

Islamic Integrated Liquidity Management User Guide  
**Oracle FLEXCUBE Universal Banking**  
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Islamic Integrated Liquidity Management User Guide  
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# 1. Preface

## 1.1 Introduction

This manual is designed to help acquaint you with the Islamic Integrated Liquidity Management module of Oracle FLEXCUBE.

This manual provides answers to specific features and procedures that you need to be aware of for the module to function successfully. Besides this User Manual, while maintaining the interface related details, you can invoke the context sensitive help available for each field. This help encapsulates the purpose of each field within a screen. Placing the cursor on the relevant field and striking the <F1> key on the keyboard can obtain information specific to a particular field.

## 1.2 Audience

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

Role	Function
Back office data entry Clerks	Input functions for maintenance related to the interface.
Back office Managers/ Officers	Authorization functions

## 1.3 Documentation Accessibility

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

## 1.4 Organization

This manual is organized into the following chapters:

Chapter 1	<i>About this Manual</i> gives information on the intended audience. It also lists the various chapters covered in this User Manual.
Chapter 2	<i>Islamic Integrated Liquidity Management - An Overview</i> offers an introduction to the module and its features.
Chapter 3	<i>Maintaining Parameters for Islamic Integrated Liquidity Management</i> explains how to maintain certain parameters before defining account structures for integrated liquidity management process.
Chapter 4	<i>Batch Maintenance</i> explains the Batches that need to be maintained for II.
Chapter 5	<i>Batch Process</i> explains various processes related to batches maintained for the Islamic Liquidity Management.
Chapter 6	<i>IP Batch Processing</i> explains about the process involved in IP batch





Chapter 7	<i>Reports</i> give a detailed account of report generation from this module and the contents of such reports.
Chapter 8	<i>Annexure A - Accounting Entries</i> lists the Accounting Entries for Profit and Charge Product applicable for the Integrity Liquidity Management module.
Chapter 9	<i>Annexure B – IP Rule Set-up</i> lists the Profit and Charge rules that need to be maintained for the Islamic Integrity Liquidity Management module.
Chapter 10	<i>Function ID Glossary</i> has alphabetical listing of Function/Screen ID's used in the module with page references for quick navigation.

## 1.5 Related Documents

The Procedures User Manual

## 1.6 Glossary of Icons

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

Icons	Function
	Exit
	Add row
	Delete row
	Option List

---

## 2. Islamic Integrated Liquidity Management - An Overview

### 2.1 Introduction

Liquidity Management refers to the services your bank provides to its corporate customers thereby allowing them to optimize profit on their checking/current accounts by sweeping funds from different accounts. Your corporate customers can, therefore, manage the daily liquidity in their business in a consolidated way.

Customers need to define 'account structures' which form the basis of liquidity management. The account structure reflects the hierarchical relationship of the accounts as well as the corporate strategies in organizing accounts relationships.

Islamic liquidity management supports sweeping funds. Sweeping is the process where physical funds are moved in account structure from child to parent or parent to child.

The Islamic Integrated Liquidity Management (ILM) module in Oracle FLEXCUBE supports a multi-branch, 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 profit on the accounts in the structure as well as track the history of the sweep structure.

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#### **Note**

System accounts are internal accounts created by the system based on the role played by an account in an Account Structure.

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This document is broadly classified into two sections as follows:

- Maintenance required for ILM
- EOD Batch operations and sequenc

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## 3. Maintaining Parameters for Islamic Integrated Liquidity Management

### 3.1 Introduction

You need to maintain certain parameters before you define account structures for integrated liquidity management process. They are:

- Account class
- IC – SDE Maintenance
- IP Rule Maintenance
- IP Product Maintenance
- Customer Maintenance
- Islamic Account Maintenance
- Transaction Code
- Product Event class and Accounting entries for ILM
- ILM Branch parameters Maintenance
- Group Code Maintenance
- Account Structure Maintenance
- Group Account Linkage
- Other Maintenances

### 3.2 Maintaining Account Classes

You can use the Account Class feature in Oracle FLEXCUBE to create a set of accounts which have the same characteristics. You can invoke the 'Account Class Maintenance' screen by typing 'IADACCLS' in the field at the top right corner of the Application tool bar and clicking



on the adjoining arrow button. Click on the 'Preferences' button in the 'Account Class Maintenance' screen to invoke the 'Preferences' screen.

You are required to input the following details in this screen:

### Integrated Liquidity Management

Check this option to indicate that accounts created under this Account Class should be part of an ILM Structure. If the option is checked, the system creates system accounts (internal accounts) for each account that is linked in a sweep structure and tracks the balances on both the actual accounts as well as these system accounts. It also calculates profit on these system accounts.

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#### Note

Profit on accounts that are not part of an account structure are calculated on the actual customer account.

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## 3.3 Maintaining SDEs

In order to calculate Profit, Oracle FLEXCUBE uses components called 'data elements' that provide the required data.

System Data Elements (SDEs) are values such as the balance in an account or the number of transactions in a day. This information is constantly updated in the system and is readily available for computation of Profit. These values can only be picked up by the system while applying Profit. User cannot indicate what the value of an SDE should be.

The following SDEs will be used in IC Processing:

<b>SDE (System Data Elements)</b>	<b>Description</b>
ILBD_ULT_DR_BAL	Captures the book dated Debit balance of the pool header in this Data element during the IC calculation process
ILBD_ULT_CR_BAL	System populates the book dated Credit balance of the pool header in this data element during the IC calculation process
ILVD_ULT_DR_BAL	System populates the value dated Debit balance of the pool header in this data element during the IC calculation process
ILVD_ULT_CR_BAL	System populates the value dated Credit balance of the pool header in this variable during the IC calculation process
ILBD_CP_DR_- CONT	This data element captures the Compensated contribution of the book dated Debit balance
ILBD_CP_CR_- CONT	This data element captures the Compensated contribution of the book dated Credit balance
ILVD_CP_DR_- CONT	This data element captures the Compensated contribution of the value dated Debit balance
ILVD_CP_CR_- CONT	This data element captures the Compensated contribution of the value dated Credit balance
ILBD_NCP_DR_- CONT	This data element captures the Non Compensated contribution of the book dated Debit balance
ILBD_NCP_CR_- CONT	This data element captures the Non Compensated contribution of the book dated Credit balance
ILVD_NCP_DR_- CONT	This data element captures the Non Compensated contribution of the value dated Debit balance
ILVD_NCP_CR_- CONT	This data element captures the Non Compensated contribution of the value dated Credit balance

### **3.4 Maintaining UDEs**

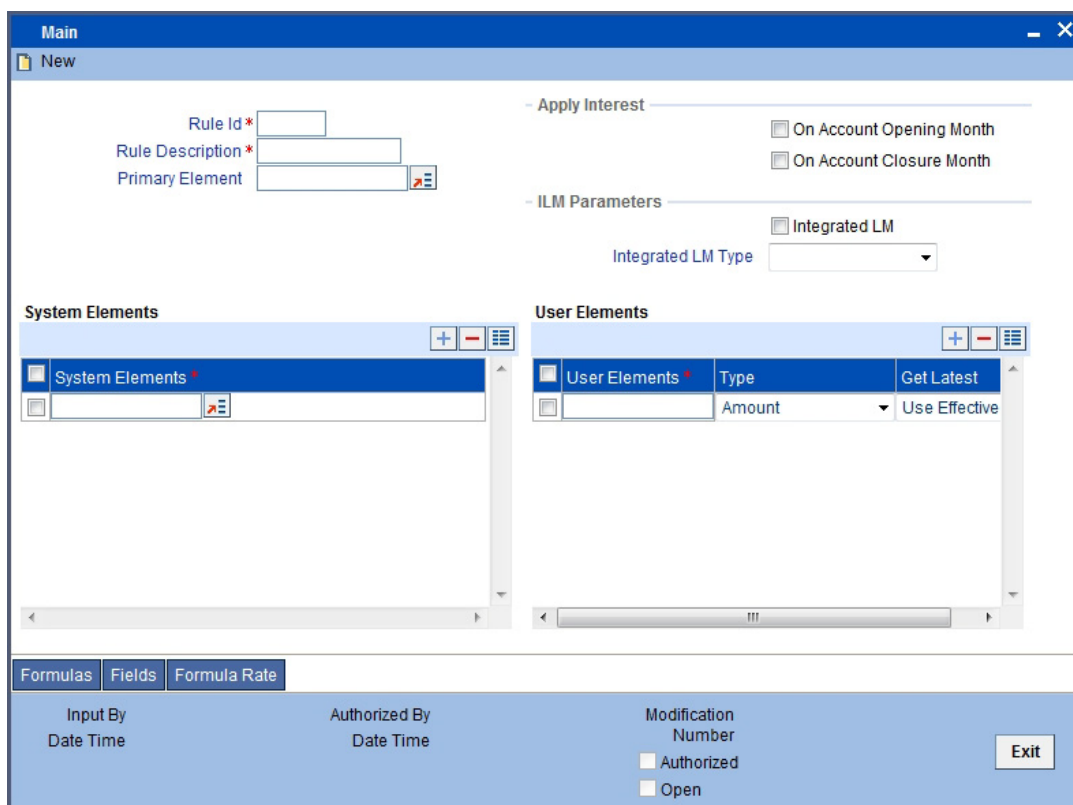
User Data Elements (UDEs) are elements (such as Profit or Tax rate) the values for which are provided by the User. The following User Data Elements (UDE) can be specified in IP Rule Maintenance:

- Debit Rate for Sweep Balance
- Credit Rate for Sweep Balance
- Inter-Bank Rate
- Tax Rate

### **3.5 Creating Profit & Charges Rules**

You can use the SDEs and UDEs that you have previously defined to create formula to be used by the system for Profit calculations in the 'Profit & Charges Rule Maintenance' screen. You can invoke the 'Profit & Charges Rule Maintenance' screen by typing 'IPDRLMNT' in the

field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You are required to input the following detail in this screen:

### **Integrated LM**

Choose this option if you want to use the product for Integrated Liquidity Management processing.

### **Integrated LM Type**

Specify the type of System Account to which the product ought to be linked. It can be:

- Pool Leader: Indicates that the Rule will apply to Header accounts in a structure.
- Pool Reallocation: Indicates that the rule will apply to Parent and Child Accounts below the Header Account.

*Refer the chapter 'Annexure B – IC Rule Set-up' in this User Manual for suggested IC rules.*

## **3.5.1 Creating Profit & Charges Products**

You can invoke the 'Profit And Charges – Profit Product Preferences' screen by clicking 'Preferences' button on the 'Profit And Charges Product Maintenance' screen. You can invoke

the latter by 'typing 'IADPRMNT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

You can input the following details in this screen:

### Integrated LM Product

Choose this option if you want to use the product for Integrated Liquidity Management processing.

### Integrated LM Type

Specify the type of System Account to which the product ought to be linked. It can be:

- Pool Leader: Indicates that the Rule will apply to Header accounts in a structure.
- Pool Reallocation: Indicates that the rule will apply to Parent and Child Accounts below the Header Account.

*Refer the chapter 'Annexure A - Accounting Entries' in this User Manual for suggested IC products.*

### 3.5.2 Maintaining IP Special Conditions for Customer Accounts

The 'Islamic Accounts Maintenance' screen is used to create accounts for a given Customer using the desired account class and currency combination. You can invoke the 'Islamic Accounts Maintenance' screen by typing 'IADCUSAC' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Click 'Profit' button in 'Customer Account Maintenance' screen to invoke 'IP Special Conditions Maintenance' sub-screen, where you can maintain IP special conditions for ILM accounts.

**IC Special Conditions Maintenance**

**Account Details**

Account

Calculation Account

Booking Account

Interest Statement Required

Dr Cr Advices

Charge Booking Account

Interest Start Date

Interest Booking Account Branch

Charge Booking Branch

Charge Start Date

**Product Details**

Product\*

User Defined Element

Currency

Waive

Generate UDE Change Advise

Open

**UDE Id**

**Dates**

Effective Date*	Open
<input type="text"/>	<input checked="" type="checkbox"/>

**Interest SDE**

User Defined Element Id	UDE Id	Rate Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Deposit**

Ok Exit

**Note**

ILM accounts need to be created with special conditions by attaching the products with effective date and UDE values.

**3.5.3 IP Special Conditions**

The system displays the following fields on the basis of your choice in the IP Rule and IP Product screens.

**Integrated LM**

The system defaults the value specified in the product screen from based on product selected from the option list.

### Integrated LM Type

The system displays the value on the basis of your choice in the IP Rule and IP Product screens.

## 3.6 Maintaining Product Event Class & Accounting Entries

When you define an Events Class, you choose, first of all, the set of events that would belong to the class. Events are, usually, unique to a module.

The events that you would like to include in an Events Class can be identified through the 'Events Accounting Entries and Advices Class Maintenance' screen. This screen is invoked from the Application Browser.

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

The screenshot shows the 'Events Class Maintenance' application window. The title bar reads 'Events Class Maintenance'. The main area is divided into several sections. At the top left, there is a 'New' button. Below it are four input fields: 'Class Code \*', 'Description', 'Module \*', and 'Module Description'. The 'Event Class' section contains a table with two columns: 'Event Code' and 'Event Description'. At the bottom of the window, there are three tabs: 'Accounting Entries', 'Advice', and 'Fields'. The footer area contains three input fields: 'Input By', 'Authorized By', and 'Modification Number', each with a 'Date Time' label. There are also two checkboxes labeled 'Authorized' and 'Open', and an 'Exit' button.

You can maintain the following details in this screen:

#### **Class Code**

An Events Class is identified with a unique Code and a Description. This indicates the name of the event class to which the events for ILM processing will be linked.

#### **Description**

You need to enter a brief description for the class code.

#### **Module**

Events are, usually, unique to a module. Specify the module as IL to define the events for Islamic Liquidity Management module.

#### **Event Code**

Specify a valid code for the event you need to maintain. The adjoining option list displays all valid codes maintained for IL events. You can select the appropriate one.

### Event Description

Once you specify the class code and module, click on add icon. The system will display the events associated with the Integrated Liquidity Management module.

The following events are available for the integrated liquidity management module:

- SWBK : Sweep Booking
- RVSW: Reverse of Sweep Booking
- RALL: Reverse ALL (Book / Reverse Sweep)

### 3.6.1 Defining Accounting Entries for Event

You can indicate the accounting entries that should be passed at an event in the Accounting Entries section of the 'Events Class' screen. This section is invoked by clicking the 'Accounting Entries' button.

As part of the Accounting Entry details of an event, you should specify the following details:

- The accounting role
- The amount tag
- If a debit or a credit
- The transaction code

#### Accounting Role

If accounting entries are to be passed for an event, you have to indicate the different Accounting Roles. At an event in the life cycle of a deal, involving a product to which you associate the class, the appropriate entries will be passed under the specified Accounting Roles.

The adjoining option list displays a list of all the available accounting roles.

#### Amount Tag

The amount (i.e. the available balance, booking dated balance etc.) that is to be posted for an event, is referred to as the Amount Item. The tag associated with an Amount Item is the Amount Tag.

The adjoining option list displays a list of the amount tags that are maintained in the system. You can choose a tag by double clicking on it.

#### Debit/Credit

You have already specified the type of account to which an entry should be passed, and the tag which identifies the amount (available balance, booking dated balance etc.) that should be passed. In this field, you must indicate if the amount is to be debited from credited to the specified account. Choose the Debit or Credit indicator.

#### Transaction Codes

Every accounting entry in Oracle FLEXCUBE involves a Transaction Code that describes the nature of the entry. This code and its description will identify the original sweep book, reverse booking and their corresponding reversals. The Transaction Code for both legs of the transaction would be the same.

The table below illustrates the accounting entries for each event that you need to set up for the liquidity management module.

Event	Debit/Credit Indicator	Accounting Role	Amount Tag
-------	------------------------	-----------------	------------



SWBK	DR	CHILD	CR_CONT
SWBK	CR	PARENT	CR_CONT
SWBK	CR	CHILD	DR_CONT
SWBK	DR	PARENT	DR_CONT
RVSW	DR	PARENT	CR_CONT
RVSW	CR	CHILD	CR_CONT
RVSW	DR	CHILD	DR_CONT
RVSW	CR	PARENT	DR_CONT

Refer to the Modularity User Manual for further information on setting up accounting details.

### 3.6.2 **Associating Branch to Event Class**

After you define the accounting entries that need to be passed for a set of events, you need to associate the event accounting entries to the branches of your bank.

You can invoke the 'ILM Branch Parameter Maintenance' screen by typing 'ILDBRPRM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

*For field details refer 'Associating Branch to Event Class' section in 'Maintaining Parameters for Integrated Liquidity Management' of IL module.*

---

**Note**

Branch parameters maintained for IL modules is applicable for II module and the vice versa. Hence a single maintenance in any of the both modules is sufficient.

---

## 3.7 Group Code Maintenance

In Oracle FLEXCUBE, you can bring together several accounts to form a 'Group' for ILM processing. You can then link this group code to the Header Account maintained as part of Account Structure. In Oracle FLEXCUBE, group codes allow you to uniquely identify a given account structure for ILM processing.

You can invoke the 'Integrated Liquidity Management Group Code Maintenance' screen by typing 'IIDGRPCD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows the 'Islamic ILM-Group codes' maintenance screen. It features a blue header with the title and window controls. Below the header is a toolbar with 'New' and 'Enter Query' buttons. The main area contains input fields for 'Group Code', 'Branch \*', 'Group Code \*', 'General Ledger Description', 'Sweep Basis' (with a dropdown menu set to 'Book Dated'), and 'Effective Date'. To the right, there are checkboxes for 'Pool Benefit', 'Intraday Sweep', 'Reverse Sweep', and 'BVT Applicable', along with a 'BVT Unit' dropdown menu set to 'Months' and a 'BVT Duration' field. At the bottom, there is a 'Fields' section with labels for 'Maker', 'Checker', 'Mod No', 'Date Time:', 'Record Status', and 'Authorization Status'. An 'Exit' button is located in the bottom right corner.

You can input the following details in this screen:

### **Group Code and Description**

Enter a unique code to identify the group code in the system. Enter a brief description.

### **Effective Date**

Specify the date from which the group will become active in the system. You will not be allowed to input Back Valued Dates (BVT) here.

### **Sweep Basis**

You need to indicate if the sweep should be performed on Book Dated balance or Value Dated Balance for the entire structure falling under the group. . If BVT support is required, it must have 'Value Dated' option.

### **Pool Benefit**

If you select this option, profit re-allocation is carried out for the child accounts involved in the group.

**Reverse Sweep**

Indicate whether reverse sweeps should be performed during BOD batch.

**BVT Applicable**

Specify if BVT processing is applicable for a group

**BVT Unit**

Indicate the unit the system should consider while calculating the BVT date. This can be Days/ Months

**BVT Duration**

This indicates the number of BVT units allowed as back period from today's date while calculating BVT date.

For instance, to indicate 30 Days input 'Days' as BVT Unit and '30' in the BVT Duration fields. Similarly, to indicate 2 months, the BVT Unit should be 'Months' and the BVT Duration '2'.

---

**Note**

- If the Sweep basis is Book Dated, back value dated transaction is not allowed.
  - While maintaining a new Group, the system validates if 'ILM Applicable' check box is checked at the branch level.
  - BVT is considered only from the same day, if it's posted on working day. If it is posted on a holiday, then the system considers BVT from the next working day. The same is applicable for BVT entries entered by the system to the account.
- 

**3.7.1 A Note on Back Valued Transactions**

The system rebooks the sweeps (in case of physical pooling) and adjusts the profit amount that had been accrued and settled in the accounts when you input a transaction with a back value date. In case of a change in the Account Structure in the interim between the Back Value Transaction (BVT) date and current date, the system uses the account structure existing on the execution days.

The following points need to be kept in mind for BVT Processing:

- It is performed only for sweeps which are value based.
- The corresponding System Account active on the Effective Date is considered for a back valued transaction to an account. (BVT for Islamic ILM is considered only when it is a working day)
- The processing involves replaying the sweep from the least date of the BVT which means that the Contributions and Pool Balances of the System Accounts are calculated afresh. The balances in all accounts of the structure are reworked and the sweeps carried out again for each of the previous sweep having the same value date.
- The value dated balances of the Parent Account as well as the Child Accounts in the Account Structure are updated
- In Customer Account Statements, only the back value transaction will be available on the date that it was posted.

The system follows the following process for replaying sweeps:

1. It omits BOD processing for the least back value date only and continues till the current processing date. It then identifies the value dated balance of the current processing date for the corresponding System Account and carries out the EOD processing.

2. For a particular Effective Date, it calculates Sweep Amount for the corresponding System Accounts.
3. It fetches the entry posted for the BVT date from the Sweep Log and compares it with the Sweep Amount that has been calculated currently.
4. If the Sweep Amounts are equal, no entry is posted.
5. If the Sweep Amounts are different, it reverses the entry that was posted for the BVT date (SWBK) and the corresponding entry that was used during BOD to reverse the entry above  
Reverse sweep booking (RSBK)
6. Reversal of Reverse Sweep (RSWR) entry gets posted during reversal of RVSW.
7. It inputs a new entry whose booking date is the processing date of the BVT and whose value date is the BVT date. This entry is entered into the Daily Log.
8. It then updates the post sweep balances for a combination of Account + Effective Date + System Account.

---

### Note

Every time a physical sweep is executed, the system stores the credit balance and the unused OD limit in the Parent Account before and after the sweep.

---

## 3.8 Maintaining Account Structures

In Oracle FLEXCUBE, you can define a structure for the various accounts participating in the ILM process and set up a hierarchy for the accounts - establish the relationships or links among the accounts that are to be part of the Group.

You need to define the account structure and the hierarchy for ILM processing in the 'Islamic Account Structure' screen. You can invoke the 'Account Structure Maintenance' screen by typing 'IIDSWEEP' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

You can define the following parameters as part of maintaining the account structure for ILM processing:

### 3.8.1 Indicating Account Details

Specify the following details.

#### **Account**

First, you need to specify the account (main or affiliate account) which has to be part of the account structure.

#### **Account Type**

You need to indicate whether the account that you have specified is a main account or secondary account. The account type defines the relationship between the accounts.

- Select the option 'Parent' to indicate that the account is the main account in the hierarchy.
- Select the option 'Child' to indicate that the account is a secondary account in the hierarchy.

You will not be able to link the accounts at the same level in an account structure.

If you de-link a parent account from a structure or link it to another parent in the same structure, the associated child accounts linked to it will also follow the parent account.

#### **Effective Date**

You need to indicate the date from which the account structure is available in the system for ILM processing.

#### **Parent Account**

This is applicable only if you are maintaining a child account. You need to indicate the parent account for the child here.

---

#### **Note**

You cannot link a child account to more than one parent account.

---

#### **Booking Account**

You need to indicate the account to which the profit amount is to be booked during profit reallocation (after Profit is calculated).

---

#### **Note**

The booking account linked to the account should have the same currency as the account.

---

#### **Scheme**

Indicate the type of structure for which the link is being defined. The following types are possible:

- Sweep: Indicates that the level of the structure is Sweep, in which movement of funds is physical.

#### **Profit Reallocation**

Check this option to allow profit to be re-allocated to child accounts based on their contribution.

### 3.8.2 Maintaining Sweeping Parameters

Specify the following details.

### **Sweep Type**

This indicates the sweep type of the parent and child account. The sweep type can be either of the following:

- Debit (Sweep Out)
- Credit (Sweep In)
- Target Balance Agreement

### **Base Amount**

The amount depends on the sweep type that you have selected.

- If the sweep type is Debit, the Amount indicates the balance in the account that should trigger a sweep out of funds. The sweep transaction will be executed if the balance in the account becomes greater than this amount.
- If the sweep type is Credit, the Amount indicates the balance in the account that should trigger a sweep in of funds. The sweep transaction will be executed if the balance in the account goes below this amount.
- If the sweep type is Target Balance, the Amount indicates the minimum balance that is to be left behind in the Child Account after the sweep is performed. A value of zero indicates Zero Balancing sweeps.

### **Multiples Amount**

This indicates the multiples amount in which the system performs sweeps.

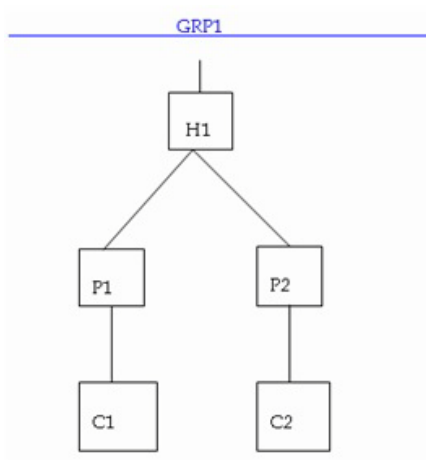
#### **3.8.2.1 Validating Account Structure**

The system validates the following for account structure:

- Account must not be linked to more than one Parent Account
- Account must not participate in another account structure with different header account
- There must not be any cyclic links in the structure
- Accounts that act as a Parent Account in the structure must be explicitly maintained with the account type as Parent
- Back Dated Structure Change is disallowed
- Accounts at the same level in the structure must not be linked
- If a Parent Account is delinked from a structure or linked to another parent in the same structure, then the Child Accounts linked to it must also be delinked or linked accordingly
- If 'Scheme' is maintained as 'Sweep', then the Parent Account and Child Account must be in the same currency
- Parent and Child Account in the account structure must be in the same fund ID
- Effective date of child must be greater than or equal to parent structure
- Base amount must not be assigned to parent structure

### 3.8.3 Closing Accounts in an Account Structure

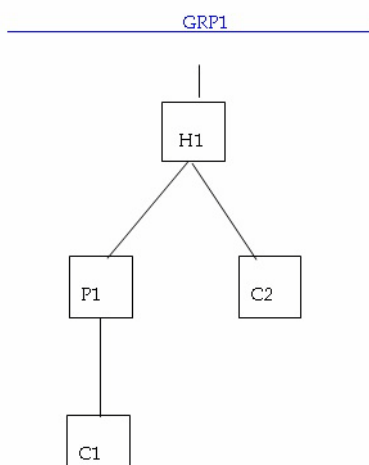
The following steps explain how to close an account in a given account structure. Let us assume that, in the structure shown below, we need to close account P2 and attach account C2 directly to H1.



The steps to be followed for the closure are:

- Child Account C2 is closed first (You can query to find out the child accounts of a given parent account, say P2)
- Subsequently, account P2 is closed.
- Account C2 is now freshly linked with H1.

After the structure change has been carried out, the new structure appears as shown below:



In the new structure (i.e. after the change), account C2 will have a new 'System Account' associated with it.

---

#### Note

BVT is not applicable for a group if any of the account structure closes and BVT falls in that period.

---

### 3.8.4 Creating Group Account Linkages

You can link the account structure to the group codes that you have maintained in the 'Islamic Account Group Linkage Maintenance' screen. You can invoke the 'Account Group Linkage Maintenance' screen by typing 'IIDGRPLN' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows a software window titled "Islamic ILM-Account Group Linkage". At the top, there are "New" and "Enter Query" buttons. The main area contains four required input fields: "Branch \*", "Header Account \*", "Effective Date \*", and "Group Code \*", each with a corresponding text box. To the right, there is a "Currency" label and a text box. At the bottom, a "Fields" section lists "Maker", "Checker", "Mod No", "Date Time:", "Date Time:", "Record Status", and "Authorization Status". An "Exit" button is in the bottom right corner.

In this screen, you need to specify the following:

#### **Header Account**

The system will display the parent accounts maintained as part of account structure maintenance. Select the account which you want to link to the group.

#### **Effective Date**

Indicate the date on which the structure under the group should come into effect.

#### **Group Code**

Indicate the group code to which you want to link the account structure.

### 3.8.4.1 Validating Group Account Linkages

The system validates the following for group account linkages:

- Modification of Account Group linkage is disallowed for an effective date
- If a record has to be closed, then the structure reporting to the group code must be validated. The structure must be linked to the new group code for the effective date greater than the closure date
- Group linkage effective date must be greater than or equal to Group code effective date
- Effective date of Account structure related to group linkage must be greater than or equal to linkage effective date

For example, the following structure may be defined for a Group Code 'GRP'

- **HACC** (Header Account)



- **PACC1** (Child to HACC)
- **CACC1** (Child to PACC1)
- **PACC2** (Child to HACC)
- **CACC2** (Child to PACC2)
- **CACC3** (Child to PACC2)

In the above structure, PACC2 is the Child Account in the link HACC – PACC2 whereas Parent Account in PACC2 – CACC.

---

## 4. Batch Maintenance

### 4.1 Introduction

Apart from the maintenances mentioned in previous sections, Oracle FLEXCUBE enables you maintain Batch processes. This chapter provides an input on various batches maintained for the module.

### 4.2 Maintaining EOD Batch

You are required to maintain the following sequence for ILM batches that need to be run, for any branch which is enabled for ILM. You can invoke the 'Mandatory Batch Program Maintenance' screen by typing 'EIDMANPE' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

At EOTI – Stage

- ILBATCH or IIBATCH (any one of them) – carries out both conventional and Islamic ILM processing
- IPEOD

At BOD - Stage

- ILBATCH or IIBATCH – any one of them
- IPEOD

Intra Day Batch

- IIINTSWP or ILINTSWP (any one of them) – carries out both conventional and Islamic ILM processing

The various mandatory programs are show below:

## 4.3 Maintaining Mandatory Program for IIBATCH during End of Transaction Input

IIBATCH processes the account structure based on the group code maintained at 'Islamic Group Codes Maintenance' level. This batch creates or updates the system accounts based on the account structure maintained for the ILM accounts.

**Mandatory Batch Program Maintenance**

New Enter Query

Branch \* 000  
Module \*

Function \*  
Sequence Number  
Description

End of Cycle Group \*  
 Txn Input  
 End of Txn Input  
 End of Fin Input  
 End of Day  
 Beginning of Day

Frequency: Daily  
Holiday Rule: Do Not Execute  
Execution Layer:  Database  Application  
Sub Stage: 1

Error Handling:  Stop Automatic End of Day and Run Emergency Program  
 Continue with Automatic End of Day

Number Of Days  
Run Date  
Job Code  
Description

**Predecessors**  
1 Of 1  
Predecessors \*

**Fields**

Maker	Date Time:
Checker	Date Time:
Mod No	Record Status
	Authorization Status

Exit

## 4.4 Maintaining Mandatory Program for IPEOD during End of Transaction Input

IPEOD batch calculates the profit for the CASA and system accounts for the Mudarabah rate computed by the PDM batch.

**Mandatory Batch Program Maintenance**

New

Branch \*  
Module \*

Function Id \*  
Sequence Number  
Description

End of Cycle Group  
 Transaction Input  
 End of Transaction Input  
 End of Financial Input  
 End of Day  
 Beginning of Day

Frequency: Daily  
Holiday Rule: Do Not Execute

Execution Layer:  Database  
 Application

Sub Stage: 1

Error Handling:  Stop Automatic EOD Run  
 Continue Automatic EOD

Number Of Days  
Run Date  
Job Code  
Description

**Predecessors**

Predecessors

**Fields**

Input By Date Time      Authorized By Date Time      Modification Number  
 Authorized  
 Open

Exit

### Note

IP batch should run only if IIBATCH is successful. Hence, in IPEOD mandatory program, you need to maintain the field predecessor as IIBATCH so that the IP Batch will not run if IIBATCH fails.

## 4.5 Maintaining Mandatory Program for IIBATCH during BOD

**Mandatory Batch Program Maintenance**

New

Branch\*  
Module\*

Function Id\*  
Sequence Number  
Description

End of Cycle Group  
 Transaction Input  
 End of Transaction Input  
 End of Financial Input  
 End of Day  
 Beginning of Day

Frequency: Daily  
Holiday Rule: Do Not Execute

Execution Layer  
 Database  
 Application

Sub Stage: 1

Error Handling  
 Stop Automatic EOD Run  
 Continue Automatic EOD

Number Of Days  
Run Date  
Job Code  
Description

**Predecessors**

Predecessors*

**Fields**

Input By: Date Time  
Authorized By: Date Time  
Modification Number:  
 Authorized  
 Open

Exit

## 4.6 Maintaining Mandatory Program for IPEOD during

# BOD:

The screenshot displays the 'Mandatory Batch Program Maintenance' window. The window title is 'Mandatory Batch Program Maintenance' and it has a 'New' button in the top-left corner. The main area contains several configuration fields:

- Branch \*** and **Module \***: Text input fields with a list icon.
- Function Id \***: Text input field with a list icon.
- Sequence Number**: Text input field.
- Description**: Text input field with a help icon.
- End of Cycle Group**: Radio buttons for 'Transaction Input', 'End of Transaction Input', 'End of Financial Input', 'End of Day' (selected), and 'Beginning of Day'.
- Frequency**: Dropdown menu set to 'Daily'.
- Holiday Rule**: Dropdown menu set to 'Do Not Execute'.
- Execution Layer**: Radio buttons for 'Database' (selected) and 'Application'.
- Sub Stage**: Dropdown menu set to '1'.
- Error Handling**: Radio buttons for 'Stop Automatic EOD Run' (selected) and 'Continue Automatic EOD'.
- Number Of Days**: Text input field.
- Run Date**: Text input field with a calendar icon.
- Job Code**: Text input field with a list icon.
- Description**: Text input field with a help icon.

Below the configuration fields is a 'Predecessors' section with a table header 'Predecessors \*' and a list icon. The table is currently empty.

At the bottom of the window is a 'Fields' section with the following labels: 'Input By', 'Date Time', 'Authorized By', 'Date Time', 'Modification Number', 'Authorized', 'Open', and an 'Exit' button.

---

## 5. Batch Process

### 5.1 Introduction

Each batch maintained in the previous section involves a unique process. The subsequent sections of this chapter explain the various processes related to batch (real time, intra day and end of day) maintained by the system as part of ILM processing.

### 5.2 Intraday Batch Processing

A particular group code could be processed during intraday batch, post updates are disallowed to the account structure. After running intraday batch, the system will not generate group code during IIBATCH processing.

### 5.3 End of Day Processing

### 5.4 Generating System Accounts

An account can play the role of child or parent in an account structure. For this purpose (and to help in the processing of corrections such as back value dated transactions), Oracle FLEXCUBE creates system accounts. This helps the system to identify the role of the account in a structure at any point of time.

The resolution for generation of system accounts is as follows:

- The system identifies all the active groups in the branch to which the accounts are linked in Account Structure Maintenance. The system also identifies all the accounts in the Account Structure.
- The system identifies the ultimate parent account or Header Account linked to the group in a structure creates System Accounts for the given structure. The system accounts are created for every account.
- The system assigns level called System Account level apart from the level of the account in the structure that you have maintained.

For instance, in the illustration explained under the section 'Linking Account Structure to Group Code', the Account Structure for the Group GRP is maintained as:

Child Account	Parent Account	IL Relation
HACC	GRP	C
HACC	HACC	P
PACC1	HACC	C
PACC2	HACC	C
PACC1	PACC1	P
PACC2	PACC2	P
CACC1	PACC1	C
CACC2	PACC2	C

CACC3	PACC2	C
-------	-------	---

The System Account is created for the above mentioned Account Structure as follows:

Account	IL Relations	System Account	Account Level	System Account Level
HACC	Parent	T3	2	1
HACC	Header	T4	2	2
PACC1	Child	T1	2	3
PACC2	Child	T2	2	3
PACC1	Parent	S3	3	1
PACC1	Header	S4	3	2
PACC2	Parent	S6	3	1
PACC2	Header	S7	3	2
CACC1	Child	S1	3	3
CACC2	Child	S2	3	3
CACC3	Child	S5	3	3

- The System Account will have the same account Class, currency and customer ID as that of the customer account.
- The attributes defined in the Account Structure Maintenance are carried forward for the corresponding System Accounts.

#### 5.4.1 Sweeping

During End of Day (EOD) process, you can execute the sweep process for integrated liquidity management.

When you execute this process, based on your specifications, funds are swept between accounts in a structure. That is:

- In a multi-tiered sweep structure, sweeps of a lower level will be done before the sweeps of a higher level.
- System identifies the level of the System Accounts and the contribution of each account to its respective Pool is calculated. This information is stored at the Account + System Account + Effective Date level.
- For sweeping structures, system will also post accounting entries as follows:

Dr	Contributing Account	Amount
Cr	Receiving Account	Amount

- The value date and posting date for the entries will be the date on which the sweep is actually executed.
- If a sweep cannot be executed because of any reason, the system stores the information for reporting.



## 5.4.2 Batch process for Sweep Eligible Balance

To determine the Contribution Amount, the ILM batch considers the Sweep Eligible Balance instead of the Available Balance.

---

### **Note**

The Sweep Ineligible Balance is populated from E-Gifts DEUPLOAD interface based on the 'AIP Eligible' value as Y or N. Any record with 'AIP Eligibility' set to N increases the Sweep InEligible balance by that amount.

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## 6. IP Batch Processing

### 6.1 Introduction

This chapter will describe IP batch processing performed in the Islamic ILM module.

### 6.2 IP Processing for Account Structures

Profit resolution for customer accounts with non-integrated LM IP products is carried out by the system at the time of saving the accounts. In the case of customer accounts with integrated LM type of IP product, System Account records for the customer accounts are created after the account structure has been maintained. The system accounts are created on the basis of their account type (Header and Reallocation) and are resolved in a similar manner to customer accounts.

The following are the processes involved for IP Batch:

- The Header Account is identified on the basis of system account level
- Details of dates for liquidation/ accrual/ calculation and previous liquidation for the various ILM type products linked to a customer account are stored when a new system account is created
- Profit is accrued only for Header account based on the Mudarabah rate maintained.
- During Liquidation entries will be deferred according to the product setup
- In between the deferred liquidation period, the profit distribution batch is run to derive the new Mudarabah rate.
- Back value is calculated for new Mudarabah rate and adjustment entries are posted for accruals processed earlier on deferred liquidation date.
- Profit liquidation entries will be passed according to account structure and group setup.

Profit Calculation, Liquidation and Reallocation are based on the following:-

- For Pool Lead Group – Profit is calculated at the Header level. The consolidated pool Balances profit is calculated based on Mudarabah rate and no profit is calculated at the Child Account level.
- After PDM batch is run for the associated fund ID, the system computes Mudarabah rate to Header Account for UDE field under 'Profit' section at 'Islamic Account Maintenance' level and liquidates the profit only to Header Account based on the derived Mudarabah rate.

Profit will not be reallocated for child accounts.

- For Pool Reallocation Group – Profit is calculated for compensated portion (CP) of the pool balance at the child profit rate and non compensated portion (NCP) of the pool balance at the Header rate based on the Mudarabah rate derived for Header accounts. After PDM batch is run for the associated fund ID, the system computes Mudarabah rate to Header Account and Child Accounts for UDE field under 'Profit' section at 'Islamic Account Maintenance' level and liquidates the profit to Header & Child Accounts based on the Mudarabah rate derived for Header Account.

The following SDEs are used to process IP batch:

SI No	SDE	Sweeping
1	ILVD_ULT_DR_BAL ILVD_ULT_CR_BAL	Profit calculation for the header account for Mudarabah rate.

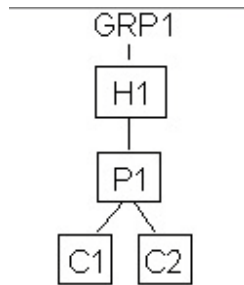
3	IL_DR_EFF_RATE IL_CR_EFF_RATE ILVD_CP_DR_CONT ILVD_CP_CR_CONT ILVD_NCP_DR_CONT ILVD_NCP_CR_CONT	Calculated applying same Mudarabah rate derived for the header to the child accounts.
---	--	---

### 6.2.1 Processing Profit Distribution

The Mudarabah rate is derived by running the Profit Distribution Batch with respect to the profit earned under respective fund ID.

Example

Consider the following account structure which is linked to the group code GRP1.



For the above structure, the corresponding month starting balances and base amount are as follows:

- H1
  - Balance: 110000
  - Base Amount: 10000
- P1
  - Balance: 80000
  - Base Amount: 10000
- C1
  - Balance: 55000
  - Base Amount: 5000
- C2
  - Balance: 40000
  - Base Amount: 3000
- The System Accounts of account type 'C' and 'P' of Header account and account type 'H' of Child System Accounts are not used for IP Processing.
- Pool Balance will be kept track only for system account whose account type is 'H'
- Profit distribution entries will be passed as follows:
  - Dr- Parent Account
  - Cr – Child Account

If we consider that there is no transaction in the above accounts during the month, then the month end profit calculations for the following cases are illustrated in the table below.

The following example illustrates the above mentioned Islamic ILM processing:

### **Header System Account**

The three System Accounts generated for any Header Account will have the balance as mentioned below:

Header: The sum of all the child balance in a particular group will get stored in the header account.

Parent: The Balance available for its own account will get stored in this system accounts.

Child: The Balance available in parent will get moved to child as it has to contribute to its parent.

### **Intermediate System Account**

The three System Accounts generated for any Intermediate Parent Account will have the balance as mentioned below:

Header: The sum of all the child balance in a particular group will get stored in the header account.

Parent: The Balance available for its own account will get stored in this system accounts.

Child: The Balance available in parent will get moved to child as it has to contribute to its parent.

Profit calculation is based on the following for different scenarios:

### **Pool Header**

The following are the scenarios for pool header:

#### **Only ILM IP Product attached to the Header Account Class**

Profit is calculated based on the Mudarabah rate derived for the Header Account through ILM Product and no IP Calculation for the base amount if it is more than 0.

#### **Only ILM IC Product attached to the Header Account Class and Normal IP for the Child Account**

Profit is calculated based on the Mudarabah rate derived for the Header Account through ILM Product and no IP Calculation for the base amount if it is more than 0.

For Child account base amount the profit would be calculated.

#### **Validating IP for the Header Account along with normal IP**

The system validates the following for IP:

- Both Normal and ILM IP products attached to the Header account class  
Profit is calculated based on the Mudarabah rate derived for the header account through ILM product and for base amount through Normal IP product.
- Both normal and ILM IP Product are attached to the Header Account Class and only Normal IP for the Child Account  
Profit is calculated based on the Mudarabah rate derived for the header account through ILM product and for base amount through Normal IP product to both Header and Child Account.

## Pool Reallocation with Benefit

The following are the scenarios for pool Reallocation with Benefit:

### **Only ILM IP Product attached to the Header and Child Account Class:**

If normal profit product is not attached to Child Account to calculate profit for available base amount and only ILM product is attached to the Child Account, then the system considers the Mudarabah rate derived for Header Account to reallocate profit to Child Accounts based on its contribution.

### **Both Normal IP as well as ILM product attached to the Header and Child Account Class**

If both normal and ILM products are attached, then the system derives Mudarabah rate for normal products based on its base amount available after sweep. Mudharabah rate for ILM product is derived based on Header Account's Mudarabah rate.

Considering the previous example, we can arrive at the following:

### Pool Header:

Only ILM product at header account level

Below table illustrates a single day calculation

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1S YS1	C							Not used
H1	11000 0		25700 0	H1S YS2	H		257 000	1 0	70. 41	1 5	10 5.6 2	105. 62
H1				H1S YS3	P	1000 00		0		0		0
P1		100 00		P1S YS1	C	1570 00		0	0	0	0	0
P1	80000		10000	P1S YS2	H		157 000					Not used
P1		0		P1S YS3	P	8000 0		0	0		0	0
C1	55000	500 0	5000	C1S YS1	C	5000 0		0	0	0	0	0
C2	40000	300 0	3000	C2S YS1	C	3700 0		0	0	0	0	0

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate After PDM	Profit After PDM	Profit Liq
H1	100000	0	257000	H1SY S1	C							Not used
H1	100000	0	257000	H1SY S2	H		257000	10	2112.33	15	3168.49	3168.49
H1	100000	0	257000	H1SY S3	P	100000						Not used
P1	80000	10000	10000	P1SY S1	C	157000		5	0	15	0	0
P1	80000	0	10000	P1SY S2	H		157000					Not used
P1	80000	0	10000	P1SY S3	P	70000		5	0	15	0	0
C1	55000	5000	5000	C1SY S1	C	50000		5	0	15	0	0
C2	40000	3000	3000	C2SY S1	C	37000		5	0	15	0	0

Both ILM and Normal IP product at header account level:

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1SYS1	C							Not used
H1	110000		257000	H1SYS2	H		257000	10	70.41	15	105.62	105.62
H1		0		H1SYS3	P	100000		8		10		2.74
P1		10000		P1SYS1	C	157000		8	0	10	0	2.74

P1	8000 0		1000 0	P1S YS2	H		1570 00					Not use d
P1		0		P1S YS3	P	8000 0		0	0		0	0
C1	5500 0	500 0	5000	C1S YS1	C	5000 0		0	0	0	0	0
C2	4000 0	300 0	3000	C2S YS1	C	3700 0		0	0	0	0	0

Only ILM product at header account level and Normal IP for child account base amount:

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1 SY S1	C							Not use d
H1	1100 00		2570 00	H1 SY S2	H		2570 00	10	70.4 1	1 5	105. 62	105. 62
H1		0		H1 SY S3	P	100 000		8		1 0		0
P1		100 00		P1 SY S1	C	157 000		0	0	0	0	0
P1	8000 0		1000 0	P1 SY S2	H		1570 00					Not use d
P1		0		P1 SY S3	P	800 00		0	0		0	0
C1	5500 0	500 0	5000	C1 SY S1	C	500 00		4	0	5	0	0.68
C2	4000 0	300 0	3000	C2 SY S1	C	370 00		4	0	3	0	0.25

Both Normal and ILM product at header as well as for child account:

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1				H1 SY S1	C							Not used
H1	110000		257000	H1 SY S2	H		257000	10	70.41	15	105.62	105.62
H1		0		H1 SY S3	P	100000		8		10		2.74
P1		10000		P1 SY S1	C	157000		8	0	10	0	2.74
P1	80000		10000	P1 SY S2	H		157000					Not used
P1		0		P1 SY S3	P	80000		0	0		0	0
C1	55000	5000	5000	C1 SY S1	C	50000		4	0	5	0	0.68
C2	40000	3000	3000	C2 SY S1	C	37000		4	0	3	0	0.25

### Pool Reallocation

Only ILM IC Product attached to the Header and Child account class:

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1	110000	0	257000	H1 SY S1	C							Not used



H1	1100 00	0	2570 00	H1 SY S2	H		257 000	10	2112 .33	15	316 8.4 9	316 8.49
H1	1100 00	0	2570 00	H1 SY S3	P	100 000						Not used
P1	800 00	1000 0	100 00	P1 SY S1	C	157 000		5	0	15	0	193 5.62
P1	8000 0	0	1000 0	P1 SY S2	H		157 000					Not used
P1	800 00	0	100 00	P1 SY S3	P	700 00		5	0	15	0	863. 01
C1	5500 0	5000	5000	C1 SY S1	C	500 00		5	0	15	0	616. 44
C2	4000 0	3000	3000	C2 SY S1	C	370 00		5	0	15	0	456. 16

Both Normal IC as well as ILM product attached to the Header and Child account class

Actual Acc	Acc Bal	Base Amt	Bal after Sweep	Sys Acc	Sys Acc Type	Contribution	Pool Balance	Rate before PDM	Profit before PDM	Rate after PDM	Profit after PDM	Profit Liq
H1	1100 00	0	2570 00	H1 SY S1	C							Not use d
H1	1100 00	0	2570 00	H1 SY S2	H		2570 00	10	211 2.3 3	15	316 8.4 9	316 8.49 +41. 10
H1	1100 00	0	2570 00	H1 SY S3	P	100 000						Not use d
P1	800 00	1000 0	100 00	P1 SY S1	C	157 000		5	0	15	0	0
P1	8000 0	0	1000 0	P1 SY S2	H	700 00	1570 00					Not use d

P1	800 00	0	100 00	P1 SY S3	P	700 00		5	0	15	0	863. 01 +41. 10
C1	5500 0	5000	5000	C1 SY S1	C	500 00		5	0	15	0	616. 44 +20. 55
C2	4000 0	3000	3000	C2 SY S1	C	370 00		5	0	15	0	456. 16 +12. 33

## 7.1 Introduction

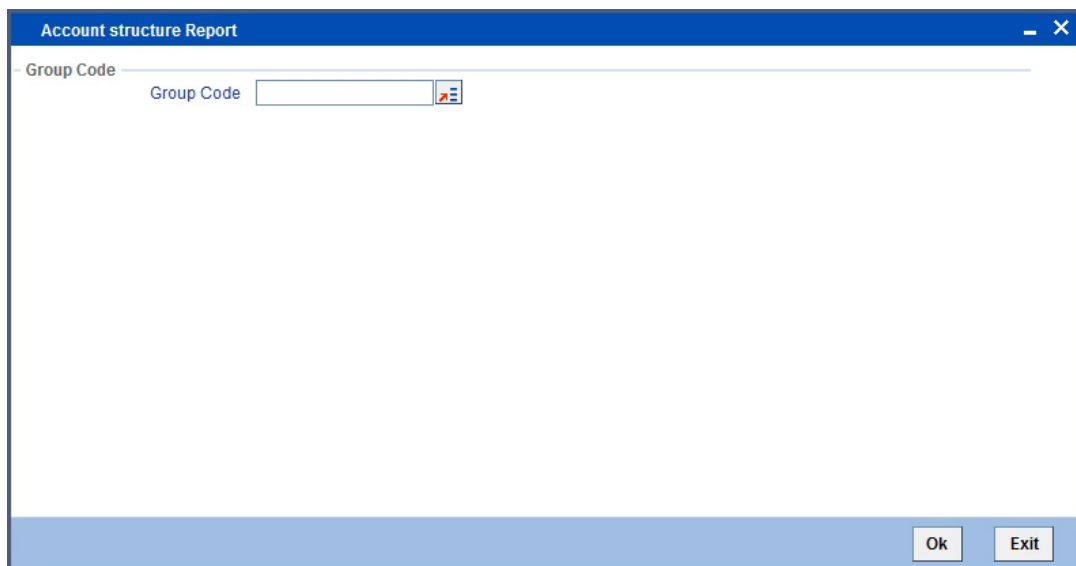
Reports provide details of various events in the life of a specific contract, or across contracts at a specific point of time. For every module in Oracle FLEXCUBE, you can generate reports. This chapter details out the reports that you can generate from Islamic Integrated Liquidity Management module of Oracle FLEXCUBE.

You can generate the following report for the Islamic Integrated Liquidity Management module:

- Account Structure Report

## 7.2 Account Structure Report

Account structure report provides information on the type of account and effective date of each account. You can set preferences as to generation of the report using 'Account Structure Report' screen. To invoke the screen, type 'ILRTQUERY' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



### 7.2.1 Report Options

You can set your preferences for report generation on this screen.

#### **Group Code**

Specify the group code for which you are generating the report. The option list displays all valid group codes maintained in the system. Choose the appropriate one.

Once you have specified the group code, click OK button. The system displays the print option screen. Here, you can set your preferences as to printing the report. Click OK button to print the report.

### 7.2.2 Contents of the Report

The contents of Account Structure report have been discussed under the following heads:

**Header**

The 'Header' carries the title of the report, branch code, branch date, user ID, module from which the report has been generated, date and time at which the report has been generated and the page number of the report.

**Body**

You can find the following details in the body of the report:

<b>Field</b>	<b>Description</b>
Branch Code	The code that identifies the branch.
Account	The account number for which the corresponding details are provided.
Account Type	The type of corresponding account.
Effective Date	The effective date of the corresponding account.

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## 8. Annexure A - Accounting Entries

### 8.1 Accounting Entries for ILM

This Annexure lists the suggested event-wise accounting entries that can be set up, for the Interest and Charge product applicable for the Integrated Liquidity Management module of Oracle FLEXCUBE.

### 8.2 Events

You need to set up the following events for a profit product:

Event Code	Event Description
ILIQ	Interest Liquidation
IACR	Interest Accruals
SWBK	Sweep Booking
RVSW	Reverse Sweep

### 8.3 Event-wise Accounting Entries for Products

You can set up various IP products for liquidity management. Some representative products are listed below:

- Pool Header Product – 'PHR1'
- Pool Reallocation Product – 'PLC1'

#### 8.3.1 Pool Header Product

To define a pool header product, you need to check 'ILM Product' check box in preference tab at Product level and select 'ILM Type' as 'Pool Lead'.

Consider the below accounting entries table for Pool Header product 'PHR1', which provides details about mapping of the accounting role to amount tag:

### 8.3.1.1 IACR: Interest Accrual

#### Accounting Entries

Accounting Role	Amount Tag	Dr/Cr Indicator
PHR1-PNL-1	IACR	Credit
PHR1-ACCR-1	IACR	Debit
PHR1-PNL_ADJ-1	IACR_ADJ	Credit
PHR1-ACR_ADJ-1	IACR_ADJ	Debit
PHR1-PNL-2	IACR	Debit
PHR1-ACCR-2	IACR	Credit
PHR1-PNL_ADJ-2	IACR_ADJ	Debit
PHR1-ACR_ADJ-2	IACR_ADJ	Credit

### 8.3.1.2 ILIQ: Interest Liquidation

#### Accounting Entries

Accounting Role	Amount Tag	Dr/Cr Indicator
PHR1-ACCR-1	ILIQ	Credit
PHR1-BOOK-1	ILIQ	Debit
PHR1-ACQUIRED-1	IACQUIRED	Credit
PHR1-BOOK-1	IACQUIRED	Debit
PHR1-ACQUIRED-2	IACQUIRED	Debit
PHR1-BOOK-2	IACQUIRED	Credit
PHR1-ACCR-2	ILIQ	Debit
PHR1-BOOK-2	ILIQ	Credit
PHR1-TPBL-3	TAX	Credit
PHR1-BOOK-3	TAX	Debit
PHR1-TPBL_ADJ-3	TAX_ADJ	Credit
PHR1-BOOK-3	TAX_ADJ	Debit

### 8.3.2 Pool Reallocation Product

To define a pool reallocation product, you need to check 'ILM Product' check box in preference tab at Product level and select 'ILM Type' as 'Pool Reallocation.' Also, you need to check the 'Reallocation through Header' check box.

Consider the below accounting entries table for Pool Reallocation product 'PLC1', which provides details about mapping of the accounting role to amount tag

### 8.3.2.1 **IACR: Interest Accrual**

#### **Accounting Entries**

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Dr/Cr Indicator</b>
PLC1-PNL-1	IACR	Debit
PLC1-ACCR-1	IACR	Credit
PLC1-PNL_ADJ-1	IACR_ADJ	Debit
PLC1-ACR_ADJ-1	IACR_ADJ	Credit
PLC1-PNL-2	IACR	Credit
PLC1-ACCR-2	IACR	Debit
PLC1-PNL_ADJ-2	IACR_ADJ	Debit
PLC1-ACR_ADJ-2	IACR_ADJ	Credit

### 8.3.2.2 **ILIQ: Interest Liquidation**

#### **Accounting Entries**

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Dr/Cr Indicator</b>
PLC1-ACCR-1	ILIQ	Credit
PLC1-BOOK-1	ILIQ	Debit
PLC1-ACQUIRED-1	IACQUIRED	Credit
PLC1-BOOK-1	IACQUIRED	Debit
PLC1-ACQUIRED-2	IACQUIRED	Debit
PLC1-BOOK-2	IACQUIRED	Credit
PLC1-ACCR-2	ILIQ	Debit
PLC1-BOOK-2	ILIQ	Credit
PLC1-TPBL-3	TAX	Credit
PLC1-BOOK-3	TAX	Debit
PLC1-TPBL_ADJ-3	TAX_ADJ	Credit
PLC1-BOOK-3	TAX_ADJ	Debit

### 8.3.3 Sweep and Reverse Sweep

#### 8.3.3.1 SWBK: Sweep Booking

Accounting Entries

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Dr/Cr Indicator</b>
CHILD	CR_CONT	DR
PARENT	CR_CONT	CR
CHILD	DR_CONT	CR
PARENT	DR_CONT	DR

#### 8.3.3.2 RVSU: Reverse Sweep

Accounting Entries:

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Dr/Cr Indicator</b>
PARENT	CR_CONT	DR
CHILD	CR_CONT	CR
CHILD	DR_CONT	DR
PARENT	DR_CONT	CR



## 9. Annexure B – IP Rule Set-up

### 9.1 Introduction

This Annexure lists the Profit and Charge (IP) rules that need to be maintained for the Integrated Liquidity Management module of Oracle FLEXCUBE. It also gives the UDEs and rates for which values need to be maintained.

### 9.2 IC Rule Maintenance

The components required to calculate profit (the principal, period, and rate) are broadly referred to as 'Data Elements'. Data elements are of two types:

- System Data Elements (SDEs)
- User Data Elements (UDEs)

In addition to specifying how the SDEs and UDEs are connected through the formulae, you also define certain other attributes for a rule using the 'Profit and Charges Rule Maintenance' screen. You can invoke this screen by typing 'IPDRLMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screenshot displays the 'Profit and Charges Rule Maintenance' screen. At the top, there are input fields for 'Rule Id \*', 'Rule Description \*', and 'Primary Element'. Below these are sections for 'Apply Profit' and 'LM Parameters'. The 'Apply Profit' section includes checkboxes for 'On Account Opening Month' and 'On Account Closure Month'. The 'LM Parameters' section includes a checkbox for 'Integrated LM' and a dropdown menu for 'Integrated LM Type'. The screen is divided into two main sections: 'System Elements' and 'User Elements'. The 'System Elements' section shows a table with one row containing 'System Elements \*'. The 'User Elements' section shows a table with columns 'User Elements \*', 'Type', and 'Get Latest', and one row containing 'Amount' and 'Use Effective'. At the bottom of the screen, there are tabs for 'Formulas' and 'Fields', and a status bar with fields for 'Input By', 'Authorized By', and 'Modification Number', along with checkboxes for 'Authorized' and 'Open', and an 'Exit' button.

For details about the screen, refer the chapter 'Maintaining Interest Rules' in the Interest and Charges User Manual.

You can maintain rules for the following:

- Pool Header
- Pool Reallocation

## 9.2.1 Pool Header

Specify the following details:

### **On Account Opening Month**

Check this box.

### **On Account Closure Month**

Check this box.

### **SDE**

Maintain the following SDEs:

- DAYS
- ILVD\_ULT\_CR\_BAL
- ILVD\_ULT\_DR\_BAL

### **UDE**

You can maintain the following UDE:

### **MUDARABAH\_RATE Type**

For the UDE, select the option 'Rate' from the adjoining drop-down list.

### **Get Latest**

For the UDE, select the option 'Use Effective' from the adjoining drop-down list.

Click 'Formulas' button and invoke the 'Formulas' screen.

The screenshot shows the 'Formulas' dialog box with the following details:

- Formula Number:** [Empty]
- Debit/Credit:** Debit
- Book Flag:** Booked
- Days in a Month:** Actual
- Periodicity:** Daily
- Days in a Year:** Actual
- Accruals Required:**
- Profit Method Default from Currency Definition:**
- Local Currency Basis:**
- Book Tax To Expense Account:**
- Calculation Parameters:** Two 'Basis Percent' fields.
- Basis Amount:** Option, Method, Decimals, Units fields.
- Tax Amount:** Option, Method, Decimals, Units fields.
- Buttons:** Formula Wizard, Ok, Exit.

You need to maintain two booked and two tax formulae.

### **Formula 1 – being the debit formula**

Specify the following details:

### **Book Flag**

Select 'Booked' from the adjoining drop-down list.

**Periodicity**

Choose 'Daily' from the adjoining drop-down list.

**Debit/Credit**

Select 'Debit' from the adjoining drop-down list.

**Days in a Month**

Select 'Actuals' from the adjoining drop-down list.

**Days in a Year**

Select '365' from the adjoining drop-down list.

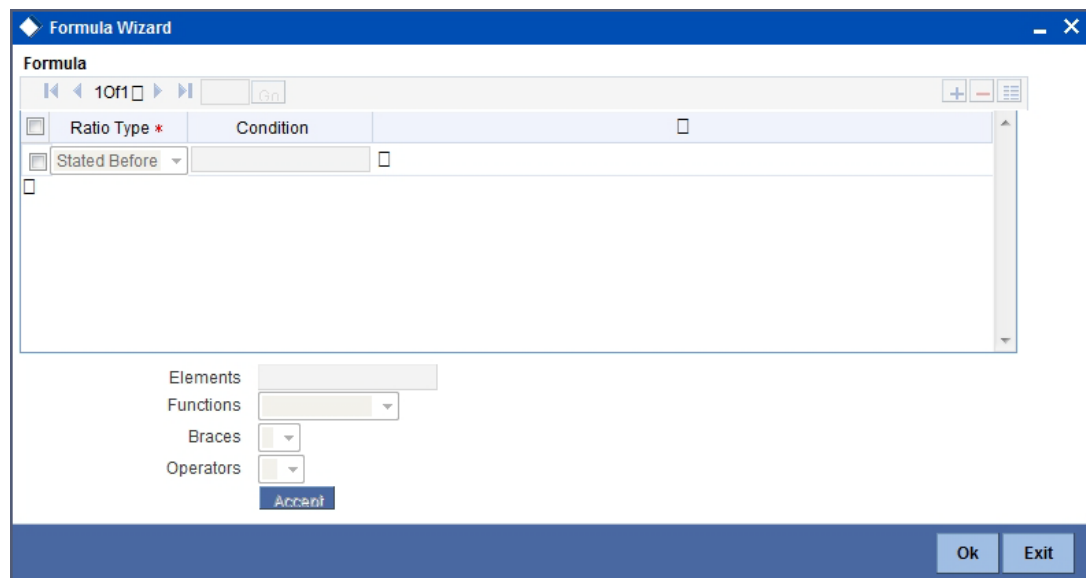
**Accrual Required**

Check this box.

**Rounding Required**

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen.



Specify the following expressions:

Case	Result
ILVD_UTL_DR_BAL>0	(ILVD_ULI_DR_BAL*MUDARABAH_RATE*DAYS)/36500

**Formula 2 – being the credit formula**

Specify the following details:

**Book Flag**

Select 'Booked' from the adjoining drop-down list.

**Periodicity**

Choose 'Daily' from the adjoining drop-down list.

**Debit/Credit**

Select 'Credit' from the adjoining drop-down list.

**Days in a Month**

Select 'Actuals' from the adjoining drop-down list.

**Days in a Year**

Select '365' from the adjoining drop-down list.

**Accrual Required**

Check this box.

**Rounding Required**

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
ILVD_UTL_CR_BAL>0	(ILVD_ULT_CR_BAL*MUDARABAH_RATE*DAYS)/36500

**Formula 3 – being the tax formula for debit**

Specify the following details:

**Book Flag**

Select 'Tax' from the adjoining drop-down list.

**Periodicity**

Choose 'Periodic' from the adjoining drop-down list.

**Debit/Credit**

Select 'Debit' from the adjoining drop-down list.

**Days in a Month**

Select 'Actuals' from the adjoining drop-down list.

**Days in a Year**

Select 'Actuals' from the adjoining drop-down list.

**Rounding Required**

Check this box.

**Tax Category**

Select 'TAXAPPLIC' from the adjoining drop-down list.

**Basis Percent**

Specify '100' as the basis percent.

**Local Currency Basis**

Check this box.

**Tax Payable Currency Flag**

Specify 'Local Currency' here.

**Basis Amount Option**

Select 'Currency Default' from the adjoining drop-down list.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
FORMULA1>0	ROUND(FORMULA1*HTAX_RATE/100,2)

#### **Formula 4 – being the tax formula for credit**

Specify the following details:

##### **Book Flag**

Select 'Tax' from the adjoining drop-down list.

##### **Periodicity**

Choose 'Periodic' from the adjoining drop-down list.

##### **Debit/Credit**

Select 'Credit' from the adjoining drop-down list.

##### **Days in a Month**

Select 'Actuals' from the adjoining drop-down list.

##### **Days in a Year**

Select '365' from the adjoining drop-down list.

##### **Rounding Required**

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
FORMULA2>0	ROUND(FORMULA2* HTAX_RATE / 100,2)

### **9.2.2 Pool Reallocation**

Specify the following details:

##### **On Account Opening Month**

Check this box.

##### **On Account Closure Month**

Check this box.

##### **SDE**

Maintain the following SDEs:

- DAYS
- ILVD\_CP\_CR\_CONT
- ILVD\_CP\_DR\_CONT
- ILVD\_NCP\_CR\_CONT
- ILVD\_NCP\_DR\_CONT

## UDE

You can maintain the following UDE:

### **MUDARABAH\_RATE Type**

For the UDE, select the option 'Rate' from the adjoining drop-down list.

### **Get Latest**

For the UDE, select the option 'Use Effective' from the adjoining drop-down list.

Click 'Formulas' button and invoke the 'Formulas' screen. You need to maintain two booked and one tax formulae.

### **Formula 1 – being the debit formula**

Specify the following details:

#### **Book Flag**

Select 'Booked' from the adjoining drop-down list.

#### **Periodicity**

Choose 'Daily' from the adjoining drop-down list.

#### **Debit/Credit**

Select 'Debit' from the adjoining drop-down list.

#### **Days in a Month**

Select 'Actuals' from the adjoining drop-down list.

#### **Days in a Year**

Select '365' from the adjoining drop-down list.

#### **Rounding Required**

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. You need to maintain three booked and three non-booked formulae.

### **Formula 1**

Specify the following expression:

<b>Case</b>	<b>Result</b>
$( ILVD\_CP\_DR\_CONT + ILVD\_NCP\_DR\_CONT ) > 0$	$(( ILVD\_CP\_DR\_CONT + ILVD\_NCP\_DR\_CONT ) * MUDARABAH\_RATE * DAYS ) / 36500$

### **Formula 2 – being the credit formula**

Specify the following details:

#### **Book Flag**

Select 'Booked' from the adjoining drop-down list.

#### **Periodicity**

Choose 'Daily' from the adjoining drop-down list.

**Debit/Credit**

Select 'Credit' from the adjoining drop-down list.

**Days in a Month**

Select 'Actuals' from the adjoining drop-down list.

**Days in a Year**

Select '365' from the adjoining drop-down list.

**Rounding Required**

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
$( ILVD\_CP\_CR\_CONT + ILVD\_NCP\_CR\_CONT ) > 0$	$(( ILVD\_CP\_CR\_CONT + ILVD\_NCP\_CR\_CONT ) * MUDARABAH\_RATE * DAYS ) / 36500$

**Formula 3 – being the tax formula for debit**

Specify the following details:

**Book Flag**

Select 'Tax' from the adjoining drop-down list.

**Periodicity**

Choose 'Periodic' from the adjoining drop-down list.

**Debit/Credit**

Select 'Debit' from the adjoining drop-down list.

**Days in a Month**

Select 'Actuals' from the adjoining drop-down list.

**Days in a Year**

Select '365' from the adjoining drop-down list.

**Rounding Required**

Check this box.

Click 'Formula Wizard' button and invoke the 'Formula Wizard' screen. In this screen, you need to maintain the following expressions:

Case	Result
FORMULA2>0	ROUND(FORMULA2* CTAX_RATE / 100,2)

## 9.3 UDE Value Maintenance

You can maintain UDE values for the rules using the 'Profit & Charges User Data Element Maintenance' screen. You can invoke the 'Profit & Charges User Data Element Maintenance'

screen by typing 'IPDUDVAL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screenshot shows the 'User Data Element Values' application window. The window title is 'User Data Element Values'. It features a 'New' button and several input fields for 'Product Code \*', 'Branch Code \*', 'Effective Date \*', 'Description', 'Accrual Frequency', 'Liquidation Days', 'Months', and 'Years'. On the right side, there are input fields for 'Account Class \*', 'Currency Code \*', 'Rule', 'Description', 'Currency', and 'Description'. Below these fields is a 'User Data Elements' table with columns 'User Element \*', 'User Element Value', and 'Rate Code'. The table is currently empty. At the bottom, there is a 'UDF' button and a status bar with fields for 'Maker', 'Checker', 'Mod No', 'Date Time:', 'Record Status', and 'Authorization Status'. An 'Exit' button is located in the bottom right corner.

For details about the screen, refer the chapter 'Giving UDE Values for Condition' in the Interest and Charges User Manual.



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## 10. Function ID Glossary

### C

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### E

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### I

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IILDSWEEP ..... 3-13

ILDBRPRM ..... 3-10

ILRTQUERY ..... 7-1