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# 1. About this Manual

## 1.1 Introduction

This manual is essentially designed to help you set up products in Oracle FLEXCUBE. It takes you through the various steps involved in creating a product.

Besides this user manual, you can find answers to specific features and procedures in the Online Help, which can be invoked by choosing 'Help Contents' from the *Help* Menu of the software. Further, you can obtain information specific to a particular field by placing the cursor on the relevant field and striking <F1> on the keyboard.

### 1.1.1 Audience

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

Role	Function
Back office clerk	Input functions for contracts
Back office managers/officers	Authorization functions
Product Managers	Product definition and authorization
End of day operators	Processing during end of day/ beginning of day
Financial Controller/Product Managers	Generation of reports

### 1.1.2 Conventions Used in this Manual

Important information is preceded with the  symbol.

### 1.1.3 Related Documents

*For further information on procedures discussed in the manual, refer to the Oracle FLEXCUBE manuals on:*

- Common Procedures
- Building Interest Components
- Building Commission Components
- Building Charge Components
- Handling Brokerage
- Building Tax Components
- The Settlements Service

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## 2. Product Definition

### 2.1 Introduction

You will encounter the word 'product' frequently in the Oracle FLEXCUBE user manuals. A 'product' is a *specific* service that you offer your customers.

#### Example 1

You may offer an 'overnight borrowing' facility to your customers. By defining a specific overnight borrowing facility as a money market product - with certain attributes - you can group together, or categorize, all overnight borrowings that share the attributes defined for the product.

#### Example 2

You may offer short-term agricultural loans. Short-term agricultural loans can be of different types such as:

- Agricultural loans for cash crops
- Agricultural loans for non-cash crops

'Short-term agricultural loans for cash crops' and 'Short-term agricultural loans for non-cash crops' are examples of specific services that you offer. Each of these services can, therefore, be considered products.

#### 2.1.1 The Advantages of Defining a Product

The attributes that you define for a product apply on all contracts that are processed under the product. By creating a product, you construct a broad framework within which you can process contracts. This helps minimize the details you have to capture when processing a contract.

For instance, consider the steps involved in issuing a short-term loan for cash crops to a customer.

When processing this loan contract, you would have to specify the following details:

- The loan amount
- The tenor of the loan
- The rate of interest
- The repayment schedules
- The tax details
- The GLs and customer accounts to which the accounting entries should be posted
- The advices that should be generated

If you issue 20 loans a day, you would need to repeat these operations twenty times.

By defining short-term loans for cash crops as a product, and defining attributes for it, you will be able to render these operations easier. For instance, for a loan product the following are some attributes you can define:

- The standard tenor of the loan
- The rate of interest
- The repayment schedules
- The tax details
- The GLs to which the accounting entries should be posted

- The advices that should be generated, and so on.

Every time you issue a short-term loan for cash crops, the system will pick up the details defined for this product.

Every loan that you issue inherits the attributes of the product that it involves. However, if required, you can change the inherited attributes for any loan at the time of processing that loan.

The advantage of defining a product is that it simplifies the task of entering into contracts. The following example further illustrates the concept of products.

**Example**

A money market deal could be of any of the following types:

- Overnight Placement
- Overnight Borrowing
- Weekly Placement
- Weekly Borrowing
- Monthly Placement
- Monthly Borrowing

You can define any number of Overnight Placement products, Weekly Placement products, Monthly Borrowings, etc., having varying rates of interest. You may choose to allow or deny rollovers, apply or waive tax, specify different accrual frequencies, and so on. Each of these types of placement/borrowing definitions, with their specific set of attributes, constitutes a product.

You could allot Product Codes for each of these products as follows:

- MWP1 – Weekly Placement 1
- MOB2 – Overnight Borrowing 2

**Attributes of MWP1:**

- Rate of interest - 16% fixed interest
- Maximum tenor - 1 week
- Minimum tenor - 1 day
- Daily repayment schedules
- Rollover allowed

**Attributes of MOB1:**

- Rate of interest - Floating rate of the day applied automatically
- Maximum tenor – 1 day
- Repayment at Maturity
- No rollover



In this example, only a few attributes have been defined. You can define many more attributes for a product.

All deals involving MWP1 are overnight placements, which inherit the attributes of MOB1.

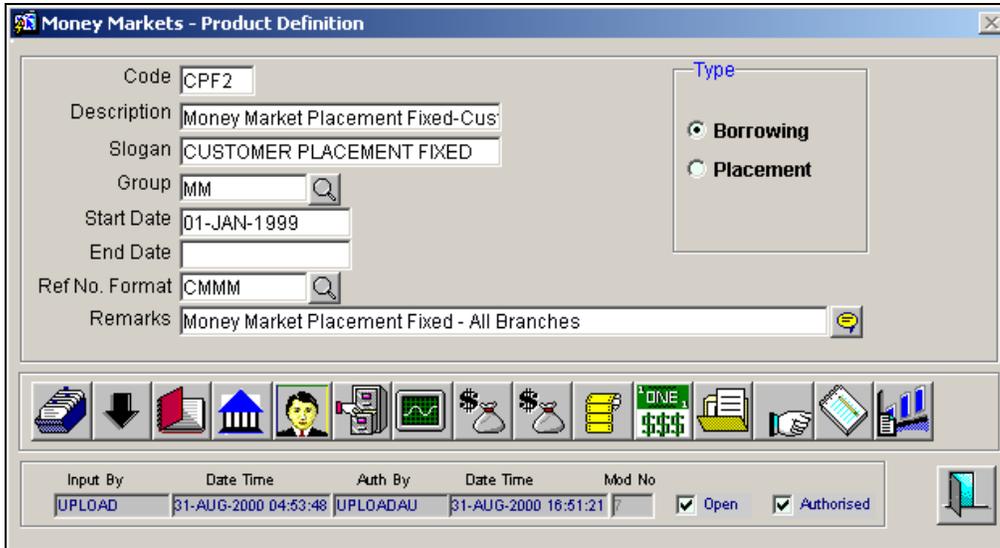
MWP1 and MOB1 are examples of products.

A product is set up at the Head Office of your bank. This means that the Product Definition facility also serves as a central control mechanism — you can ensure that a service your bank provides is offered uniformly across branches.

## 2.2 Creating a Product

In the Product Definition screen of every module, you can enter basic information about a product such as the Product Code, the Description, etc. The Product Definition screens of the various modules of Oracle FLEXCUBE are invoked from the Application Browser.

 Product Definition screen is specific to a module. To create an LC product, for instance, invoke the LC Product Definition screen from the Application Browser. Similarly, to create an FX product, invoke the FX Product Definition screen from the Application Browser.



In a Product Definition screen, you should specify the following details for the products you create:

- A code unique to the product
- A brief description of the product
- The product type
- The product group
- A slogan for the product
- The life span of the product
- Your remarks

### 2.2.1 Identifying a Product with a Code and Description

A product code identifies a product throughout Oracle FLEXCUBE. This code should be four characters in length.

When defining a new product, you should enter a code that is unique across the different modules of Oracle FLEXCUBE. For instance, if you have used MM01 for a product in the Money Market module, you cannot use it as a product code in any other module.

It may be difficult to recognize a product just by its code. In the Description field, therefore, suitably describe the product code so that it can be easily identified. This description will be displayed along with the code throughout Oracle FLEXCUBE.

## **2.2.2 Specifying the Product Type**

Product categories are referred to as 'product types.' When you create a product, you must specify the 'type' to which it belongs. For instance, you should specify the money market product type as 'Placement' if you are defining a placement product and 'Borrowing' if you are defining a borrowing product. Similarly, in the Teller module, if you are setting up a Cash product, choose the 'Cash' option in the Product Type field. If you are setting up a product to process Traveller's Checks, choose the 'Others' option in the Product Type field.

## **2.2.3 Specifying the Product Group**

Products can be categorized into groups based on the common elements that they share. You must associate a product with a group. This would facilitate retrieval of information of a *class* of products at one stroke.

Product Groups are maintained in the Product Group Definition screen, invoked from the Application Browser.

## **2.2.4 Assigning a Slogan to a Product**

You can enter a marketing punch line for every product you create. This slogan will be printed on all advices that are sent to customers who avail of the product.

For example, if you set up a borrowings product called Money Multiplier, you could enter the slogan 'Watch your money grow with Money Multiplier.'

## **2.2.5 Defining the Life Span of a Product**

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

If you do not specify the Start Date, the branch date will be displayed as the Start Date.

If you do not specify an End Date for a product, it can be used for an indefinite period.

The start and end dates of a product come in handy when you are defining a product that you would like to offer over a specific period.

## **2.2.6 Adding your Remarks**

When creating a product, you can enter information about the product intended for your bank's internal reference. This information will *not* be printed on any correspondence with the customer.

## **2.2.7 Defining the Other Attributes of a Product**

Once you have specified the basic details of a product, you can define the other attributes for it. From the Product Definition Main screen, you can move to the screen of your choice to define an attribute by clicking on the appropriate icon.

The other product attributes that you can define include:

- Interest, commissions, charges and fees that you would like to levy on contracts involving the product

- Taxes that apply on the contracts involving the product
- Type of accounts and the GL/SLs to which the accounting entries generated by contracts involving the product have to be posted
- Advices to be generated at different points in the life cycle of contracts involving the product
- List of allowed or a list of disallowed branches (of your bank) that can use a product
- List of currencies that are allowed or disallowed for a product
- Certain '*preferences*', specific to a product
- Aging analysis related details
- Management Information System (MIS) details
- Clause/Document details

The product attributes that you can define would depend on the module in which you are creating the product. For instance, the attributes that you define for a product in the Letter of Credit (LC) module would vary significantly from the product attributes that you define in the Teller module. For products you create in the LC module, you would define commission, clause, and document details, whereas, these attributes would not apply to products you create in the Teller module.



There are some fields in the product definition screens in which a value must be entered. If you try to save a product without entering details in these fields, the product will not be saved. You will be prompted to enter all mandatory details before attempting to save the product.

## **2.3 Identifying Interest Components for a Product**

In Oracle FLEXCUBE, the interest that applies on a contract (say, a loan or deposit) is referred to as the interest component of the contract. Calculating the interest component for a contract is achieved by:

- Creating interest rules.
- Building interest classes (specifically, for the Securities module).
- Associating a product with an interest rule (or an interest class in case of the Securities module). This rule applies on all contracts processed under the product.
- Amending, if required, certain interest details that a contract acquires from the product under which it is processed.

*For details relating to interest, refer the Building Interest Components User Manual.*

Click on  in the Product Definition screen to invoke the Product ICCF screen. In this screen, you can associate the product you are creating with an Interest Rule. The attributes defined for the interest rule or class that you link to a product default to all contracts processed under the product.



For products created in certain modules of Oracle FLEXCUBE, you may have to specify additional interest details. These details have to be specified in the Product Preferences screen of the module. Refer the Products chapter of the respective user manuals for details.

## 2.4 Identifying Commission Components for a Product

To process an LC contract, your bank may collect commissions calculated on different bases. In Oracle FLEXCUBE, calculating commission for LC contracts is achieved by:

- Defining commission rules.
- Associating a product with a commission rule. This rule applies on all contracts processed under the product.
- Amending, if required, certain commission details that a contract acquires from the product under which it is processed.

*For details relating to commission, refer the Building Commission Components User Manual.*

Click on  in the Product Definition screen to invoke the Product ICCF screen. In this screen, you can associate the product you are creating with a Commission Rule. The attributes defined for the rule that you link to a product default to all contracts processed under the product.

## 2.5 Identifying Charge and Fee Components for a Product

On the transactions and contracts you enter in Oracle FLEXCUBE, you may opt to levy charges or fees. You can calculate charges and fees for a contract in the following manner:

- Define a Charge/Fee Rule.
- Build a Charge Class and associate it with a rule.
- Associate a product with charge classes. These classes apply on all contracts processed under the product.
- Amend, if required, certain charge details that a contract acquires from the product under which it is processed.

You can identify the charge component for a product in the Product ICCF screen. Click  from the Product Definition screen of any module to invoke this screen.

*The steps involved in processing charges for a contract, i.e. defining charge rules, defining charge classes, associating charge classes with a product, and amending charge details to suit a contract are explained in the Building Charge Components User Manual.*

## 2.6 Identifying Tax Components for a Product

In Oracle FLEXCUBE, you can compute the tax that applies on a contract or deal by:

- Setting up a tax rule.
- Linking tax rules to create a tax scheme.
- Associating a product with a tax scheme. The rules that are part of the scheme will apply on all contracts processed under the product.
- Amending, if required, certain tax details that a contract acquires from the product under which it is processed.

You can identify the tax components for a product in the Product Tax screen. Click on  in the Product Definition screen of any module to invoke this screen.

*The steps involved in processing tax for a contract is explained in the Building Tax Components User Manual.*

## **2.7 Associating the fee component with a product**

In Oracle FLEXCUBE, you have the option to collect and accrue a certain amount as fee, upfront at the time of booking a contract. These are the steps involved in processing contracts in Oracle FLEXCUBE, for which the fee components need to be accrued:

- Defining a fee component
- Associating the fee component with products
- Entering the fee details at the contract level
- Accrual Processing of fee components

After defining a fee component, you need to link the fee component to a product in Oracle FLEXCUBE. Consequently, you can collect and accrue fees on all contracts associated with that product.



Click on  in the Product Definition screen of the relevant modules (for which the fee accrual functionality is applicable) to invoke the Accrual Fee Component Association screen to link the fee components to a product.

*For details relating to upfront fee collection, refer the Processing Upfront Fee Collection and Accruals section in the relevant modules.*

## **2.8 Setting up Accounting Details for a Product**

In Oracle FLEXCUBE, accounting—simplistically, posting accounting entries to the appropriate ledgers maintained in your Chart of Accounts—is automated. This is achieved by defining an intricate accounting structure that includes the Chart of Accounts, Transaction Codes and Amount Tags, and by identifying accounting roles, heads and amount tags for the products you create at your bank. As a result, the accounting entries that are generated at the various events in the life cycle of contracts are *automatically* posted to the ledgers specified for the product.

*In this section, we shall discuss setting up of accounting details for a product.*

Before we proceed with setting up accounting details for a product, we shall discuss a few terms that you will frequently encounter in this section.

### **Accounting Head**

In Oracle FLEXCUBE, the different General Ledgers (GLs) and Sub-Ledgers (SLs) maintained in your Chart of Accounts are referred to as accounting heads, or, simply, account heads.

### **GL Types**

The GL/SLs that you have maintained in your bank can be categorized into different GL Types: Asset, Liability, Income, Expense, Contingent Asset, Contingent Liability, Position GL, Position Equivalent GL, etc. When maintaining a GL in the Chart of Accounts, you have to identify its type.

## Amount Tag

A contract would typically consist of several components. For instance, a loan contract would consist of the principal, interest, charges, tax, etc. These amounts are referred to as the “components” of a loan contract. In Oracle FLEXCUBE, a unique tag called the Amount Tag identifies each component.

## Accounting Roles

Accounting Roles are tags that identify the *type* of accounting entry that is posted to an accounting head. For instance, in the Letters of Credit (LC) module, assume you have specified the following commissions for an LC product, to be collected when issuing LCs processed under the product: ISSCOMM1 and ISSCOMM2. The following Accounting Roles will be automatically generated in Oracle FLEXCUBE to identify all possible types of accounting entries involving these commission components:

COMMISSION 1	COMMISSION 2	Type of Accounting Entry
ISSCOMM1_INC	ISSCOMM2_INC	Income
ISSCOMM1_EXP	ISSCOMM2_EXP	Expense
ISSCOMM1_PAY	ISSCOMM2_PAY	Payable
ISSCOMM1_REC	ISSCOMM2_REC	Receivable
ISSCOMM1_RIA	ISSCOMM2_RIA	Received in Advance
ISSCOMM1_PIA	ISSCOMM2_PIA	Paid in Advance

Similarly, based on your accounting set up in a module, accounting roles are automatically generated for the other components of a contract.

You can maintain the accounting details for a product in two screens:

- The Product Accounting Roles to Head Mapping Definition screen
- The Product Events Accounting Entries and Advices Maintenance screen

### 2.8.1 Identifying the Accounting Roles and Heads for a Product

Before you define the accounting details for a product, you should define the various components of the contracts involving the product such as interest, charges, tax, etc.

In the Product Accounting Role to Head Mapping Definition screen, a list of accounting roles will automatically be generated based on the components you define for the product. You should map all the accounting roles that are available with the appropriate accounting heads.

You can invoke the ‘Role to Head Mapping Definition’ screen by clicking on  in the Product Definition screen.

**Accounting Role To Head Mapping Definition**

Product Code:  Product Description:

Class Code:  Default from Class:

Accounting Role	Description	Account Head	Description
FWDLIABGL	GL for Future Dated Borrowings	645500101	Forward Deposit
FWDLIABOFF	Offset for Future Dated Borrowings	545500101	Forward Deposit - Offset
LIABGL	Liability GL for Borrowings	200100101	Time Deposits
MMDF-INTPAY	MMDF Interest	215050201	Res. For Int. - Time Deposits
MMDF-INTEXP	MMDF Interest	305100101	Int. Pd. -Time Deposits

Adopting either of the following procedures, you can specify the accounting roles and heads for a product:

- Associating the product with an Accounting Role to Head Mapping Class. (This is possible only if you have maintained classes of Accounting Roles and Heads specifically for the module.)
- Mapping accounting roles and heads specifically for the product.

### Using a Class

Click on  in the Product Accounting Role to Head Mapping Definition screen to associate the product you are maintaining with a class of mapped roles and heads. A list of the classes that you have defined specifically for the module will be displayed. Choose a class with the requisite accounting heads and roles mapped.

*The procedure for setting up an Accounting Roles to Head Mapping classes is similar to mapping accounting roles and accounting heads specifically for a product. This is discussed below.*

### Mapping Accounting Roles to Heads specifically for a product

If you do not use a class to define accounting role and heads for a product, in this screen, you can define them specifically for the product you are creating.

In the Accounting Roles column, click on  and select an Accounting Role from the picklist. You can choose a role by double clicking on it. Next, in the Account Head column, click on  and select an accounting head from the option list that is displayed. Click on  to map the role with the corresponding head in the Accounting Head column. If you would like to delete a role to head mapping, click on the  button.

## 2.8.2 Specifying Events and Accounting Entries

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

### **Example**

Some of the stages in the lifecycle of a security are:

- Deal Booking
- Money Settlement of Securities Deal
- Settlement of Securities Deal
- Reversal of Securities Deal
- Cancellation of Securities Deal

Each stage is referred to as an Event in Oracle FLEXCUBE.

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

The 'Product Event Accounting Entries and Advices Maintenance' screen is displayed.



Event	Description
BOOK	Booking of contract
INIT	Contract Initiation
ACCR	Accrual
LIQD	Liquidation
CONF	Confirmation of contract
VAMB	Value Dated Amendment Booking
VAMI	Value Dated Amendment Initiation

You can define the accounting entries and advices for events using either of the following methods:

- Associating a product with an Events Class. This is possible only if you have maintained Events classes specifically for the module.
- By defining event details specifically for the product.

### 2.8.2.1 Defining transaction types for reversal

Click on  in this screen to capture the list of allowed transaction types for the product in case of a reversal.

**Reversal Transaction Types**

Product Code:  Product Description:

**Transaction Type Details**

Transaction Type	Description
NSF	Not Sufficient Fund

**Transaction Code Details**

Txn Code	Description	New Txn Code	Description
LD1	Loan Charges	IF1	Reversal of Loan Charges
LD2	New Loan Disbursal	IF2	Reversal of New Loan Disbursal
LD3	Interest and Charges	IF3	Reversal of Interest and Charges
LD4	Int. Accrual	IF4	Reversal of Int. Accrual
LD5	Interest Accrual.	IF5	Reversal of Interest Accrual.

After you invoke this screen, you can associate new transaction codes for each transaction type. During reversal of events, the system will replace the old transaction codes with the corresponding (new) transaction codes. In case no new transaction codes are associated for the old transaction code, the entries are passed with the old transaction code.

### 2.8.2.2 Defining amount tag dependencies

Click on  in this screen to capture the relationship between the parent amount tag and the child amount tag for the product.

**Dependent Amount Tags**

Product:  Description:

Amount Tag	Parent Amount Tag	Dependency Type
MMCHG_LIQD	PRINCIPAL_LIQD	Msg Netting
PRINCIPAL_ADDL	PRINCIPAL	Inherit

In this screen, you can associate a child amount tag to a parent amount tag. Based on the dependency type you maintain, the amount tag will inherit the attributes of the parent settlement instruction or will be used only for message netting only.

If you choose *Inherit* as the dependency type, the amount tags will be used for both message netting and inheritance of the settlement instruction of the parent amount tag. However, if *Message Netting* is chosen as the dependency type, the amount tag will be used for only netting messages.

You need to enable the 'Inherit Settlement Instruction' for the product at the product preference level to be able to use the parent - child amount tag relationship that you have maintained here.

 For MM Contracts, messages are matched and netted using the relationship maintained in the dependent tag maintenance i.e. the child tag is netted only with the parent tag. In case of multiple child amount tags mapped to a single parent amount tag, all the entries are considered as a single group and on the event of satisfying the matching criteria, all the messages are netted into a single message.

**Using a class**

Click on  in this screen to associate the product you are maintaining with an Events class. A list of the Events classes that you have defined specifically for the module will be displayed. Choose a class with the requisite events and accounting details maintained. The product acquires the accounting entries and advices defined for the Events class you choose.

*The procedure for setting up an Events class is similar to defining events and accounting details for a product. Refer the following sub-head for details.*

**Defining Events and Accounting Details specifically for a Product**

If you do not use an events class, you should define event details specifically for the product. In this case, click on  to invoke a list of events pertaining to the module. Select an event from the list by double clicking on it.

For every event you select, you should specify the accounting entries that should be passed and the advices that should be generated.

Click on  in the Events Definition screen to specify the accounting applicable to the event.

For an each event, you have to maintain accounting information, as follows.

## Specifying the Accounting Role

Specify the accounting role that should be used at the event. The picklist displays all the accounting roles specified for the product in the Accounting Role Definition screen.

## Specifying the Amount Tag

Specify the tag, which identifies the component that has to be posted to the account head.

## Identifying the GAAP Indicator for the product

While maintaining accounting information for each event you must identify the GAAP indicator which is to be associated with the accounting role and amount tag combination. A list of all the GAAP indicators maintained for your bank is displayed in the option list. You can select the appropriate.



You will be allowed to specify GAAP indicators for internal GLs only and not for entries that are posted to customer accounts.

While posting entries to internal GLs the GAAP indicators you have maintained in this screen are picked up and propagated to the corresponding books. If the GAAP indicator for the internal GL happens to be the wildcard 'AL' indicator the balance for the internal GL due to the accounting entry will be propagated to all the books 'allowed' for the branch.

Entries posted to customer accounts are tracked against the wildcard AL indicator. The propagation of customer balances to the Customer GL's is triggered while marking EOD. All books maintained for the bank are automatically marked as 'Allowed' for Customer GL's, therefore the accounting entries posted against customer accounts are propagated to all the books maintained as allowed for the Branch.



For all GAAP indicators into which accounting entries have been posted Real and contingent GL balances are checked separately across books (GAAP indicators).

## Indicating the Transaction Code

Every accounting entry in Oracle FLEXCUBE is associated with a Transaction Code that describes the nature of the entry. Specify the transaction code that should be used to post the accounting entry to the account head.

## Indicating a debit or credit

Indicate whether the accounting role you specified is for the debit or credit leg of the contract event.

## Indicating the balance check in batch/online

For the customer leg of the accounting entry (Debit), you can indicate whether the balance check is required for the batch operations/online processing. The options available are:

- Reject (R) – the transaction is rejected.
- Delinquency Tracking (D) – the transaction is processed. If you have specified delinquency tracking for the accounting entries, the tracking is done according to the parameters you have defined for the Delinquency Product.
- Force Debit (F) – the transaction is processed. However, no delinquency tracking is done even if the account goes into overdraft.

- Partial Liquidation – the transaction is processed. If you have specified partial delinquency, the system liquidates upto the available amount and the delinquency tracking is done on the remaining amount only.

### **Specifying the Delinquency Product**

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

### **Indicating if accounting entries can be netted**

Specify whether accounting entries should be netted at an event. You can net the accounting entries that are generated at an event if the set of entries satisfy the following criteria:

- The entries belong to the same Account and Branch
- The entries to be netted are in the same currency
- The entries have the same value date
- The exchange rate to be picked up for the entries is the same

If you wish a particular leg of an accounting entry to be considered for netting (subject to the above criteria), select 'Yes' from the drop down list in the Netting field against this leg.

You should define details for both the legs of an accounting entry. For each accounting entry, you should specify the details of the debit and the credit leg. Thus, the first two specifications will be for one entry, the next two for another, and so on. The Transaction Code for the entry should be specified for both legs of the entries.

This netting of accounting entries is only for processing and not for message generation.

### **Netting outgoing payment instructions**

As explained above, you can net multiple entries posted into the same account for processing. Independent of this, you can net entries posted into the same account with a view to sending out netted payment instruction messages.

If you wish a particular leg of an accounting entry to be considered for netting for messaging purpose, select 'Yes' in the drop down list in the Msg Netting field against this leg.

For sending out payment instructions, the system identifies the netted amount based on entries in the Msg Netting field, and not based on entries in the Netting field. Therefore, you can specify an accounting entry to be considered for Msg Netting and not for Netting.

The validation criteria mentioned above for the Netting field hold true for the Msg Netting field also.

### **Enabling online revaluation of GLs**

Online Revaluation refers to revaluation done on transaction amounts during transaction posting, and not as part of an end-of-day process. You can opt for online revaluation by selecting the 'Reval Reqd' option at the product event accounting entry maintenance for each accounting entry.

The Revaluation profit /loss is booked to the Online Profit GL or Online Loss GL that you have maintained in the revaluation set-up for the GL being revalued. If you have maintained no specific setup for the GL, then the profit/ loss is booked to the respective Profit or Loss GLs mentioned below:

STDREALGL: For Normal Real GLs.

STDREALAC: For Real Internal GLs of type Contract / Others and for Customer Accounts

STDCONTGL: For Normal Contingent GLs.

STDCONTAC: For Contingent Internal GLs of type Contract / Others.

The MIS details for the online revaluation leg are taken from the MIS group maintained at the revaluation setup.

Refer to the Account Revaluation Maintenance section in the Core Services User Manual for more details on revaluation set-up.

### 2.8.3 Maintaining the Receivable Account details

When maintaining products for Teller, Funds Transfer and Loans modules of Oracle FLEXCUBE, you have to specify the receivable account details for posting debit entries to customer accounts. You have to maintain the details in the Product Event Accounting Entries Maintenance screen.

Dri/Cr	Accounting Role	GAAP Indicator	Amount Tag	TXN Code	Netting	Msg Netting	Balance Check	
							In Online	In Batch
DEBIT	CUSTOMER	Q	LDCHG1_LIQD	000	YES	YES		
DEBIT	CUSTOMER	Q	LDCHG2_LIQD	000	YES	YES		
DEBIT	CUSTOMER	Q	LDCHG3_LIQD	000	NO	YES		
DEBIT	CUSTOMER	Q	LDCHG4_LIQD	000	YES	NO		
DEBIT	CUSTOMER	Q	LDCHG5_LIQD	000	NO	NO		
DEBIT	CUSTOMER	Q	LDCHG6_LIQD	000	NO	NO		
CREDIT	LDCHG1_INC	Q	LDCHG1_LIQD	000	NO	NO		
CREDIT	LDCHG2_INC	Q	LDCHG2_LIQD	000	NO	NO		
CREDIT	LDCHG3_INC	Q	LDCHG3_LIQD	000	NO	NO		
CREDIT	LDCHG4_INC	Q	LDCHG4_LIQD	000	NO	NO		

Specify the following in this screen:

#### Indicating the balance check in batch/online

For the customer leg of the accounting entry, you can indicate whether the balance check is required for the batch operations/online processing. The options available are:

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

#### Indicating the balance check in online

You can indicate for the customer leg of an accounting entry whether the balance check is required during online transaction processing. The options are:

- Reject (R) – the transaction is rejected.
- Delinquency Tracking (D) – the transaction is processed. If you have specified delinquency tracking for the accounting entries, the tracking is done according to the parameters you have defined in the Delinquency Product.
- Force Debit (F) – the transaction is processed. However, no delinquency tracking is done even if the account goes into overdraft.

### **Specifying the Delinquency Product**

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

### **Indicating message netting**

You can net different messages into a single message based on certain matching criteria.

If you wish a particular leg of an accounting entry to be considered for netting for messaging purpose, select 'Yes' in the drop down list in the Msg Netting field against this leg.

### **Track Receivable**

Select this option if you want Receivables Tracking to be done for the related product. If the option is unchecked then receivables tracking will not be done.

### **Receivable Accounting Role**

The receivable accounting role will identify the type of accounting entry that is posted to an account head (receivable account). To recall, the roles are automatically generated in Oracle FLEXCUBE for all the components defined for the product. You would have already mapped the accounting roles to the account heads in the Role to Head Mapping Definition screen.

All the accounting roles specified for the product will be available in the option-list. Select the appropriate role from this list.

### **Receivable Transaction Code**

You can associate the accounting role to a transaction code. To recall, a transaction code will help you in identifying the nature of the entry that is passed to an account.

## **2.8.3.1 Tracking the Receivable for a Customer Account**

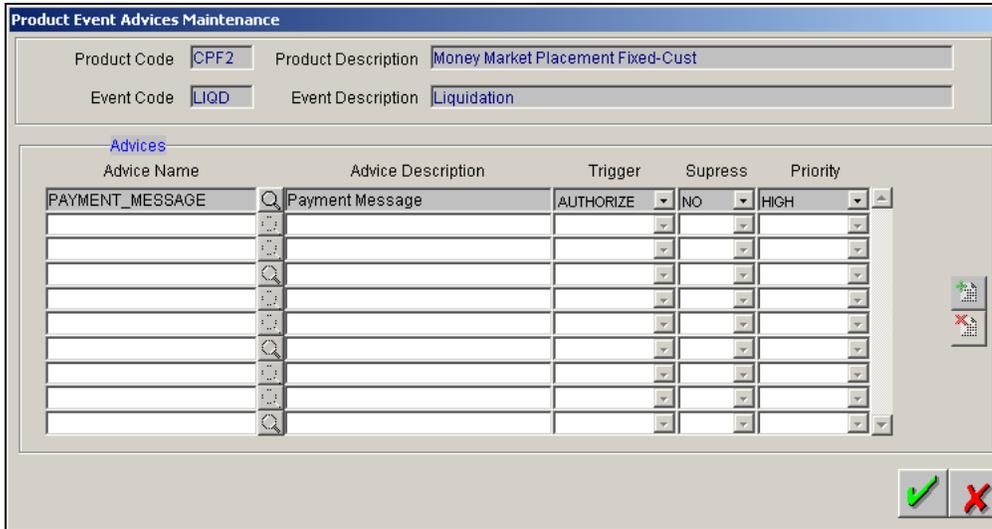
When posting a debit entry to a customer account, the system may detect insufficient funds. You have the provision to indicate to the system to track receivables whenever insufficient funds are detected in customer account.

When funds are not sufficient in the account, the system will check if the 'Receivable Tracking' option is selected for the customer account as well as for the accounting entry. The receivable tracking will be applicable only if the option is enabled at both the levels. The system will check the available balance in the account along with the credit limits offered. If the debit amount is more than the available balance (along with the credit limits), the system will post the entry to the receivable account.

During the end-of-day processing for the branch, the system will check if sufficient funds are available in the account. If enough funds are available, the entry posted to the receivable account will be liquidated and the customer account will be debited for the same.

## 2.8.4 Specifying the advices generated for an event

At an event, you can opt to generate an advice if the accounting entry involves a customer account. Click on  in the Events Definition screen to define the advices that should be generated for an event.



The screenshot shows the 'Product Event Advices Maintenance' window. At the top, there are input fields for 'Product Code' (CPF2), 'Product Description' (Money Market Placement Fixed-Cust), 'Event Code' (LIQD), and 'Event Description' (Liquidation). Below these is a section titled 'Advices' containing a table with columns: Advice Name, Advice Description, Trigger, Supress, and Priority. The first row is populated with 'PAYMENT\_MESSAGE', 'Payment Message', 'AUTHORIZE', 'NO', and 'HIGH'. There are search icons in the first column of the table. On the right side of the table, there are icons for adding, deleting, and refreshing data. At the bottom right, there are green checkmark and red X icons.

Advice Name	Advice Description	Trigger	Supress	Priority
PAYMENT_MESSAGE	Payment Message	AUTHORIZE	NO	HIGH

You can invoke a list of advices that can be generated at an event by clicking on . From the option list, choose the advices that you would like to generate.

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

You can indicate the order of importance in the Priority field.

## 2.9 Specifying Branch, Currency, and Customer Restrictions

From the head office of your bank, you may want to establish certain controls or standardize operations across the branches of your bank. For instance, you may want to restrict the products you offer to select branches and currencies, or allow specific branches to offer products only to a specific set of customers. You can achieve these controls by maintaining restriction lists when creating a product. When you create a product, you can specify the branches of your bank that can offer it, the currencies that are allowed or disallowed for it, and the customers who can avail it.

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

### 2.9.1 Maintaining a List of Branch and Currency Restrictions

To maintain a list of allowed/disallowed branches and currencies, click on  in the Product Definition screen. The Product Branch and Currency screen is displayed.

When defining a product, you can choose to specify Branch and Currency, and Customer Restrictions either by:

- Associating the product with a Branch and Currency Restrictions Class, and a Customer Restrictions Class, or
- By defining these restrictions specifically for the product in the Branch and Currency Restrictions screen.

### **2.9.1.1 Using a Branch and Currency Restrictions Class**

In Oracle FLEXCUBE, you can define a set of branch and currency restrictions as a Branch and Currency Restrictions Class. You can maintain several restriction classes of branches and currencies.

When creating a product, you can associate it with a branch and currency restrictions class that best suits your requirement.

The manner of creating a branch and currency restrictions class is similar to setting up restrictions for a product, as explained below.

If you would like to associate a branch and currency restrictions class to a product, click on  in the Branch and Currency Restrictions screen. The product acquires the restrictions defined for the class.

### **2.9.1.2 Defining Branch and Currency Restrictions specifically for a product**

If you do not use a class to indicate branch and currency restrictions, you should define these restrictions specifically for the product in the Product Branch and Currency Restrictions screen.

You can specify branch and currency restrictions in the form of allowed lists or disallowed lists.

If you create 'allowed' lists of branches and currencies, the product can only be offered in those branches and currencies that are part of the respective allowed lists. On the other hand, if you maintain 'disallowed' lists, the product cannot be offered by the branches and currencies on the respective disallowed lists.

You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option.

**Example**

You have a network of twenty branches. You would like to exclude six branches from trading in securities. You would like all other branches to deal in securities.

Since there are more branches that can offer the facility than those that cannot, you can opt to maintain a disallowed list, and include the six disallowed branches in it.

**Moving a branch or currency to the Allowed/Disallowed column**

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

- Available list
- Allowed/Disallowed list

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

In the Available columns, the branch and currency codes of all the branches and currencies maintained at your bank will be displayed. Using the arrow keys, you can move a branch or currency to the corresponding allowed/disallowed column that you have maintained.

**Indicating the 'Deal Size' for a Foreign Exchange Deal**

When you create a foreign exchange (FX) product, you can specify a 'deal size' for pairs of currencies. The term 'deal size' refers to the permitted deal amount.

A deal involving a currency pair, processed under the product you are creating, cannot exceed the transaction amount that you specify.

*Invoking the Deal Size screen*

You can specify the deal size for a currency pair while defining currency restrictions for a product. Your specification will apply to all deals processed under the product.



In the FX Product Deal Size for Currency Pairs Screen, click on  to invoke a list of currencies that you have maintained in your bank. Select a currency. This would be the first currency of the pair. Click on  again, and select the other currency in the pair.

### *Specifying the deal size*

In the Max. Txn. Size column you can enter the maximum transaction amount for the currency pair that you have defined. The deal amount cannot exceed the value given here.

The Maximum Transaction Size that you specify should be greater than the value specified in the Minimum Transaction Size field.

If you amend the maximum transaction size specified for a product, the amended value will apply only on contracts entered or rolled over after the amendment has been authorized.

For a currency pair, you can also specify the minimum transaction size in the Min. Txn. Size column. This is the minimum deal amount for deals involving the currency pair.

 If you amend the minimum transaction size specified for a product, the amended value will apply only on deals entered or rolled over after the amendment has been authorized.

### *Mapping the currency pair and the deal size*

To map the details that you specified for the currency pair, click on the  button. To delete the details that you entered for the currency pair, click on the  button.

### **Confirming your specifications**

After you maintain branch and currency restrictions for a product, click on  to confirm your specifications. Click on  to delete your specifications. Save your specifications.

## **2.9.2 Restricting Customers**

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

### **What is a customer category?**

You can group your customers according to the common features that they share. For example, you can group your customers into categories such as:

- Banks
- Corporate
- Financial Institutions (excluding banks)
- Individuals, etc.

You can maintain customer categories in the Customer Categories screen invoked from the Application Browser.

### **Maintaining Customer and Category Restrictions for a product**

You can maintain customer restrictions for a product in the Product Customer and Category Restrictions screen. To invoke this screen, click on  in the Product Definition screen.

### Using a Customers and Categories Restrictions Class

In Oracle FLEXCUBE, you can define a set of customer restrictions as a Customer Restrictions Class. You can maintain several restrictions classes of customer categories.

When creating a product, you can associate it with a customer restrictions class that best suits your requirement. The procedure for creating a customer restrictions class is similar to setting up customer restrictions for a product, as explained below.

If you would like to associate a customer restrictions class to a product, click on  in the Product Customers and Categories Restrictions screen. The product acquires the restrictions defined for the class.

#### 2.9.2.1 Defining Customer Restrictions specifically for a product

If you do not use a class to indicate customer restrictions, you should define these restrictions specifically for the product in the Product Customer Restrictions screen.

##### Specifying the List Type

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

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

##### Moving a Category to the Allowed/Disallowed Column

Under Customer Category Restrictions, the following columns are displayed:

- Available list
- Allowed/Disallowed list

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

In the Available column, all available customer category codes (with a brief description of each) will be displayed. You can move a category to the allowed/disallowed column, using the arrow keys.

### Exempting specific customers

You can exempt customers, belonging to a particular allowed/disallowed category, from the allowed or disallowed list that you are maintaining for a product.

#### **Example**

You have maintained Financial Institutions as a customer category, and you do not want Financial Institutions to avail a service that you offer.

You can maintain a disallowed list in the Customers and Categories Restrictions screen, and include Financial Institutions in the list.

However, you would like Cavillieri and Barrett Inc., a financial institution, to avail the product you are creating.

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

### 2.9.2.2 Confirming your specifications

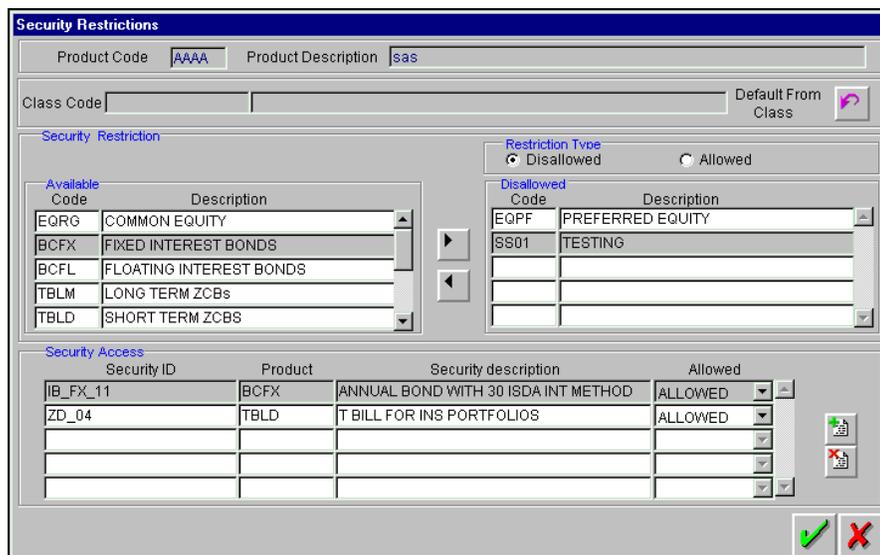
After you maintain branch and currency restrictions for a product, click on  to confirm your specifications. Click  to delete your specifications. Save your specifications.

## 2.10 Maintaining Security and Portfolio restrictions for a product

For security products, you can place restrictions to establish certain controls over the securities that your branches trade in by specifying 'restrictions'.

In Oracle FLEXCUBE, you can define security restrictions of the following types:

- Security restrictions specific to the portfolios that you maintain, and
- Security restrictions specific to the deals that you enter into.



**Security Restrictions**

Product Code:  Product Description:

Class Code:  Default From Class: 

**Security Restriction**

Restriction Type:  Disallowed  Allowed

Available		Disallowed	
Code	Description	Code	Description
EQRG	COMMON EQUITY	EQPF	PREFERRED EQUITY
BCFX	FIXED INTEREST BONDS	SS01	TESTING
BCFL	FLOATING INTEREST BONDS		
TBLM	LONG TERM ZCBS		
TBLD	SHORT TERM ZCBS		

**Security Access**

Security ID	Product	Security description	Allowed
IB_FX_11	BCFX	ANNUAL BOND WITH 30 ISDA INT METHOD	ALLOWED
ZD_04	TBLD	T BILL FOR INS PORTFOLIOS	ALLOWED

You can maintain several sets or 'classes' of each type of security restriction. Thus, you can maintain several classes of security restrictions for portfolios, and several classes for deals.

When defining a portfolio product, you can opt to associate it with a Security Restrictions Class that you have maintained specifically for the Securities (Portfolio) module. In this case, the restrictions defined for the associated security restrictions class will apply on the portfolio product.

Alternatively, you can choose to define security restrictions *specifically for the product*.

If you would like to *associate a restrictions class* to a product that you are defining, choose the  icon in the Portfolio Product Security Restriction screen. A list of the restrictions classes that you have defined specifically for Securities (Portfolios) module will be displayed. Choose a suitable Security Restrictions class.

Alternatively, you can choose to define security restrictions *specifically for the product*. In this case, you would choose not to associate restriction classes with the product. You would define security restrictions for the portfolio product just as you would build a Securities Restrictions class.

## **2.10.1 Defining restrictions specifically for the product**

If you do not associate a restriction class to the product, you can specify security restrictions. The procedure for defining restrictions is described below.

### **Specifying the restriction type**

You can specify security restrictions either in the form of an allowed or disallowed list. Indicate whether you are maintaining an allowed or a disallowed list type, by choosing the appropriate option under the field Restriction type.

When you set up security restrictions, the securities that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, securities that do not figure in it can be involved in deals linked to the product.

### **Moving a security to the Allowed/Disallowed column**

Under Security Restriction, two columns are displayed.

- Available list of securities products.
- An Allowed or Disallowed list (depending on the restriction type you are maintaining).

For example, if you have chosen to maintain an Allowed list, the column will display the list of categories that you have chosen to allow.

In the Available column, all the securities products that you have maintained are displayed. You can move a securities product to the allowed/disallowed column by using the keys provided for the same. Click  to move an item from the available to the disallowed/allowed list. Click  to move an item back to the available column.

### **Exempting specific securities from a list**

You can exempt a particular security from the restriction specified for the product with which the security is associated.

All the securities associated with securities product will be displayed in the Security ID column under Security Access. You can choose to Allow or Disallow a specific Security by choosing the appropriate option, under Restriction Type.

**Example**

You have maintained a Securities Product for Short Term Zero Coupon Bonds and have assigned it a product a code SZC1. You have entered five zero coupon bonds under this product with the following Security IDs: SEC01, SEC02, SEC03, SEC04, and SEC05.

You are maintaining a Securities Restrictions Class, SE\_CUS\_PR1. You include SZC1 in the allowed list that you maintain for the class. By default, all securities entered against this product will be allowed.

**Requirement**

You would like to disallow a specific security, SEC05.

Choose the securities product, SZC1, in the Allowed column that you have maintained. All securities maintained under SZC1 will be displayed in the Security ID column, under Security Access.

Move to the security SEC05 in the Security ID column. In the Restriction Type column corresponding to SEC05, choose the disallowed option.

**Result**

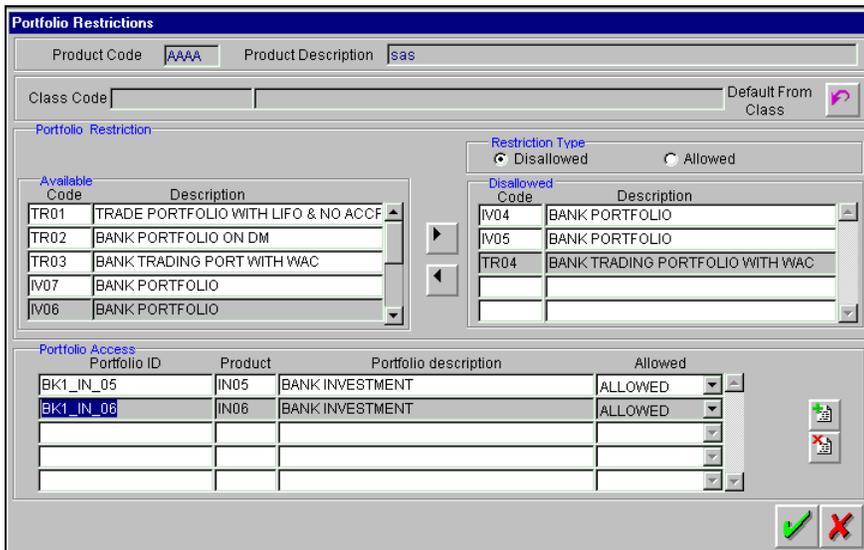
When you associate the restriction class SE\_CUS\_PR1 with a portfolio product, say CP01, you can deal in all securities involving SZC1, except the security SEC05.

**2.10.2 Restricting Portfolio**

Just as you can place restrictions on the securities that your branches can trade in, you can also establish controls over the portfolios that your branches can deal in.

You can choose to specify portfolio restrictions for the product, by either of the following methods:

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



You can maintain several sets or 'classes' of each type of portfolio restriction. Thus, you can maintain several classes of portfolio restrictions for products.

When defining a portfolio product, you can opt to associate it with a Portfolio Restrictions Class that you have maintained specifically for the Securities (Portfolio) module. In this case, the restrictions defined for the associated portfolio restrictions class will apply on the portfolio product.

Alternatively, you can choose to define security restrictions *specifically for the product*.

## **2.11 Specifying Product Preferences**

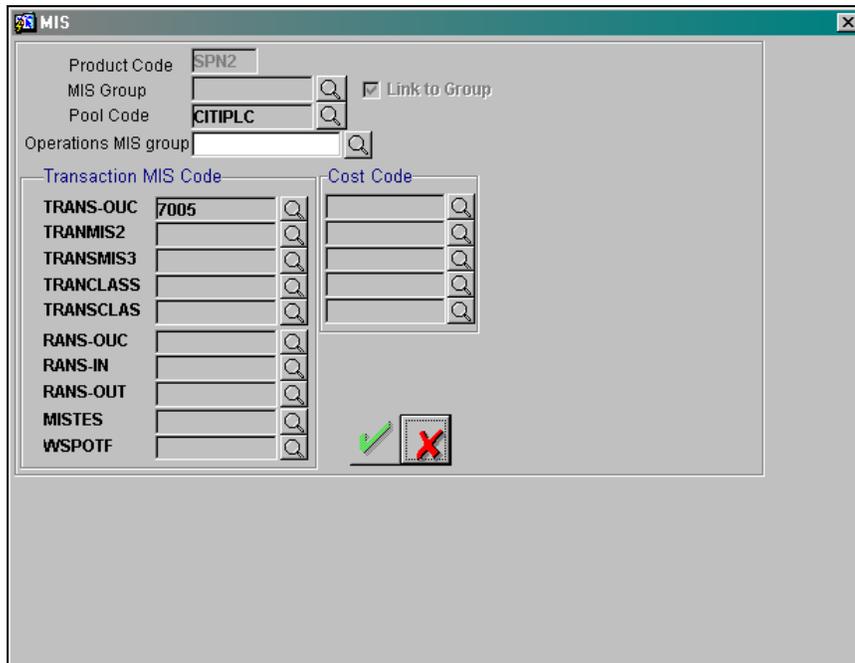
'Preferences' are options that you can choose to give shape to a product. You can specify your preferences for the products you create in the Product Preferences screens of the respective modules. Click on  in the Product Definition screen to invoke the Product Preferences screen.

 *Product Preferences are specific to a module. Please refer to the Products Chapter of the respective user manuals for details.*

## **2.12 Specifying MIS Details for a Product**

You can retrieve MIS related information for a product by linking it to a Warehouse Code. Linking a product to a warehouse code ensures that all contracts processed under the product are automatically tracked under the specified Warehouse Code.

Click on  in the Product Definition Screen to define the MIS details for the product you are creating.



In this screen, you should capture the following MIS details for a product.

You can link a product to an MIS Group. (If you do not want to link a product to an MIS Group, you can define the individual entities under which the product should be reviewed). If you link the product to an MIS Group, the entities defined for the group will be displayed; you can change these entities. For a product, only the transaction type of MIS Class applies. The specific MIS entity (in the form of an MIS Code) will be picked up, by default, only if you have defined them for the group. If not, you have to indicate the appropriate MIS code for each applicable MIS class.

If an MIS Group is linked, you can indicate whether the linkage with the group should always be maintained. If so, any change done to the MIS Group will automatically be applied to the product. If not, the entities defaulted for the product will be continued even if they are changed subsequently for the group.

The details defined for the product will be picked up for the contracts processed under it.

The Pool Code to which the product belongs should be defined.

### **Identifying the Operations MIS Group**

While performing revaluation you will be apportioning profits between the treasury and the respective Operations department in your bank. This internal apportioning of profits requires an Operations MIS Group to be specified at the product level.

Please refer to the MIS and Core Services User Manuals for more details.

## 2.13 Associating a Product with a Brokerage Rule

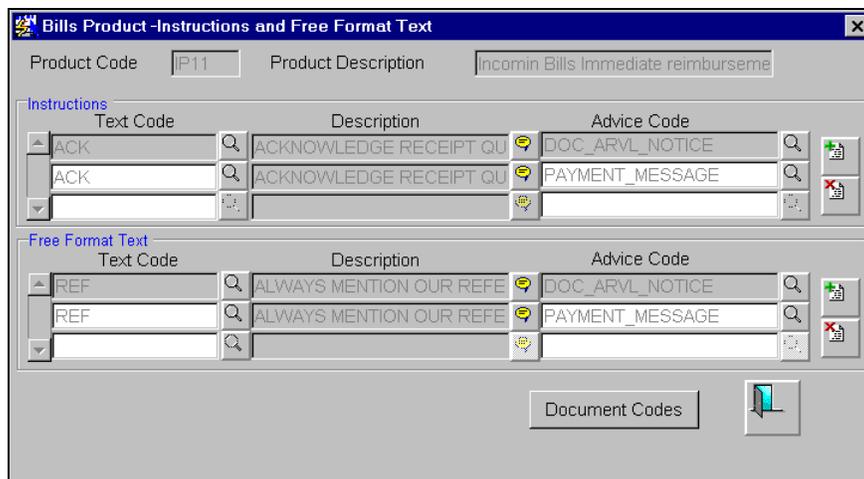
You can automate the processing of brokerage on contracts by associating brokerage rules to products. Brokerage will be calculated for all contracts processed under the product on the basis of the brokerage rule associated to the product.

Refer the Processing Brokerage User Manual for information relating to brokerage.

## 2.14 Specifying Free Format Texts and Instructions

Ideally, before you set up products, you should maintain and tag Free Format Texts (FFTs) and Instructions that are typically required for the contracts you process. For the products you set up, you can specify the tags that identify these FFTs and Instructions. When contracts involving the product are processed, the FFTs and instructions you specify will automatically be printed at various events, along with the specified advices.

To associate FFTs and instructions to a product, click on  in the Product Definition screen. The 'Product - Instructions and Free Format Text' screen will be displayed.



Instructions		
Text Code	Description	Advice Code
ACK	ACKNOWLEDGE RECEIPT QU	DOC_ARVL_NOTICE
ACK	ACKNOWLEDGE RECEIPT QU	PAYMENT_MESSAGE

Free Format Text		
Text Code	Description	Advice Code
REF	ALWAYS MENTION OUR REFE	DOC_ARVL_NOTICE
REF	ALWAYS MENTION OUR REFE	PAYMENT_MESSAGE

### 2.14.1 Specifying FFT Details

#### Specifying the FFTs applicable to a product

In this screen, you can specify the FFTs that are applicable to the product you are creating. (A list of standard FFTs is maintained in the Free Format Text Maintenance screen.) Select an FFT code from the list of FFTs. The description associated with the FFT code you have selected will be displayed.

You can associate several FFTs to a product you are creating. The FFTs, including the other details that you define for it, will apply on all contracts involving the product.

#### Specifying whether the FFT should appear in the advices sent to the customer

You can opt to specify whether the FFT or instruction is for the internal reference of the bank or whether it should appear on the advices generated for the contracts linked to the product.

You can indicate that the FFT or Instruction is for the internal reference of the bank by not specifying an advice code. If the FFT is to appear on the advices sent to the customer, specify the advice on which the FFT or Instruction should be printed. To do this, in the Advices screen, select an advice code from the list of the advices that you specified for the product.

After you have specified details for an FFT, click on  to add it to the list of FFTs for the product. Click on  to delete an FFT specified for the product.

## **2.14.2 Specifying Instruction Details**

### **Specifying the Instructions applicable to a product**

Through the Product FFT and Instructions screen, you can specify the instructions that are applicable to the product you are creating. A list of the standard instructions that can accompany a product is maintained in the Instructions Codes Maintenance screen. Select an instruction code from the list of instructions maintained.

You can associate several Instructions to the product you are creating. The instructions, including the other details that you define for it, will apply on all contracts involving the product.

### **Indicating if the Instruction should appear on the advices sent to the customer**

You can indicate whether the instruction is for the internal reference of your bank or whether it should appear on the advices generated for the contracts linked to the product.

You can indicate that an instruction is for the internal reference of your bank by not specifying an advice code. If the Instruction is to appear on the advices you send your customers, specify the advice on which the Instruction should be printed. You can select an advice code from the list of the advices in the Advices screen.

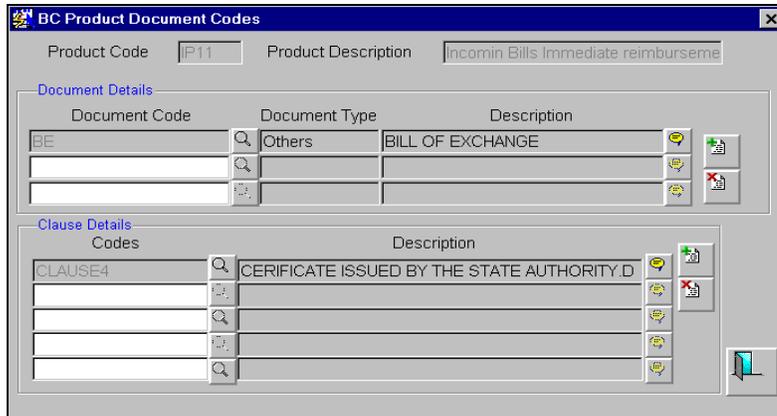
After you have specified details of the Instructions applicable to a product, click on  to add it to the list of instructions for the product. Click on  to delete an instruction associated with a product.

 While entering a contract involving this product, you can add to or delete from the defaulted list of instructions and FFTs.

## **2.14.3 Specifying Documents for a Product**

In addition to the Instructions and FFTs that you specify for a product, you can associate documents and clauses. From the Product - Instructions and Free Format Text screen, click on  to specify the documents and clauses applicable to the product you are creating. The documents that can be associated with a product are broadly classified into:

- Transport documents
- Insurance documents
- Invoices
- Other documents (includes packaging list, certificate of origin, etc.)



### Specifying the documents applicable to a product

There are certain standard documents that are required under a documentary product (as in the case of a Documentary LC product). You can specify the documents that are applicable to the contracts that are linked to the product.

A list of the standard shipping documents that can accompany the contract is maintained in the Documents Maintenance screen. Along with these documents, you will also be provided with a pre-defined list of documents.

Select a document code from the list of documents maintained at your bank. The description and the document type of the code you have selected will be displayed.

You can specify several documents for the product you are creating. All documents that you define for a product will default to the contracts involving the product.

After you have specified details of the document, click on  to add it to the list of documents, applicable to the product. Click on  to delete a document specified for the product.

### Specifying the clauses that should accompany the document

A clause is a statement that can accompany a document sent under an LC. After indicating the documents applicable to a product, you can specify the related clauses that should accompany the document.

A list of the standard clauses that can accompany a document is maintained in the Clauses Maintenance screen. From the pre-defined list of clauses, select the clauses applicable. You can attach more than one clause to a document that you have specified for a product.

By default, all the clauses, including the number of copies that you specify for the product, will be sent for all contracts involving the product.

After you have specified details of the clause, click on  to add it to the list of clauses for the document. Click on  to delete a clause specified for the product.

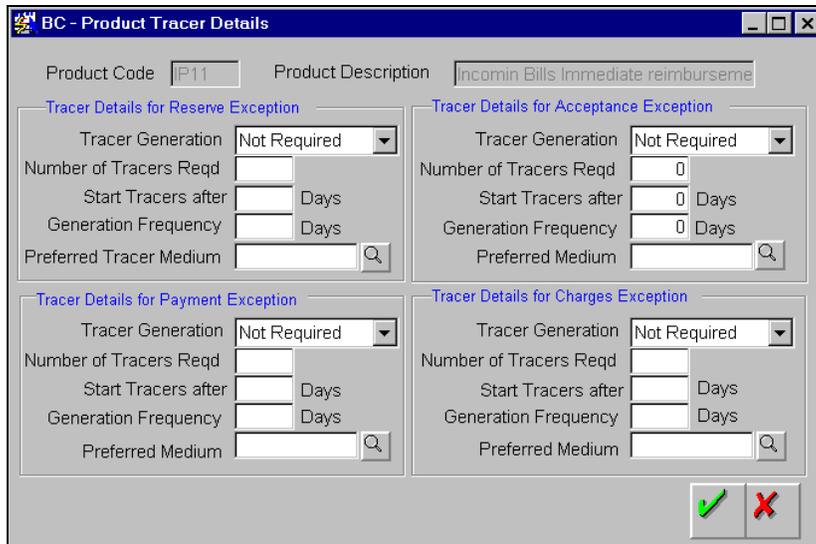


While entering a contract, you can add to or delete from the default list of documents and clauses.

## 2.15 Indicating Tracers for a Product

Tracers are reminders that can be sent to the various parties involved in a contract. In the Product Tracer Details screen, you can specify your preferences for the tracers that should be generated for the various exceptions that occur in the life cycle of contracts processed under the product.

To specify tracer details to be applicable on contracts involving a product, click on  in the Product Definition screen. The Product Tracer Details screen is displayed.



### 2.15.1 Features on the Tracers screen

Tracer details for the following exception events can be captured through the Product Tracer Details screen:

- Reserve Exception
- Acceptance Exception
- Payment Exception
- Charges Exception

For each of these exceptions, you can generate tracers to the parties concerned.

#### **Specifying if tracers are required for the product**

You can indicate whether a particular exception tracer is applicable to a product you are creating. The options available are:

1. Applicable - If you specify that a tracer is applicable for a product, you can also specify the number of tracers that should be sent for the exception.
2. Not Applicable - You can select this option to indicate that the exception tracer is not applicable to the product that you are creating.
3. Till resolved - If you indicate that the tracer should be generated until the exception is resolved, you need not specify the number of tracers that should be sent.

### **Specifying the number of tracers that should be generated**

You can specify the maximum number of copies of a tracer that should be sent for each of the exceptions occurring in a contract involving the product you are maintaining. The default value is 9999.

### **Specifying when the tracer should be sent**

Tracers can be generated only after a contract is authorized. You can specify the number of days that should elapse after contract authorization when the first tracer is to be sent.

By default, the first tracer for all authorized contracts linked to a product will be sent on the basis of your prescription for the product.

### **Specifying the frequency at which tracers should be generated**

For the contracts linked to the product you are setting up, you can specify the frequency (in days) at which tracers should be sent to the parties involved.

### **Indicating the medium through which the tracer should be generated**

For each of the exception tracers that you specify, indicate the preferred medium through which the tracer should be generated to the party concerned.

Tracers for all contracts processed under a product will be generated in the medium that you specify for the product. However, when processing a contract, you can change the medium to suit your requirements.

## **2.16 Defining Derived Tags**

You can define derived tags to split settlements while processing loan contracts involving a product. For example, during maturity of a loan, you require to settle the principle through two different accounts.

To achieve this, you need to split the already existing amount tags to derive new tags based on which the loan can be settled. Once defined, the tag can be used to define entries. You can define entries for the derived tags through the Accounting Roles and Head Mappings screen. After you have defined entries for a derived tag, you can use it for processing loans. The settlement amount, consequently, can be settled through different accounts linked to the tags.

Derived tags for a product can be defined in the Derived Tags Maintenance screen. You can invoke the screen by clicking  from the Loans Product Definition screen. The derived tags that you define for a product will be applicable to all loans associated with the product.

 It is important to note that the system will not check for the availability of funds for loans associated with products defined with derived tags.

### 2.16.1 Identifying a Derived Tag

In Oracle FLEXCUBE, every derived amount tag that you maintain is identified by a unique fifteen-character code called a Derived Tag. You can briefly describe the tag that you are maintaining. The description is for information purposes only, and will not be part of any customer correspondence.

You can define tags to handle split settlements, during take-down or increase of principal and maturity of loan contracts. The settlement entries and messages that are generated for loans associated with the product will be based on the derived amount tags that you define.

You can define several derived tags for a product and indicate rules based on which the tag should be derived.

#### **Specifying several tags for a product**

You can define several derived tags for a product. To add a derived tag for a product, click  and specify details for the tag. To remove a derived tag for a product, move to the relevant tag and click the  button.

#### **For amended products**

You can derive tags for components already defined for a product by amending the details of the product. However, for products that have loans associated with them, you should not amend the amount tags that affect the liquidation of any component of the loan.

#### **Indicating the currency of the tag**

You can specify the currency in which the accounting entries relating to the tag should be passed. If you do not indicate a currency for the derived tag, the currency in which the loan is disbursed is used for passing accounting entries and settlements.

## **2.16.2 Indicating the Basis Amount Tag**

A basis tag refers to the already existing amount tag based on which new amount tags are derived. You can select a Basis Amount tag from the list of predefined tags applicable to the product you are creating.

A tag that you create can be derived from several basis tags. In effect, you split the basis tag and derive the new tag. This will enable you to settle the basis tag through several accounts. What is important is that all the new tags should eventually cover one hundred percent of the basis tags used.

After you have split a basis tag, it will not be available for loans associated with the product.

## **2.16.3 Defining Rules for the Derivation**

For each derived tag that you define, you can indicate rules based on which the tag should be derived. In the subsequent paragraphs, we will discuss the procedure involved in defining these rules.

You can define several rules based on which a tag should be derived. To add a rule for a derived tag, click  and specify the details of the rule. To remove a rule for a derived tag, highlight it and click on the  button.

### **Indicating the operation (Option 1)**

Indicate the operation that should be carried out on the basis tag. The value arrived at for the tag could be either added to or subtracted from the value of the derived amount tag. Click  and select an option from the picklist.

### **Option 2**

Indicate the manner in which the amount tag should be derived. You can indicate this as a percentage of the basis amount tag.

### **Indicating the value of the derived tag (Value 1)**

Indicate the percentage of the basis amount, which constitutes the value of the derived tag. For example, if the Basis amount is the Principal of the loan and you indicate "30" in this field, the entries passed for the tag would be 30% of the Principal amount.

### **Indicating the exchange rate (Value 2)**

If the currency of the Derived tag is different from the basis amount currency, you can indicate the exchange rate to be used for the conversion. This could be standard, spot, etc. You can select an option from the picklist.

### **Indicating the exchange rate quote (Value 3)**

Indicate the foreign exchange rate quote that should be used for the conversion. The options available are:

- Mid
- Buy
- Sell

## 2.17 User Defined Fields for a Product

Fields defined in the User Defined Fields screen can be made applicable to the products that you create for the front-end modules of Oracle FLEXCUBE.



Click on the  icon in the Product Definition screen to invoke the 'Field Name to Value Definition' screen. From the list of all the fields that you created, you can choose specific fields and make them applicable to the product. Besides, you can also specify the values that should be defaulted for the field.

The list of fields that you select for a product will be applied to all transactions associated with the product. At the product level you need not capture the default value for each UDF that you associate with the product. When a contract is processed under that product, you will have to indicate the value of the UDF on a mandatory basis.

### **Example**

Assume that your bank wants to know whether a customer is a Resident or Non-resident before sanctioning a loan. Therefore, you have associated a UDF called Resident/Non-Resident with the Loan scheme – Short Term loans for Individuals. Your selections will be as follows

- Yes – if the customer is a Resident.
- No- if the customer is a Non-resident.

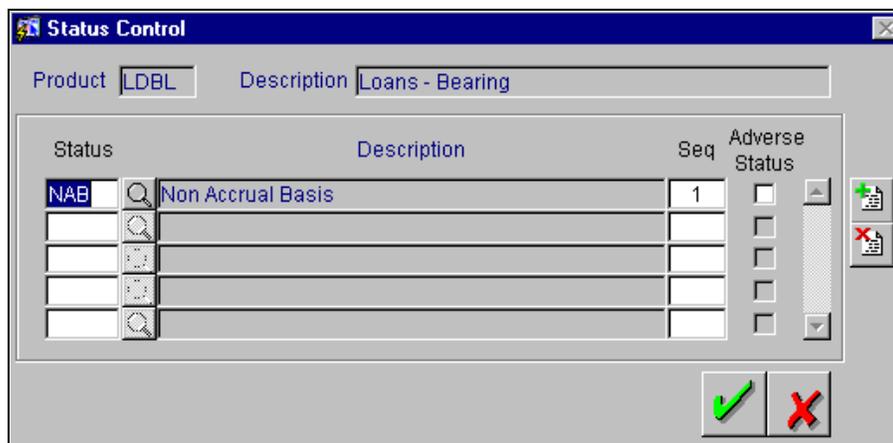
Moreover, you have specified that input to this field is mandatory. Since, you will not be able to determine this at the product level, you will be allowed to save the product without capturing the default value of this UDF. For transactions processed under this product you will be required to capture this information.

Refer to the manual **Creating User Defined Fields** for details.

## 2.18 Aging Analysis for a Product

A contract that is yet to reach its repayment date or on which repayments are being made on schedule may be considered as being in a 'Normal' status. When a payment is not made on its due date, you may want to do an aging analysis for the contract. You can do an aging analysis by changing the status of a contract on which payment is defaulted.

At any time during the life cycle of a contract, you can generate reports, which detail the status of aging contracts. This will help you follow-up on payments due.



The screenshot shows a window titled "Status Control" with a search bar containing "Product: LDBL" and "Description: Loans - Bearing". Below the search bar is a table with the following columns: Status, Description, Seq, and Adverse Status. The table contains one row with the status "NAB" and description "Non Accrual Basis", with a sequence number of 1. There are also search icons in the first column of the table. At the bottom right of the window, there are two buttons: a green checkmark and a red X.

Status	Description	Seq	Adverse Status
NAB	Non Accrual Basis	1	<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>

Apart from the Normal status that is automatically allotted to a contract on its initiation, a contract on which payment has not been made on the due date can pass through several other statuses. You can define attributes for each status through this screen.

These attributes are:

- Number of days in which a contract should stay in a particular status after its repayment date has been reached;
- Whether the GL under which it is reported should be changed when there is a status change; and, if so,
- New GL under which it should be reported.

### **2.18.1 Status Sequence**

Ideally, when setting up a product, you should identify all possible status that contracts involving the product would move into. You should also indicate the sequence of status changes for contracts.

#### **Example**

You define the following status for the product, Short Term Loans with Individuals:

- Past Due Obligation (PDO)
- Non-accrual basis (NAB)
- Write-off (WRO)

You want a loan under this product to move from status to status in the order in which they are mentioned below. For such a condition, the Status sequence and Adverse Status has to be defined as follows:

- PDO - 1
- NAB - 2
- WRO - 3

According to the number of days of default defined for each component, a loan will first be moved to PDO from Normal status, then to NAB and finally to WRO status.

#### **Transaction Code for the accounting entry involving the transfer of GL**

When the GL under which a component is reported is changed along with the status of a contract, an accounting entry is passed. A Transaction Code is associated with every accounting entry in Oracle FLEXCUBE. You should indicate the Transaction Code to be used for the GL transfer entries involved in the status change.

#### **Enabling the Adverse Status option**

A particular customer can have multiple loan contracts and you could be tracking the status of all of them. Oracle FLEXCUBE allows you to move all contracts for a particular customer to a delinquent status when any one or more of the contracts are defaulted upon.

While associating a status with a product you can indicate whether a contract is itself delinquent or marked for adverse status by virtue of other contract(s) of the same customer having gone into default.

### **2.18.1.1 Maintaining Rules for tracking Status changes**

A status rule identifies the manner in which status tracking is performed and GL transfers/redirections are treated. You can build status rules in the Status Rule Maintenance screen, invoked from the Application Browser.

The status codes associated with each product are defaulted in this screen. For a product and status code combination you will have to identify the transaction Code against which entries are to be posted. The other details you have to specify are as follows:

### Indicating Accrual treatment preferences

For a given product code, status and transaction code combination you have to indicate the manner in which accounting entries should be posted during status change. The options are:

- Stop Accrual – accruals are frozen.
- Reverse Accruals – accruals till date are reversed by transferring them to an expense GL.
- Memo Accrual – future accruals and past accruals (if reverse accrual option has been enabled) will be tracked in a Memo GL.



Memo GLs are contingent in nature.

### **Example**

We have created a product called Short Term Loans for Individuals, and defined the following status for it:

- Past Due Obligation (PDO)
- Non-accrual basis (NAB)
- Write-off (WRO)

Accruals on a loan should be stopped when it moves to NAB. Further, we can specify that, besides stopping accruals, the accruals done so far have to be reversed and past and future accruals transferred/redirected to Memo GLs. In such a case, the accruals done on the loans (for all accruable components) on which a payment has not been made, will be reversed.

Suppose a loan under this product was initiated on 01 June '97, with the following details:

- Value (Initiation) Date - 01 June '97
- Maturity Date - 31 May '98
- Interest Rate - 20%
- Repayment - Payment of principal and interest in equal installments, at the end of every month.

The first two repayments are made as scheduled. There is a default on the third repayment. The loan moves to PDO status after 15 days, from the date of repayment date and to NAB status 45 days from the date of repayment. Since the product has been defined for reversal of accruals, along with status movement to NAB, the accruals for the 45 days of default will be reversed and accrued interest till date (reversed amount) will be posted to a memo GL. All future accruals will also take place in the Memo GL.

### **Indicating Automatic Status Change**

A 'forward' status change is one in which the status changes from the current status to the next status, in the sequence you have defined. In our example, the movement from Normal to PDO, PDO to NAB, and NAB to Write-Off are all forward changes.

A 'reverse' status change is one in which the status changes from the current status to the previous status. In our example, on repayment of the amounts due for the third schedule, the contract can move from NAB status to Normal Status.

If you specify that forward changes have to be carried out automatically, the status of the contract will be changed after the specified number of days. If not, you have to change the status of a contract through the contract processing function.

Even if you have specified automatic status change for a product and, therefore, a contract involving it, you can manually change the status of a contract before the automatic change is due. You can do this through the Contract On-line Details screen.

However, if a product has been specified with manual status change, you cannot specify automatic status change for a contract involving the product.

If you specify that reverse changes have to be carried out automatically, the status will be changed when a payment is made on a contract with a status other than Normal. If you specify that reverse changes should not be automatic, the status remains unchanged even if a repayment is made on the contract. You have to change the status, manually, through the Contract Processing function.

A reverse change may also become necessary when the number of days of default is increased for a product.

If you specify that forward changes or reverse changes have to be carried out automatically, the status changes will be carried out by the Automatic Contract Update and Status Change function when it is executed at the Beginning of Day on the day the change falls due. If the due date for the forward or reverse status change happens to be a holiday, then, the processing would depend on your specifications in the Branch Parameters screen.

If you have not specified that the forward or reverse changes should be carried out automatically, the status remains unchanged till you specifically change it for a contract through the Contract Processing function.

### **Indicating automatic revaluation**

You can transfer the revaluation balance automatically while processing the status change for the contract. The system transfers the revaluation balance for the contract when the status of the contract moves from an adverse status to a normal status. To indicate this, you first need to enable the 'Transfer of Revaluation Balances' in the Product Preferences screen.

Consequently, you can indicate whether the transfer of the revaluation balances has to be in the reverse direction/ backward direction in the Status maintenance screen. In case you check the box for Reverse, the system transfers the balances in the reverse direction. Leave the box unchecked to indicate otherwise.

*For further details on transfer of the revaluation balance and validations performed, refer the heading titled 'Specifying the preferences for status/revaluation' in the section 'Setting Product Preferences' of the Loans User Manual.*

### **Indicating Transfer schedule preferences**

You have to indicate whether the entries for the past schedules or the future interest schedules have to be transferred to the new GLs for each component. Past schedules will enable transfer of all past-due schedules (including principal and accruals) to be transferred to new GLs rather than transferring only the schedule that is affected by the current status. Future schedules will enable the transfer of only the principal schedules due in the future to the designated GL.

### **Contra GL Accounting Details**

If, for a particular status, the income received should be booked to a Contra GL and not the Income GL, check the box 'Contra Accounting Applicable'. Once you have checked this box, you will have to select the Contra GL from the option list provided.

When there is a status change to the one specified, the balance that has been booked into the GL that was previously specified, will be moved into the GL specified for the present status. If the status change involves movement of the balance from an Income GL to a Contra GL or from one Contra GL to another, the same will be done.

### **Writing the Derivation Rule**

You can set-up any number of status rules for a given product, status and transaction code combination. Each status rule that you define should have a unique derivation logic associated with it. For instance, you can create a status rule which can be made applicable when a particular interest payment is overdue for more than 15 days and the contract is being moved to the PDO status.

A particular customer can have multiple loan contracts and you could be tracking the status of all of them. Oracle FLEXCUBE allows you to move all contracts for a particular customer to a delinquent status when any one or more of the contracts are defaulted upon. The derivation rule allows for this facility.

You can build Derivation Rules using a combination of Elements, Operators and Logical Operators. The elements, which you can use, are as follows:

- Classification – Refers to the Customer Classification – Excellent, Good Bad etc.
- Transfer Days – Refers to the Overdue Days. For contract level processing, transfer days are calculated as the Current Processing Date minus the Earliest Component Schedule Due Date. For schedule processing, it refers to the Current processing date minus the Component Schedule due date.
- Maturity Days – Refers to the Overdue days from contract maturity. Is calculated as Current Processing Date minus the Contract Maturity Days.
- Delinquency – Refers to Customer delinquency. For example if a customer's defaults on the contract, the customer will be marked as delinquent. Additionally all contracts involving the customer which are in the normal status will be reclassified to an appropriate status to facilitate better risk management.

- Tenor Days – Refers to the tenor days of a deposit and is calculated as Maturity Date minus the Value Date.
- Any Schedule – this is applicable for schedule level processing and denotes any principal component schedule. Is calculated as Current processing Date minus the Principal component Schedule Due Date. Generally, Any Schedule component can be used to reclassify Future Principal Schedules.
- Component – Refers to the components maintained for the loan product E.g. Principal, Interest and so on.

**Accounting for accruals at status changes**

In order to facilitate the derivation of the rule for tracking the account status, you need to select the required element while building a status rule in the Status Rule Definition screen:

The options available are:

- Overdue Days - the number of days the account has overdrawn beyond the limit amount. If the account balance is in credit or account balance is within the limit amount then the value of Overdue Days will be Zero.
- Classification – the ‘Classification’ maintained for the customer of the account will be returned by the element.
- Delinquent - this will reflect the adverse status indicator of the customer
- Current Status
- Overdue
- Inactive Days
- Interest Overdue

The Interest and Charges module posts the accrual entries in the following manner when the status is Normal:

- Debit IENC
- Credit Income

**2.18.1.2 Changing the GL under which entries posted during status change should report**

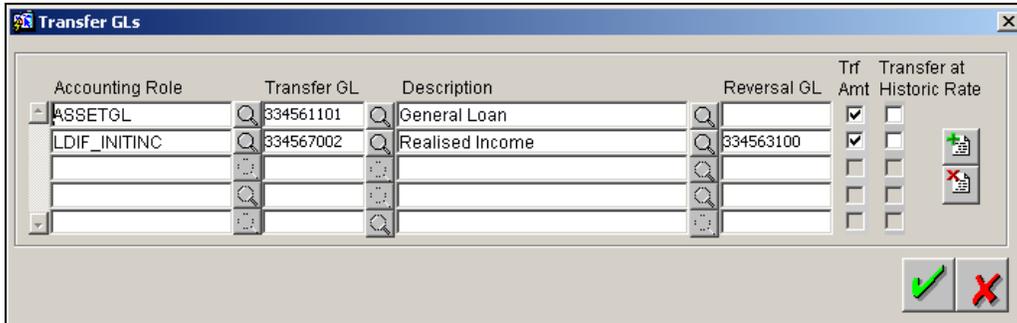
You may have a GL structure under which loans in Normal status are reported, while those associated with other statuses (e.g., status pertaining to defaulted and future schedules) are reported under different GLs, depending on their status.

For example, the GL structure for ‘Discounted loans for 45 days’ could be as follows:

Status	GL
Normal	1001ASSF
PDO	1001ASSF
NAB	1110ASSC
WRO	1111ASSE

For each component, you should indicate the GLs from and to which balances should be transferred when the loan moves from one status to another.

Click on the  button and invoke the Transfer GLs screen to associate existing accounting roles to the new GLs that entries should be posted to after status change.



Accounting Role	Transfer GL	Description	Reversal GL	Trf Amt	Transfer at Historic Rate
ASSETGL	334561101	General Loan		<input checked="" type="checkbox"/>	<input type="checkbox"/>
LDIF_INITINC	334567002	Realised Income	334563100	<input checked="" type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

For all Asset or liability GLs with internal GL types as Contract, you can choose to transfer the balance at historic rate for each accounting role.

If you enable this option, the system takes the existing LCY balance without further computation. If the option is left unchecked, the LCY equivalent of the FCY amount being transferred is recomputed based on the current exchange rate from the currency rates maintenance.

For all the loan contracts, you can modify this option only if you specified 'Transfer at Historic Rate' in the Product Preferences screen.

### Specifying Reversal GL for interest components

As mentioned above, you have to indicate the GLs from and to which balances should move during a status movement. For interest income components, you have two options for transferring balances during a forward status movement:

- Debit the Interest Income GL maintained for a particular status and credit the Interest Income GL for the next status.
- Post the Debit entry into a Reversal GL instead of posting it into the Interest Income GL maintained for the previous status.

You can select the latter option by specifying Reversal GLs against the respective interest income components (accounting roles). If you do not specify Reversal GL against a particular interest income component, the former option defaults for that component.

### 2.18.1.3 Posting entries for a payment reversal after a status change

When you reverse a payment for a contract that has undergone a status change from a good status to a bad status or vice versa, the movement of funds will happen to the GLs defined for the current status of the contract.

As stated earlier, you can maintain GLs from and to which balances should be transferred when a status change occurs.

This takes place only for Asset GLs and is applicable for payment reversals and contract level status change only.

**The following example will illustrate the above concept:**

Your bank has maintained GL codes 'GL1' for the 'Normal' status and 'GL2' for the 'Overdue' status. Both GL1 and GL2 are Asset GLs (Accounting Role).

Assume that a contract is in the 'Normal' status. You make a payment for this status and the entries get posted to GL1. Now, the contract moves to the 'Overdue' status and you want to reverse the earlier payment at this stage. In this case, the reversal entries get posted to GL2 since the funds would have already moved from GL1 to GL2 during the status change.

Similarly, if you make changes to the GL setup for a status, and you wish to reverse the payment posted to the earlier GL (before amendment), the same is posted to the current GL since the funds would have moved from the earlier GL to the current GL.

### **2.18.1.4 Liquidating interest paid on overdue loans**

A typical interest reckoning scenario on a loan becoming overdue is as follows. When the loan is overdue (principal is unpaid on maturity) and moves into an adverse status, the interest accrued till the date of the principal becoming overdue is posted into a Memo Accrual GL. Interest accruals beyond the maturity date are also posted into the Memo Accrual GL. You may wish to define successive levels of Memo Accrual GLs to correspond with successively adverse loan statuses. In this case, the balance of accrued interest keeps getting transferred from one Memo Accrual GL to the one for the next adverse level.

The interest income recorded till the date of the principal becoming overdue, as also beyond that date, continues to remain in the Interest Income GL till a further worsening of status causes it to move to a Restricted Income GL.

At the time of liquidation (full or partial), the interest amount being re-paid should be transferred from the Restricted Income GL to a real Interest Income GL and booked on a cash basis by debiting the customer's current account.

*Refer to the Annexure on Accounting Entries in the Loans User Manual for a description of the accounting entries for liquidation on cash basis.*

For each status, in the Transfer GLs screen, you specify the interest role (which can be either receivable/payable or income/expense), whose balance is to be transferred and the GL (Account Head) to which it should be transferred. This simply implies that, from the time that particular status becomes effective, fresh balances in each of the specified accounting roles are going to be transferred to the GL selected against it.

For an income / expense account, the existing balance in the role (as on the date of status change) is transferred to the specified GL only if you check the box in the Transfer Amount field against this role-GL combination in the Transfer GLs screen. The box is checked by default for every income / expense role-GL combination that you specify.

The following example shows the movement of balances with increasingly worsening status of a loan:

**Example**

Status	Event	Description	Accounting Entry
No. 1 (Normal)	A	Interest income is posted into Interest Income 0 account; interest receivable into Receivable 0 account  Interest accrual of \$ 10	Interest Receivable 0 Dr. \$10  Interest Income 0 Cr. \$10

Status	Event	Description	Accounting Entry
No. 2	B	Unpaid interest accrual moved to Receivable 1 account; Interest income remains in Income 0 account	Interest Receivable 0 Cr. \$10 Interest Receivable 1 Dr. \$10
No. 2	C	Interest accrual of \$15	Interest Receivable 1 Dr. \$15 Interest Income 0 Cr. \$15
No.3	D	Unpaid interest accrual moved to Receivable 2 account; Unpaid interest income moved to Restricted Interest Income account	Interest Receivable 1 Cr. \$25 Interest Receivable 2 Dr. \$25 Interest Income 0 Dr. \$25 Restricted Intt. Inc. Cr. \$25
No. 3	E	Interest accrual of \$20	Interest Receivable 2 Dr. \$20 Restricted Intt. Inc. Cr. \$20
No. 3	F	Liquidation of Interest \$5	Interest Receivable 2 Cr. \$5 Cust. Current A/c Dr. \$5 Restricted Intt. Inc. Dr. \$5 Interest Income 1 Cr. \$5
No. 4		At this status, any interest repayment should be booked as a decrease in principal	
No. 4	G	Unpaid interest accrual moved to Receivable 3 account; Interest income continues to be posted into restricted Interest Income account	Interest Receivable 2 Cr. \$40 Interest Receivable 3 Dr. \$40
No. 4	H	Interest Accrual of \$30	Interest Receivable 3 Dr. \$30 Restricted Intt. Inc. Cr. \$30
No. 4	I	Liquidation of Interest of \$50	Interest Receivable 3

Status	Event	Description	Accounting Entry
			Cr. \$50 Cust. Current A/c Dr. \$50  Restricted Intt. Inc. Dr. \$50  Interest Income 2 Cr. \$50

In the above example, events F and I (liquidation on cash basis) have to be handled manually.

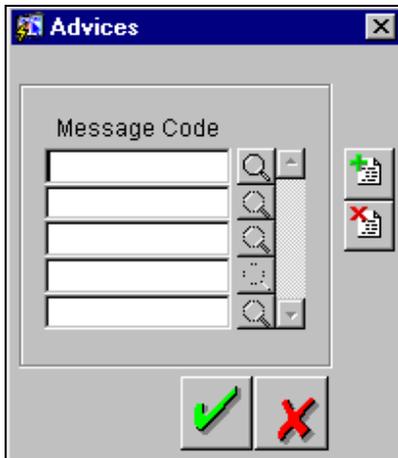
The liquidation entry need mentioned below not be set up as part of the Event – Accounting Entries maintenance for the LIQD event.

Restricted Interest Income	Dr
Interest Income	Cr

### 2.18.1.5 Advices to be generated for a Status Change

You can generate advices, when the components of the contract move forward from one status to the next, to notify the customer of the status change. These messages or advices are maintained

in the Messaging System of Oracle FLEXCUBE. Click on the  button to associate the required advices with the status rule.



### 2.18.1.6 Specifying Liquidation Order of components for a particular status

Specifications of component-wise liquidation order made as part of Product Preferences maintenance hold true for a loan as long as it is in the NORMAL status. For each adverse status of a loan, you need to maintain the liquidation order separately.

Click on the  icon to invoke the 'Component Liquidation Order' screen:

Code: DEP2 Description: Deposit Product for Rollover

Liquidation Order

Component	No.	Auto Liq	Gen Mesg
DEP2_INT	1	<input type="checkbox"/>	<input type="checkbox"/>
PRINCIPAL	2	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Refer to the chapter – Defining the Attributes specific to a Loan product – in the Loans User Manual for more details on specifying liquidation order for principal and interest components.

## 2.18.2 Maintaining Status Control for Non-Derivation based status change

If the derivation based status change is not being used the liquidation order can be maintained using the following screen.

Code: LDT1 Description: Loan Bearing

Status: NAB Txn: 000 Sequence: 1 Adverse Status:

Accruals:  Stop Accrual  Reverse Accrual

Automatic Movement:  Forward  Reverse

Status Control: Component, Transfer Days, Maturity Transfer Days

Advices: Message

Liquidation Order

Component	No.	Auto Liq	Gen Mesg
PRINCIPAL	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LDIF_INIT	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Transfer GL: Accounting Role, Accounting Head, Reversal GL, Transfer Amount