ORACLE FLEXCUBE

Accelerator Pack 14.0.0.0.0 – Product Catalogue

Integrated liquidity management

ORACLE

FINANCIAL SERVICES

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Overview & Objectives

Liquidity Management refers to the services the bank provides to its corporate customers thereby allowing them to optimize interest on their checking / current accounts and pool funds from different accounts.

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

- Liquidity management services are broadly classified as under
  - o Sweeping - where physical funds are moved in account structure from child to parent or parent to child.
  - o Pooling - where funds are not physically moved in and out of accounts. Instead, the

  account balances are notionally consolidated and 'interest computations' carried out such notional balances

- Options available to automate periodic processes such as :
  - o Accrual of accounts
  - o Liquidation of deposits on liquidation frequency defined

Product Catalogue

1. ILM Pooling

This offering has all basic features that are needed for a corporate customer to open an account which could participate in the pooling account structure either as a header, Parent or Child This product would be used to pool the whole balances of all the accounts maintained in an account structure notionally.

1.1. Business Scenario

The corporate customers used to create account strcuture to pool the balances across the accounts in order to avoid the debit interest charged by the bank and to optimize the credit interest as well. Funds are not physically moved in and out of accounts. Instead, the account balances are notionally consolidated to a header account of the account structure and "Interest computation" will be carried out on such notional balances.

1.2. Synopsis

- o Booking of deposit with pooling facility
- o Tax withhoding on the interest amount liquidated
- o Integrated liquidated management option is enabled

1.3. Detailed Coverage

- o Deposits can be opened in GBP,AUD,INR & USD currencies under this account class
- o Daily Interest accruals for pool or sweep balances.
- o Liquidation at monthly ends
- o Back value dated interest adjustments for accruals and liquidations
- o The account will get the credit or debit interest as per the amount it contributed to its parent
- o Facility to calculate interest based on pool header and reallocation interest products

1.4. Account class - ILM001

Account Class –> Details	
Account Type	Current
Account statement format	ACST_DETAILED

Account Class –> Preferences	
Overdraft	Yes
Track receivable	Yes
Account statistics	Yes
Exclude Same Day Reversal Transactions from Statement	Yes
Back period entry allowed	Yes
Interest charges	Yes

Track accrued interest	Yes
Debit credit advices	Yes
Posting allowed	Yes
Interest statement	Yes
Available balance check required	Yes
Integrated liquidity management	Yes

1.5. Rule definition

IC Rule Features – PHR1	
SDE's	DAYS,ILVD_ULT_CR_BAL, ILVD_ULT_DR_BAL
UDE's	HCR_RATE, HDR_RATE, HTAX_RATE

Rule Definition – PHR1				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	(ILVD_ULT_DR_BAL)>0	(ILVD_ULT_DR_BAL*HDR_RATE*DAYS)/36500
2	Yes	Book	ILVD_ULT_CR_BAL>0	(ILVD_ULT_CR_BAL*HCR_RATE*DAYS)/36500
3	No	Tax	FORMULA2>0	ROUND(FORMULA2*HTAX_RATE/100,2)

IC Rule Features – PRC1	
SDE's	DAYS,ILVD_CP_CR_CONT, ILVD_CP_DR_CONT, ILVD_NCP_CR_CONT, ILVD_NCP_DR_CONT
UDE's	CCR_RATE, CDR_RATE, CTAX_RATE

Rule Definition – PRC1				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	(ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) > 0	((ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) * CDR_RATE * DAYS) / 36500
2	Yes	Book	(ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) > 0	((ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) * CCR_RATE * DAYS) / 36500
3	No	Tax	FORMULA2>0	ROUND(FORMULA2* CTAX_RATE / 100,2)

IC Rule Features – NINT	
SDE's	DAYS,VD_DLY_CR_BAL_M, VD_DLY_DR_BAL_M
UDE's	NORMAL_RATE1, NORMAL_RATE2

Rule Definition – NINT				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	VD_DLY_DR_BAL_M< 0	(VD_DLY_DR_BAL_M*NORMAL_RATE1*DAYS)/(365*100)
2	Yes	Book	VD_DLY_CR_BAL_M > 0	(VD_DLY_CR_BAL_M*NORMAL_RATE2*DAYS)/(365*100)

1.6. Product

Product Features – PHR1	
Product Code	PHR1
Description	ILM POOL HEADER
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest
IC Rule	PHR1
IC Rule description	ILM POOL HEADER

Product Preference – PHR1	
Product Level	Yes
Accrual Frequency	Daily
Payment Method	Bearing
Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
ILM product	Yes
ILM type	Pool lead

Account Classes Mapping – PHR1					
Account class	*Currency*	*Special condition only*	*Rate change at Liquidation*	*Rate change on Rollover*	*Continue Variance on rollover*
ILM001	GBP	Yes	Yes	No	No
ILM001	AUD	Yes	Yes	No	No
ILM001	USD	Yes	Yes	No	No

ILM001	INR	Yes	Yes	No	No

Product Features – PRC1	
Product Code	PRC1
Description	ILM POOL REALLOCATION
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest
IC Rule	PRC1
IC Rule description	ILM POOL REALLOCATION

Product Preference – PRC1	
Product Level	Yes
Accrual Frequency	Daily
Payment Method	Bearing
Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
ILM product	Yes
ILM type	Pool reallocation

Account Classes Mapping – PRC1					
Account class	Currency	Special condition only	Rate change at Liquidation	Rate change on Rollover	Continue Variance on rollover
ILM001	GBP	Yes	Yes	No	No
ILM001	AUD	Yes	Yes	No	No
ILM001	USD	Yes	Yes	No	No
ILM001	INR	Yes	Yes	No	No

Product Features – NINT	
Product Code	NINT
Description	ILM Simple product
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest
IC Rule	NINT
IC Rule description	ILM Simple rule

Product Preference – NINT	
Product Level	No
Accrual Frequency	Daily
Payment Method	Bearing

Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
Receivable General legder	132000005
ILM product	No

Account Classes Mapping – NINT					
Account class	*Currency*	*Special condition only*	*Rate change at Liquidation*	*Rate change on Rollover*	*Continue Variance on rollover*
ILM001	GBP	Yes	Yes	No	No
ILM001	AUD	Yes	Yes	No	No
ILM001	USD	Yes	Yes	No	No
ILM001	INR	Yes	Yes	No	No

1.7.   Additional information

- o   ILM event code ILMTEST is maintained and attached to IL branch parameter

2. ILM Sweeping

This offering has all basic features that are needed for a corporate customer to open an account which could participate in the pooling account structure either as a header, Parent or Child This product would be used to sweep the balances of all the accounts maintained in an account structure. Physical funds are moved in account structure from child to parent or parent to child.

2.1. Business Scenario

The corporate customers used to create account strcuture to sweep the balances across the accounts in order to avoid the debit interest charged by the bank and to optimize the credit interest as well. Accounts belongs to the same corporate would be participated in a group. Funds are physically moved in and out of accounts and "Interest computation" will be carried out on the physical funds available in the account.

2.2. Synopsis

- o Booking of deposit with sweep facility
- o Tax withhoding on the interest amount liquidated
- o Integrated liquidated management option is enabled

2.3. Detailed Coverage

- o Deposits can be opened in GBP,AUD,INR& USD currencies under this account class
- o Daily Interest accruals for pool or sweep balances.
- o Liquidation at monthly ends
- o Back value dated interest adjustments for accruals and liquidations
- o The account will get the credit or debit interest as per the amount it contributed to its parent
- o Facility to calculate interest based reallocation interest product

2.4. Account class –ILM002

Account Class –> Details	
Account Type	Current
Account statement format	ACST_DETAILED

Account Class –> Preferences	
Overdraft	No
Track receivable	Yes
Account statistics	Yes
Exclude Same Day Reversal Transactions from Statement	Yes
Back period entry allowed	Yes
Interest charges	Yes
Track accrued interest	Yes
Debit credit advices	Yes
Posting allowed	Yes
Interest statement	Yes
Available balance check required	Yes

Integrated liquidity management	Yes

2.5. Rule definition

IC Rule Features – PRC1	
SDE's	DAYS,ILVD_CP_CR_CONT, ILVD_CP_DR_CONT, ILVD_NCP_CR_CONT, ILVD_NCP_DR_CONT
UDE's	CCR_RATE, CDR_RATE, CTAX_RATE

Rule Definition – PRC1				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	(ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) > 0	((ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) * CDR_RATE * DAYS) / 36500
2	Yes	Book	(ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) > 0	((ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) * CCR_RATE * DAYS) / 36500
3	No	Tax	FORMULA2>0	ROUND(FORMULA2* CTAX_RATE / 100,2)

IC Rule Features – NINT	
SDE's	DAYS,VD_DLY_CR_BAL_M, VD_DLY_DR_BAL_M
UDE's	NORMAL_RATE1, NORMAL_RATE2

Rule Definition – NINT				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	VD_DLY_DR_BAL_M< 0	(VD_DLY_DR_BAL_M*NORMAL_RATE1*DAYS)/(365*100)
2	Yes	Book	VD_DLY_CR_BAL_M > 0	(VD_DLY_CR_BAL_M*NORMAL_RATE2*DAYS)/(365*100)

2.6. Product

Product Features – PRC1	
Product Code	PRC1
Description	ILM POOL REALLOCATION
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest

IC Rule	PRC1
IC Rule description	ILM POOL REALLOCATION

Product Preference – PRC1	
Product Level	Yes
Accrual Frequency	Daily
Payment Method	Bearing
Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
ILM product	Yes
ILM type	Pool reallocation

Account Classes Mapping – PRC1					
Account class	*Currency*	*Special condition only*	*Rate change at Liquidation*	*Rate change on Rollover*	*Continue Variance on rollover*
ILM002	GBP	Yes	Yes	No	No
ILM002	AUD	Yes	Yes	No	No
ILM002	USD	Yes	Yes	No	No
ILM002	INR	Yes	Yes	No	No

Product Features – NINT	
Product Code	NINT
Description	ILM Simple product
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest
IC Rule	NINT
IC Rule description	ILM Simple rule

Product Preference – NINT	
Product Level	No
Accrual Frequency	Daily
Payment Method	Bearing
Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
Receivable General legder	132000005
ILM product	No

Account Classes Mapping – NINT

Account class	Currency	Special condition only	Rate change at Liquidation	Rate change on Rollover	Continue Variance on rollover
ILM002	GBP	Yes	Yes	No	No
ILM002	AUD	Yes	Yes	No	No
ILM002	USD	Yes	Yes	No	No
ILM002	INR	Yes	Yes	No	No

2.7.   Additional information

- o ILM event code ILMTEST is maintained and attached to IL branch parameter
- o Events SWBK and RVSW are maintained to facilitate sweeps

3. ILM Pooling and Sweep

This product purpose is to create an account which would be used either to Pool or Sweep the balances of all the accounts maintained in an account structure. As per the sweep type whether its pooling or sweeping used in the account structure the funds would be moved from child to parent or parent to child notionally or physically.

3.1. Business Scenario

The corporate customers used to create an account structure such that the accounts gets Pooled in top level and sweep the balances from the next level in the multilevel structure.

3.2. Synopsis

- o Booking of deposit with sweep and pool facility
- o Tax withhoding on the interest amount liquidated
- o Integrated liquidated management option is enabled

3.3. Detailed Coverage

- o Deposits can be opened in GBP,INR,AUD& USD currencies under this account class
- o Daily Interest accruals for pool or sweep balances.
- o Liquidation at month ends
- o Back value dated interest adjustments for accruals and liquidations
- o The account will get the credit or debit interest as per the amount it contributed to its parent
- o Facility to calculate interest based lead,reallocation and normal interest product

3.4. Account class – ILM003

Account Class –> Details	
Account Type	Current
Account statement format	ACST_DETAILED

Account Class –> Preferences	
Overdraft	No
Track receivable	Yes
Account statistics	Yes
Exclude Same Day Reversal Transactions from Statement	Yes
Back period entry allowed	Yes
Interest charges	Yes
Track accrued interest	Yes
Debit credit advices	Yes
Posting allowed	Yes
Interest statement	Yes
Available balance check required	Yes
Integrated liquidity management	Yes

3.5. Rule Coverage

IC Rule Features – PHR1	
SDE's	DAYS,ILVD_ULT_CR_BAL, ILVD_ULT_DR_BAL
UDE's	HCR_RATE, HDR_RATE, HTAX_RATE

Rule Definition – PHR1				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	(ILVD_ULT_DR_BAL)>0	(ILVD_ULT_DR_BAL*HDR_RATE*DAYS)/36500
2	Yes	Book	ILVD_ULT_CR_BAL>0	(ILVD_ULT_CR_BAL*HCR_RATE*DAYS)/36500
3	No	Tax	FORMULA2>0	ROUND(FORMULA2*HTAX_RATE/100,2)

IC Rule Features – PRC1	
SDE's	DAYS,ILVD_CP_CR_CONT, ILVD_CP_DR_CONT, ILVD_NCP_CR_CONT, ILVD_NCP_DR_CONT
UDE's	CCR_RATE, CDR_RATE, CTAX_RATE

Rule Definition – PRC1				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	(ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) > 0	((ILVD_CP_DR_CONT + ILVD_NCP_DR_CONT) * CDR_RATE * DAYS) / 36500
2	Yes	Book	(ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) > 0	((ILVD_CP_CR_CONT + ILVD_NCP_CR_CONT) * CCR_RATE * DAYS) / 36500
3	No	Tax	FORMULA2>0	ROUND(FORMULA2* CTAX_RATE / 100,2)

IC Rule Features – NINT	
SDE's	DAYS,VD_DLY_CR_BAL_M, VD_DLY_DR_BAL_M
UDE's	NORMAL_RATE1, NORMAL_RATE2

Rule Definition – NINT				
Formula No	*Accrual*	*Type*	*Condition*	*Result*
1	Yes	Book	VD_DLY_DR_BAL_M< 0	(VD_DLY_DR_BAL_M*NORMAL_RATE1*DAYS)/(365*10

				0)
2	Yes	Book	VD_DLY_CR_BAL_M > 0	(VD_DLY_CR_BAL_M*NORMAL_RATE2*DAYS)/(365*100)

3.6. Product

Product Features – PHR1	
Product Code	PHR1
Description	ILM POOL HEADER
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest
IC Rule	PHR1
IC Rule description	ILM POOL HEADER

Product Preference – PHR1	
Product Level	Yes
Accrual Frequency	Daily
Payment Method	Bearing
Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
ILM product	Yes
ILM type	Pool lead

Account Classes Mapping – PHR1					
Account class	Currency	Special condition only	Rate change at Liquidation	Rate change on Rollover	Continue Variance on rollover
ILM003	GBP	Yes	Yes	No	No
ILM003	AUD	Yes	Yes	No	No
ILM003	USD	Yes	Yes	No	No
ILM003	INR	Yes	Yes	No	No

Product Features – PRC1	
Product Code	PRC1
Description	ILM POOL REALLOCATION
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest
IC Rule	PRC1
IC Rule description	ILM POOL REALLOCATION

Product Preference – PRC1	
Product Level	Yes

Accrual Frequency	Daily
Payment Method	Bearing
Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
ILM product	Yes
ILM type	Pool reallocation

Account Classes Mapping – PRC1					
Account class	Currency	Special condition only	Rate change at Liquidation	Rate change on Rollover	Continue Variance on rollover
ILM003	GBP	Yes	Yes	No	No
ILM003	AUD	Yes	Yes	No	No
ILM003	USD	Yes	Yes	No	No
ILM003	INR	Yes	Yes	No	No

Product Features – NINT	
Product Code	NINT
Description	ILM Simple product
Product Type	Interest
Product Group	IC
Product group description	Interest and Charges
Booking account type	Interest
IC Rule	NINT
IC Rule description	ILM Simple rule

Product Preference – NINT	
Product Level	No
Accrual Frequency	Daily
Payment Method	Bearing
Liquidation cycle	1 month
Defer Liquidation	No
Liquidation at Month ends	Yes
Back Value Recalculation Flag	Yes
Start from account Opening	No
Receivable General legder	132000005
ILM product	No

Account Classes Mapping – NINT					
Account class	Currency	Special condition only	Rate change at Liquidation	Rate change on Rollover	Continue Variance on rollover
ILM003	GBP	Yes	Yes	No	No
ILM003	AUD	Yes	Yes	No	No
ILM003	USD	Yes	Yes	No	No
ILM003	INR	Yes	Yes	No	No

3.7. Additional information

- o ILM event code ILMTEST is maintained and attached to IL branch parameter
- o Events SWBK and RVSW are maintained to facilitate sweeps

4. Integrated liquidity management – Other maintenances

Various maintenances to be done for ILM are listed in this section.

4.1. Event class code maintenance

Event class needs to be maintained for IL module with events as SWBK & RVSW to facilitate sweeps.

Event code ILMTEST is maintained and the below events have been maintained,

Events	Accounting role	Amount tag
SWBK	CHILD	CR_CONT
SWBK	CHILD	DR_CONT
SWBK	PARENT	CR_CONT
SWBK	PARENT	DR_CONT
RVSW	CHILD	CR_CONT
RVSW	CHILD	DR_CONT
RVSW	PARENT	CR_CONT
RVSW	PARENT	DR_CONT

4.2. Group code maintenance

Group code needs to be maintained with different parameters. Below group codes have been maintained in 001 branch,

Group code	Pool benefit	Sweep basis	Intraday sweep	Back value	Back value unit	Back value duration	Reverse sweep
ILGRP	Yes	Value date	No	No	-	-	No
ILGRSW	Yes	Value date	Yes	No	-	-	Yes
ILGRBV	Yes	Value date	No	Yes	Monthly	1	Yes

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