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Accelerator Pack 14.4.0.0.0

Corporate Deposits

Accelerator Pack – Corporate Deposits

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Accelerator Pack – Corporate Deposits

Introduction

- This document describes the sample CD products that are offered off-the-shelf

- Corporate deposit module of FLEXCUBE supports processing of products like,
  - Normal deposits
  - Discounted deposits

- Options available to automate periodic processes such as :
  - Accrual of deposits
  - Liquidation of deposits based on the schedules defined
  - Generation of advices

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Product 1 – Bearing normal fixed rate

- This Bearing normal interest product, supports all basic features that are needed for a customer on a corporate deposit. It provides fixed interest, deducts tax on interest paid and penalty on preclosure.

- Features of product – CDP1

  - Booking of deposit with fixed deposit amount at a fixed rate for a certain tenor

  - Tax withholding on the interest amount liquidated based on slab defined at tax rule

  - Forward contracts are allowed

  - Bearing method of interest calculation

  - Rollover mechanism 'Spawn contract' is supported

  - Daily accrual and monthly interest liquidation schedules

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Product 1 – Bearing normal fixed rate

Product parameters	
Payment method	Bearing
Schedule type	Normal
Accrual frequency	Daily
Auto liquidation	Yes
Settlement required	Yes
Prepayment penalty	Yes
Tax applicable	Yes
Allow rollover	Yes
Consider branch holiday	Yes
Rollover	Auto
ICCF Rollover	Product
Rollover Mechanism	Spawn contract
Apply Tax	Yes
Rollover With Interest	No
Deduct Tax on Rollover	Yes

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Product 1 - Bearing normal fixed rate

- INTR, ICCF rule is maintained and attached to interest class - CDP1_INTR

- Interest class of CDP1_INTR is maintained

- Fixed interest rate of 10%

- WHTR and WHTR1 tax rules are maintained and attached to tax scheme, WHT

- Tax rates of 10 % and 8% for tax rules WHTR and WHTR1 respectively

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Product 2 – Discounted deposit

- The Discounted deposits pay interest to the customers upfront for the defined tenor. Tax is collected upfront on the interest paid.

- Features of product – CDP2

    - Daily accrual and bullet interest liquidation schedules

    - Discounted method of interest calculation

    - Fixed interest rate of 10%

    - Tax rate of 10% on interest earned based on the amount slab

    - Branch holiday calendar is considered and schedules, if falling on holiday will be adjusted

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Product 2 – Discounted deposit

Product parameters	
Payment method	Discounted
Schedule type	Normal
Accrual frequency	Daily
Auto liquidation	Yes
Setlement required	Yes
Prepayment penalty	Yes
Tax applicable	Yes
Allow rollover	No
Consider branch holiday	Yes

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Product 2 – Discounted deposit

- INTR, ICCF rule is maintained and attached to interest class – CDP2_INTR

- Interest class of CDP2_INTR is maintained

- Fixed interest rate of 10%

- WHTR tax rule is maintained and attached to tax scheme, WHT

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Product 3 – Bearing capitalized floating rate

- This product supports all basic features that are needed for a customer to open a corporate deposit. It provides capitalized interest, deducts tax on the interest liquidated. The interest will get liquidated to the principal.

- Features of product – CDP3

  - Bearing Capitalized method of interest calculation

  - Floating interest rate

  - Monthly accrual and monthly interest liquidation schedules

  - Tax will be deducted on interest liquidation and rollover

  - Tax rate of 10% on interest earned based on the amount slab

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Product 3 – Bearing capitalized floating rate

Product parameters	
Payment method	Bearing
Schedule type	Capitalized
Accrual frequency	Monthly
Auto liquidation	Yes
Setlement required	Yes
Prepayment penalty	Yes
Forward dating allowed	Yes
Tax applicable	Yes
Certificate of deposit	Yes
Allow rollover	Yes
Consider branch holiday	Yes
Rollover	Auto
ICCF Rollover	Product
Rollover Mechanism	New Version
Apply Tax	Yes
Rollover With Interest	Yes
Deduct Tax on Rollover	Yes

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Product 3 – Bearing capitalized floating rate

- INTR, ICCF rule is maintained and attached to interest class – CDP3_FLOAT

- Interest class of CDP3_FLOAT is maintained

- LDMM rate code, CDRATE is maintained and attached to interest class

- WHTR and WHTR1 tax rules are maintained and attached to tax scheme, WHT

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Product 4 – True discounted

- Corporate Customers to get the True Discounted interest for their deposit during the time of opening the deposit need to use this product. The interest type of this product is fixed and tax is deducted on interest.

- Features of product – CDP4

  - True Discounted method of interest calculation

  - Fixed interest rate

  - Daily accrual and bullet interest and principal liquidation schedules

  - Fixed interest rate of 10%

  - Tax rate of 10% on interest earned based on the amount slab

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Product 4 – True discounted

Product parameters	
Payment method	True discounted
Schedule type	Normal
Accrual frequency	Daily
Auto liquidation	Yes
Setlement required	Yes
Prepayment penalty	Yes
Forward dating allowed	Yes
Tax applicable	Yes
Certificate of deposit	No
Allow rollover	No
Consider branch holiday	Yes

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Product 4 – True discounted

- INTR, ICCF rule is maintained and attached to interest class – CDP4_INTR

- Interest class of CDP4_INTR is maintained

- WHTR tax rule is maintained and attached to tax scheme, WHT

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Product 5 – Normal bearing floating rate

- The floating rate deposit provides fluctuating interest based on money market rates. The rates are maintained based on amount slab, effective date, tenor and currency of the deposit. Whenever any rate pick up event happens on a deposit, the current prevailing interest rate, from LDMM maintenance, is picked up and applied on the deposit.

- Features of product – CDP5

  - Bearing Normal method of interest calculation

  - Floating interest rate

  - Monthly accrual and monthly interest liquidation schedules

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Product 5 – Normal bearing floating rate

Product parameters	
Payment method	Bearing
Schedule type	Normal
Accrual frequency	Monthly
Auto liquidation	Yes
Settlement required	Yes
Prepayment penalty	Yes
Forward dating allowed	Yes
Tax applicable	No
Certificate of deposit	No
Allow rollover	Yes
Consider branch holiday	Yes
Rollover	Auto
ICCF Rollover	Product
Rollover Mechanism	New Version
Apply Tax	Yes
Rollover With Interest	No
Deduct Tax on Rollover	Yes

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Product 5 – Normal bearing floating rate

- INT1, ICCF rule is maintained and attached to interest class – CDP5_INT1

- Interest class of CDP5_INT1 is maintained

- LDMM rate code, CDRATEGBP is maintained and attached to interest class

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Product 6 – Capitalized bearing fixed rate

- Corporate Customers for their deposit gets the capitalized interest during the time of maturity using this product. The interest type of this product is fixed and rollover is applicable for the deposit.

- Features of product – CDP6

    – Bearing capitalized method of interest calculation

    – Fixed interest rate

    – Daily accrual and monthly interest liquidation schedules

    – Re key options for currency is allowed during authorization

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Product 6 – Capitalized bearing fixed rate

Product parameters	
Payment method	Bearing
Schedule type	Capitalized
Accrual frequency	Daily
Auto liquidation	Yes
Settlement required	Yes
Prepayment penalty	Yes
Forward dating allowed	Yes
Tax applicable	No
Certificate of deposit	No
Allow rollover	Yes
Consider branch holiday	Yes
Rollover	Auto
ICCF Rollover	Product
Rollover Mechanism	New Version
Apply Tax	Yes
Rollover With Interest	No
Deduct Tax on Rollover	Yes

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Product 6 – Capitalized bearing fixed rate

- INT1, ICCF rule is maintained and attached to interest class – CDP6_INT1

- Interest class of CDP6_INT1 is maintained

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