_INCR | Credit            |                                 |
| CONT_AS-<br>SET_OFF  | SOLD_CCY_EQ_-<br>DECR | Debit             | Futures, Call Options – F       |
| CONT_ASSET           | BOT_ASSET_DECR        | Credit            |                                 |
| CONT_LIAB_OFF        | BOT_CCY_EQ_INCR       | Debit             | Futures, Put Options - F        |
| CONT_LIAB            | SOLD_ASSET_INCR       | Credit            |                                 |
| CONT_LIAB_OFF        | BOT_CCY_EQ_-<br>DECR  | Debit             | Futures, Put Options – F        |
| CONT_LIAB            | SOLD_ASSET_-<br>DECR  | Credit            |                                 |
| REVAL_ASSET          | NOTIONAL_GAIN         | Debit             | Call & Put Option – O           |
| UNREAL_INCOME        | NOTIONAL_GAIN         | Credit            |                                 |
| UNREAL_EX-<br>PENSE  | NOTIONAL_LOSS         | Debit             | Call & Put Option - O           |
| REVAL_LIAB           | NOTIONAL_LOSS         | Credit            |                                 |

**ERVS – Revaluation of Short Position**

| Accounting Role      | Amount Tag    | Dr./Cr. Indicator | Applicable                      |
|----------------------|---------------|-------------------|---------------------------------|
| BR_-<br>SETLM_BRIDGE | REALIZED_GAIN | Debit             | Futures, Call & Put Options - F |
| REALIZED_GAINS       | REALIZED_GAIN | Credit            |                                 |
| REALIZED_LOSS        | REALIZED_LOSS | Debit             | Futures, Call & Put Options – F |
| BR_-<br>SETLM_BRIDGE | REALIZED_LOSS | Credit            |                                 |

|                |                  |        |                           |
|----------------|------------------|--------|---------------------------|
| CONT_ASSET     | BOT_ASSET_INCR   | Debit  | Put Options - F           |
| CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | Credit |                           |
| CONT_ASSET_OFF | SOLD_CCY_EQ_DECR | Debit  | Put Options – F           |
| CONT_ASSET     | BOT_ASSET_DECR   | Credit |                           |
| CONT_LIAB_OFF  | BOT_CCY_EQ_INCR  | Debit  | Futures, Call Options - F |
| CONT_LIAB      | SOLD_ASSET_INCR  | Credit |                           |
| CONT_LIAB_OFF  | BOT_CCY_EQ_DECR  | Debit  | Futures, Call Options – F |
| CONT_LIAB      | SOLD_ASSET_DECR  | Credit |                           |
| REVAL_ASSET    | NOTIONAL_GAIN    | Debit  | Call & put Options - O    |
| UNREAL_INCOME  | NOTIONAL_GAIN    | Credit |                           |
| UNREAL_EXPENSE | NOTIONAL_LOSS    | Debit  | Call & put Options - O    |
| REVAL_LIAB     | NOTIONAL_LOSS    | Credit |                           |

## 10.5 **Event-wise Accounting Entries for your Customer's portfolio**

In this section we have defined suggested accounting entries for each of the events in the life-cycle of deals involving customer portfolio product.

**EOLG - Opening of Long Position**

| Accounting Role      | Amount Tag            | Dr./Cr. Indicator | Applicable                |
|----------------------|-----------------------|-------------------|---------------------------|
| PF_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Debit             | Call & Put Options -<br>O |
| BR_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Credit            | Call & Put Options -<br>O |

**EVRL – Revaluation of Long Position**

| Accounting Role      | Amount Tag         | Dr./Cr. Indicator | Applicable                         |
|----------------------|--------------------|-------------------|------------------------------------|
| BR_-<br>SETLM_BRIDGE | REAL-<br>ISED_GAIN | Debit             | Call & Put Options – F,<br>Futures |
| PF_-<br>SETLM_BRIDGE | REAL-<br>ISED_GAIN | Credit            | Call & Put Options – F,<br>Futures |
| PF_-<br>SETLM_BRIDGE | REAL-<br>ISED_LOSS | Debit             | Call & Put Options – F,<br>Futures |
| BR_-<br>SETLM_BRIDGE | REAL-<br>ISED_LOSS | Credit            | Call & Put Options – F,<br>Futures |

**ECLG – Closure of Long Position**

| Accounting Role      | Amount Tag               | Dr./Cr. Indicator | Applicable                                               |
|----------------------|--------------------------|-------------------|----------------------------------------------------------|
| BR_-<br>SETLM_BRIDGE | CLOSE_PRICE_PRE-<br>MIUM | Debit             | Call Options – O & F,<br>Put Options – O & F,<br>Futures |
| PF_-<br>SETLM_BRIDGE | CLOSE_PRICE_PRE-<br>MIUM | Credit            | Call Options – O & F,<br>Put Options – O & F,<br>Futures |
| PF_-<br>SETLM_BRIDGE | BOOK_VALUE               | Debit             | Call Options – O & F,<br>Put Options – O & F,<br>Futures |
| BR_-<br>SETLM_BRIDGE | BOOK_VALUE               | Credit            | Call Options – O & F,<br>Put Options – O & F,<br>Futures |

**EOSH – Opening of Short Position**

| Accounting Role      | Amount Tag            | Dr./Cr. Indicator | Applicable                        |
|----------------------|-----------------------|-------------------|-----------------------------------|
| BR_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Debit             | Call Option – O, Put<br>Option -O |

|                     |                       |        |                                   |
|---------------------|-----------------------|--------|-----------------------------------|
| PF_<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Credit | Call Option – O, Put<br>Option -O |
|---------------------|-----------------------|--------|-----------------------------------|

**ERVS – Revaluation of Short Position**

| Accounting Role      | Amount Tag         | Dr./Cr. Indicator | Applicable                         |
|----------------------|--------------------|-------------------|------------------------------------|
| BR_-<br>SETLM_BRIDGE | REAL-<br>ISED_GAIN | Debit             | Call & Put Options – F,<br>Futures |
| PF_-<br>SETLM_BRIDGE | REAL-<br>ISED_GAIN | Credit            | Call & Put Options – F,<br>Futures |
| PF_-<br>SETLM_BRIDGE | REAL-<br>ISED_LOSS | Debit             | Call & Put Options – F,<br>Futures |
| BR_-<br>SETLM_BRIDGE | REAL-<br>ISED_LOSS | Credit            | Call & Put Options – F,<br>Futures |

**ECSH – Closure of Short Positions**

| Accounting Role      | Amount Tag               | Dr./Cr. Indicator | Applicable                                               |
|----------------------|--------------------------|-------------------|----------------------------------------------------------|
| PF_-<br>SETLM_BRIDGE | CLOSE_PRICE_<br>PREMIUM  | Debit             | Call Options – O & F,<br>Put Options – O & F,<br>Futures |
| BR_-<br>SETLM_BRIDGE | CLOSE_PRICE_PRE-<br>MIUM | Credit            | Call Options – O & F,<br>Put Options – O & F,<br>Futures |
| BR_-<br>SETLM_BRIDGE | BOOK_VALUE               | Debit             | Call Options – O & F,<br>Put Options – O & F,<br>Futures |
| PF_-<br>SETLM_BRIDGE | BOOK_VALUE               | Credit            | Call Options – O & F,<br>Put Options – O & F,<br>Futures |

**EXPL – Expiry of Long Position**

| Accounting Role      | Amount Tag            | Dr./Cr. Indicator | Applicable                |
|----------------------|-----------------------|-------------------|---------------------------|
| PF_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Debit             | Call & Put Options -<br>F |
| BR_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Credit            | Call & Put Options -<br>F |

**EXPS – Expiry of Short Position**

| Accounting Role      | Amount Tag            | Dr./Cr. Indicator | Applicable                |
|----------------------|-----------------------|-------------------|---------------------------|
| BR_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Debit             | Call & Put Options -<br>F |

|                     |                       |        |                           |
|---------------------|-----------------------|--------|---------------------------|
| PF_<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Credit | Call & Put Options -<br>F |
|---------------------|-----------------------|--------|---------------------------|

**EXRL – Exercise in Long Position**

| Accounting Role      | Amount Tag            | Dr./Cr. Indicator | Applicable                              |
|----------------------|-----------------------|-------------------|-----------------------------------------|
| BR_-<br>SETLM_BRIDGE | SPOT_STRIKE_DIF<br>F  | Debit             | Call Option – O & F, Put option – O & F |
| PF_-<br>SETLM_BRIDGE | SPOT_STRIKE_DIF<br>F  | Credit            | Call Option – O & F, Put option – O & F |
| PF_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Debit             | Call & Put option -F                    |
| BR_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Credit            | Call & Put option -F                    |

**EAXS – Assignment in Short Position**

| Accounting Role      | Amount Tag            | Dr./Cr. Indicator | Applicable                              |
|----------------------|-----------------------|-------------------|-----------------------------------------|
| PF_-<br>SETLM_BRIDGE | SPOT_STRIKE_DIF<br>F  | Debit             | Call Option – O & F, Put option – O & F |
| BR_-<br>SETLM_BRIDGE | SPOT_STRIKE_DIF<br>F  | Credit            | Call Option – O & F, Put option – O & F |
| BR_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Debit             | Call & Put option -F                    |
| PF_-<br>SETLM_BRIDGE | DEAL_PREMI-<br>UM_AMT | Credit            | Call & Put option -F                    |

**EEPL – Exchange of physicals in Long**

| Accounting Role      | Amount Tag | Dr./Cr. Indicator | Applicable |
|----------------------|------------|-------------------|------------|
| BR_-<br>SETLM_BRIDGE | EFP_GAIN   | Debit             | Future     |
| PF_-<br>SETLM_BRIDGE | EFP_GAIN   | Credit            | Future     |
| PF_-<br>SETLM_BRIDGE | EFP_LOSS   | Debit             | Future     |
| BR_-<br>SETLM_BRIDGE | EFP_LOSS   | Credit            | Future     |

**EEPS – Exchange for physicals in Short**

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------|-------------------|------------|
|-----------------|------------|-------------------|------------|

|                      |          |        |        |
|----------------------|----------|--------|--------|
| BR_-<br>SETLM_BRIDGE | EFP_GAIN | Debit  | Future |
| PF_-<br>SETLM_BRIDGE | EFP_GAIN | Credit | Future |
| PF_-<br>SETLM_BRIDGE | EFP_LOSS | Debit  | Future |
| BR_-<br>SETLM_BRIDGE | EFP_LOSS | Credit | Future |

#### **ERVL – Revaluation of Long Position**

| <b>Accounting Role</b> | <b>Amount Tag</b>  | <b>Dr./Cr. Indicator</b> | <b>Applicable</b>                 |
|------------------------|--------------------|--------------------------|-----------------------------------|
| BR_-<br>SETLM_BRIDGE   | REAL-<br>IZED_GAIN | Debit                    | Futures, Call & Put Options<br>–F |
| PF_-<br>SETLM_BRIDGE   | REAL-<br>IZED_GAIN | Credit                   |                                   |
| PF_-<br>SETLM_BRIDGE   | REAL-<br>IZED_LOSS | Debit                    | Futures, Call & Put Options<br>–F |
| BR_-<br>SETLM_BRIDGE   | REAL-<br>IZED_LOSS | Credit                   |                                   |

#### **ERVS – Revaluation of Short Position**

| <b>Accounting Role</b> | <b>Amount Tag</b>  | <b>Dr./Cr. Indicator</b> | <b>Applicable</b>                 |
|------------------------|--------------------|--------------------------|-----------------------------------|
| BR_-<br>SETLM_BRIDGE   | REAL-<br>IZED_GAIN | Debit                    | Futures, Call & Put Options<br>–F |
| PF_-<br>SETLM_BRIDGE   | REAL-<br>IZED_GAIN | Credit                   |                                   |
| PF_-<br>SETLM_BRIDGE   | REAL-<br>IZED_LOSS | Debit                    | Futures, Call & Put Options<br>–F |
| BR_-<br>SETLM_BRIDGE   | REAL-<br>IZED_LOSS | Credit                   |                                   |

---

## 11. Annexure B - Advice tags and their descriptions

All the Advice Tags available in the ETD module have been classified under relevant sub-heads and listed along with their descriptions.

This chapter contains the following sections:

- [Section 11.1, "Branch Details"](#)
- [Section 11.2, "Message Types"](#)

### 11.1 Branch Details

This section contains the following topics:

- [Section 11.1.1, "Advice Tag Description"](#)
- [Section 11.1.2, "Customer Details"](#)
- [Section 11.1.3, "Underlying Asset Details"](#)
- [Section 11.1.4, "Charge Details"](#)
- [Section 11.1.5, "Portfolio Details"](#)
- [Section 11.1.6, "Series Details"](#)
- [Section 11.1.7, "Instrument Details"](#)
- [Section 11.1.8, "Broker Details"](#)
- [Section 11.1.9, "Long Short deal details"](#)
- [Section 11.1.10, "Liquidation deal details"](#)

### 11.1.1 Advice Tag Description

| Advice tag                             | Description                                                                                                                                                                                                                                       |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRN-NAME_                             | This is the name of the Branch where the advice was generated.                                                                                                                                                                                    |
| _BRNA-DD1_<br>_BRNA-DD2_<br>_BRNA-DD3_ | <p>This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.</p> <p>There are three lines in which the branch address for correspondence can be keyed in.</p> |

### 11.1.2 Customer Details

| Advice tag                               | Description                                                                                                                                                                                                                                  |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _CSNAME_                                 | This is the name of the receiver of the advice.                                                                                                                                                                                              |
| _ADRS1_<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | <p>This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.</p> <p>There are four lines in which the receivers address for correspondence can be keyed in.</p> |

### 11.1.3 Underlying Asset Details

| Advice tag | Description                                                                            |
|------------|----------------------------------------------------------------------------------------|
| _ASSTYP_   | This is the Asset Type under which the underlying asset is grouped.                    |
| _COMDTY_   | This is the name of the underlying asset.                                              |
| _COM-DESC_ | This is the description assigned to the underlying asset.                              |
| _ASSNAT_   | This indicates the basic nature of the asset.                                          |
| _COM-PRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COM-PRUT_ | This is the Prizing Unit at which the underlying asset has been prized.                |

### 11.1.4 Charge Details

| Advice tag | Description |
|------------|-------------|
|------------|-------------|

|                |                                                                |
|----------------|----------------------------------------------------------------|
| _CHG-<br>COMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_       | This is the currency in which charges have been collected.     |
| _CHGAMT_       | This is the charge amount.                                     |

### 11.1.5 Portfolio Details

| Advice tag                              | Description                                                                                                                                                                                                                           |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _PFOLIOID_                              | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                |
| _PFOLD-ESC_                             | This is the description assigned to the portfolio.                                                                                                                                                                                    |
| _CSNAME_                                | This is the name of the receiver of the advice.                                                                                                                                                                                       |
| _ADRS1<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |

### 11.1.6 Series Details

| Advice tag | Description                                        |
|------------|----------------------------------------------------|
| _SERIES_   | This is the Series ID of the instrument series.    |
| _SER-DESC_ | This is the description assigned to the series.    |
| _STRPRI_   | This is the strike price of the instrument series. |
| _STARTDT_  | This is the start date of the instrument series.   |
| _EXPRDT_   | This is the end date of the instrument series.     |

### 11.1.7 Instrument Details

| Advice tag   | Description                                                                            |
|--------------|----------------------------------------------------------------------------------------|
| _INSTRID_    | This is the ID or Reference Number of the instrument.                                  |
| _INSTR-DESC_ | This is the description assigned to the instrument involved in the deal.               |
| _CON-TRSTD_  | These are the standard details of the contract.                                        |
| _CONTR-VAL_  | This is the actual value of the contract.                                              |
| _ASSTYP_     | This is the Asset Type under which the underlying asset is grouped.                    |
| _COMDTY_     | This is the name of the underlying asset.                                              |
| _COM-DESC_   | This is the description assigned to the underlying asset.                              |
| _ASSNAT_     | This indicates the basic nature of the asset.                                          |
| _COMPRSZ_    | This indicates the manner in which the underlying asset has been prized in the market. |

|                 |                                                                         |
|-----------------|-------------------------------------------------------------------------|
| _COM-<br>_PRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |
|-----------------|-------------------------------------------------------------------------|

### 11.1.8 Broker Details

| Advice tag                              | Description                                                                                                                                                                                                                                  |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRKID_                                 | This is the code or ID of the Broker.                                                                                                                                                                                                        |
| _BRKNAM<br>E_                           | This is the name of the Broker.                                                                                                                                                                                                              |
| _CSNAME<br>_                            | This is the name of the receiver of the advice.                                                                                                                                                                                              |
| _ADRS1<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | <p>This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.</p> <p>There are four lines in which the receivers address for correspondence can be keyed in.</p> |

### 11.1.9 Long Short deal details

| Advice tag                          | Description                                                                                                                                                                                                                                       |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRANCH_                            | This is the branch code of the branch where the deal was initiated.                                                                                                                                                                               |
| _BRN-<br>NAME_                      | This is the name of the Branch where the advice was generated.                                                                                                                                                                                    |
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_ | <p>This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.</p> <p>There are three lines in which the branch address for correspondence can be keyed in.</p> |
| _INSTRID_                           | This is the ID or Reference Number of the instrument.                                                                                                                                                                                             |
| _INSTR-<br>DESC_                    | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                          |
| _CON-<br>TRSTD_                     | These are the standard details of the contract.                                                                                                                                                                                                   |
| _CONTR-<br>VAL_                     | This is the actual value of the contract.                                                                                                                                                                                                         |
| _ASSTYP_                            | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                               |
| _COMDTY_                            | This is the name of the underlying asset.                                                                                                                                                                                                         |
| _COM-<br>DESC_                      | This is the description assigned to the underlying asset.                                                                                                                                                                                         |
| _ASSNAT_                            | This indicates the basic nature of the asset.                                                                                                                                                                                                     |
| _COM-<br>PRSZ_                      | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                            |
| _COM-<br>PRUT_                      | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                           |

|                 |                                                                                                                                                                                                                                       |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _SERIES_        | This is the Series ID of the instrument series.                                                                                                                                                                                       |
| _SERDESC_       | This is the description assigned to the series.                                                                                                                                                                                       |
| _STRPRI_        | This is the strike price of the instrument series.                                                                                                                                                                                    |
| _STARTDT_       | This is the start date of the instrument series.                                                                                                                                                                                      |
| _EXPRDT_        | This is the end date of the instrument series.                                                                                                                                                                                        |
| _BRKID_         | This is the code or ID of the Broker.                                                                                                                                                                                                 |
| _BRKNAME_       | This is the name of the Broker.                                                                                                                                                                                                       |
| _PFOLIOID_      | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                |
| _PFOLD-<br>ESC_ | This is the description assigned to the portfolio.                                                                                                                                                                                    |
| _CSNAME_        | This is the name of the receiver of the advice.                                                                                                                                                                                       |
| _ADRS1_         | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |
| _ADRS2_         |                                                                                                                                                                                                                                       |
| _ADRS3_         |                                                                                                                                                                                                                                       |
| _ADRS4_         |                                                                                                                                                                                                                                       |
| _CHG-<br>COMP_  | This is the Charge component that has been linked to the deal.                                                                                                                                                                        |
| _CHGCCY_        | This is the currency in which charges have been collected.                                                                                                                                                                            |
| _CHGAMT_        | This is the charge amount.                                                                                                                                                                                                            |
| _DLREF_         | This is the reference number assigned to the deal.                                                                                                                                                                                    |
| _DLTYPE_        | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal.                                                                                                                                                  |
| _NOCTRS_        | This indicates the number of contracts within the basket that have to be liquidated.                                                                                                                                                  |
| _BRKACC_        | This is the account number of the broker involved in the deal.                                                                                                                                                                        |
| _OPTFUT_        | This indicates whether the contract is an Option or a Future.                                                                                                                                                                         |
| _TXNDT_         | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                                                                                                                                            |
| _MVALDT_        | This is the day on which the settlement of liquidation gains/losses is to be done.                                                                                                                                                    |
| _VALDT_         | This is the date on which the basket is to be liquidated.                                                                                                                                                                             |
| _TIME_          | This is the exact time at which the deal transaction took place in the exchange.                                                                                                                                                      |
| _ASSCYY_        | This is the Asset Currency.                                                                                                                                                                                                           |
| _PRICCY_        | This is the currency in which the instrument is prized.                                                                                                                                                                               |

|          |                                                                                                                                                                              |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _FUTPRI_ | This is the future price, which is expressed in terms of the instrument pricing unit. For index-based futures this price is expressed in terms of index points per contract. |
| _OPTPRM_ | This is the price at which the option was bought. For index based options this is the price is specified in index points per contract.                                       |

### 11.1.10 Liquidation deal details

| Advice tag                          | Description                                                                                                                                                                                                                                |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRANCH_                            | This is the branch code of the branch where the deal was initiated.                                                                                                                                                                        |
| _BRN-NAME_                          | This is the name of the Branch where the advice was generated.                                                                                                                                                                             |
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_                           | This is the ID or Reference Number of the instrument.                                                                                                                                                                                      |
| _INSTR-DESC_                        | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                   |
| _CON-TRSTD_                         | These are the standard details of the contract.                                                                                                                                                                                            |
| _CONTR-VAL_                         | This is the actual value of the contract.                                                                                                                                                                                                  |
| _ASSTYP_                            | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                        |
| _COMDTY_                            | This is the name of the underlying asset.                                                                                                                                                                                                  |
| _COM-DESC_                          | This is the description assigned to the underlying asset.                                                                                                                                                                                  |
| _ASSNAT_                            | This indicates the basic nature of the asset.                                                                                                                                                                                              |
| _COM-PRSZ_                          | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                     |
| _COM-PRUT_                          | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                    |
| _SERIES_                            | This is the Series ID of the instrument series.                                                                                                                                                                                            |
| _SERDESC_                           | This is the description assigned to the series.                                                                                                                                                                                            |
| _STRPRI_                            | This is the strike price of the instrument series.                                                                                                                                                                                         |
| _STARTDT_                           | This is the start date of the instrument series.                                                                                                                                                                                           |
| _EXPRDT_                            | This is the end date of the instrument series.                                                                                                                                                                                             |
| _BRKID_                             | This is the code or ID of the Broker.                                                                                                                                                                                                      |
| _BRKNAME_                           | This is the name of the Broker.                                                                                                                                                                                                            |
| _PFOLIOID_                          | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                     |
| _PFOLD-ESC_                         | This is the description assigned to the portfolio.                                                                                                                                                                                         |
| _CSNAME_                            | This is the name of the receiver of the advice.                                                                                                                                                                                            |

|                                          |                                                                                                                                                                                                                                       |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _ADRS1_<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHG-<br>COMP_                           | This is the Charge component that has been linked to the deal.                                                                                                                                                                        |
| _CHGCCY_                                 | This is the currency in which charges have been collected.                                                                                                                                                                            |
| _CHGAMT_                                 | This is the charge amount.                                                                                                                                                                                                            |
| _DLREF_                                  | This is the reference number assigned to the deal.                                                                                                                                                                                    |
| _DLTYPE_                                 | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal.                                                                                                                                                  |
| _BSKREF_                                 | This is the reference number of the basket to which the deal belongs.                                                                                                                                                                 |
| _OPTFUT_                                 | This indicates whether the contract is an Option or a Future.                                                                                                                                                                         |
| _COSPT-<br>PRI_                          | This is the spot price of the underlying asset involved in the instrument.                                                                                                                                                            |
| _SVALDT_                                 | This is the date on which the liquidation gains/losses will be settled.                                                                                                                                                               |
| _MVALDT_                                 | This is the day on which the settlement of liquidation gains/losses is to be done.                                                                                                                                                    |
| _VALDT_                                  | This is the date on which the basket is to be liquidated.                                                                                                                                                                             |
| _TXNDT_                                  | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                                                                                                                                            |
| _TIME_                                   | This is the exact time at which the deal transaction took place in the exchange.                                                                                                                                                      |
| _NOCTRS_                                 | This indicates the number of contracts within the basket that have to be liquidated.                                                                                                                                                  |
| _BRKACC_                                 | This is the broker account involved in the transaction.                                                                                                                                                                               |
| _ASSCYY_                                 | This is the Asset Currency.                                                                                                                                                                                                           |
| _PRICCY_                                 | This is the currency in which the instrument is prized.                                                                                                                                                                               |
| _ESETAMT_                                | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument.                                                                                                                             |

## 11.2 Message Types

This section contains the following topics:

- [Section 11.2.1, "Transactions Holdings Statements for a Portfolio"](#)
- [Section 11.2.2, "Long Short Deal Confirmation advice"](#)
- [Section 11.2.3, "Assignment Notice"](#)
- [Section 11.2.4, "Exercise Confirm Notice"](#)

- [Section 11.2.5, "EFP Confirm Notice"](#)
- [Section 11.2.6, "Expiry Confirm Notice"](#)

### 11.2.1 Transactions Holdings Statements for a Portfolio

| Advice tag                          | Description                                                                                                                                                                                                                                |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _FROMDT_                            | This is the date from which the transaction holdings statement for the portfolio is being provided.                                                                                                                                        |
| _TODT_                              | This is the to date from which the transaction holdings statement for the portfolio is being provided.                                                                                                                                     |
| _OPENBAL_                           | This indicates the opening balance in the portfolio.                                                                                                                                                                                       |
| _CLOSBAL_                           | This indicates the closing balance in the portfolio.                                                                                                                                                                                       |
| _BRANCH_                            | This is the branch code of the branch where the deal was initiated.                                                                                                                                                                        |
| _BRN-NAME_                          | This is the name of the Branch where the advice was generated.                                                                                                                                                                             |
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_                           | This is the ID or Reference Number of the instrument.                                                                                                                                                                                      |
| _INSTR-DESC_                        | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                   |
| _CON-TRSTD_                         | These are the standard details of the contract.                                                                                                                                                                                            |
| _CONTR-VAL_                         | This is the actual value of the contract.                                                                                                                                                                                                  |
| _ASSTYP_                            | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                        |
| _COMDTY_                            | This is the name of the underlying asset.                                                                                                                                                                                                  |
| _COM-DESC_                          | This is the description assigned to the underlying asset.                                                                                                                                                                                  |
| _ASSNAT_                            | This indicates the basic nature of the underlying asset..                                                                                                                                                                                  |
| _COM-PRSZ_                          | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                     |
| _COM-PRUT_                          | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                    |
| _SERIES_                            | This is the Series ID of the instrument series.                                                                                                                                                                                            |
| _SERDESC_                           | This is the description assigned to the series.                                                                                                                                                                                            |
| _STRPRI_                            | This is the strike price of the instrument series.                                                                                                                                                                                         |
| _STARTDT_                           | This is the start date of the instrument series.                                                                                                                                                                                           |
| _EXPRDT_                            | This is the end date of the instrument series.                                                                                                                                                                                             |

|                                         |                                                                                                                                                                                                                                       |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRKID_                                 | This is the code or ID of the Broker.                                                                                                                                                                                                 |
| _BRKNAME_                               | This is the name of the Broker.                                                                                                                                                                                                       |
| _PFOLIOID_                              | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                |
| _PFOLD-<br>ESC_                         | This is the description assigned to the portfolio.                                                                                                                                                                                    |
| _CSNAME_                                | This is the name of the receiver of the advice.                                                                                                                                                                                       |
| _ADRS1<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHG-<br>COMP_                          | This is the Charge component that has been linked to the deal.                                                                                                                                                                        |
| _CHGCCY_                                | This is the currency in which charges have been collected.                                                                                                                                                                            |
| _CHGAMT_                                | This is the charge amount.                                                                                                                                                                                                            |
| _DLREF_                                 | This is the reference number assigned to the deal.                                                                                                                                                                                    |
| _DLTYPE_                                | This indicates the deal Type, whether it is a liquidation deal or a Long/ Short deal.                                                                                                                                                 |
| _NOCTRS_                                | This indicates the number of contracts within the basket that have to be liquidated.                                                                                                                                                  |
| _BRKACC_                                | This is the account number of the broker involved in the deal.                                                                                                                                                                        |
| _OPTFUT_                                | This indicates whether the contract is an Option or a Future.                                                                                                                                                                         |
| _TXNDT_                                 | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                                                                                                                                            |
| _MVALDT_                                | This is the day on which the settlement of liquidation gains/losses is to be done.                                                                                                                                                    |
| _VALDT_                                 | This is the date on which the basket is to be liquidated.                                                                                                                                                                             |
| _TIME_                                  | This is the exact time at which the deal transaction took place in the exchange.                                                                                                                                                      |
| _ASSCYY_                                | This is the Asset Currency.                                                                                                                                                                                                           |
| _PRICCY_                                | This is the currency in which the instrument is prized.                                                                                                                                                                               |
| _FUTPRI_                                | This is the future price, which is expressed in terms of the instrument pricing unit. For index-based futures this price is expressed in terms of index points per contract.                                                          |
| _OPTPRM_                                | This is the price at which the option was bought. For index based options this is the price is specified in index points per contract.                                                                                                |
| _BSKREF_                                | This is the reference number of the basket to which the deal belongs.                                                                                                                                                                 |

|                 |                                                                                                           |
|-----------------|-----------------------------------------------------------------------------------------------------------|
| _COSPT-<br>PRI_ | This is the spot price of the underlying asset involved in the instrument.                                |
| _SVALDT_        | This is the date on which the liquidation gains/losses will be settled.                                   |
| _ESETAMT_       | This is the Underlying spot price multiplied by the underlying asset-pricing multiple for the instrument. |

### 11.2.2 Long Short Deal Confirmation advice

| Advice tag                          | Description                                                                                                                                                                                                                                |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRANCH_                            | This is the branch code of the branch where the deal was initiated.                                                                                                                                                                        |
| _BRN-NAME_                          | This is the name of the Branch where the advice was generated.                                                                                                                                                                             |
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_                           | This is the ID or Reference Number of the instrument.                                                                                                                                                                                      |
| _INSTR-DESC_                        | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                   |
| _CON-TRSTD_                         | These are the standard details of the contract.                                                                                                                                                                                            |
| _CONTR-VAL_                         | This is the actual value of the contract.                                                                                                                                                                                                  |
| _ASSTYP_                            | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                        |
| _COMDTY_                            | This is the name of the underlying asset.                                                                                                                                                                                                  |
| _COM-DESC_                          | This is the description assigned to the underlying asset.                                                                                                                                                                                  |
| _ASSNAT_                            | This indicates the basic nature of the underlying asset.                                                                                                                                                                                   |
| _COM-PRSZ_                          | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                     |
| _COM-PRUT_                          | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                    |
| _SERIES_                            | This is the Series ID of the instrument series.                                                                                                                                                                                            |
| _SERDESC_                           | This is the description assigned to the series.                                                                                                                                                                                            |
| _STRPRI_                            | This is the strike price of the instrument series.                                                                                                                                                                                         |
| _STARTDT_                           | This is the start date of the instrument series.                                                                                                                                                                                           |
| _EXPRDT_                            | This is the end date of the instrument series.                                                                                                                                                                                             |
| _BRKID_                             | This is the code or ID of the Broker.                                                                                                                                                                                                      |
| _BRKNAME_                           | This is the name of the Broker.                                                                                                                                                                                                            |
| _PFOLIOID_                          | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                     |
| _PFOLD-ESC_                         | This is the description assigned to the portfolio.                                                                                                                                                                                         |

|                                          |                                                                                                                                                                                                                                       |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _CSNAME_                                 | This is the name of the receiver of the advice.                                                                                                                                                                                       |
| _ADRS1_<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHG-<br>COMP_                           | This is the Charge component that has been linked to the deal.                                                                                                                                                                        |
| _CHGCCY_                                 | This is the currency in which charges have been collected.                                                                                                                                                                            |
| _CHGAMT_                                 | This is the charge amount.                                                                                                                                                                                                            |
| _DLREF_                                  | This is the reference number assigned to the deal.                                                                                                                                                                                    |
| _DLTYPE_                                 | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal.                                                                                                                                                  |
| _NOCTRS_                                 | This indicates the number of contracts within the basket that have to be liquidated.                                                                                                                                                  |
| _BRKACC_                                 | This is the account number of the broker involved in the deal.                                                                                                                                                                        |
| _OPTFUT_                                 | This indicates whether the contract is an Option or a Future.                                                                                                                                                                         |
| _TXNDT_                                  | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                                                                                                                                            |
| _MVALDT_                                 | This is the day on which the settlement of liquidation gains/losses is to be done.                                                                                                                                                    |
| _VALDT_                                  | This is the date on which the basket is to be liquidated.                                                                                                                                                                             |
| _TIME_                                   | This is the exact time at which the deal transaction took place in the exchange.                                                                                                                                                      |
| _ASSCYY_                                 | This is the Asset Currency.                                                                                                                                                                                                           |
| _PRICCY_                                 | This is the currency in which the instrument is prized.                                                                                                                                                                               |
| _FUTPRI_                                 | This is the future price which is expressed in terms of the instrument pricing unit. For index-based futures this price is expressed in terms of index points per contract.                                                           |
| _OPTPRM_                                 | This is the price at which the option was bought. For index based options this is the price is specified in index points per contract.                                                                                                |

### 11.2.3 Assignment Notice

| Advice tag                          | Description                                                                                                                                                                                                                                |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRANCH_                            | This is the branch code of the branch where the deal was initiated.                                                                                                                                                                        |
| _BRN-<br>NAME_                      | This is the name of the Branch where the advice was generated.                                                                                                                                                                             |
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_                           | This is the ID or Reference Number of the instrument.                                                                                                                                                                                      |
| _INSTR-<br>DESC_                    | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                   |
| _CON-<br>TRSTD_                     | These are the standard details of the contract.                                                                                                                                                                                            |
| _CONTR-<br>VAL_                     | This is the actual value of the contract.                                                                                                                                                                                                  |
| _ASSTYP_                            | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                        |
| _COMDTY_                            | This is the name of the underlying asset.                                                                                                                                                                                                  |
| _COM-<br>DESC_                      | This is the description assigned to the underlying asset.                                                                                                                                                                                  |
| _ASSNAT_                            | This indicates the basic nature of the underlying asset.                                                                                                                                                                                   |
| _COM-<br>PRSZ_                      | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                     |
| _COM-<br>PRUT_                      | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                    |
| _SERIES_                            | This is the Series ID of the instrument series.                                                                                                                                                                                            |
| _SERDESC_                           | This is the description assigned to the series.                                                                                                                                                                                            |
| _STRPRI_                            | This is the strike price of the instrument series.                                                                                                                                                                                         |
| _STARTDT_                           | This is the start date of the instrument series.                                                                                                                                                                                           |
| _EXPRDT_                            | This is the end date of the instrument series.                                                                                                                                                                                             |
| _BRKID_                             | This is the code or ID of the Broker.                                                                                                                                                                                                      |
| _BRKNAME<br>_                       | This is the name of the Broker.                                                                                                                                                                                                            |
| _PFOLIOID_                          | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                     |
| _PFOLD-<br>ESC_                     | This is the description assigned to the portfolio.                                                                                                                                                                                         |

|                                          |                                                                                                                                                                                                                                       |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _CSNAME_                                 | This is the name of the receiver of the advice.                                                                                                                                                                                       |
| _ADRS1_<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHG-COMP_                               | This is the Charge component that has been linked to the deal.                                                                                                                                                                        |
| _CHGCCY_                                 | This is the currency in which charges have been collected.                                                                                                                                                                            |
| _CHGAMT_                                 | This is the charge amount.                                                                                                                                                                                                            |
| _DLREF_                                  | This is the reference number assigned to the deal.                                                                                                                                                                                    |
| _DLTYPE_                                 | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal.                                                                                                                                                  |
| _BSKREF_                                 | This is the reference number of the basket to which the deal belongs.                                                                                                                                                                 |
| _OPTFUT_                                 | This indicates whether the contract is an Option or a Future.                                                                                                                                                                         |
| _COSPT-PRI_                              | This is the spot price of the underlying asset involved in the instrument.                                                                                                                                                            |
| _SVALDT_                                 | This is the date on which the liquidation gains/losses will be settled.                                                                                                                                                               |
| _MVALDT_                                 | This is the day on which the settlement of liquidation gains/losses is to be done.                                                                                                                                                    |
| _VALDT_                                  | This is the date on which the basket is to be liquidated.                                                                                                                                                                             |
| _TXNDT_                                  | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                                                                                                                                            |
| _TIME_                                   | This is the exact time at which the deal transaction took place in the exchange.                                                                                                                                                      |
| _NOCTRS_                                 | This indicates the number of contracts within the basket that have to be liquidated.                                                                                                                                                  |
| _BRKACC_                                 | This is the broker account involved in the transaction.                                                                                                                                                                               |
| _ASSCYY_                                 | This is the Asset Currency.                                                                                                                                                                                                           |
| _PRICCY_                                 | This is the currency in which the instrument is prized.                                                                                                                                                                               |
| _ESETAMT_                                | This is the Underlying spot price multiplied by the underlying asset pricing multiple for the instrument.                                                                                                                             |

## 11.2.4 Exercise Confirm Notice

| Advice tag                          | Description                                                                                                                                                                                                                                |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRANCH_                            | This is the branch code of the branch where the deal was initiated.                                                                                                                                                                        |
| _BRN-NAME_                          | This is the name of the Branch where the advice was generated.                                                                                                                                                                             |
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_                           | This is the ID or Reference Number of the instrument.                                                                                                                                                                                      |
| _INSTR-DESC_                        | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                   |
| _CON-TRSTD_                         | These are the standard details of the contract.                                                                                                                                                                                            |
| _CONTR-VAL_                         | This is the actual value of the contract.                                                                                                                                                                                                  |
| _ASSTYP_                            | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                        |
| _COMDTY_                            | This is the name of the underlying asset.                                                                                                                                                                                                  |
| _COM-DESC_                          | This is the description assigned to the underlying asset.                                                                                                                                                                                  |
| _ASSNAT_                            | This indicates the basic nature of the underlying asset.                                                                                                                                                                                   |
| _COM-PRSZ_                          | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                     |
| _COM-PRUT_                          | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                    |
| _SERIES_                            | This is the Series ID of the instrument series.                                                                                                                                                                                            |
| _SERDESC_                           | This is the description assigned to the series.                                                                                                                                                                                            |
| _STRPRI_                            | This is the strike price of the instrument series.                                                                                                                                                                                         |
| _STARTDT_                           | This is the start date of the instrument series.                                                                                                                                                                                           |
| _EXPRDT_                            | This is the end date of the instrument series.                                                                                                                                                                                             |
| _BRKID_                             | This is the code or ID of the Broker.                                                                                                                                                                                                      |
| _BRKNAME_                           | This is the name of the Broker.                                                                                                                                                                                                            |
| _PFOLIOID_                          | This is the reference number which uniquely identifies the Portfolio.                                                                                                                                                                      |
| _PFOLD-ESC_                         | This is the description assigned to the portfolio.                                                                                                                                                                                         |

|                                          |                                                                                                                                                                                                                                       |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _CSNAME_                                 | This is the name of the receiver of the advice.                                                                                                                                                                                       |
| _ADRS1_<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHG-COMP_                               | This is the Charge component that has been linked to the deal.                                                                                                                                                                        |
| _CHGCCY_                                 | This is the currency in which charges have been collected.                                                                                                                                                                            |
| _CHGAMT_                                 | This is the charge amount.                                                                                                                                                                                                            |
| _DLREF_                                  | This is the reference number assigned to the deal.                                                                                                                                                                                    |
| _DLTYPE_                                 | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal.                                                                                                                                                  |
| _BSKREF_                                 | This is the reference number of the basket to which the deal belongs.                                                                                                                                                                 |
| _OPTFUT_                                 | This indicates whether the contract is an Option or a Future.                                                                                                                                                                         |
| _COSPT-PRI_                              | This is the spot price of the underlying asset involved in the instrument.                                                                                                                                                            |
| _SVALDT_                                 | This is the date on which the liquidation gains/losses will be settled.                                                                                                                                                               |
| _MVALDT_                                 | This is the day on which the settlement of liquidation gains/losses is to be done.                                                                                                                                                    |
| _VALDT_                                  | This is the date on which the basket is to be liquidated.                                                                                                                                                                             |
| _TXNDT_                                  | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                                                                                                                                            |
| _TIME_                                   | This is the exact time at which the deal transaction took place in the exchange.                                                                                                                                                      |
| _NOCTRS_                                 | This indicates the number of contracts within the basket that have to be liquidated.                                                                                                                                                  |
| _BRKACC_                                 | This is the broker account involved in the transaction.                                                                                                                                                                               |
| _ASSCYY_                                 | This is the Asset Currency.                                                                                                                                                                                                           |
| _PRICCY_                                 | This is the currency in which the instrument is prized.                                                                                                                                                                               |
| _ESETAMT_                                | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument.                                                                                                                             |

### 11.2.5 EFP Confirm Notice

| Advice tag                          | Description                                                                                                                                                                                                                                |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRANCH_                            | This is the branch code of the branch where the deal was initiated.                                                                                                                                                                        |
| _BRNNAME_                           | This is the name of the Branch where the advice was generated.                                                                                                                                                                             |
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.<br><br>There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_                           | This is the ID or Reference Number of the instrument.                                                                                                                                                                                      |
| _INSTR-<br>DESC_                    | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                   |
| _CON-<br>TRSTD_                     | These are the standard details of the contract.                                                                                                                                                                                            |
| _CONTR-<br>VAL_                     | This is the actual value of the contract.                                                                                                                                                                                                  |
| _ASSTYP_                            | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                        |
| _COMDTY_                            | This is the name of the underlying asset.                                                                                                                                                                                                  |
| _COM-<br>DESC_                      | This is the description assigned to the underlying asset.                                                                                                                                                                                  |
| _ASSNAT_                            | This indicates the basic nature of the underlying asset.                                                                                                                                                                                   |
| _COMPRSZ_                           | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                     |
| _COM-<br>PRUT_                      | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                    |
| _SERIES_                            | This is the Series ID of the instrument series.                                                                                                                                                                                            |
| _SERDESC_                           | This is the description assigned to the series.                                                                                                                                                                                            |
| _STRPRI_                            | This is the strike price of the instrument series.                                                                                                                                                                                         |
| _STARTDT_                           | This is the start date of the instrument series.                                                                                                                                                                                           |
| _EXPRDT_                            | This is the end date of the instrument series.                                                                                                                                                                                             |
| _BRKID_                             | This is the code or ID of the Broker.                                                                                                                                                                                                      |
| _BRKNAME_                           | This is the name of the Broker.                                                                                                                                                                                                            |
| _PFOLIOID_                          | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                     |
| _PFOLD-<br>ESC_                     | This is the description assigned to the portfolio.                                                                                                                                                                                         |
| _CSNAME_                            | This is the name of the receiver of the advice.                                                                                                                                                                                            |

|                                         |                                                                                                                                                                                                                                          |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _ADRS1<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | This is the address for correspondence of the receiver of the advice.<br>Each line of the address can contain a maximum of 35 characters.<br><br>There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHG-<br>COMP_                          | This is the Charge component that has been linked to the deal.                                                                                                                                                                           |
| _CHGCCY_                                | This is the currency in which charges have been collected.                                                                                                                                                                               |
| _CHGAMT_                                | This is the charge amount.                                                                                                                                                                                                               |
| _DLREF_                                 | This is the reference number assigned to the deal.                                                                                                                                                                                       |
| _DLTYPE_                                | This indicates the deal Type, whether it is a liquidation deal or a Long/ Short deal.                                                                                                                                                    |
| _BSKREF_                                | This is the reference number of the basket to which the deal belongs.                                                                                                                                                                    |
| _OPTFUT_                                | This indicates whether the contract is an Option or a Future.                                                                                                                                                                            |
| _COSPT-<br>PRI_                         | This is the spot price of the underlying asset involved in the instrument.                                                                                                                                                               |
| _SVALDT_                                | This is the date on which the liquidation gains/losses will be settled.                                                                                                                                                                  |
| _MVALDT_                                | This is the day on which the settlement of liquidation gains/losses is to be done.                                                                                                                                                       |
| _VALDT_                                 | This is the date on which the basket is to be liquidated.                                                                                                                                                                                |
| _TXNDT_                                 | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                                                                                                                                               |
| _TIME_                                  | This is the exact time at which the deal transaction took place in the exchange.                                                                                                                                                         |
| _NOCTRS_                                | This indicates the number of contracts within the basket that have to be liquidated.                                                                                                                                                     |
| _BRKACC_                                | This is the broker account involved in the transaction.                                                                                                                                                                                  |
| _ASSCYY_                                | This is the Asset Currency.                                                                                                                                                                                                              |
| _PRICCY_                                | This is the currency in which the instrument is prized.                                                                                                                                                                                  |
| _ESETAMT_                               | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument.                                                                                                                                |

#### 11.2.6 **Expiry Confirm Notice**

| Advice tag     | Description                                                         |
|----------------|---------------------------------------------------------------------|
| _BRANCH_       | This is the branch code of the branch where the deal was initiated. |
| _BRN-<br>NAME_ | This is the name of the Branch where the advice was generated.      |

|                                          |                                                                                                                                                                                                                                                   |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _BRNADD1_<br>_BRNADD2_<br>_BRNADD3_      | <p>This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters.</p> <p>There are three lines in which the branch address for correspondence can be keyed in.</p> |
| _INSTRID_                                | This is the ID or Reference Number of the instrument.                                                                                                                                                                                             |
| _INSTR-DESC_                             | This is the description assigned to the instrument involved in the deal.                                                                                                                                                                          |
| _CON-TRSTD_                              | These are the standard details of the contract.                                                                                                                                                                                                   |
| _CONTR-VAL_                              | This is the actual value of the contract.                                                                                                                                                                                                         |
| _ASSTYP_                                 | This is the Asset Type under which the underlying asset is grouped.                                                                                                                                                                               |
| _COMDTY_                                 | This is the name of the underlying asset.                                                                                                                                                                                                         |
| _COM-DESC_                               | This is the description assigned to the underlying asset.                                                                                                                                                                                         |
| _ASSNAT_                                 | This indicates the basic nature of the underlying asset.                                                                                                                                                                                          |
| _COM-PRSZ_                               | This indicates the manner in which the underlying asset has been prized in the market.                                                                                                                                                            |
| _COM-PRUT_                               | This is the Prizing Unit at which the underlying asset has been prized.                                                                                                                                                                           |
| _SERIES_                                 | This is the Series ID of the instrument series.                                                                                                                                                                                                   |
| _SERDESC_                                | This is the description assigned to the series.                                                                                                                                                                                                   |
| _STRPRI_                                 | This is the strike price of the instrument series.                                                                                                                                                                                                |
| _STARTDT_                                | This is the start date of the instrument series.                                                                                                                                                                                                  |
| _EXPRDT_                                 | This is the end date of the instrument series.                                                                                                                                                                                                    |
| _BRKID_                                  | This is the code or ID of the Broker.                                                                                                                                                                                                             |
| _BRKNAME_                                | This is the name of the Broker.                                                                                                                                                                                                                   |
| _PFOLIOID_                               | This is the reference number, which uniquely identifies the Portfolio.                                                                                                                                                                            |
| _PFOLD-ESC_                              | This is the description assigned to the portfolio.                                                                                                                                                                                                |
| _CSNAME_                                 | This is the name of the receiver of the advice.                                                                                                                                                                                                   |
| _ADRS1_<br>_ADRS2_<br>_ADRS3_<br>_ADRS4_ | <p>This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters.</p> <p>There are four lines in which the receivers address for correspondence can be keyed in.</p>      |

|             |                                                                                                           |
|-------------|-----------------------------------------------------------------------------------------------------------|
| _CHG-COMP_  | This is the Charge component that has been linked to the deal.                                            |
| _CHGCCY_    | This is the currency in which charges have been collected.                                                |
| _CHGAMT_    | This is the charge amount.                                                                                |
| _DLREF_     | This is the reference number assigned to the deal.                                                        |
| _DLTYPE_    | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal.                      |
| _BSKREF_    | This is the reference number of the basket to which the deal belongs.                                     |
| _OPTFUT_    | This indicates whether the contract is an Option or a Future.                                             |
| _COSPT-PRI_ | This is the spot price of the underlying asset involved in the instrument.                                |
| _SVALDT_    | This is the date on which the liquidation gains/losses will be settled.                                   |
| _MVALDT_    | This is the day on which the settlement of liquidation gains/losses is to be done.                        |
| _VALDT_     | This is the date on which the basket is to be liquidated.                                                 |
| _TXNDT_     | This is the date on which the transaction was entered in Oracle FLEX-CUBE.                                |
| _TIME_      | This is the exact time at which the deal transaction took place in the exchange.                          |
| _NOCTRS_    | This indicates the number of contracts within the basket that have to be liquidated.                      |
| _BRKACC_    | This is the broker account involved in the transaction.                                                   |
| _ASSCYY_    | This is the Asset Currency.                                                                               |
| _PRICCY_    | This is the currency in which the instrument is prized.                                                   |
| _ESETAMT_   | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument. |

---

## 12. Function ID Glossary

### A

AEDEODST .....9-2

### B

BABIDBAT .....9-9

BADEODFE .....9-7

BRDMAST .....8-6

BRDUATST .....8-8

### E

EDDBANK .....8-2

EDDCOMDF .....3-1

EDDCORAT .....8-3

EDDDLPRD .....7-2

EDDINRAT .....8-5

EDDLQONL ..... 7-18

EDDLSONL ..... 7-10

EDDMATCH ..... 7-23

EDDPCMNTT ..... 8-3

EDDPFMNT ..... 6-18

EDDPFPRD ..... 6-2

EIDMANPE ..... 9-8

ENDINMRG ..... 5-26

ENDINPRO ..... 4-1

ENDUINST ..... 5-1

### M

MGDCPROD ..... 6-11

MGDSCHEM ..... 6-15

MGDSETLM ..... 6-13