

Oracle® Banking Term Deposits

Functional Overview

Release 2.3.1.0.0

E92632-01

December 2017

Copyright © 2011, 2017, Oracle and/or its affiliates. All rights reserved.

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

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

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

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

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

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

Contents

| | |
|--|-----|
| Preface | v |
| Audience | v |
| Documentation Accessibility | v |
| Related Documents | v |
| Conventions | vi |
| | |
| 1 Overview | |
| | |
| 2 Key Features | |
| 2.1 Product and Offer Creation in Term Deposits..... | 2-1 |
| 2.2 Term Deposit Account Opening..... | 2-1 |
| 2.3 Branch and Currency Restrictions..... | 2-1 |
| 2.4 Funding Term Deposit..... | 2-2 |
| 2.5 Print or Re-print Term Deposit Certificate..... | 2-2 |
| 2.6 Interest and Fees..... | 2-2 |
| 2.7 Tax Deduction at Source | 2-2 |
| 2.8 Renewal or Auto Renewal of Deposits | 2-2 |
| 2.9 Modification of Term Deposit Contracts..... | 2-2 |
| 2.10 Term Deposit Payout Instructions..... | 2-3 |
| 2.11 Redemption of Term Deposit..... | 2-3 |
| 2.12 Pre-mature Redemption..... | 2-4 |
| 2.13 Marking Lien | 2-4 |
| 2.14 Block or Unblock Term Deposits..... | 2-4 |
| 2.15 Term Deposit Calculators | 2-5 |
| 2.16 Term Deposit Renewal..... | 2-5 |
| 2.17 Term Deposit Inquiry | 2-5 |
| 2.18 Term Deposit Sweep-in..... | 2-5 |
| 2.19 Unclaimed Deposit Processing | 2-6 |
| 2.20 Transfer of Term Deposit Account from One Branch to Another Branch..... | 2-6 |
| 2.21 Memo | 2-6 |
| 2.22 Account Address Linkage | 2-6 |
| 2.23 Backdated Account Opening..... | 2-6 |
| 2.24 Account Opening Sourced By Agents | 2-6 |
| 2.25 Capture of Transacting Party Details..... | 2-6 |

3 Australia Localization

| | | |
|-----|--|-----|
| 3.1 | Supports Farm Management Deposit Accounts (FMDA) | 3-1 |
| 3.2 | Withholding Tax | 3-1 |

Preface

Oracle Banking is a one-stop solution for a bank for its core banking operations, across retail offerings. It is designed to help banks respond strategically to today's business challenges, while also transforming their business models and processes to reduce operating costs and improve productivity across both front and back offices.

Oracle Banking provides a unified yet scalable IT solution for a bank to manage its data and end-to-end business operations with an enriched user experience. It is a composed set of different modules wherein each of the modules is serviced by a set of services and other subsystems.

This preface contains the following topics:

- [Audience](#)
- [Documentation Accessibility](#)
- [Related Documents](#)
- [Conventions](#)

Audience

This guide is intended for the users of Oracle Banking Term Deposits.

Documentation Accessibility

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

Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

Related Documents

For more information, see the following documentation:

- For installation and configuration information, see the Oracle Banking Installation Guide - Silent Installation
- For a comprehensive overview of security for Oracle Banking, see the Oracle Banking Security Guide

- For the complete list of Oracle Banking licensed products and the Third Party licenses included with the license, see the Oracle Banking Licensing Guide
- For information related to setting up a bank or a branch, and other operational and administrative functions, see the Oracle Banking Administrator's Guide
- For information related to customization and extension of Oracle Banking, see the Oracle Banking Extensibility Guide

Conventions

The following text conventions are used in this document:

| Convention | Meaning |
|-------------------|--|
| boldface | Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary. |
| <i>italic</i> | Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values. |
| monospace | Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter. |

Overview

The Oracle Banking Term Deposits product supports end-to-end life cycle processing of term deposits such as Opening of Account, Funding, Modification of contracts, application of interest rates, periodic accrual and capitalization of interest, payout of interest and principal, pre-mature redemption, closure of deposits and periodic generation advices and alerts for all applicable events.

In addition, the module also handles the application and collection of charges and fees as part of premature redemption of the deposit.

Banks can design a variety of products for Term Deposits to cater to the needs of the various segments of customers. Product configuration is supported by Product Manufacturing Unit of Oracle Banking Base. The versatility of Product Manufacturing Unit will enable banks to deliver tailor-made products and also to modify the product parameters whenever required without any customization.

Additionally details like reporting lines for an account, branch restrictions, currencies in which Term Deposit can be maintained and so on can also be defined in the Product Manufacturing Unit to offer flexibility.

Integration with Oracle Banking Relationship Pricing (licensed separately) offers a very efficient, powerful and user-friendly framework that supports diverse interest, fee and charge set-up.

User role-based Transaction Dashboards are provided for ease in operations and quick delivery of service.

Key Features

This chapter describes the key features of Oracle Banking Term Deposits. The following are the salient features of Term Deposits in Oracle Banking.

2.1 Product and Offer Creation in Term Deposits

Term Deposits product/offer configuration is supported by Product Manufacturing Unit of Oracle Banking Base. The versatility of Product Manufacturing Unit will enable the bank to deliver tailor made products/offers and also to modify the product/offer parameters whenever required without any customization.

Banks can define variety of products/offers to suit the requirements of target groups of customers.

Variation in products/offers are based on parameters like Tenor of deposit, Minimum and Maximum amount of deposit, modifications to contract allowed, penalties for pre-closure etc.

2.2 Term Deposit Account Opening

The Term Deposit account opening functionality ensures capture of all necessary details and fulfils compliance to rules and practices internationally followed. The information thus captured is validated by the system. Some important data fields that are validated before opening of account are as follows:

- Party Status or Restrictions
- Minor Major check
- Party KYC Status
- Permissible number of accounts for a Party under the product
- Product Code (Status - active or expired)

2.3 Branch and Currency Restrictions

At the time of Term Deposit account opening, system will check whether the selected product is available for the branch and the currency in which the account is being opened is one of the permitted or allowed currencies in Product Manufacturing Unit (PMU). System will not allow user to proceed with account opening if there are restrictions in PMU.

2.4 Funding Term Deposit

The application supports funding for a Term Deposit through the following modes:

- Cash Deposit
- Transfer from Current Accounts and Savings Accounts (CASA)
- Transfer from General Ledger (GL)
- Cheque Collection
- Through External Account (Account of depositor with other bank can be used as settlement mode)

2.5 Print or Re-print Term Deposit Certificate

Oracle Banking Term Deposits supports printing of Term Deposit Certificate or Receipt.

Re-printing of Term Deposit certificate can also be done.

2.6 Interest and Fees

By integrating with Oracle Banking Relationship Pricing (licensed separately), Interest and fee rules are defined for all Term Deposits through the Price Benefit chart.

Following are some of the salient features:

- Tiered-tenor based interest rates can be defined.
- Tiered-amount based interest rates can be defined.
- Combination of tenor and amount slabs can be used to define interest rates.
- User has the option of modifying any of the interest or fee parameters.

2.7 Tax Deduction at Source

Oracle Banking Term Deposits supports collection of Tax at the events like Interest Accrual, Interest Payout, Interest compounding.

Rules can be defined for arriving at the amount of Tax to be deducted.

2.8 Renewal or Auto Renewal of Deposits

Oracle Banking Term Deposits supports renewal of Term Deposits upon maturity. Renewal of Term Deposit can be done manually or automatically. If a product is marked for auto renewal, the outstanding principal of the matured Term Deposit can be rolled over with or without outstanding interest.

However, in case of manual renewal, the user has the option of changing the tenor of the deposit.

2.9 Modification of Term Deposit Contracts

Banks can define 'Window Period', during which a customer can request for modification of the deposit term or deposit amount or both, that is increase or decrease deposit term and /or deposit amount and interest payout frequency.

System will perform compounding and capitalization of interest irrespective of the window period. However, system will not permit payout of the interest amount during window period.

System will fetch the new applicable Interest rate based on the remaining term or amount or both (from Pricing).

2.10 Term Deposit Payout Instructions

Instructions can be given for payout of Principal, Interest and Maturity Proceeds of Term Deposits. Payout Instructions can be specified at any time after deposit placement but before the maturity date. The interest and maturity payment instructions defined for the deposit can also be modified.

The payout options which can be set for a Term Deposit account are as follows:

- Principal Amount
- Interest
- Premature Redemption (Future Dated redemption)
- Maturity Proceeds (Principal + Interest)

The system gives the flexibility of choosing the payout amount and the mode in which the proceeds would be paid out.

Multiple modes can also be used for payout of the amount.

2.11 Redemption of Term Deposit

The application supports redemption of matured Term Deposits. The various modes available for customer for redemption of term deposit are as follows:

- Cash (available only for online redemption)
- Bank Draft
- Transfer to CASA
- Transfer to External Account (Account of depositor with other bank can be used as settlement mode)
- Transfer to GL
- Reinvest to Existing Term Deposit Account
- Reinvest to New Term Deposit Account

The bank user specifies the redemption mode and related details. The net redemption proceeds are remitted, credited or paid out as per the redemption mode specified by the bank user.

If a deposit matures on a holiday, and is auto renewed or force renewed on the immediate next working day, the interest for the holiday(s) will be calculated and paid subject to the setup at the product level.

For a deposit which is not renewed on maturity, interest for the holiday(s) along with Post Maturity interest (if applicable) is paid to the customer.

2.12 Pre-mature Redemption

The application supports pre-mature redemption of a deposit. A premature redemption can be done for a part or full deposit amount if permitted at the product level. If the customer does not keep a deposit in the bank for a complete term, a penalty may be charged to the customer.

The system does not allow partial or premature redemption on a deposit, if the lien is marked on the full amount. If a part of the deposit is marked for lien, redemption is allowed only on the remaining amount.

2.13 Marking Lien

The application supports marking of lien on Term Deposits both manually and automatically.

Marking Lien Automatically: Internal Lien

In this case, the Lien is marked automatically by the Term Deposit Module on the deposit, when the Deposit is linked to collateral. Term Deposit Module initiated Lien marking is done automatically and cannot be modified or deleted by user. This is also true for a sweep in based lien.

Marking Lien Manually: External Lien Maintenance

Lien may be marked manually due to various reasons such as request from a competent authority (For example, court order) or due to a bank decision. Manual Lien marking can be modified or deleted by an operations executive with the required access rights.

A deposit marked for lien will be force renewed on the maturity date irrespective of the maturity instructions.

User can view different liens which are marked against an individual deposit along with details like the Placement Date and expiry date of the lien, the lien amount, type of lien, reason for the lien and the Collateral reference number to which the Term Deposit is linked.

2.14 Block or Unblock Term Deposits

A Term Deposit account can either be blocked or unblocked manually by the user or automatically by the system.

The bank user can mark a block on a Term Deposit account or deposit and capture reason thereof. Interest accrual and compounding will continue as usual. Interest will be withheld and not paid out to the customer. The withheld interest will be available for payout once deposit is unblocked.

Application supports automatic blocking based on business requirements. Automatic blocking can be used for following conditions:

- Non-compliance to KYC
- Party Black listed
- Party Deceased

While permitting any transactions for a deposit, Term Deposit module will check the block at both account and deposit level. If there's a block on either account or deposit, the block restrictions will apply.

A Term Deposit account or deposit can be unblocked automatically only after all the block reasons are removed.

A manually blocked account or deposit can be unblocked manually along with the reason for the removal of block.

2.15 Term Deposit Calculators

The Term Deposit calculator helps in calculating the returns (interest) a customer is likely to earn by investing in a specific Term Deposit product or offering.

In the Term Deposit Calculator, user can simulate the initial or maturity amount of the term deposit by inputting parameters like Initial Amount, tenure of the deposit or Maturity Date, and Interest payout frequency. This allows the bank to help its customers to choose in selecting a suitable Term Deposit product to invest in.

There is also a premature redemption calculator which helps in simulating the redemption amount on a give date.

2.16 Term Deposit Renewal

Oracle Banking Term Deposits supports manual as well as automatic Renewal facility.

If there is no maturity instruction specified for a Term Deposit, then status of that deposit is changed to Matured. Such deposits can be renewed by the bank user as per customer request. Bank can even define 'Grace Days' for allowing renewal after maturity.

If deposit is renewed after maturity within grace days defined at product level, the renewal can be effective from the date of maturity of the deposit. If such renewal is done after grace days, the renewal is done from the current process date.

Matured Term Deposits will be renewed automatically based on payout instructions for a deposit or the default payout setting at product level.

2.17 Term Deposit Inquiry

Oracle Banking Term Deposits offers following inquiries related to Term Deposits:

- Term Deposit Balances
- Interest Details
- Interest and Principal payout History
- Term Deposit Certificate Details
- Transactions of a Term Deposit
- Interest Rate History

2.18 Term Deposit Sweep-in

Oracle Banking Term Deposits supports Sweep-in process to fund a CASA account which has debit transaction without sufficient funds. Through setting up Sweep instructions, CASA account can be funded from other CASA accounts or TD accounts.

System places a lien on the deposit and subsequently redeems the deposit to the tune of short fall (deposit is identified based on the 'Auto Redemption Sequence' specified at the product level) in the linked CASA to complete the transaction.

2.19 Unclaimed Deposit Processing

The application provides for configuring the time period after which a matured term deposit has to be treated as 'Unclaimed'. The frequency at which system has to perform processing for 'Unclaimed deposits' can also be defined at product level. Bank can consider allowing renewal of unclaimed term deposit also through product parameterization.

2.20 Transfer of Term Deposit Account from One Branch to Another Branch

The application supports transfer of any Term Deposit account of a customer from one branch to another branch without changing account number or any of the account parameters.

2.21 Memo

Memos can be maintained with high, medium or low severity, depending on the need to either display information or seek authorization.

2.22 Account Address Linkage

Capability to link any of the Party level addresses to the account for account based communication is facilitated.

2.23 Backdated Account Opening

System supports creation of TD Account with back value date within 'Backdated Account Opening Allowed period' mentioned at offer level. Back dated TD Account Opening is supported till tax occurrence event such as Interest Accrual, Interest Capitalization.

2.24 Account Opening Sourced By Agents

System supports Account opening sourced by Agents such as brokers. The agent details are stored at account level.

2.25 Capture of Transacting Party Details

System supports capture of Transacting Party details which are required for Anti Money Laundering tracking. When Transaction is done with cash mode and transaction amount breaches the threshold limit maintained at the bank level, it is mandatory to capture Transacting Party Details. These details are persisted in the system. Hence, there is no need to capture the details again.

Australia Localization

This chapter describes the key features of Oracle Banking Term Deposits for Australia localization.

3.1 Supports Farm Management Deposit Accounts (FMDA)

Oracle Banking supports Farm Management Deposit Accounts (FMDA) as part of Australia localization.

The key features of FMDA Term Deposit accounts are as follows:

- Oracle Banking supports single user initiated deposit in FMDA Term Deposit.
- For any user initiated credits in the FMDA Term Deposit, Oracle Banking validates maximum deposit amount and minimum deposit amount parameters maintained at the Term Deposit offer.
- For any user initiated debits in FMDA Term Deposit, Oracle Banking validates minimum deposit amount and incremental amount parameters maintained at the Term Deposit offer.
- Oracle Banking supports capture of FMDA specific ANZSIC codes while originating FMDA Term Deposit Account. The modification of ANZSIC codes is supported through Term Deposit Account Preferences screen.
- Oracle Banking supports capture of original start date and origin of deposited funds for FMDA Term Deposit account as part of origination of account. The modification of these fields is supported through Deposit Attributes screen.
- Oracle Banking supports capture of FMDA principal amount that is getting transferred to Internal FMDA Account, External FMDA Account and Non FMDA Account as part of Term Deposit redemption transaction. If the Tax File Number (TFN) is not provided, then Oracle Banking supports withholding amount of principal that is getting transferred to Non FMDA Account.

3.2 Withholding Tax

Oracle Banking supports Australian Tax rules for computation of Withholding Tax as part of Australia localization.

The key features are as follows:

- Oracle Banking supports capture of Australia specific Exemption codes while capturing Party Details.
- Oracle Banking supports evaluation of tax eligibility and rates based on TFN/ABN/Exemption Codes of designated Account owners in the account.

- Oracle Banking supports addition and modification of Tax Beneficiaries in the account. If tax beneficiaries are present in the account, Oracle Banking supports evaluation of tax rules considering Tax Beneficiaries instead of Account Owners.
- Oracle Banking supports refund of the Tax deducted in the previous Tax year till the first 21 days in current Tax year.
- Oracle Banking supports refund of Tax either from Posting Date or value date on which Tax is deducted from the account.