

Settlements
Oracle FLEXCUBE Corporate Lending 12.1.0.0.0
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1. About this Manual

1.1 Introduction

This manual is designed to help you get acquainted with the manner in which contracts in a product are settled in Oracle FLEXCUBE.

It takes you through the various steps involved in processing a Settlement.

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. You can further 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 Organization

This manual contains a single chapter **The Settlements Service** that details the procedure to set up Settlement details and the processing of Settlements. It also lists the S.W.I.F.T messages handled by Oracle FLEXCUBE.

1.1.3 Conventions Used in this Manual

Important information is preceded with the  symbol.

1.1.4 Related Documents

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

- Common Procedures
- Products

2. The Settlements Service

2.1 Introduction

The Settlements sub-system is part of the core of Oracle FLEXCUBE. This system is a central money settlement service that *interfaces* with the other modules of Oracle FLEXCUBE.


In Oracle FLEXCUBE, the Settlements and Messaging systems are closely associated. The Settlements system provides for a common set up of money settlement accounts and routes. The Messaging system, on the other hand, handles the generation of settlement messages.

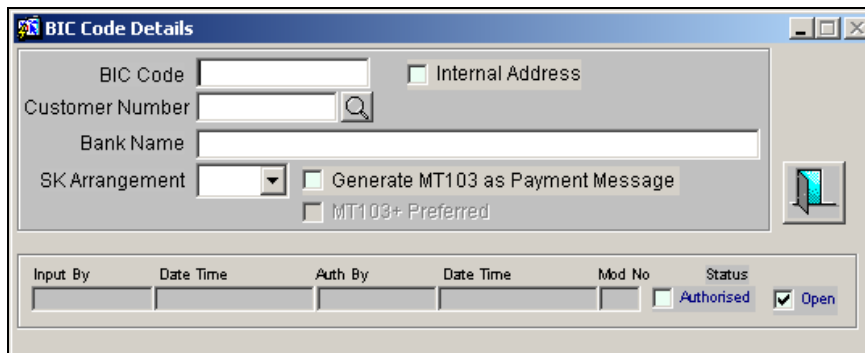
To handle money settlements in Oracle FLEXCUBE, you have to:

- Maintain Bank Identifier Codes (BIC)
- Maintain Settlement Preferences for a customer or bank

2.2 Maintaining BIC Directory details

As part of setting up some basic information for the functioning of Oracle FLEXCUBE, you should maintain Bank Identifier Codes (BIC) for your bank. You can define bank codes through the 'BIC Code Details' screen. To invoke this screen, choose **BIC Directory** under **Settlements Maintenance** in the **Application Browser**.

If you are maintaining details of a new bank code choose New from the Actions Menu or click  from the tool bar.



Input By	Date Time	Auth By	Date Time	Mod No	Status
					<input type="checkbox"/> Authorised <input checked="" type="checkbox"/> Open

BIC codes can be maintained manually or uploaded from an external source onto Oracle FLEXCUBE.

BIC Code

You need to indicate the code by which the bank is identified by S.W.I.F.T. On indicating the Bank Identifier Code, you should indicate the detailed name of the bank. If the bank is a customer of your bank, you can select the CIF ID assigned to the bank from the option list.

Once you select the CIF ID, the name of the bank will be displayed in the Bank Name field. If the bank is not a customer of your bank, you will have to manually enter the name and address of the bank.

SK Arrangement

If a S.W.I.F.T connectivity exists between your bank and the bank for which you are maintaining details, you have to indicate the same. You can indicate this by choosing either 'Yes' or 'No' from the option list.

Generate MT 103 as Payment Message

Check this box to indicate that your counterparty whose BIC Code details you are capturing is not capacitated to receive payment messages in the MT 103 format. As a result, the system will automatically send all payment messages to the counterparty bank in the MT 100 format.

Internal Address


Check this box to indicate that the BIC Code details you are capturing is not a recognized SWIFT address but an address internal to your bank. In such cases all correspondence to the counterparty involved will be sent as mail messages.

MT 103+ Preferred

The Generate MT 103 + option allows you to generate outgoing MT 103 messages in the MT 103 + format. This check box gets enabled only if you have enabled the generation of MT 103 messages as Payment Messages.

As a branch level parameter you have indicated whether your customers can receive MT130 messages as payment messages. The system will generate MT 103 messages as payment messages in the MT 103 + format only if you have specified this option for the counterparty (BIC) as well.

Check the box positioned next to the Generate MT103 field to indicate that the counterparty is capacitated to receive payment messages in the MT 103 format. If you leave this box unchecked, the system will automatically send all payment messages to the counterparty bank in the MT 100 format.

 The system is also capable of processing incoming MT 103 messages in the MT 103 + format. During the upload process the system considers an MT 103 payment message to be of MT 103 + Format based on the presence of the STP code in the 119 field. Field 119 is present in the third block of the message i.e., {3: {119:STP}}.

2.3 Maintaining Branch-wise BIC Parameters

You can specify branch level BIC preferences for the BIC codes maintained for your branch through the Branch-wise BIC Parameters screen. These preferences or parameters include:

- Indicating whether a S.W.I.F.T connectivity exists between your bank and the bank for which you are maintaining details
- Indicating whether FT transactions with the transfer amount falling within the small FX limit should be authorized automatically during Straight Through Processing
- Indicating whether MT 100 messages should be generated as Payment Messages
- Indicating whether MT103 messages should be generated in the MT103 + format
- Specifying the type of direct debit messages that should be sent for the different message types

- Indicating that the selected Branch is a member of the RTGS network and has a direct relationship with the Central Institution of the country. This field appears for use in generation of payment messages.
- Specifying the RTGS BIC. This indicates the BIC of the direct participant of a clearing network. Select a BIC from the option list provided. This field appears for use in generation of payment messages.

You can maintain these parameters through the 'Branch-wise BIC Parameters' screen. This is available under the **Bank Maintenance** and thereafter under **Branch BIC** in the **Application Browser**.

2.3.1.1 Specifying the DD Message Preferences

As a branch parameter you can indicate the preferred direct debit message that must be generated when the transfer type is Customer and Bank. The options available are:

- **Customer DD** - MT104 or Reverse MT103. You can indicate that the system should generate MT104 and or a Reverse MT 103 as the direct debit message when the transfer type is of Customer.
- **Bank DD** - MT104, MT204, Reverse MT103, Reverse MT202. You must identify the direct debit message type that should be generated when the transfer type is Bank.

A brief on each of the Message Types

MT 104 – is to request the receiver to debit the customer account in its books and remit the funds to 'Our correspondent' in favor of 'Ourselves' i.e. the sender of the MT104 message. You can select this option only if the receiver can process MT104 messages.


MT 204 – is a request to the receiver to debit the counterparty bank's account and remit the funds to 'Our correspondent' in favor of 'Ourselves' i.e. the sender of the MT 204 messages. You can select this option only if the receiver can process MT 204 messages.

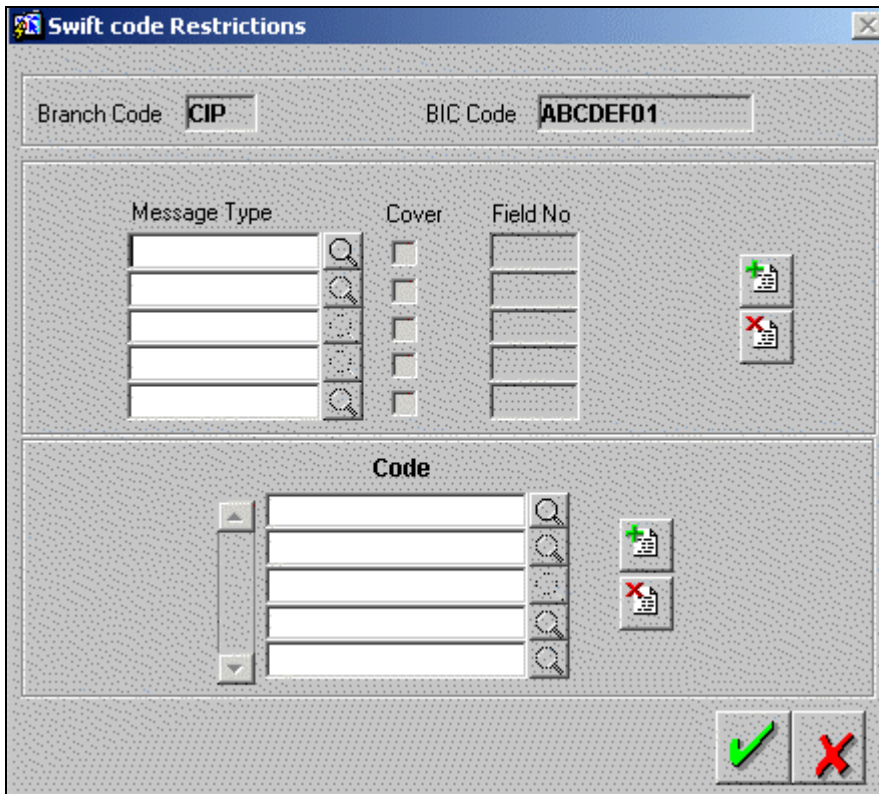
Reverse MT 103 - is similar to the single agent MT 103 payment message sent by the customer to the Account with Institution in favor of Ourselves i.e. the sender of the reverse MT 103 message. You can select this option only if the receiver of the message cannot process MT 104 in case of customer type and MT104 / MT 204 / reverse MT 202 in case of bank type.

Reverse MT 202 - is similar to the MT202 payment message sent by the counterparty bank to the receiver of the message in favor of Ourselves i.e. the sender if the reverse MT 202 message. This option is selected only if the receiver of the message cannot process MT 204 / MT 104.

Your specifications in this screen are defaulted to your branch.

2.3.2 **Placing branch-wise Restrictions on the usage of SWIFT codes**

If you have restricted the usage of SWIFT codes for a message type, you have to identify the 'allowed' set of SWIFT codes for the BIC and Message Type combination through the SWIFT Codes Restrictions sub-screen. You can invoke this screen by clicking  in the **Branch-wise BIC Parameters** screen.



For your branch, you can select the Message Type for which you would like to maintain an 'allowed' set of codes. The field number and the With/Without Cover specification is defaulted to the respective fields. You can select the list of codes which should be allowed for the BIC, Message Type and Field combination.

2.4 **Capturing Settlement Preferences for a Customer**

You can maintain the settlement *preferences* of a customer or a bank in the 'Settlement Instructions' screen invoked from the **Application Browser**.

Indicating preferences for an entity means defining the settlement accounts and a detailed settlement route comprising the correspondent accounts and the intermediaries through which the settlement messages are to be generated. (The party information you can capture adheres to SWIFT standards.). You can maintain the following *basic* settlement preferences for an entity (counterparty), module, currency, mnemonic, branch, product and settlement sequence number combination.

- The Pay (out) Account, Branch and Currency
- The Receive Account (for incoming payments), Branch and Currency
- If a Cover is required to be sent for SWIFT messages
- If the charge (for the message) is to be borne by the bank or the beneficiary
- The charge account, which will be used as the default account for all charges during contract input
- If a receive notice (MT 210) has to be generated for money settlements made in a specific currency

While indicating the *product code* you can choose a specific product code or choose 'All' from the option list. However, if you have chosen 'All' in the Module field, this field will be defaulted to ALL. You are not allowed to change this.

You can specify a unique SSI Mnemonic (Standard Settlement Instruction Mnemonic) for the combination of Counterparty, Counterparty Type, Module, Currency, and Branch combination. The system will pick up the settlement instructions based on the Mnemonic you select for a contract (Facility, Tranche, and Drawdown).



Note the following:

- If you try to close an SSI mnemonic that is attached to active Tranches and is in use, the System will display the following error message:

This instruction is in use

- The list of active tranches linked to the SSI mnemonic gets displayed once you click OK. You are not allowed to close an SSI mnemonic if it is linked to active Tranches.
- If you try to amend an SSI mnemonic that is attached to active Tranches and is in use, the System will display the following override message and displays the list of all active Tranches linked to the SSI mnemonic:


The changes will be propagated to all the Tranches and Drawdowns, Do you want to proceed?

You can define a new *sequence number* for the settlement instruction you are maintaining. Consequently, you can access this sequence number at the contract level. You can maintain various settlement instructions for each transaction comprising of the same counterparty.

The sequence number option is available **only** for Syndication borrower (LS), Syndication facility (LN) and Syndication Participant (LL) modules. By default the sequence number generated by the system will be zero.

If you opt to generate receive notices for settlements made in all currencies, involving all counterparties, and transactions in all modules of Oracle FLEXCUBE, an MT 210 will automatically be generated for any money settlement made by your branch.

If you opt to generate direct debit messages for settlements, the system generates a customer direct debit message or bank direct debit messages depending on the customer type of the counterparty.

 If you are defining settlement instructions for a customer related to the FT module you have to indicate the charge account, which will be used as the default account for deducting all charges involved in processing the FT.

While processing an FT for the customer the appropriate charge account is picked up depending on the customer, currency and branch processing the FT.

In addition, you can maintain the details of the various intermediaries involved in payments and receipts. The preferences maintained for an entity determine the manner in which money settlements are made on behalf of the entity.

Subsequently, you need to maintain the transfer type for the settlement instruction specifying whether the transfer is a customer type or bank type. Also the Instruction type for both Pay leg and Receive leg has to be maintained for the payment. The available options are Manual, Awaited, Nostro and Vostro.

Also as part of settlement instruction you need to maintain the USD clearing network details whether the USD clearing Network is Fedwire, CHIPS Universal or CHIPS participant.

Settlement Instructions

Counterparty: CITUS01 Counterparty Type: CIF Module: AL Product Code: ALL
 Currency: GBP Mnemonic: BINARY Branch: ALL Sequence No: 1

Accounts Details | Message Details | Pay Parties | Pay Parties | Receive Notice | DD Parties | Cover/Clearing Details

72: Sender to Receiver Information

77B: Regulatory Reporting Details

Input By	DateTime	Auth By	DateTime	Mod No	Record Status	Auth Status
BHARAT01	28/12/2004 16:04:52	BHARAT02	28/12/2004 16:06:37	3	<input checked="" type="checkbox"/> Open	<input checked="" type="checkbox"/> Authorised

Sender to Receiver Information on Confirmation

The sender to receiver information maintained in the settlement instructions can be defaulted in the field 72 in the confirmation messages. Checking this box will default the information in field 72. Leave the box unchecked to indicate otherwise.

Regulatory Reporting Details

This field corresponds to field 77B of a SWIFT message. For the receiver or sender, you need to maintain the code (s) for the statutory or regulatory information, which is mandatory as per the rules of the specified country.

2.4.1 Capturing details of parties involved in Payments

Before funds actually reach the Ultimate Beneficiary of a payment, it may have to pass through several other banks or parties. You can capture details of the parties involved in a payment in the 'Pay Parties' sections of the Settlement Instructions screen.

Input By	DateTime	Auth By	DateTime	Mod No	Record Status	Auth Status
ASHOK	31/12/2001 12:44:25	ASHOKAU	31/12/2001 12:48:58	3	<input checked="" type="checkbox"/> Open	<input checked="" type="checkbox"/> Authorised

This screen contains fields that mark possible routes of a payment.

Intermediary Reimbursement Institution

An 'Intermediary Reimbursement Institution' is the financial institution between the Sender's Correspondent and the Receiver's Correspondent, through which the reimbursement of the transfer takes place.

Intermediary

The 'Intermediary' in a payment refers to the financial institution, between the 'Receiver' and the 'Account with Institution', through which the transfer must pass.

The Intermediary may be a branch or affiliate of the Receiver or the account with Institution, or an entirely different financial institution. This field corresponds to field 56a of a SWIFT message.

You can either enter any of the following:

- ISO Bank Identifier Code of the bank
- The Name and address of the Bank

Ordering Institution for Payment Message

The 'Ordering Institution' in a payment refers to the financial institution of the customer. This field corresponds to field 52a of a SWIFT message.

Ordering Customer for Payment Message

The 'Ordering Customer' in a payment refers to the customer ordering the transaction. This field corresponds to field 50a of a SWIFT message.

Ultimate Beneficiary

The 'Ultimate Beneficiary' in a payment refers to the party designated by the ordering party as the ultimate recipient of the funds.

If the 'Chinese Characters in Payment' box is checked in the 'Syndication Loans and Commitments- Branch Parameters' screen, then only you can enter the Chinese characters in this field for foreign currency and local currency settlement instructions / accounts and there will not be any validations in the system. You need to operationally control it.

You are allowed to enter the information in Chinese or English or a combination of both in this field. If it is a combination, then the system will consider it as Chinese and allow up to 35 characters.

Receiver's Correspondent

The 'Receiver's Correspondent' is the branch of the Receiver, or another financial institution, at which the funds will be made available to the Receiver.

The screenshot shows a software window titled "Settlement Instructions". At the top, there are several input fields: Counterparty (8CITIBAN01), Counterparty Type (CIF), Module (MM), Product Code (ALL), Currency (ALL), Mnemonic (PRIMARY), Branch (CIP), and Sequence No (0). Below these are tabs for Accounts Details, Message Details, Pay Parties, Pay Parties (selected), Receive Notice, DD Parties, and Cover/Clearing Details. The main area is divided into four sections: 54. Receiver's Correspondent, 56. Intermediary, 55. Int. Reimbursement Institution, and 57. Account with Institution. Each section contains a search icon and a multi-line text input area. At the bottom, there are fields for Receiver Account, Receiver, and Receiver of Cover. A status bar at the very bottom shows input and authentication details for user ASHOK on 31/12/2001.

The information you specify here corresponds to Field 54a of a Swift message. You can enter one of the following:

- ISO Bank Identifier Code of the bank
- Branch of the Receiver's Correspondent
- Name and address of the Receiver's Correspondent

Account with Institution

An 'Account with Institution' refers to the financial institution, at which the ordering party requests the Beneficiary to be paid. The Account with Institution may be a branch or affiliate of the Receiver, or of the Intermediary, or of the Beneficiary Institution, or an entirely different financial institution.

This field corresponds to Field 57a of a SWIFT message. You can enter one of the following:

- ISO Bank Identifier Code of the bank
- Branch of the Receiver's Correspondent
- Name and address of the Receiver's Correspondent

- Other identification codes (for example, account number)

If the 'Chinese Characters in Payment' box is checked in the 'Syndication Loans and Commitments- Branch Parameters' screen, then only you can enter the Chinese characters in this field for foreign currency and local currency settlement instructions / accounts and there will not be any validations in the system. You need to operationally control it.

You are allowed to enter the information in Chinese or English or a combination of both in this field. If it is a combination, then the system will consider it as Chinese and allow up to 35 characters.

Receiver

You can specify the final Receiver as apart from the Account with Institution if the Ultimate Beneficiary desires that the payment message should be sent there. If this is not maintained, the Account with Institution becomes the default Receiver.

Receiver Account

The 'Receiver Account' is the account number of the beneficiary. This field corresponds to field 58a of a MT202 cover message.

Receiver of Cover

You can specify the details of the Receiver of the cover message, which can be any one of the following:

- ISO Bank Identifier Code of the bank
- Branch of the Receiver
- Name and address of the Receiver
- Other identification codes (for example, account number)



For more details relating to specific parties, please refer to the SWIFT manuals.

Settlement through an instrument or message

When the actual settlement *event* for a contract (involving the entity) takes place, the payment and receive message details are updated in a message hand-off table. The Messaging system picks up the details from this table, and based on the formats set up, generates the messages.

2.4.2 Capturing details of parties involved in Receipts

Depending on the route funds take when you *receive* (incoming) payments, you can maintain Intermediary and Beneficiary Institutions in the 'Receive Parties' section of the Settlements Instructions screen.

Ordering Institution for Receive Notice

The 'Ordering Institution' in a payment refers to the financial institution of the customer. This field corresponds to field 52a of a SWIFT message.

Ordering Customer for Receive Notice

The 'Ordering Customer' in a payment refers to the customer ordering the transaction. This field corresponds to field 50a of a SWIFT message.

2.4.3 Capturing details of parties involved in Direct Debit

In the DD screen, you can also capture details of all the DD parties (Debtor and Creditor) involved in a contract.

For the DD Parties details, you can specify the Bank Details and Account Details for both creditor and debtor.

Receiver of Direct Debit

This field indicates the Recipient of the DD message and the system derives the type of the message to be generated based on this information.

In case the receiver of the DD message is

- For Customers, a MT 104 message is generated
- For Bank type customers, an MT204 message is generated

2.4.4 Maintaining Local Clearing Details and Cover Details for Customer Settlement Instructions

When you specify settlement instructions for a customer, you can indicate whether payment for local currency transactions is to be effected via messaging or over the local clearing network. You can also indicate whether a cover is required for payment, and whether the cover is through messaging or over the local clearing network.

You can specify these details in the Settlement Instructions screen. In the Payment By field, indicate the mode of payment, either Message or Local Clearing; and in the Cover By field, indicate the mode through which cover must be available.

If you indicate payment over a clearing network, you have to specify the account details of the external counterparties (both pay and receive accounts) in the Cover/Clearing tab of the Settlement Instructions screen.

In addition to clearing details, you can also indicate cover for payment via the local clearing network in the Cover/Clearing Details tab in the Settlement Instructions screen by specifying the account details of the cover party. For the counterparty details, you can specify the bank code, account prefix, account and account name.

The screenshot displays the 'Settlement Instructions' application window. At the top, there are search and selection fields for Counterparty (8CITIBAN01), Counterparty Type (CIF), Module (MM), Product Code (ALL), Currency (ALL), Mnemonic (PRIMARY), Branch (CIP), and Sequence No (0). Below these are several tabs: Accounts Details, Message Details, Pay Parties, Receive Notice, DD Parties, and Cover/Clearing Details. The 'Cover/Clearing Details' tab is active, showing three sections: 'External Counterparty Pay Details', 'External Counterparty Receive Details', and 'Cover Details'. Each section contains fields for Bank Code, Description, A/C. Prefix, Account, and Name.

For the cover party account details, you can specify the bank code, account prefix, account and account name.

The following scenarios are possible:

Cover Required	Cover By	Payment By	Local Clearing Counterparty Details?	Cover Details?
Yes	Message	Message	No	No
Yes	Local Clearing	Message	No	Yes
No		Message	No	No
No		Local Clearing	Yes	No

2.5 The Sequence in which Settlement Instructions are resolved


In Oracle FLEXCUBE, the settlement instructions maintained are resolved in the following sequence:

Level	Sequence No	Counterparty	CCY	Module	Product	Branch
1	Sequence No	Counterparty	CCY	MOD	Product	Branch
2	Sequence No	Counterparty	CCY	MOD	Product	ALL
3	Sequence No	Counterparty	CCY	MOD	ALL	Branch
4	Sequence No	Counterparty	CCY	MOD	ALL	ALL
5	Sequence No	Counterparty	CCY	ALL	ALL	Branch
6	Sequence No	Counterparty	CCY	ALL	ALL	ALL
7	Sequence No	Counterparty	ALL	MOD	Product	Branch
8	Sequence No	Counterparty	ALL	MOD	Product	ALL
9	Sequence No	Counterparty	ALL	MOD	ALL	Branch
10	Sequence No	Counterparty	ALL	MOD	ALL	ALL
11	Sequence No	Counterparty	ALL	ALL	ALL	Branch
12	Sequence No	Counterparty	ALL	ALL	ALL	ALL
13	Sequence No	ALL	CCY	MOD	Product	Branch
14	Sequence No	ALL	CCY	MOD	Product	ALL
15	Sequence No	ALL	CCY	MOD	ALL	Branch

Level	Sequence No	Counterparty	CCY	Module	Product	Branch
16	Sequence No	ALL	CCY	MOD	ALL	ALL
17	Sequence No	ALL	CCY	ALL	ALL	Branch
18	Sequence No	ALL	CCY	ALL	ALL	ALL
19	Sequence No	ALL	ALL	MOD	Product	Branch
20	Sequence No	ALL	ALL	MOD	Product	ALL
21	Sequence No	ALL	ALL	MOD	ALL	Branch
22	Sequence No	ALL	ALL	MOD	ALL	ALL
23	Sequence No	ALL	ALL	ALL	ALL	Branch
24	Sequence No	ALL	ALL	ALL	ALL	ALL

During the upload of FT contracts, if the offset account for the transactions is not provided in the upload details, the System resolves the offset account from the settlement instructions maintained for the product, counterparty, currency, branch, and module details of the uploaded transaction.

2.6 Processing Settlements

The Settlement Instructions for a contract or deal can be captured in the 'Settlement Message Details' screen. To invoke this screen, click  in the **Contract Main** screen of a module. In this screen, you can capture the following information:

- Account details (details about the accounts involved in the contract or deal; that have to be either debited or credited in your branch)
- Message details (payment details -- whether settled by an instrument or a messaging service such as SWIFT)
- Party details (details about the various parties involved in the contract or deal)

2.6.1 Capturing Account Details

In the Settlement Instructions screen you would have maintained the settlement accounts for an entity, module, currency and branch combination.

While processing a contract, these details will be defaulted to the Settlement sub-screen of the contract main screen. You have the option of changing any or all of the settlement accounts while processing a contract.

Settlement Message Details

Contract Reference Number: CT1BLD3050590001 Component: ADHFEE-ADV_LIQD

Acct Details Msg Details Msg Details Pay Parties Pay Parties Recv. Notice DD Parties Clearing

Gen Msg	Gen Recv	Gen DD	Component	CCY	SSI Mnemonic	Branch	Account	A/c CCY	Accou
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ADV_LIQD	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ARR_LIQD	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-SA_LIQD	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DD-CHG_LIQD	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	LS-FX-INT_LIQD	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	LS-PR-PTY_LIQD	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PRINCIPAL	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PRINCIPAL_INCR	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PRINCIPAL_LIQD	USD	PRIMARY	CT1	DELLC01USD1	USD	DELLC01

Settlement Direction
P - Pay
R - Receive

Account Desc: DELL USD ACCOUNT 01
IBAN A/C Number:

SV GI

The account details that get defaulted include the component and its currency; the SSI Mnemonic specified for the combination of Counterparty, Module, Currency, Product and Branch involved in the contract, the payment account and its currency; the branch of your bank to which the account belongs; and the exchange rate (in case the component currency is different from the account currency).



For the Loans module only, if a settlement account has been specified, in the settlement instructions for the customer, and a different account has been specified for the loan, the account specified for the loan will take precedence.

2.6.1.1 Specifying Euro-Related Information

SWIFT messages (MT103/MT202) generated towards settlement can furnish the value of the settlement amount in both the settlement account currency, and a Euro Related Information (ERI) currency of your choice. If you opt to furnish the ERI value of the amount, you have to enter the following in this screen:

- The ERI currency
- The ERI Amount

The system defaults to the ERI currency specified for the customer and currency combination. You can change the default ERI currency. The ERI amount that you specify will be validated against the Tolerance Limit specified for the ERI currency (in the Currency Maintenance screen).

Cross-currency Settlements of FX deals

Oracle FLEXCUBE allows cross currency settlements of foreign exchange deals that involve an 'In' currency. You can settle the 'In' currency leg in another 'In' currency or in 'Euro'.

Example

Assume you enter into the following foreign exchange deal. You sell 100,000 FRF against USD.

The scenario:

- You specify the exchange rate: 1 USD = 5.2 FRF
- The bought amount is therefore: 19230.769 USD
- The settlement account is in EUR
- The exchange rate between EUR/FRF: 1 EUR = 6.475 FRF

Since FRF is an 'In' currency, you can settle the sell leg of the deal through EUR (in this example). The settlement amount would be EUR 15444.015.

2.6.1.2 Suppressing Settlement Messages

Settlement messages, defined for components that fall due, will be generated automatically on authorizing the contract or when you execute the Settlement Generation function at the End / Beginning of day. You can suppress the generation of the settlement message, defined for a component, by clearing the check-box in the 'Gen Message' field.



If a component is to be paid the credit account chosen becomes the pay account. Similarly, if a component is to be received the debit account chosen becomes the receive account in the settlement maintenance.

2.6.1.3 Specifying instruction details for a contact

As part of contract settlement instructions, you can maintain the following:

- **Instruction Status** – The system displays the status of the settlement instructions. You cannot change this value. Status can be any one of the following:
 - Complete
 - Incomplete
 - Inherited
- **Instruction Type** – In case the transaction type is Pay, the system will display the instruction type. You can choose to change the instruction type. The options available are:
 - Manual
 - Awaited
 - Nostro
 - Vostro

For a detailed explanation on Instruction Status and Instruction Type, refer to the Money Market user manual under the 'Specifying settlement instructions for a contract' section.

2.6.2 Capturing Message Details for a contract

A contract can either be settled through an instrument or a Messaging service (such as S.W.I.F.T). The details of the instrument or message have to be specified in the Message Details screen.

The message details that you specify will apply only for messages generated through S.W.I.F.T. The type of S.W.I.F.T. message that is generated depends on the parties involved in the contract.

Depending on the method in which you want to settle the contract, you should specify either Instrument or Message details.

Instrument details

If you opt to settle a contract with an instrument, you should specify the type of instrument that you would use. For example, you could settle a contract using a Manager's Check, a Check or a Demand Draft. You should also specify the number that identifies the instrument. This number will be printed on the instrument.

If the settlement is through an instrument, you cannot specify party details.

RTGS Payment

This option indicates whether or not the payment mode for the contract is RTGS payment. The system validates this option against the following conditions:

- The Branch which is initiating the contract should be an RTGS member
- The contract should belong to an RTGS product
- The currency of the settlement account should be the local currency of the Branch
- If Cover is not required, then the receiver of the message should be the Central Institution. The Central Institution is identified by the RTGS account CIF maintained in Branch Parameters. If there were an intermediary, then it would have to be an RTGS member. Otherwise, the account with the Institution would have to be an RTGS member
- If Cover is required, then the receiver of the Cover should be a Central Institution. The Central Institution is identified by the RTGS Account CIF maintained in Branch Parameters. Also, the correspondent/receiver's correspondent has to be an RTGS member

If all the above conditions are satisfied, then the contract is considered an RTGS Payment contract and the system checks the RTGS Payment option in this screen. However, you can change this option at the time of contract input if required.

If any of the settlement details are changed, then the system validates this option again at the time of contract input. If the Payment option is resolved to be an RTGS payment, but unchecked at the contract input level, then the contract is not considered for RTGS Message processing. Instead an override is displayed during the save operation of the contract.

If the system resolves the payment as non-RTGS Payment but you mark it as RTGS Payment in the contract input screen, then the transaction is not saved.

Message details

For a SWIFT message, you should specify:

- Whether a Cover has to be sent to the Reimbursement Bank, along with the payment message to the receiver
- Bank to bank payment details, (these can be in the form of instructions or additional information to any of the parties involved in the contract)
- Any Sender to Receiver information

Transfer Type

You can specify the Transfer Type as any of the following:

- Bank Transfer
- Customer Transfer
- Bank Transfer for own A/c
- Direct Debit Advice
- MCK, or
- None

Related Reference Number

You can enter the Related Reference Number for the contract. This field supports a maximum of 16 characters. The Related Reference Number will be reflected in Field 21 of the MT202 message. This field is not mandatory.

Details of Charges

In this section you can maintain details of the party who will bear the charges incurred in processing the transaction. It could be either:

- Remitter – All Charges
- Beneficiary – All Charges
- Remitter – Our Charges

USD Clearing Network

You can specify whether the USD clearing Network should be:

- Fedwire
- CHIPS
- Universal
- CHIPS participant

Sender to Receiver Information on Confirmation

The sender to receiver information maintained in the settlement instructions can be defaulted in the Field 72 during the confirmation of messages. Checking this box will default the information in Field 72. Leave the box unchecked to indicate otherwise.

Regulatory Reporting Details

This field corresponds to field 77B of a SWIFT message. For the receiver or sender, you need to maintain the code (s) for the statutory or regulatory information, which is mandatory as per the rules of the specified country.

2.6.3 Capturing Party Details

When you settle a contract, funds may have to pass through a series of banks before it actually reaches the Ultimate Beneficiary. In the Parties screen, you can capture details of all parties involved in a contract.

Ordering Institution (52a)

The Ordering Institution is the financial Institution, which is acting on behalf of itself, or a customer, to initiate the transaction. This field corresponds to 52a of S.W.I.F.T.

In this field, you can enter one of the following:

- The ISO Bank Identifier Code of the Ordering Institution
- The branch or city of the Ordering Institution
- The Name and address of the Bank

Ordering Customer (50a)

The Ordering Customer refers to the customer ordering the transfer. Here, you can enter the name and address or the account number of the Customer, ordering the transaction. This field corresponds to field 50 of S.W.I.F.T. You will be allowed to enter details in this field only if you have initiated a customer transfer (MT 103 and MT 102).

Beneficiary Institution (58a)

Here, you can enter details of the institution in favor of which the payment is made. It is in reality the bank, which services the account of the Ultimate Beneficiary. This field corresponds to field 58a of S.W.I.F.T.

You will be allowed to make entries into this field only for Bank Transfers (when the remitter and beneficiary of the transfer are financial institutions – MT 103 or MT 202). Here you can enter either of the following:

- The ISO Bank Identifier Code of the Beneficiary Institution
- The Name and Address of the Beneficiary Institution.

Ultimate Beneficiary (59a)

The Ultimate Beneficiary refers to the Customer to whom the contract or deal amount is to be paid. This field refers to field 59 (is this now 59A) of S.W.I.F.T. You can make entries into this field only for a customer transfer (MT 103 and MT 202).

The number of banks involved in the transfer would, therefore, depend on the:

- Relationships and arrangements between the sending and receiving banks
- Customer instructions
- Location of parties
- The banking regulations of a country

The screenshot shows a window titled "Settlement Message Details". At the top, there are two input fields: "Contract Reference Number" with the value "981BDLL071652006" and "Component" with the value "INTEREST_LIQD". Below this is a tabbed interface with tabs for "Acct Details", "Msg Details", "Msg Details", "Pay Parties", "Pay Parties", "Recv. Notice", "DD Parties", and "Clearing". The "Pay Parties" tab is active, showing four sections: "54a:Receiver Correspondent", "56:Intermediary", "55:Int. Reimb. Institution", and "57a:Account With Institution". Each section contains a table with columns for "FW" and "FEDWIRE". The "56:Intermediary" and "57a:Account With Institution" sections have the value "987654321" and "123456789" respectively. At the bottom, there are fields for "Receiver Account", "Receiver" (with value "018600"), and "Receiver of Cover".

These screens contain fields that can capture details of all the possible parties through whom the funds involved in a contract can pass. Depending on the type of contract you are processing, and the number of banks involved, you should enter details in these screens.

Receiver's Correspondent (54a)

The Receiver's Correspondent is the branch of the Receiver or another financial institution at which the funds will be made available to the Receiver. This field corresponds to field 54a of S.W.I.F.T. You can enter one of the following:

- ISO Bank Identifier Code of the bank
- The branch of the Receiver's Correspondent
- Name and address of the Receiver's Correspondent

Intermediary Reimbursement Institution (55a)

An Intermediary Reimbursement Institution is the financial institution between the Sender's Correspondent and the Receiver's Correspondent, through which the reimbursement of the funds will take place.

Intermediary (56a)

The Intermediary in a contract refers to the financial institution, between the Receiver and the Account with Institution, through which the funds must pass.

The Intermediary may be a branch or affiliate of the Receiver or the Account With Institution, or an entirely different financial institution. This field corresponds to field 56a of S.W.I.F.T.

Here you can enter either of the following:

- ISO Bank Identifier Code of the bank
- Name and address of the Bank

Account with Institution (57a)

An Account with Institution refers to the financial institution, at which the ordering party requests the Beneficiary to be paid. The Account with Institution may be a branch or affiliate of the Receiver, or of the Intermediary, or of the Beneficiary Institution, or an entirely different financial institution. This field corresponds to field 57a of S.W.I.F.T.

You can enter one of the following:

- ISO Bank Identifier Code of the bank
- The branch of the Receiver's Correspondent
- Name and address of the Receiver's Correspondent
- Other identification codes (for example, account number)



For the fields 'Intermediary' and 'Account with Institution', if you select the value 'FW' from the option list, you can specify only Fedwire values in the next line.

For more details on Fedwire values, refer the section titled 'Maintaining Fedwire Values' in the 'Reference Information for Loan Syndication' chapter in this user manual.

Receiver Account

The 'Receiver Account' is the account number of the beneficiary. This field is used to populate Field 58a of a MT202 cover message.

2.6.4 Capturing Receive Notice Details

In the Receive screen, you can also capture details of all receive parties involved in a contract.

A screenshot of a software window titled "Settlement Message Details". At the top, there are two input fields: "Contract Reference Number" with the value "MMGMP02020111001" and "Component" with the value "MCPF-INT_LIQD". Below these are several tabs: "Acct Details", "Msg Details", "Msg Details", "Pay Parties", "Pay Parties", "Recv. Notice" (which is selected and highlighted), "DD Parties", and "Clearing". The main content area of the "Recv. Notice" tab contains three sections, each with a label and a multi-line text input field: "52: Ordering Institution", "56: Intermediary", and "50: Ordering Customer".

Ordering Institution

The 'Ordering Institution' in a payment refers to the financial institution of the customer. This field corresponds to field 52a of a SWIFT message.

Ordering Customer

The 'Ordering Customer' in a payment refers to the customer ordering the transaction. This field corresponds to field 50a of a SWIFT message.

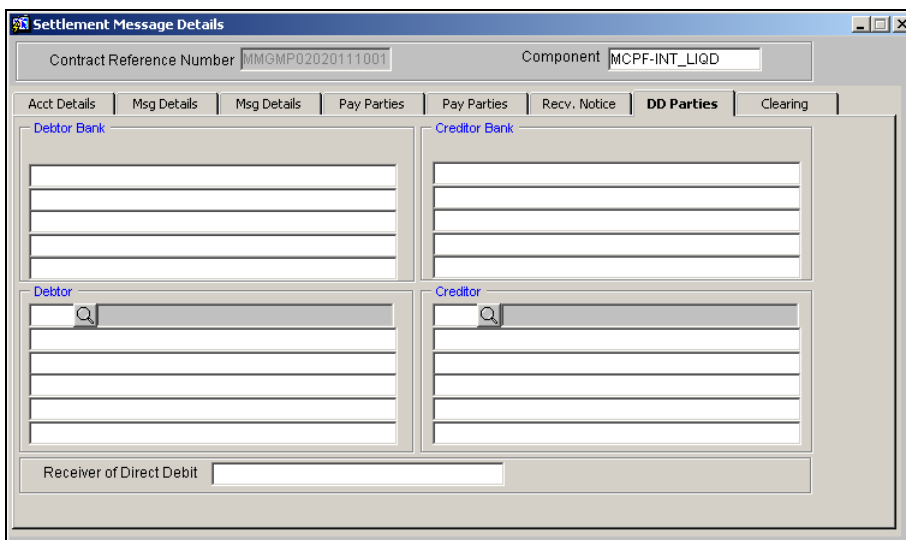
Intermediary

The Intermediary in a contract refers to the financial institution, between the Receiver and the Account with Institution, through which the funds must pass.

The Intermediary may be a branch or affiliate of the Receiver or the Account with Institution, or an entirely different financial institution. This field corresponds to field 56a of S.W.I.F.T.

2.6.5 Capturing Direct Debit Details

In the DD screen, you can also capture details of all the DD parties involved in a contract.



The screenshot shows a window titled "Settlement Message Details". At the top, there are two input fields: "Contract Reference Number" with the value "MMGMP02020111001" and "Component" with the value "MCPF-INT_LIQD". Below these are several tabs: "Acct Details", "Msg Details", "Msg Details", "Pay Parties", "Pay Parties", "Recv. Notice", "DD Parties" (which is selected), and "Clearing". The "DD Parties" tab is divided into four sections: "Debtor Bank" (top left), "Creditor Bank" (top right), "Debtor" (bottom left), and "Creditor" (bottom right). Each section contains a search icon and several empty rows for data entry. At the bottom of the window, there is a field labeled "Receiver of Direct Debit" with an empty input box.

For the DD Party details, you can specify the details of the creditor and debtor, their bank details and the details on the receiver of the direct debit.

Receiver of Direct Debit

This field indicates the Recipient of the DD message and the system derives the type of the message to be generated based on this information.

In case the receiver of the DD message is

- For Customers, an MT 104 message is generated
- For Bank type customers, an MT204 message is generated

2.6.6 Maintaining Local Clearing Details and Cover Details for Settlement Messages

For local currency transactions for which the payment instructions are to be generated through the Payments module, you can specify the following settlement details:

- Whether the payment is to be effected through messaging or via the local clearing network
- Whether a cover is required for the payment
- Whether the cover must be available through messaging or through the local clearing network

You can specify these details in the Settlements Message Details screen. In the Message Details tab, you can indicate the payment mode, and the cover details.

The screenshot displays the 'Settlement Message Details' window with the 'Msg Details' tab selected. The interface includes several sections for configuring payment and clearing details:

- Contract Reference Number** and **Component** input fields at the top.
- Acct Details**, **Msg Details** (selected), **Pay Parties**, **DD Parties**, and **Clearing** tabs.
- Payment By** section with radio buttons for **Message** (selected), **Instrument**, and **Clearing**.
- Cover Details** section with a **Cover Required** checkbox and a **Cover By** section with radio buttons for **Message** (selected) and **Clearing**.
- Transfer Type** dropdown menu.
- 71A: Details of Charges** section with radio buttons for **Rem All Charges** (selected), **Ben All Charges**, and **Rem Our Charges**.
- USD Clearing Network** search field.
- 23B: Bank Operation Code** and **26T: Transaction Type** search fields.
- Instrument Details** section with **Type** dropdown and **Number** input field.
- 23E: Instruction Codes** table with multiple rows and search icons.
- 71F: Sender's Charges** table with columns for **Amount** and **Ccy**.
- 71G: Receiver Charge** table with columns for **Amount** and **Ccy**.

While maintaining branch parameters, you can specify local currency (LCY) message preferences. If you have selected either 'SUPPRESS_LCY_MESSAGE' or 'GEN_PC_CONTRACT' as your preference at the branch level and if the settlement is in local currency, then the system generates a configurable override if you select any option other than 'Clearing' as the payment mode.

If you indicate payment through the local clearing network, or cover through the local clearing network, you must indicate the external counterparty details in the Clearing Details tab in the Settlement Message Details screen.

STOP Note the following:

- As a branch level preference if you have indicated that LCY Payments should be routed through the PC module, a PC transaction will be generated only if you have selected the Clearing option in the Payment By field. This will happen during message generation.
- Similarly, if you have enabled the Generate PC Contract option for a specific module and selected the Clearing option in the Cover By field, the system generates a PC transaction with Cover.
- You will not be allowed to select the Clearing option for both the Payment By and Cover By fields.

2.7 Enrichment of Settlement Parties

In Oracle FLEXCUBE, the facility to enrich the data from the contract settlements is provided while construction the SWIFT messages. For all payment messages, you can derive the BIC code out of a customer and use Option A for the SWIFT messages.

The system resolves the settlement parties to derive the BIC and address of the party in the following order:

- BIC
- Account Number
- Customer Number (CIF)
- Short Name of the Customer

The following are the fields from which the system will resolve the settlement parties to derive the BIC:

- Sender's Correspondent (53a)
- Receiver's Correspondent (54a)
- Intermediary Reimbursement Institution (55a)
- Intermediary (56a)
- Account With Institution (57a)

- Beneficiary Institution (58a)

Subsequently, the system will enrich the settlement parties only for the following messages:

- MT100
- MT103
- MT202
- MT104
- MT204
- Reverse MT103
- Reverse MT202
- MT300
- MT320
- MT330

During the enrichment of settlement parties in Oracle FLEXCUBE, the system resolves the following conditions as described in the table given below:

Condition	Option	Value
Value is present in BIC directory	A	Value
Value is valid account no and Primary BIC is available for the customer	A	Primary BIC
Value is a valid account number and Primary BIC is not available	D	CIF Address
Value is a valid customer no and Primary BIC for the customer is present	A	Primary BIC
Value is valid customer no and Primary BIC for the customer is not present	D	CIF Address
Value is valid short name and Primary BIC for the customer present	A	Primary BIC
Value is valid short name and Primary BIC for the customer is not present	D	CIF Address
Value is not a valid BIC or CIF or Short Name	D	Value

If the system is unable to enrich the data into a valid BIC, it will use the Option D that is provided.

2.8 **S.W.I.F.T. messages handled by Oracle FLEXCUBE**

The following table gives the S.W.I.F.T. message types that will be generated for the various transfers that can be initiated through Oracle FLEXCUBE.

Type of Transfer	Message Type
Customer Transfer	MT 103

Type of Transfer	Message Type
Customer Transfer with Cover	MT 103and MT 202
Bank Transfer	MT 200
Bank Transfer with Cover	MT 202
Bank Transfer for Own Account	MT 200 and MT 210
Notice to Receive	MT 210
Incoming Bank Transfer with Notice to Receive	MT 202 and MT 210
Direct Debits (Customers)	MT 104 and Reverse 103
Direct Debits (Bank type customers)	MT 204 and Reverse 202


2.8.1 Payment Order - MT 100

Sending a Fax copy of an MT 103

For outgoing transfers, you have the option to generate a fax copy of a Payment Message (MT 103) that is sent when the transfer is initiated (INIT). A fax copy of an MT 103 can be triggered for generation:

- Automatically, when the MT 103 is generated, or
- When a customer requests one.

The format and content of the fax will be similar to the corresponding SWIFT Payment Message.

 A fax copy of an MT 103 can be sent to the counterparty of a transfer only if the Payment Message (PAYMENT_MESSAGE) was triggered at the transfer initiation event (INIT).

Generated with a Payment Message

While indicating the messages that should be generated at the event (INIT), you should also associate the pre-shipped advice tag FAX_PMT_MSG to the event.

When the FT is authorized, the MT 103 is generated from the Outgoing Message Browser and the Fax copy is triggered for generation.

If the Chinese characters are specified, then the system will generate the payment message with Chinese characters for the field 57, 59 and 70 as per the SWIFT MT103/MT202 format. If the message content of the fields 57, 59, and 70 exceeds 80 columns in a line, then the system will write the rest of the message content in next line.

An Example of an MT 103

Ms. Tanya Agnihotri, a customer of your bank (Friendly Neighborhood Bank, Sydney) instructs you to transfer AUD 100,000 to the account of Ms. Tina Shenoy with Citibank, Mumbai, for her birthday.

Message Details	Format	Explanation
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Message Details	Format	Explanation
Sender	BKAUFNBKXXX	The BIC Code assigned to FNB Sydney
Message Type	103	
Receiver	CITIBKINMU0	The BIC Code assigned to Citibank, Mumbai.
Message Text		
Sender Reference	:20:494931/DEV	
Bank Operation Code	:23b:CRED	
Value date/ Currency/ Interbank settled amount	:32A:020426AUD100000,	Field 32 A of SWIFT
Ordering Customer	:50K:Tanya Agnihotri	Field 50 K of SWIFT
Sender's Correspondent	:53B:CITIBKUSNY1	Field 53 B of SWIFT. The correspondent bank is Citibank, New York
Ultimate Beneficiary	:59:Tina Shenoy	Field 59 of SWIFT
Details of Payment	:70: Birthday Gift	Field 70 of SWIFT

2.8.2 Payment Order — MT 202

Message Details	Format	Explanation
Sender	BKAUFNBKXXX	
Message Type	202	
Receiver	CITIBKUSNYX	
Message Text		
Transaction Reference Number	:20:203998988	
Related Reference	:21:494931/DEV	Field 20 of MT 103
Value date/ Currency code/ Amount	:32A:020426AUD100000,	
Beneficiary Institution	:58:CITIBKINMU0	Field 57a of S.W.I.F.T. The bank is Citibank Mumbai.

Message Details	Format	Explanation
End of message text/trailer		

An example for MT 200

You, (Friendly Neighborhood Bank, Sydney) order Citibank, NY to transfer AUD 1 Million from your Nostro account with them, to your Nostro account with HDFC bank, Mumbai.

An Intermediary can be involved in this transfer, if Citibank, NY, requests Citibank, Mumbai, to transfer the funds to HDFC, Mumbai. In this case Citibank, Mumbai will be the Intermediary.

An example for MT 202

In the example for MT 200, if you involve an Intermediary (field 56a of S.W.I.F.T.) then a cover MT 202 will be sent to Citibank, Mumbai.

2.8.3 An example for a Notice to Receive (MT 210)

As a result of a Foreign Exchange deal with HDFC, Mumbai, you at Friendly Neighborhood Bank, Sydney, are expecting to receive 1 Million USD to be credited to your account with Citibank, NY.

Notice To Receive: MT210

Field In Oracle FLEXCUBE	Corresponding Field in S.W.I.F.T.	Entry
Ordering Institution	Field 52a of S.W.I.F.T.	HDFC, Mumbai
Sender		FNB, Sydney
Intermediary	Field 56a of S.W.I.F.T.	Citibank, Mumbai
Details of Payment	Field 70 of S.W.I.F.T.	A message that you want to send.

The Notice to Receive MT 210 will be sent from FNB, Sydney to Citibank, New York.

2.8.4 Account Number Usage Rule – MT 300/320/330

If the CSTB_PARAM, NEW_SETTLEMENT_FOR_CAT3 value is set to 'Y', then the account number in field 58 will reflect the account line (BIC Code) of field 57.

Similarly account number of field 57 is reflected in the account line 56, if the account lines of 57 and 56 do not have sort codes.

Payable by party B(Receive Side)	Payable by party A (Pay side)
:53a:Correspondent of Party B	:53a:Correspondent of Party A
:56a: /account with institution account line Intermediary BIC/name and address	:56a: /account with institution account line Intermediary BIC/name and address

Payable by party B(Receive Side)	Payable by party A (Pay side)
:57a: /Beneficiary account line Account with institution BIC/name and address	:57a: /Beneficiary account line account with institution BIC/name and address

In the receive side the Beneficiary obtains the following value:

/ External account no of the Nostro

Branch BIC

If the CSTB_PARAM value is set to 'N', then the account number specified in 57 and 58 do not get serviced.



Note the following:

- Flipping of account numbers (58-57 and 57-56) is visible only in the MT 300 series messages. Payment messages do not undergo any change.
- Change relevant to both old and new mode of settlement

2.8.5 Field 32H Usage Rule – MT 320

The MT 320 swift message generation includes interest amount in the field 32H when interest is settled through the same cash flow as principal.

Field 32H values during rollover:

- If there is a rollover with no change in principal, then the value of field 32H is the interest amount liquidated.
- If there is a rollover with the increase in principal, and interest liquidation occurs through the same cash flow as principal during rollover, then the value of the field 32H is:
Increased principal amount - Interest amount
- If there is a rollover with the decrease in principal, and interest liquidation occurs through the same cash flow as principal during rollover, then the value of field 32H is:
Decreased principal amount + Interest amount

If treat special amount is set to 'I' (Ignore), then rollover amount can be of following types

- Principal - Only principal gets rolled over and interest gets liquidated
- 32H acquires liquidated interest amount
- Principal + Interest - Both principal and interest get rolled over
- 32H acquires value as 0
- Principal + Interest - Tax - 32H acquires value as 0

If treat special amount value is not 'I' (Ignore), then the special amount entered can be of following types

- Rollover Amount - Special amount becomes the total rollover amount. In such cases, principal amount may increase or decrease and 32H acquires the value as described above for decreased/increased principal.

- Liquidation Amount - Special amount becomes total liquidation amount. (Principal – liquidation amount) becomes rollover amount and 32H acquires the value as described above for decreased/increased principal.

Sequences E & F:

The sequences C and D are mandatory and contain settlement instructions for amount payable by sender and receiver. But the sequences E and F are optional and contain settlement instructions for interest payable by sender and receiver. The MT 320 swift message generation code imparts values to the sequences E and F only if they are different from C and D respectively.

Example

The following matrix contains examples of various rollover amounts and the expected value of 32H for a 'Loan' product type. The expected value is furnished for the following two variants

- Principal and Interest are settled in different cash flows
- Principal and Interest are settled in the same cash flow

For 'Deposit' product type, the sign of the amount would be the opposite.

MM Type	Roll Type	Settlement Account of Principal Vs Interest	Special Amount as	Original P	Interest	Tax	New Principal	32 H Value	Sign
Placement - New Version	P			1000	100	-	1000	0	
	P+I			1000	100	-	1100	100	+
	P+I-T			1000	100	10	1090	90	+
	Special is more than Initial Principal	Same		1000	100	-	1500	400	+
		Different		1000	100	-	1500	500	+
	Special is less than Initial Principal			1000	100	-	500	600	-
		Different		1000	100	-	500	500	-
Borrowing - New Version	P			1000	100	-	1000	0	
	P+I			1000	100	-	1100	100	-
	P+I-T			1000	100	10	1090	90	-
	Special is more than Initial Principal	Same		1000	100	-	1500	400	-
		Different		1000	100	-	1500	500	-
	Special is less than Initial Principal			1000	100	-	500	600	+
		Different		1000	100	-	500	500	+
Placement	P(Linked Contract)			1000	100	-	1000	0	

2.8.6 Debit Advice (MT 900)

An MT 900 is a debit advice. It is sent by the Account Servicing institution to notify an account owner of an entry that has been debited to its account.

Friendly Neighborhood Bank (FNB) asks Citibank, NY, to pay Citibank, Mumbai by debiting Friendly Neighborhood Bank's account with Citibank, New York.

An MT 900 is sent by Citibank, NY, after it pays Citibank, Mumbai and debits FNB's account with it.

2.8.7 Message Handoff

If the 'FTI Handoff Required' box is checked in the 'LS Branch Parameter' Screen, then the Swift message for local currencies will be handed off to FTI system for China and Taiwan.

The following changes will be done in Oracle FLEXCUBE for the payment message Handoff from Oracle FLEXCUBE to FTI through MQ.

- Population of Interfacing staging table and population of Message Browser with status 'SNT'(Sent) for local currency payment messages
- The flag 'Handoff Status' will be updated to 'ACK/NAK' upon confirmation/acknowledgement received from FTI via MQ.

2.9 Generating Settlement Messages

Through the 'Settlement Messages' batch generation program you can generate messages for transactions involving all the modules in Oracle FLEXCUBE.



While generating Settlement Messages the system ensures the following:

- Contract amount due records are processed by the Contract Reference Number and Currency. For example, for FX deals the buy and sell legs are picked up at different stages while processing the corresponding currency legs instead of the contract reference number
- If for a single currency both pay and receive messages are to be generated, both events PMSG and RMSG are triggered and the Payment and Receive messages are generated.

- There is no restriction on the number of times the PMSG (Payment message) and RMSG (Receive messages) event trigger; thus allowing generation of settlement messages for Settlement Instruction enriched after the generation of PMSG and RMSG.

Dependent Amount Tags

Only those components which have complete or inheritable settlement instructions are considered for message generation.

For amount tags dependent on parent tags (having complete settlement instructions) the settlement instruction for the child tag are picked up from the parent tag.

2.9.1 Generating Messages when the Messaging Netting option is enabled

If you have enabled the Message Netting option as a product preference, the system process the resultant amount due records for message netting and arrives at the distinct records for which the messages are to be generated.

Subsequently, the PMSG event is triggered for the pay leg and the RMSG event is triggered for the receive leg.



Note the following:


- The Settlement messages cannot be generated as part of the SGEN event once the due date for the amount due is over.
- During message generation if the system is unable to pickup the address for the corresponding module then the address maintained for module code 'IS' is picked up.
- You will be able to see the generated messages for the respective modules through the Outgoing Message Browser.


2.10 Viewing RTGS information in the RTGS Message Browser

You can view RTGS information relating to Balance Information, RTGS Incoming Messages and RTGS Outgoing Messages through the 'RTGS Message Browser'. To invoke this screen, from the **Application Browser**, choose **Messaging Processes** and then **RTGS Messages**.

Thereafter, choose the Browser option. The RTGS Message Browser screen appears as shown below:

To view message details, click .

To query, click the  button.

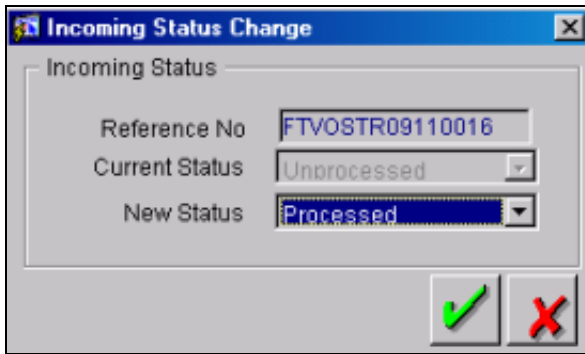
 At the time of marking End of Day, the system purges all the RTGS message related tables and resets all balances and counters.

In case of archival processing for incoming and outgoing messages, the archival is based on the RTGS message status. However, all the unprocessed RTGS incoming and outgoing messages are not archived.


2.10.1 Changing the status of RTGS Incoming Messages manually

You can change the status of incoming messages manually if you wish, through the RTGS Message Browser screen.

Select the message whose status you wish to change, from the incoming message block. You can also change the status through the menu option. Choose **Actions** and then **Processing** under it. Thereafter, choose **Confirm**. The 'Incoming Status Change' screen appears as shown below.



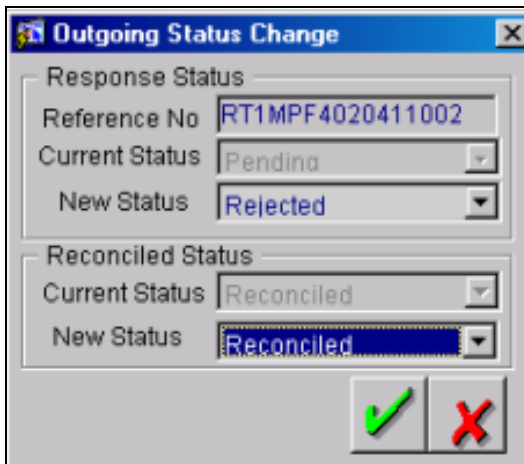
Select the new status from the option list provided. It can either be Processed or Unprocessed.

Click . The status appears changed in the RTGS Message Browser.

2.10.2 Changing the status of RTGS Outgoing Messages manually

You can change the status of outgoing messages manually if you wish through the RTGS Message Browser screen. Select the message whose status you wish to change from the Outgoing Message Block. From the Menu options, choose **Actions, Processing** and then **Confirm**.

The 'Outgoing Status Change' screen appears as shown below.



New Response Status

The response status can either be Pending, Accepted or Rejected. Select the new status from the option list provided.

New Reconciled Status


The reconciliation status can either be Reconciled or Unreconciled. Select the new status from the option list provided.

If you change the Response Status from Reject to Accepted and the Reconciled Status from Unreconciled to Reconciled, the Reject Reconciled field in the RTGS Message Browser is incremented by one. Similarly, the Debit Turnover in the RTGS Browser also appears reduced.

2.11 RTGS messages handled by Oracle FLEXCUBE

As part of the outgoing message generation process for RTGS messages, the system resolves the following messages:

RTGS Message Type	Swift Message Type	Normal Message
CUST_TFR_RTGS	103	CUST_TRANSFER
BANK_TFR_RTGS	202	BANK_TRANSFER
COVER_RTGS	202	COVER

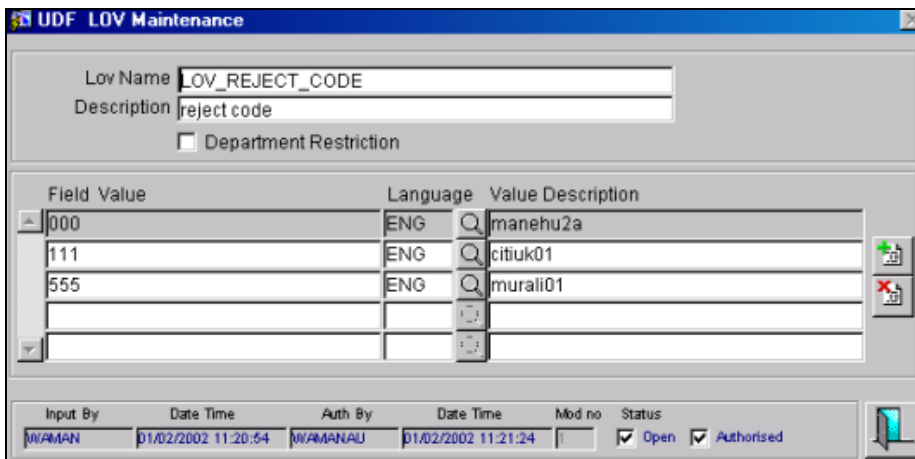
 During handoff, you will be able to see RTGS outgoing payment messages in the RTGS Outgoing Browser along with the details of payment. The debit turnover in the RTGS browser would increase according to the payment amount. However, if the value date of the message is later than today (system date), you will not be able to see these messages in the RTGS Outgoing Browser. You will be able to see them there only during the BOD process of the value date.

2.11.1 Capturing Payment Title code for outgoing 103/202 RTGS messages

The payment title code is captured during contract input for FT, FX, MM and SI modules. In order to capture the payment title code for 103/202 RTGS messages for these modules, you need to maintain LOV values for the UDF LOV_REJECT_CODE.

You can access the 'UDF LOV Maintenance' screen from the **Application Browser**. Choose **User Defined Fields, LOV Definition** and then **Detailed**.

The screen appears as shown below.



In case of FT and SI modules, you must then map the function ID of the corresponding module to the UDF, REJECT CODE, in the Function User Defined Field screen. For FX and MM modules, you must map the function ID of Branch BIC Maintenance to the UDF, REJECT CODE in the Function User Defined Field screen.

You can access the 'Function User Defined Field' screen from the **Application Browser**. Choose **User Defined Fields, Fields Definition** and then **Detailed**.

Once the setup is complete, the system does the following validations in the contract inputs screens of the respective modules in order to capture the Payment Title Code.

FTCONONL (Funds Transfer Contract Input)

Field Name	Default Value	Validation
Country Code	Remitter account CIF country defaults here	
Reject Code	Not applicable	If the product is an RTGS Product and the country code is not a local country, the reject will be mandatory. If the country code is local country, you will not be allowed to choose value '000'.

FXCONONL (Foreign Exchange Contract Input)

Field Name	Default Value	Validation
Country Code	Counterparty country code	
ACCSTM	911	If the country code is the local country of the branch, you will not be allowed to enter any value

MMDCOMNT (Money Market Contract Input)

Field Name	Default Value	Validation
Country Code	Counterparty's country code	
Principal Code	930	If the country code is the local country of the branch, then you should not be allowed to enter any value
Interest Code	43C	If the country code is the local country of the branch, then you should not be allowed to enter any value

SIDCONONL (Standing Instructions Contract Input)

Field Name	Default Value	Validation
Country Code	Counterparty's country code	
Reject Code	Not applicable	If the product is an RTGS Product and the country code is not a local country, the reject code will be mandatory. If the country code is local country, then you will not be allowed to choose any value.

2.11.2 Generating Outgoing Messages

The values captured in the UDFs, Reject Code and Country Code in the Contract Input screens, appear in tags 77B and 72 of Outgoing RTGS messages.

For all outgoing RTGS 103 messages, tag 77B appears with the following details:

77B/ORDERRES/CC

/FMSTAT/RRR

CC corresponds to country code and RRR corresponds to rejection code

For all outgoing RTGS 202 messages, tag 72 appears with the following details:

72/JOGCIM/2!a3!(CCRRR)

CC corresponds to the Country Code of the Customer and RRR corresponds to the Rejection Code

2.11.3 Uploading Incoming Messages

For Message Type 103, the following information appears in tag 77B.

- Country Code: This appears in tag 77B after the code word ORDERRES.

Rejected Code: This appears after the code word FMSTAT and is in 3 digits.

Example

77B:/ORDERRES/GB

/FMSTAT/922

Where, Country Code = GB and Reject Code = 922

After uploading the contract, you can view the values in the Function User Defined Field screen.

For Message Type 202, the following information appears in tag 72.

Country code: This is in 2 digits and appears in tag 72 after the code word JOGCIM.

Rejected code: This is in 3 digits and appears after the code word JOGCIM/CC (where CC corresponds to Country code).

Example

72:/JOGCIM/GB/911

where, Country Code =GB and Reject Code = 911

After uploading the contract, you can view the values in the Function User Defined field screen.