



Securities User Guide

## **Oracle Banking Treasury Management**

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# 1. Preface

## 1.1 Introduction

This manual is designed to help acquaint you with the Securities Module of Oracle Banking Treasury Management. It provides an overview to the module and takes you through the various steps involved in maintaining securities, portfolios, and deals. It also covers all the corporate actions that can be performed on Securities. Information specific to a particular field can be obtained by placing the cursor on the relevant field and striking the <F1> key on the keyboard.

## 1.2 Audience

This manual is intended for the following User/User Roles

**Table 1.1: User Roles**

Role	Function
Back office data entry Clerks	Input functions for deals/queries
Back office Managers/Officers	Authorization functions/queries
Product Managers	Product definition and authorization
End of Day Operators	Processing during End of Day/ beginning of day
Financial Controller/Product Managers	Generation of queries/reports

## 1.3 Definitions

This manual is intended for the following User/User Roles

**Table 1.2: Security Terms**

Term	Definition
Corpus	It is the principal amount of a debt instrument, or the underlying assets in a trust. This content can be found in the URL <a href="http://www.investorwords.com/1141/corpus.html">http://www.investorwords.com/1141/corpus.html</a> .
Coupon	It is the interest rate on a fixed income security, determined upon issuance, and expressed as a percentage of par.
ISMA	It stands for the International Securities Markets Association. It is a self-regulatory organization and trade association originally located in Zürich, Switzerland, that encourages systematic and compliant trading in the international securities market.

Term	Definition
ISITC	It stands for the International Securities Association for Institutional Trade Communication. It is an organization that develops invaluable recommendations for straight-through processing and other electronic trade and communications procedures - recommendations that are repeatedly adopted by the industry and become standards that have transformed trading processes.
Redemption	It is the return of an investor's principal in a security, such as a bond, preferred stock or mutual fund shares, at or prior to maturity.
Redemption Premium	It is the amount paid to the holder of the security called for redemption in addition to the principal amount of (and any accrued interest on) the security.
Yield	It is the income return on an investment. This refers to the interest or dividends received from a security and are usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.
Yield to Maturity	It is the rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate.
Yield to Worst	It is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.
Yield to Call	It is the yield of a bond or note if you were to buy and hold the security until the call date. This yield is valid only if the security is called prior to maturity.
Current Yield	It is the annual income (interest or dividends) divided by the current price of the security. This measure looks at the current price of a bond instead of its face value and represents the return an investor would expect if he or she purchased the bond and held it for a year.
Nominal Yield	The interest rate stated on the face of a bond, which represents the percentage of interest to be paid by the issuer on the face value of the bond.
Yield Curve	It is a line that plots the interest rates, at a set point in time of bonds having equal credit quality, but differing maturity dates.
Effective Interest Method	It is the manner of accounting for bond premiums or discounts. The interest expense equals the carrying value of a bond at the beginning of the accounting period times the Effective Interest Rate (yield); also called scientific amortization.
MTM	It stands for 'Mark to Market'. It is the act of recording the price or value of a security, portfolio or account to reflect its current market value rather than its book value.



Term	Definition
LOCOM	It stands for 'Lower of Cost or Market'. It is an accounting method used to establish the dollar amount at which assets are recorded on a savings association's books. The amount established is the lower of the cost of the asset or the current market value. Under this method, assets must be written down if the market value falls below the cost. They may also be written up but not above their amortized cost.
Intrinsic Value	It stands for a measure of the value of an option or a warrant if immediately exercised that is the extent to which it is in-the-money. The amount by which the current price for the underlying commodity or futures contract is above the strike price of a call option or below the strike price of a put option for the commodity or futures contract
Renouncable Right	It is an offer issued by a corporation to shareholders to purchase more shares of the corporation's stock (usually at a discount). Renouncable rights have a value and can be traded.
Restricted	Restricted stock, also known as letter stock or restricted securities, refers to stock of a company that is not fully transferable until certain conditions have been met. Upon satisfaction of those conditions, the stock becomes transferable by the person holding the award.
Convertible	It stands for a bond that can be converted into a predetermined amount of the company's equity at certain times during its life, usually at the discretion of the bondholder.

## 1.4 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>

## 1.5 Related Documents

You may need to refer to any or all of the User Manuals while working on the Securities module:

- Procedures
- Messaging System
- Management Information System
- Central Liability
- Products
- Settlements
- Interest
- Charges and Fees
- Tax
- User Defined Fields

## 1.6 List of Topics

This manual is organized as follows:

**Table 1.3: Topics**

Topics	Description
<b>Overview of Securities Domain</b>	Explains the overview of the securities domain.
<b>Overview of Securities</b>	Explains the snapshot of the features and functionality offered by the module.
<b>General Maintenance</b>	General Maintenance deals with setting up and maintaining basic information, before the Securities module becomes operational.
<b>Maintain Price Details Codes</b>	Maintaining Price Details deals with updating the current market price of various securities maintained in the system.
<b>Maintain Market Price</b>	Maintaining Market Price Codes deals with maintaining codes for the market price of securities including multiple price codes on account of trading in different markets.
<b>Maintain Safe Keeping Locations</b>	Maintaining Safe Keeping Locations deals with defining Safe Keeping locations and maintaining Safe Keeping accounts for trading securities.
<b>Building Branch and Currency Restriction Class</b>	Building Branch and Currency Restriction Classes details on the parameters to be defined and maintained governing the rules of processing securities, and define Branch, Currency, and Customer Restrictions as Class.
<b>Account Role to Head Mapping Class</b>	The Accounting Role to Head Mapping Class discusses the concept of Accounting Roles and Accounting Heads. Also it describes the building of Accounting Role to Head Mapping Classes.
<b>Define Security Preference Class</b>	Defining Security Preference Classes are the options available for defining the attributes of a security. This chapter explains the building of a Security Preference Class.
<b>Maintain Portfolio Preference</b>	Maintaining Portfolio Preference Class explains the building of a Portfolio Preference Class.
<b>Define Deal Preference Class</b>	Defining a Deal Preference Class explains the building of a Deal Preference Class.
<b>Security Restriction Class</b>	Security Restriction Classes details the concept of a Security Restrictions Class and the procedure of building one.

Topics	Description
<b>Maintain Portfolio Restriction Class</b>	Maintaining Portfolio Restriction Classes discusses the concept of, a Portfolio Restrictions Class and the procedure involved in building one.
<b>Define Attributes of a Security Product</b>	Defining Attributes of a Securities Product - describes the concept of a product and the building of a Securities Product in Oracle Banking Treasury Management.
<b>Define Attributes of a Portfolio Product</b>	Defining Attributes of a Portfolio Product explains how you can build a Portfolio Product.
<b>Define Attributes of a Deal Product</b>	Defining Attributes of a Deal Product explains the procedure of building a Deal Product.
<b>Define Product Combination</b>	Defining a Product Combination deals with setting up products that cater to deal combinations.
<b>Maintain Security</b>	Maintaining a Security explains the details that need to be entered in order to maintain a security.
<b>Maintain and Process Corporate Action</b>	Maintaining and Processing Corporate Actions enables to understand the maintenance of corporate actions and the processing of corporate action events.
<b>Define Portfolios</b>	Defining Portfolios deals with setting up of Portfolios for the Bank, their customers and for an Issuer of securities.
<b>Process a Securities Deal</b>	Processing a Securities Deal with the following types: <ul style="list-style-type: none"> <li>• Bank portfolio buys and sells</li> <li>• Customer buys and sells</li> <li>• Standalone lodge and withdraw</li> <li>• Safe keeping location (SKL) to SKL transfer</li> <li>• Block Securities</li> </ul>
<b>Process a Block Securities Deal</b>	Process a Block Securities Deal explains the manner in which block deals are processed in Oracle Banking Treasury Management.
<b>Securities Transfer Across Locations</b>	Transferring Securities Across Locations explains how to transfer securities from one Safe Keeping location to another or from one account to another within the same location. In addition, it also tells how to stop a specified quantity of securities from being traded in the market.

Topics	Description
<b>Maintain block Security details</b>	Maintain Block Security Details deals with specifying a quantity of securities to be stopped from being traded in the market.
<b>Batch Process</b>	Batch Process documents the Beginning and End of Day functions that are processed by the system.
<b>Customer Correspondence</b>	Customer Correspondence explains the various types of advices generated at each stage, for the Securities module.
<b>Making Queues</b>	Making Queries details to make queries for specific information. It also details the steps to follow for building a query.
<b>Handle Repos</b>	Handling Repos discusses the details that you need to maintain in the Securities module to process Repo and Reverse Repo deals.
<b>Printing Subsidiary General Ledger Form- Repo and Reverse Details</b>	Printing Subsidiary General Ledger Form - Repo and Reverse Repo Deals explains the process to track and maintain the subsidiary general ledger form and Security Repo Payment.
<b>Error Codes</b>	Error codes and Messages for Securities lists the error messages that one may encounter, while working with Oracle Banking Treasury Management.
<b>Annexure A - Accounting Entries and Advices</b>	Annexure A - Accounting Entries and Advices for the Securities module lists the suggested event-wise accounting entries and advices for the Securities module.
<b>Glossary</b>	Glossary provides the list of important terms and its definition.
<b>Reports</b>	Reports explain the various report programs and reporting features available under the Securities module.
<b>Function ID - Glossary</b>	Function ID Glossary has alphabetical listing of Function/Screen ID used in the module with page references for quick navigation.

## 2. Overview of Securities Domain

The role of the financial system is classified into the following:

- Savings Function - Mobilize savings in a way to provide a potentially profitable and low-risk outlet.
- Policy Function - Through the policy function, the government ensures a smooth flow of funds from savings into investments to stabilize the economy.
- Credit Function - After mobilizing the savings and laying down the necessary policies for the transfer of these funds, the credit function of the financial system will then ensure that these savings will transform into the necessary credit for investment and spending purposes.

The financial system evolved due to certain complexities associated with performing these functions.

- Generally, the requirements of the borrowers do not match that of the savers. Savers are concerned about the safety of funds, return, and liquidity, borrowers are concerned about the terms of the funds borrowed, the cost of funds, and the ease associated with borrowing funds.
- The return-risk profile expectations of both borrowers and lenders/savers differ.

This chapter contains the following sub-topics:

- 1) *Financial market*
- 2) *Characteristic Features of the Financial Markets*
- 3) *Financial Intermediaries*
- 4) *Intermediaries Operating in Financial Markets*
- 5) *Financial Assets (Securities)*
- 6) *Equities*
- 7) *Preference Shares*
- 8) *Fixed Income Securities*
- 9) *Rights and Warrants*
- 10) *Trading in Equities*
- 11) *Trading in Bonds / Fixed Income securities*
- 12) *Corporate Actions on Securities*

## 2.1 Financial market

The financial markets channel the savings of the households and other surplus budget units to those individuals and institutions that need funds. While performing this role the aid of the financial market in increasing production and income for the various units.

### 2.1.1 Types of Markets

The main segments of the organized financial markets are as follows:

**Table 2.1: Market Types**

Market type	Description
<b>Money Market</b>	The money market is a wholesale debt market for low-risk, highly- liquid, short-term instruments. Funds are available in this market for periods ranging from a single day up to a year. Government, banks, and financial institutions dominate this market.
<b>Capital Markets</b>	The capital market is designed to finance long-term investments. The transactions taking place in this market are for periods over a year.
<b>Forex Market</b>	The forex market deals with multi-currency requirements, which are met by the exchange of currency. Depending on the applicable exchange rate, the transfer of funds takes place in this market. This is one of the most developed and integrated markets across the globe.
<b>Credit Market</b>	A credit market is a place where banks, financial institutions, and NBFCs purvey short, medium, and long-term loans to corporates and individuals. Such segregation of the financial market into various subgroups has enhanced the efficiency of resource allocation. Each market is unique in terms of the nature of participants, instruments, etc.

## 2.1.2 Characteristic Features of the Financial Markets

**Table 2.2: Financial Market**

Financial Market	Purpose	Players	Regulator
Money Market	Short-term rupee finance	<ul style="list-style-type: none"> <li>• Banks,</li> <li>• Governments</li> <li>• FIs</li> <li>• Corporates</li> <li>• FIs</li> <li>• MFs</li> <li>• individuals</li> </ul>	Central Bank
Capital Market	Long-term rupee finance	<ul style="list-style-type: none"> <li>• Corporates</li> <li>• Banks</li> <li>• FIs</li> <li>• individuals</li> <li>• MFs</li> <li>• FIs</li> </ul>	E.g. US SEC
Forex Market	Short/Long-term foreign currency finance	<ul style="list-style-type: none"> <li>• Banks</li> <li>• corporates</li> <li>• forexdealers</li> </ul>	Central Bank
Credit Market	Short/long-term rupee finance	<ul style="list-style-type: none"> <li>• Banks</li> <li>• FIs</li> <li>• NBFCs</li> </ul>	Central Bank

Within the above-mentioned sub-markets, based on the transactions, financial markets can further be classified into open markets and negotiated markets. The basic distinction between these two types of markets is based on how the securities are bought and sold. In an open market, the securities will be offered to a large number of investors who can buy and sell them any number of times before the maturity period. The public issue of securities takes place in an open market. On the other hand, the negotiated market will have only a selected group of investors to whom the securities are offered and sold. It will generally be a private contract between the seller and the buyer. A bought-out deal and a car loan are good examples of transactions in a negotiated market.

Another useful and important distinction between markets in the financial system is the primary market and the secondary market. A primary market is a place for the fresh issue of securities. Corporates, banks, FIs, and the government can issue new securities and raise funds for investment purposes. The secondary market deals in securities previously issued in the primary market thereby providing liquidity to the investors. Investors can buy and sell securities in the secondary market on a continuous basis. Due to this, the volume of transactions taking place in the secondary market is far greater than those taking place in the primary markets. Except for the capital market, the other sub-markets present in the financial system either do not have a secondary market or their operations in the

same are negligible. The secondary market transactions of the capital market take place at the stock exchanges. All securities that are issued in the primary market will have to be listed on the stock exchanges to enable trading activity. The secondary market helps in undertaking maturity intermediation by bringing together savers and users with conflicting maturity targets.

### 2.1.3 Financial Intermediaries

Having designed the instrument the issuer should ensure that these financial assets reach the ultimate investor in order to garner the required amount. When the borrower of funds approaches the financial market to raise funds, the mere issue of securities may not suffice. Adequate information on the issue, issuer, and the security should be passed on the supplier of funds for the exchange of funds to take place. To serve this purpose, financial intermediaries came into existence. Major changes have been witnessed in the type of issuers and investors participating in the market. Financial innovations, technological up-gradations and most importantly changing regulatory mechanisms made the process of raising funds from the market place a complex task. Investors' preferences for financial assets have also changed. Designing instruments that catch the investors' attention has now become a specialized service. Likewise, proper expertise is also necessary for establishing transactions in the financial markets. The large volume of transactions taking place in the markets will have to be recorded promptly and accurately.

Some of the important intermediaries operating in the financial markets include investment bankers, underwriters, stock exchanges, registrars, depositories, custodians, portfolio managers, mutual funds, financial advertisers, financial consultants, primary dealers, secondary dealers, self-regulatory organizations, etc. The role of these intermediaries is summarized in the following table.

### 2.1.4 Intermediaries Operating in Financial Markets

**Table 2.3: Intermediaries**

Intermediary	Market	Role
Stock Exchange	Capital Market	Secondary market for securities.
Investment Bankers	<ul style="list-style-type: none"> <li>Capital Market</li> <li>Credit Market</li> </ul>	Corporate Advisory services, Issue of securities.
Underwriters	<ul style="list-style-type: none"> <li>Capital Market</li> <li>Money Market</li> </ul>	Subscribe to un-subscribed portion of securities.
<ul style="list-style-type: none"> <li>Registrars</li> <li>Depositories</li> <li>Custodians</li> </ul>	Capital Market	Issue securities to the investors on behalf of the company and handle share transfer activity.
<ul style="list-style-type: none"> <li>Primary Dealer</li> <li>Secondary Dealers</li> </ul>	Money Market	Market making in government securities.
Forex Dealers	Forex Market	Ensure exchange in currencies.

In a market, which is not well regulated, these intermediaries increase the risks for the investor. To prevent any misappropriation of the lenders' funds and to reduce the risks of the investors a well-regulated environment has to



be developed. With markets in various countries, harmonizing their regulations, these financial intermediaries are now becoming global players.

### 2.1.5 Financial Assets (Securities)

Financial assets constitute an abstract but verifiable financial stake that may be represented through a paper document or a computer system but does not disappear just because something happens to the piece of paper (or the computer) on which it was recorded.

Financial assets can be broadly classified into Equities / Stocks, fixed income securities, and derivatives. The financial stakes represented by securities are stakes in some business, government, or other legal entity.

- If the security is equity/stock, then the investor's role is ownership (together with other investing shareholders, if any).
- If the security is a bond, then the investor is a creditor and the other entity can be corporate or government.
- If the security is an option, then the investor has certain well-defined rights and the other entity has corresponding obligations.

### 2.1.6 Equities

Buying equities of any company/corporation lead to investors becoming owners of the corporation. As a shareholder, investor has certain basic rights.

- A claim, proportional to the number of shares held, to a portion of the corporation's assets
- The power to vote on company business at shareholders' meetings, again in proportion to shares held
- The right to dividends that may be voted by the Board of Directors
- Sometimes, a pre-emptive right to purchase new shares before they are offered to the general public.

The liability of the investor/shareholder is limited to the proportion of the holdings of the investor in the corporation.

### 2.1.7 Preference Shares

Preference shares are also shares with certain variations.

- They carry a fixed dividend, which is announced at the time of the issue.
- They have no voting rights.
- Payment of dividend to these shares are done first prior to dividend payment on equity shares.
- The claim of the preference share holder precedes the claim of equity shareholder.

Preference shares may be cumulative or non-cumulative. If they are cumulative, they are entitled to a dividend, whether or not the firm earns it. If during a particular year the company does not have adequate earnings to distribute as dividends, the dividends in arrears are accumulated and paid in a later year when earnings are sufficient. Some

preference shares are convertible. This option permits the shareholders to exchange preference shares for equity shares of the same company.

## 2.1.8 Fixed Income Securities

The following types of securities are considered as fixed income securities.

### 2.1.8.1 Bonds

This topic describes the overview of Bonds.

Bonds are fixed income securities. The basic characteristics of the bonds are as follows:

- Bondholders are typically lenders to the corporation and not owners as in the case of equity shares
- They carry no voting rights
- They carry a fixed interest rate, which gets paid to the bondholder on a periodic basis
- There is a maturity period associated with the bonds, upon which the principal is repaid back by the corporation to the bond holders
- The claim of bond holders take precedence over the claim of preference / equity share holders in the event of liquidation

Bonds are typically classified into fixed income securities with long term maturity (7 – 10 years), commercial paper with very short maturity term (< 18 months) and treasury notes which fall in the intermediary range.

#### Bond Features

- Callable As with preferred stocks, bonds may be callable. Issuers have the ability to retire the issue before maturity, if they want to, under set conditions.
- Convertible Usually this convertible feature allows the bond to be converted into equity, thereby reducing the corporate debt.
- Adjustable-rate bonds- The coupon rate on this type of bond is changed periodically. By changing the coupon rate to reflect current economic conditions, the bond's price behaves more like that of a short-term instrument.
- Zero-coupon bonds- These are discounted instruments offered below the face amount, paying par or face value amount at maturity. The difference is the interest earned.
- Registered / Bearer bonds - Registered bonds are fully registered. This means the name of the owner or that of the nominee is maintained by a registrar. Interest on these bonds would be paid to the owner as appearing in the books of the registrar as of the interest payment date. Bearer bonds are transferable by endorsement. The interest coupons are issued along with the bonds, and the person who submits the interest coupon to the bank as of the interest payment date earns the interest on those bonds. Registrar does not maintain the books of the owners of the bonds for these bonds.

- Series bonds - Corporations may issue bonds in series (say I, II, III, etc). Most of the characteristics would be the same across all the series except that the maturity date for the series can be different, and it might follow an order.

Bonds may be retired / redeemed by three methods:

- In redemption, the bonds are retired, and the bondholders are paid cash. Here again, the bonds are retired completely in one stroke or a logical sequence of the series.
- In a conversion, the bondholders exchange their bonds for shares of common stock.
- In a refunding, the corporation retires one bond issue by issuing another.

### **2.1.8.2 T Bills (Issued on Behalf of the Government)**

Treasury bills are short-term instruments, with the longest maturity of one year. Bills are discounted instruments. Discounted instruments usually do not have a coupon, or fixed, interest rate. Instead, the bills are bought at say \$8 amount, and you receive a higher amount (the face value of say \$10) at maturity. The difference between the two amounts is the discount. The rate of interest earned is 'built into the discount.

### **2.1.8.3 T Notes and T Bonds (Issued on Behalf of the Government)**

Treasury bonds and notes are longer-term instruments. Notes are issued for one to ten years. Bonds are issued with maturities ranging from 10 to 30 years. Bonds and notes have fixed, or coupons, interest rates and pay interest on a semi-annual basis. The interest is computed on a 365-day basis, not 360 (as with bills and other instruments).

### **2.1.8.4 Treasury Strips (Issued on Behalf of the Government)**

The Treasury also issues long-term discounted Treasury instruments known as strips. These instruments do not pay interest periodically. Instead, they pay 'face' at maturity. The difference between what is paid at the time of purchase and what is received at maturity represents the interest earned.

### **2.1.8.5 Certificates of Deposit (CDs)**

CDs are one of the major instruments of the money market sector, which includes T Bills, commercial paper, and banker's acceptances. A certificate of deposit is negotiable security issued by commercial banks against money deposited over a period of time. The value of CDs varies depending on the amount of deposit and maturity.

Included in the category of certificates of deposit are small issues that are not transferable and therefore non-negotiable. This form of CD, usually \$10,000 in value, and sometimes with a life of two years or more, is advertised by many banks to attract the retail investors. However, because these are not tradable, they are not part of the negotiable CD market.

### **2.1.8.6 Commercial Paper**

Corporations raise long-term capital by issuing stocks and bonds. They raise short-term money by taking out loans from commercial banks and by issuing commercial paper to the investing public.

Commercial paper is a debt instrument that is offered sometimes as a discount instrument and sometimes as principal plus interest. For a plus interest instrument, the client pays the full face value to buy the paper and receives the face value plus the interest accrued at maturity.

Neither type of instrument has a fixed interest rate. Instead, the rate is negotiated at the time of purchase and the interest is calculated from the face and full value. To receive the interest, the buyer must, for all practical purposes,

hold the instrument until maturity. If the paper is sold during its life, its price is subject to market fluctuations. In the case of commercial paper, the secondary market is thin, almost non-existent.

### **2.1.8.7 Banker's Acceptances (BAs)**

Banker's acceptances (BAs) are bills of exchange that are issued and guaranteed by a bank for payment within one to six months. The funds raised through their sale provide manufacturers and exporters with operating capital between the time of production or exporting and the time of payment by purchasers. In effect, the bank 'accepts' evidence of the value of goods being either manufactured or exported. For that evidence, it issues its 'acceptance' in the form of a certificate, which can then be bought and sold as a security.

### **2.1.8.8 Municipal Bonds And Notes**

Municipal bonds or munis are debt instruments issued by state and local governments to raise capital to finance their projects and other needs. Income (that is, interest) earned on municipal securities is free from federal income tax. For a resident of the issuing municipality, interest from the bonds is also free from state and local income taxes.

## **2.1.9 Rights and Warrants**

From time to time a company may need to raise additional capital by issuing common stock. It may do so either through the usual underwriting methods or through the issuance of rights

or warrants to current stockholders. Rights and warrants are similar in that both permit their holders to subscribe to the new shares. They differ in that rights are generally short term whereas warrants have much longer lives. Also, a corporation may have several warrant issues outstanding at one time, but it may offer only one rights issue at a time.

### **2.1.9.1 Rights**

A right or subscription right is a privilege granted by a corporation to its stockholders to purchase new securities in proportion to the number of shares they own. Usually, right holders are entitled to purchase, or subscription price that is lower than the stock's current market price. Shareholders who choose not to subscribe may sell their rights.

### **2.1.9.2 Warrants**

Usually lower than the current market value of the common stock. Warrants are longer-term issues than rights. They generally come to the marketplace as part of a unit, which is comprised of two or more issues. For example, a corporation may issue a combination of bonds and warrants. The bonds are in regular form, and the warrants are used to make the offering more attractive.

The Certificate In the case of either a right or warrant, the certificate itself is referred to as a right or as a warrant. A right certificate could represent 100 rights, and a warrant certificate could represent 100 warrants. The term

confuses and is a source of errors in the brokerage community. Operations personnel should always make certain whether the term means the right or warrant certificate or the number of rights or warrants represented thereon.

### 2.1.10 Trading in Equities

**Selling stock to the public** - When corporations issue stock (or other securities), they are referred to as Issuers. Stock can be issued for sale to the public or for private placement. When issuers prepare to sell securities to the public, they usually call upon investment bankers to act as underwriters.

Most corporations come out with the new issue of shares through Initial Public Offerings (IPO), which is called the primary market offering. The equity shares then get listed on the stock exchange. The stock exchange is the market place for buying and selling of equity shares.

The stock exchange offers the common trading floor for trading on stocks. They offer liquidity to investors. Every stock exchange has its own rules and regulations under which the securities get traded. Investors can offer to buy or offer to sell stocks of certain corporations through financial intermediaries on the stock exchange. The stock exchange publishes the various price quotes for stocks listed on their stock exchange on a daily basis. Stock exchanges also allow for settlement for trades.

Typical settlement periods that stock exchanges follow are:

- **Fixed Settlement** - Stocks traded during a specific period would get settled on a specific date. All securities traded between Monday and Friday of every week would get settled on the Tuesday of the next week. If Tuesday happens to be a holiday, then the same would be either settled on Monday or on Wednesday as the case may be.
- **Rolling Settlement** – Stocks traded on any day would get settled after a defined period. For example, if the stock exchange has a rolling settlement of 3 days, then all deals done on June 01 will be settled on June 04 and all deals done on June 02 will be settled on June 05 and so on.

The investors can hold securities in any of the following forms:

- **Scrip based** – Certificates mentioning the details of the investor holding on the securities will be provided to every investor. In this scenario, the securities in physical form are typically held in the Safekeeping locations for the customer which can typically be a custodian, broking house or a bank.
- **Dematerialized** – No paper form holding of securities. The security positions at each investor level are held electronically at the depository. Any buy or sell by the investors in a dematerialized form will increase the holdings of the customer in an electronic format. Securities never exist in physical form.
- **Immobilized** – Very similar to Dematerialized. But, the physical forms of the certificates are available with the central depository.

### 2.1.11 Trading in Bonds / Fixed Income securities

Bonds are traded on the stock exchanges. However, they are traded more in an Over The Counter (OTC) market scenario, wherein, most of the deals in the bonds lead to the Delivery vs Settlement scenario. The deals are done in such a manner that normally get settled within a few days. The quantity of bonds is generally quoted in the market in two forms:

- Units

- Nominal value

In the units scenario, bonds are bought in units and are quoted at a nominal price. Since fixed income securities usually mature at the face value, the prices of such securities are always quoted at discount. Years to maturity and interest rate of the fixed income security are the two primary factors, which determine the price of the security. Here again, the price at which it is quoted can be either a Clean price or it can be Flat price. Clean price is the basic price of the security and flat price contains the basic price plus the accrued interest on the security from the last interest payment date. In the first case, the buyer will pay the seller the accrued interest from the last interest payment date separately. Even though the outflow for the buyer is the same in both cases, the important thing is from the accounting point of view.

Accrued = [Face value of bond] x [rate of interest] x

Interest {[Number of days bond is owned / 360]}

Days used for interest computation (the variables mentioned within {} in the above formula) can be done using any of the nine methods as mentioned below:

- Actual / Actual
- Actual / 360
- Actual / 365
- Actual / 364
- 30 (US) / Actual
- 30(US) / 360
- 30(US) / 365
- 30 (US) / 364
- 30 (EURO) / Actual
- 30 (EURO) / 360
- 30 (EURO) / 365
- 30 (EURO) / 364

In the nominal value scenario, bonds are bought at face value. These bonds are normally traded at a discount on the face value. The investors then hold on these bonds to maturity at which time the face value of the security is recovered from the issuer.

In the bond market, three types of yield are typically encountered:

- Nominal Yield
- Current Yield
- Yield to maturity

**Nominal Yield** - This is the percentage of interest paid on the face value of the instrument. For instance, a \$1000 bond with an interest obligation of 7% has a nominal yield of 7% (.07 x \$1000). It pays \$70 interest per year on each \$1000 bond.

**Current Yield** - Bonds pay interest based on the face value. The interest or coupon rate remains the same regardless of fluctuations in the market price of the bond. The investor is concerned with the return or the amount of interest

received on the amount of money paid. The current yield tells the investor what the return is, given the price of the bond.

For example, the bond in the previous example is selling for 120, that is, the bond costs the investor \$1200 to acquire. It still pays only \$70 in interest (7% on the face value of \$1000). Although, as the bond's owner, the investor receives \$70, the return is based on a cost of \$1200. The current yield is therefore only 5.83%. ( $\$70 / \$1200$ )

**Yield to Maturity:** This type of yield takes into account the net dollar amount that an investor can expect if the bond is held to its maturity date.

For instance, a \$1000 bond paying 7% interest will mature in 30 years. When the investor purchases it for \$1200, the bond has twenty years of life left. At the end of the 20 years (at maturity), the corporation is obligated to retire the debt for \$1000 (face value). If the investor paid \$1200 today for the bond, he will receive only \$1000 at maturity. Divide the \$200 loss (or amortize it) over the 20 remaining years: \$200 divided by 20 years equals \$10 per year. The investor is losing \$10 per year, which accumulates on this transaction. Yet the bond is going to pay him \$70 per year in interest. So over 20 years, the investor actually earned an average of \$60 per year every year he owns the bond. In dollars, this is the yield to maturity.

Yield to maturity = Interest received +/- amortized figure

$(\text{Face value} + \text{cost}) / 2$

$\$70 - \$10 = 0.0545$

$(\$1000 + \$1200) / 2$

The yield to maturity is 5.45%

Certain bonds like Zero coupon bonds trade with the price being quoted as 'Yield to Maturity' (YTM). These securities carry a face value, but they are usually traded at a discount. The 2-10 YTM for such securities would be quoted in the market. Yield to maturity in such scenario can be understood using the following formula:

$\text{YTM} = (\text{Face value} - \text{Purchase Price}) * \text{Days in a year}$

$\text{Current price} * \text{Days to maturity}$

### 2.1.12 Corporate Actions on Securities

Corporate actions are various events that happen on the different types of securities during the life cycle of the securities. Some of these actions can be directly correlated to the return, which the investors earn on these securities and others are relating to the various happenings on the securities during its life cycle.

#### Investors' returns:

Corporate actions, which fall under this category, can be:

- Cash dividend on equities / preference shares
- Stock dividend on equities
- Interest on bonds / fixed income securities
- Redemption of bonds / fixed income securities either on Call / maturity date
- Exercise of rights / warrants associated with securities

Corporate actions, which do not fall under this category are:

- Stock splits
- Mergers and acquisitions

### 2.1.12.1 Cash Dividend

Corporations reward the investors by declaring cash dividends, which would normally be a small portion of the company's earnings after interest payment and tax. Companies plow back the remaining portion of the earnings into its reserve, which can be re-used for funding the company's growth in the future. The dividend declared as explained above is paid to the investors in cash.

When voting on the amount and form of a dividend, the Board of Directors provides two dates: record date and payment date. The record date is the point of reference for determining shareholder eligibility for the dividend. The pay date is typically a couple of weeks after the record date.

Three days before the record date and about three weeks before the pay date, the stock goes ex-dividend. Investors who purchase shares between the ex-dividend date (sometimes just called the ex-date) and the pay date are not entitled to the dividend. Instead, it is paid to the previous shareholder. When a stock goes ex-dividend, its price usually drops by the (after-tax) amount of the anticipated payment.

### 2.1.12.2 Stock Dividend

Corporation rewards the investors by declaring additional free shares to the investors based upon the proportion of holdings of the investors as of the record date. Whenever the board of

directors feel that the money lying in the Reserve account as explained above is more than adequate, they would convert a portion of the reserve into Capital by issuing stock dividends. The issuance of stock dividends does not entail any additional cost to the investor.

If the company issues a stock dividend of 1: 2 (Investors would get an additional share for every two shares held by them), the outstanding units of the company increase by 50% over the existing outstanding units. The market value of the stock usually comes down after a stock dividend.

### 2.1.12.3 Interest on Fixed Income Securities

The interest paid on the fixed income securities/bonds is the same as the Nominal yield as explained above. Interest is normally paid on these securities on a pre-defined frequency. Companies pay interest on the earnings earned by them prior to payment of tax or cash dividend on both preference/equity stocks

### 2.1.12.4 Redemption on Fixed Income Securities

Fixed income securities/bonds have a pre-defined life of 7 – 10 years. Conceptually, the company is indebted to all its borrowers who have funded the bonds. The companies would normally redeem their debts and thus there is a fixed maturity period for all the fixed income securities. The customers are usually paid back the face value of the bond or the face value and a small premium on the bond at the time of maturity.

For example, if the face value of the bond is \$100, the company would repay \$100 or \$105 (Face value + premium of 5%) at the time of redemption.

### 2.1.12.5 Rights / Warrants

Rights offerings allow existing shareholders to purchase (or subscribe to) additional shares of stock at a discount from the public offering price when the company prepares to issue new shares. These shares, which are also called subscription rights, are transferable securities. The existing investors have the option to allow the rights to expire, renounce (where they sell the rights offer to another person) or exercise the options.

A warrant, attached to another security, entitles the holder to convert the security into common stock or some other instrument at a set price during a specified period. The price set in the warrant is usually lower than the current market value of the common stock. These offerings give existing shareholders another opportunity to purchase additional shares at a discount from the market price.



### 2.1.12.6 Stock Splits

A stock split increases the total number of shares outstanding without changing the total market value of shares. The companies usually issue stock splits if the price of the stock is too high and is not affordable for the common investor. Essentially, the stock split increases the liquidity of the stock among common investors.

For example, in a 2-for-1 stock split, a holder of 100 shares IJK Corporation common stock receives an additional 100 shares usually in book-entry form, although investors can request a stock certificate). If the price of IJK was \$144 just before the split, it is \$72 right after it. The nominal value of the stock comes down by half in the above example after the split.

### 2.1.12.7 Mergers and Spin-offs

Mergers combine two (or more) companies to form a larger company. Frequently, the acquiring company pays shareholders of the acquired company in shares. For example, company A may purchase all of company B's shares based on a predetermined ratio of shares, say, two shares of company A stock for every share of Company B stock outstanding. If an investor own 100 shares of Company B stock, after the acquisition is complete (and company B no longer exists as a separate entity) the investor will own 200 shares of Company A stock.

Spin-offs are like mergers in reverse. Company C decides to split off part of its operations into a separate organization. Let us say the new organization is called Company D. How are shareholders in Company C compensated for this splitting off of part of their ownership interest into a new enterprise? Usually, through the issuance of stock at some preset ratio. Let us say an investor owns 100 shares of Company C. After the spin-off of Company D, the investor still owns 100 shares of C, but you also own, say, 50 shares of Company D.

## 3. Overview of Securities

### 3.1 Introduction

The Securities module of Oracle Banking Treasury Management is a comprehensive, automated, and flexible back-office deal processing, and security life-cycle processing system. With this module, you can capture details of the security deals entered at your front office, process deals, and track the life cycle events of holdings in your own, or your customer's portfolios.

The module is comprehensive in its ability to process different types of securities (fixed and flexible interest bonds, bonds with staggered and bullet redemptions, series type bonds, equities, warrants, rights, and discounted instruments) and portfolios (bank type, customer type, and issuer type). It is comprehensive in its ability to capture a host of relevant information for a variety of deal types (buy/sell; spot/forward; block; lodge/withdraw; repo/reverse repo; safekeeping location transfers, etc.).

The Securities module automates the entire processing-cycle of holdings in a portfolio (asset, liability, profit and loss bookings, accrual processing, and revaluation), and the processing of corporate actions (coupons, dividends, bonus, rights, warrants, and redemptions) defined for an instrument. The module automatically generates the SWIFT, Telex, and mail messages specified for the 'events' linked to deals or portfolios. It helps you automatically track your positions and holdings across various safekeeping locations, and automatically track, online, your exposure to a customer at the deal level for total or pre-settlement risks. At the end of the day, you can also track your exposure to selected issuers and safekeeping locations.

Defining 'Products', in Oracle Banking Treasury Management., helps you streamline your operations based on the various types or categories of business segments you operate in. For example, if you are an issuer of securities, you can define the different types of issuer portfolios as products. If you offer customer portfolio maintenance schemes, you can define each type of scheme as a product. Similarly, if you maintain short term zero-coupon bonds, you can define it as a product. You can, likewise, define different deal types into products.

The Securities module gives you the flexibility to define, upfront, components (such as interest, charge, and tax), restrictions (such as branch, currency, customer, security, and portfolio), preferences, and events and accounting entries into 'Classes'. When defining a product, you merely need to associate it with the different classes that you have built. You can change the attributes of classes, on association with a product, to suit specific security, portfolio, or deal.

The module also offers you the flexibility to define portfolios based on your requirements. If you are an issuer of securities, you can maintain issuer portfolios for the coupon and discounted instruments you issue. On these instruments, you can automatically track coupon events, accruals, and redemption until maturity. You can define your trading and investment portfolios, and choose the costing method (LIFO, FIFO, WAC, etc.), the interest and discount/premium accrual frequencies, and the revaluation method that you would like to adopt. If you offer customer portfolio management facilities, you can define customer portfolios, and track all life cycle events from inception to maturity. You can levy charges on a variety of bases, at deal or portfolio level, for your services.

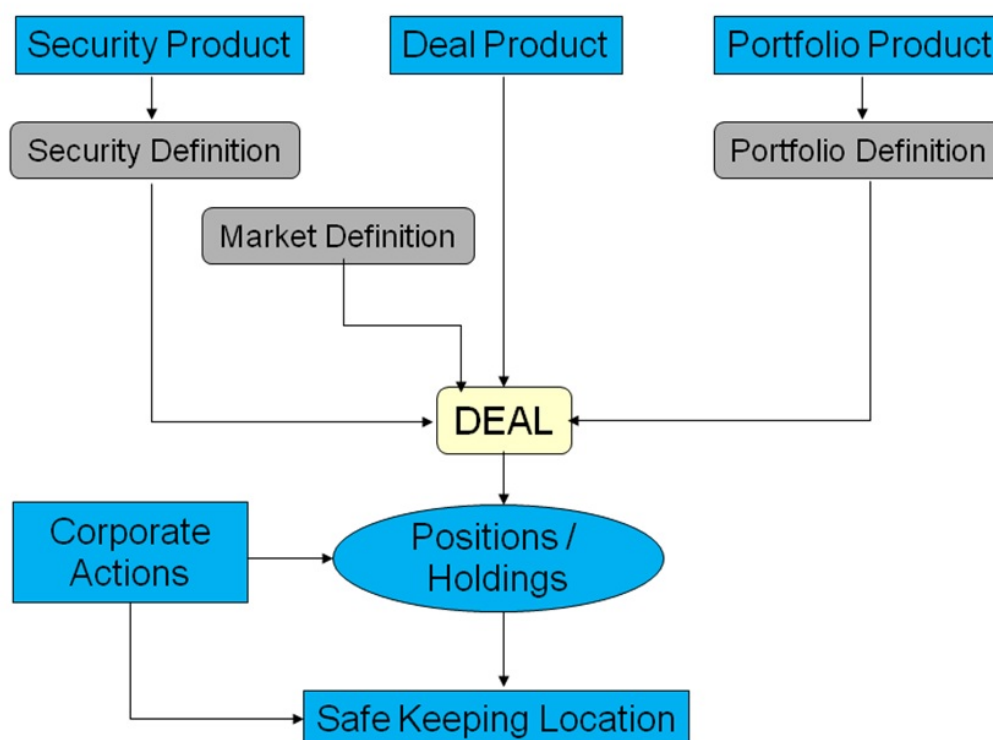
This topic contains following sub-topics:

- 1) [\*Snapshot of the Module\*](#)
- 2) [\*Process at the Portfolio Level - at the Beginning or End of Day\*](#)
- 3) [\*Started with the Module\*](#)

## 3.2 Snapshot of the Module

Figure 3.1: Process Flow

### Architecture



### 3.2.1 The instruments supported

- Fixed interest bonds with quantity (staggered), bullet, or series type redemptions, and user-defined coupon schedules supporting different interest methods for accrual and liquidation.
- Flexible interest bonds with quantity, bullet, or series type redemptions, and user defined coupons with synchronous or asynchronous rate revision schedules supporting different interest methods for accrual and liquidation.
- Discounted instruments (Treasury Bills, Zero Coupon Bonds and Commercial Papers)
- Equities
- Rights
- Warrants

### 3.2.2 Corporate Actions processing supported

#### Bonds:

- Collection and disbursement of coupons for long and short holdings collected/ disbursed, by batch, from safe-keeping location of holding for each portfolio.

- Redemption: processed, by batch, as an auto sell-type deal. The types of redemption supported are:
  - Bullet (at premium or face value)
  - Quantity (percent of original face value) at a user-defined redemption price for each intermediate redemption
  - Series (with user defined series and redemption date and price)
- Warrant events are processed as appropriate auto buy or sell deals between the portfolio and the SK location of the holding.

#### **Equities:**

- Cash Dividend (as rate per face value, or value per unit) collected and disbursed, by batch, from the safe keeping location of the holding, for each portfolio.
- Stock Dividend (Bonus) with user-defined resultant security processed, by batch, as a buy deal from the location of holding of the parent security, for each portfolio.
- Partial or full cash conversion, at user-defined encashment price, collected by batch from the safe keeping location of the holding, for each portfolio.
- Rights events are processed as appropriate auto buy or sell deals between the portfolio and the SK location of the holding.

#### **Rights and Warrants:**

- Tear -off from the parent security at a user-specified ratio.
- Exercise giving a user-defined resultant security at a user-defined ratio and exercise price.
- Automatic expiry on the date specified.

#### **Portfolio features supported:**

##### **Bank Portfolio**

- Costing basis: Deal Matching, LIFO, FIFO, and Weighted Average Costing.
- Independent accrual option at flexible frequencies.
- Flexible accrual options for forward profit or loss.
- Revaluation using MTM or LOCOM for Settled or Total positions.
- Option to restrict the portfolio from taking a short position.
- Flexible, user-defined accounting entries and advices for each event.
- Facility to specify, upfront, the GLs to which accounting entries for a portfolio product would be posted. You can change the default to suit a specific portfolio maintained under a product.

##### **Issuer Portfolio**

- Costing basis is always WAC and the portfolio is always short in the issued security.

- Independent accrual option at flexible frequencies.
- Flexible accrual options for forward profit or loss.
- Revaluation using MTM or LOCOM for Settled or Total positions.
- Option to restrict the portfolio from taking a short position.
- Flexible, user-defined accounting entries and advices for each event.
- Facility to specify, upfront, the GLs to which accounting entries for a portfolio product would be posted. You can change the default to suit a specific portfolio maintained under a product.

### Customer Portfolio

- Can attach pre-defined charge components (built with different charge bases, such as the coupon liquidation amount, stock to cash liquidation amount, etc.) to a customer portfolio.
- Specify the notices to be generated for the various corporate actions due on a security in the portfolio

### Deal Product Types

The following deal types are supported:

- Buy and sell deals of type bank-to-customer, bank-to-bank, and customer-to-customer
- Rights and warrants 'exercise' type deals for bank and customer portfolios
- Lodge and withdraw type deals for customer portfolios
- Block and Release Block type deals for bank and customer portfolios
- Transfer from one SK location to another

Activities Supported through Deal Online are:

- Purchase and sale of securities between bank and customer portfolios, bank and standalone customers, bank and bank, and customer and customer.
- Spot and forward deals can be processed using user-specified market details, rates, trade, and settlement dates bought or sold interest, and deal currency. Most likely values are available as defaults for aiding faster inputs.
- Money settlement, on auto or manual basis, according to pre-defined settlement instructions.
- Deal level messaging based on the parties specified.
- Customer portfolio deals, with accompany withdraw/lodge options, to capture deals by customer portfolio outside bank's custodial interest.
- Standalone Withdraw/Lodge for customer to handle customer deals struck independently from holdings managed by the bank.
- Repo by bank portfolio/Reverse Repo by the bank to the customer with portfolio (auto-blocking in portfolio of securities and with tracking of the market value of the blocked securities vis-à-vis the contract amount outstanding).
- Block Release Block.

- Transfer across Safe Keeping Locations.
- Facility to change the format of the security.

### 3.3 Process at the Portfolio Level - at the Beginning or End of Day

- Corporate Actions of coupons, dividends, and stock to cash (for bank and customer portfolios).
  - Manual and auto initiation at the security level
  - Manual and auto collection from the SK location by the bank
  - Liquidation and disbursement of the corporate action to the portfolio
- Deal Settlement and updating of holdings. Profit and loss booking for user-entered and auto deals.
- Accrual entries passed - Accrual of Interest, Discount, Premium, Redemption Premium, Forward Profit and Loss accruals.
- Revaluation entries posted.

### 3.4 Started with the Module

Oracle Banking Treasury Management. Securities module helps you streamline your operations to a remarkable degree. This is borne out by the following maintenance features.

The maintenance functions can be broken into the following categories:

- 1) Maintaining commonly accessed data - such as market, SK locations, Interest, Charge and Tax components, and so on - required to simulate the specific business-related environment that you desire.
- 2) Building classes
- 3) Defining products

This topic contains the following sub-topics:

- 1) [Build Classes](#)
- 2) [Define Products](#)
- 3) [Handle Interest, Charge and Tax Components](#)
- 4) [Build a Transaction Tax Scheme](#)
- 5) [Build an Issuer Tax Scheme](#)
- 6) [Handle Brokerage](#)
- 7) [Track Limits](#)
- 8) [Settle Deals](#)
- 9) [Query the System for Details](#)

#### 3.4.1 Build Classes

In Oracle Banking Treasury Management, a 'Class' embodies a generic set of attributes. A class could represent:

- A set of restrictions (branch, currency, customer, security restrictions, or portfolio restrictions).

- A set of 'preferences' (security preferences, portfolio preferences, or deal preferences)
- A set of events and the corresponding accounting roles and heads (account types and the GLs involved), or
- A component (tax, interest, or charge).

As part of your one-time setup, you can define several sets of classes of a particular type. For instance, you may want to disallow banks and financial institutions from availing of a customer portfolio service that you offer. You can maintain a Restrictions Class with a Disallowed List of customers, and include Banks and Financial Institutions in this list. When defining the Customer Portfolio Service as a product, you merely need to associate this Restrictions Class to it. The same principle applies to all classes that you build.

In Oracle Banking Treasury Management, therefore, you do not have to specify restrictions, preferences, and components every time you create a product. You only need to associate the different sets of classes that you have already maintained.

This feature eliminates redundancy, and saves processing time.

### 3.4.2 Define Products

You can use the Product Definition facility in Oracle Banking Treasury Management to streamline your operations based on the types or categories of business segments you operate in.

A Portfolio Product is a category or a type of portfolio. For instance, you can define your investment portfolio of zero-coupon bonds as a product in Oracle Banking Treasury Management. A portfolio product can, thus, serve to classify the portfolios that you maintain in your bank and to reflect either the security level or the investment philosophy of your operations.

A portfolio product can also represent a specific service that you offer. You can define a customer portfolio maintenance service, 'Clean, Safe, and Fast Buck', for example, as a product. Similarly, you can define a category of securities (such as the t-bills issued by your government) as a product, and a category of security deals as a product.

When building a product, you assign it a set of attributes. (You can define these attributes by associating the appropriate classes to the product.) The securities, portfolios, and security deals that you maintain under a product, respectively, acquire the attributes defined for the corresponding product.

### 3.4.3 The Advantage of Defining a Portfolio Product

The advantage of defining products is illustrated by the following example. Assume this scenario: Mr. Silas Marner, your customer, would like you to maintain his portfolio, worth USD 100,000, under the customer portfolio maintenance scheme, 'Clean, Safe, and Fast Buck'. The highlights of this scheme are:

- You would not deal in long-term Zero Coupon Bonds.
- You would not deal in securities issued by alcoholic beverage companies.
- You would not deal in securities issued by industries blacklisted by Greenpeace.

Let us consider the different operations that you would perform in setting up this portfolio. You would specify, amongst other details:

- The securities that you are not allowed to deal in (long term zero coupon bonds, securities issued by alcoholic beverage companies and companies blacklisted by Greenpeace).
- The securities that you are not allowed to deal with (long term zero-coupon bonds, securities issued by alcoholic beverage companies and companies blacklisted by Greenpeace).
- The GLs that would be impacted.

- The advices that need to be generated.
- The charges that you would levy.
- The taxes that would apply.
- If you would like to auto liquidate for Corporate Actions.
- The MIS Heads under which you would like to report the portfolio.

If you maintain a hundred such customer portfolios under the same scheme, you will repeat the above operations as many times.

By defining portfolios with similar attributes as a product, you can standardize these operations. For example, for a portfolio product, you can define:

- The GLs that would be impacted (by associating an appropriate 'Events, Accounting Entries and Advices Class).
- The advices that need to be generated.
- The charges that you would levy (by associating a Charge Class).
- The taxes that would apply (by associating a Tax Class).
- The MIS Heads under which you would like to report the portfolios.

Portfolios maintained under the product will acquire these attributes defined for the product.

Defining a customer portfolio scheme as a product reduces the effort involved in maintaining a portfolio.

By classifying your securities, portfolios, and security deals into products, you not only save time, but you can also easily retrieve information relating to securities, portfolios, or deals of a particular type.

### **3.4.4 Handle Interest, Charge and Tax Components**

In Oracle Banking Treasury Management, you can build interest, charge and tax components, upfront. When defining a product, you merely have to attach the required components. Thus, security, maintained under a security



product, acquires the components associated with the security product. Similarly, portfolios and deals acquire the components associated with the respective products they involve.

The following example illustrates the advantage of defining a component upfront.

The following transaction taxes apply on all the securities deals that you enter into:

A Stock Exchange tax

Local tax 1 - applicable on the deal amount

Local tax 2 – an additional tax

In Oracle Banking Treasury Management, each of these taxes is referred to as a 'component' of the deals that you enter into.

In Oracle Banking Treasury Management, you can build each of these components upfront. Since these taxes apply to all deals, you can associate the tax components to all the deal products that you maintain at your bank. Deals involving a product acquire the components defined for the product.

The advantage is clear: you do not have to define these taxes every time you enter into a securities deal.

### 3.4.4.1 Build Interest and Charge Classes

A class is a specific type of Interest or Charge component. A quarterly coupon paid on the current face value is an example of an interest component. A charge levied on every extra Statement of Holdings provided is an example of a charge component. When building a class, you can identify:

- The Charge Rule (in case of a charge class)
- The event at which you would like to associate the component to a security
- The application event (for a charge class)
- The liquidation event (for a charge class)
- The basis amount on which the coupon is paid. Typically, this is on the current face value of a security (for an interest class)
- The rate type (for an interest class)
- The default rate code (for an interest class)
- The default tenor (for an interest class)

These details default to the products with which you associate the class. For instance, security maintained under a product acquires the interest components associated with the product. By building classes, and associating them to products, you remarkably save time and effort.

### 3.4.4.2 Build Tax Classes

With the Securities module of Oracle Banking Treasury Management, you can process two kinds of tax:

- Issuer tax (charged on the coupon or cash dividend paid by the issuer)
- Transaction tax (local taxes, for example)

Issuer tax for security is calculated on the basis of the Issuer Tax Scheme associated with the product that the security involves. The transaction tax for a securities deal is calculated on the basis of the Transaction Tax Scheme asso-

ciated with the product that the deal involves. (A tax class is a specific type of Issuer or Transaction tax. A tax scheme is a set of Issuer or Transaction tax classes.)

### 3.4.5 Build a Transaction Tax Scheme

When building a transaction tax class, you associate it with a tax 'rule'. A rule identifies the logic required to compute the tax. The logic built into a tax rule defaults to the tax class with which you associate the rule. For a tax rule you can define the following:

- The tax currency
- The minimum tax amount
- The maximum tax amount
- The floor amount
- The floor charge
- The ceiling amount
- If you would like to apply a rate or a flat amount
- The basis amount, etc

You can group any number of transaction tax classes into a tax scheme. When defining a security deal product, you can associate it with a transaction tax scheme that you have built. Transaction taxes for all deals associated with the deal product will be calculated, by default, according to the components built into the scheme.

### Build an Issuer Tax Scheme

When building an Issuer tax class, you associate it with a Rate Code, and not a Tax Rule. (A code uniquely identifies a rate value.) You can group the Issuer tax classes that you have built into an issuer tax scheme. When maintaining a security product, you can associate it with an issuer tax scheme that you have built. Issuer taxes for securities associated with the product will be calculated, by default, according to the issuer tax components built into the scheme.

### 3.4.6 Handle Brokerage

In Oracle Banking Treasury Management, you can maintain a list of all the brokers with whom you deal with in the Broker Master Maintenance table. In this table, for each broker, you can specify brokerage details such as the broker's name and address; a unique code for the broker; the brokerage payable currency; whether you would like to book brokerage in advance or arrears, etc.

A centralized brokerage set up means that you do not have to specify brokerage details every time you enter into a deal. When processing a security deal, the details maintained for the specified broker are automatically picked up. You can change the default brokerage details.

### 3.4.7 Track Limits

The liability details for a customer, customer account, and product are maintained in the Central Liability module, which is at the core of Oracle Banking Treasury Management. Other modules, such as the Securities module, access these details online. This allows you to constantly track your exposure to:

- A counterparty in a securities deal

- An Issuer

Oracle Banking Treasury Management also provides you the facility to track your exposure in an SK Location. For details relating to limits tracking and monitoring, please refer the Central Liability user manual.

### **3.4.8 Settle Deals**

For a customer, you can maintain settlement preferences, centrally, in the Settlements subsystem of Oracle Banking Treasury Management. Defining preferences centrally means you do not have to specify settlement details every time you enter into a deal. Security deals are settled, by default, according to the preferences specified for the counterparty. When entering into a deal, however, you can change the default settlement details.

### **3.4.9 Query the System for Details**

Oracle Banking Treasury Management offers you an invaluable tool - the Online Query facility. Using this facility, you can sieve data to locate the precise information that you require. Here is how the facility works: in the midst of your operations, you would frequently want to retrieve very specific information relating to:

- SK security movements
- SK location balances
- Portfolio security movement
- Portfolio balances

The Securities module offers you a Query screen to locate each of the above types of information. In the query screen, specific to the type of information you are looking for, you can enter the criteria by which you would like to filter data. Only data that satisfies the criteria that you specify will be displayed for your reference. The chapter 'Querying the System for details' discusses this feature elaborately.

## 4. General Maintenance

### 4.1 Introduction

Before beginning operations on the Securities module, you need to maintain certain basic information. The information that needs to be maintained includes:

- Bank and Branch parameter details
- Floating interest rate details
- Market definition details
- Safe Keeping location details
- Tax details

The procedure for maintaining these details is discussed in the following sections.

**NOTE:** The basic information necessary for the successful operation of the securities module must be periodically reviewed and updated to reflect the latest changes.

### 4.2 Bank Parameters

This topic contains the following sub-topics:

- 1) [Maintain Bank Parameters](#)
- 2) [Maintain Deal Product](#)
- 3) [Maintain Nominal Based Yield Computation](#)

#### 4.2.1 Maintain Bank Parameters

This topic describes the systematic procedure to maintain bank parameters:

CONTEXT:

In the Securities Bank Parameters screen, you can maintain certain basic information regarding the processing of Auto Deals.

1. On Homepage, specify **SEDXBNPM** in the text box, and click next arrow.

STEP RESULT: **Securities Bank Parameter Maintenance** screen is displayed.

**Figure 4.1: Securities Bank Parameters Maintenance**

2. On **Securities Bank Parameter Maintenance** screen, specify the fields.

For more information about the fields, refer to [4.2.2 Maintain Deal Product](#).

If you are calling a record that has already been created, click on the Summary view. From the Summary screen, you can open an existing record. Highlight the record you wish to view and double click on it. The details of the bank parameter record will be displayed in a tabular form.

**Table 4.1: Securities Bank Parameter Maintenance**

Field	Description
<b>Security MIS Parameter</b>	In Oracle Banking Treasury Management, a maximum of 10 transaction classes is maintained for security and portfolio. By specifying the security MIS parameter, you can indicate how the MIS transaction classes for a security position (Portfolio plus Security combination), is built from the respective transaction classes of the security and portfolio. The number that you enter in this field denotes the number of MIS transaction classes of the security that should be picked up, to determine the MIS transaction of the security position.

Field	Description
<b>Year to Month Display Decimals</b>	<p>The YTM values, which you can view through the Yield to Maturity details sub-screen of the Deal Online screen, are rounded off to the number of decimal places that you specify on this screen.</p> <p>Indicate the deal combination product code, which should be picked up, in case of declaration of one of the following:</p> <ul style="list-style-type: none"> <li>• Rights <ul style="list-style-type: none"> <li>• Tear-off</li> <li>• Expiry</li> <li>• Expiry</li> </ul> </li> <li>• Bonus <ul style="list-style-type: none"> <li>• Warrants</li> <li>• Tear-off</li> <li>• Exercise</li> </ul> </li> <li>• Redemption</li> </ul> <p>Deal combination product codes are maintained in the Deal Combination Product definition screen. All the product codes defined on that screen will be reflected in the pick list available.</p> <p>The attributes defined for a particular deal combination product will be inherited by the auto dealer to which it is linked.</p> <p>The parameters maintained in this screen are applicable across the bank.</p>

## 4.2.2 Maintain Deal Product

### Specifying Banker's Acceptance for a Placement/Loan Product

If you wish to process Banker's Acceptances in your bank, then you must indicate the Loan/ MM product, under which loan contracts or money market placements are to be created whenever you process a Banker's Acceptance deal. In a Banker's Acceptance deal, you fund the issuer of security by creating a loan or a money market placement.

Select from the list of values containing all open and authorized Loan / MM products, which satisfy the following conditions:

- In case of an LD product, the product type must be - Loans
- In case of an MM product, the type must be - Placement
- The rate type must be - Special
- The payment type must be - Discounted

- The Loan / MM product can have only one interest component attached.

Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances.

### 4.2.3 Maintain Nominal Based Yield Computation

For your bank, you can specify whether the yield computation for securities must be based on Nominal Cash Flows or Face value (per unit). You can maintain this parameter in the CSTB\_PARAM (Bank-Level Parameters) table. Maintain the parameter COMMON\_YLD\_ACCR as 'Y'.

Once this parameter is maintained as Y, the system will compute the yield and NPV for Bonds and T Bills using Nominal based cash flows.

Subsequently, the system triggers the Yield accrual event YACR. The value passed for the event YACR is inclusive of the discount/premium accrual for the deal and the events ACRD and ACRP will not be passed separately.

To compute yield using nominal based cash flows, the following validations are performed in the system:

- **Coupon Rate Revision** – If you have specified the bank parameter 'COMMON\_YLD\_ACCR' as 'Y', then
  - The system does not allow a coupon rate revision before an existing IRR effective date. The IRR record can be a result of a sell deal or an earlier coupon rate change.
  - If the revision date is less than the application date, the coupon rate revision is populated with the future revision details on confirmation of the coupon rate revision.
- **Buy Deal** – In case the Security is a Bond, and you have specified the bank parameter 'COMMON\_YLD\_ACCR' as 'Y' then
  - Buy Deal – In case the Security is a Bond, and you have specified the bank parameter 'COMMON\_YLD\_ACCR' as 'Y' then
  - Yield is computed based on actual cash flows instead of the face value.
- **Securities Batch:**
  - Coupon rate revision – during EOD processing, the IRVN process initiates the coupon rate revision activity on the effective date of coupon rate revision. This is triggered before the YTMCALC – YTM Recalculation and ALPL processes. The system triggers the IRR re-computation before ALPL (profit/loss realization) processing. As a result of the revision, the 'CRVN' event for the deal is passed based on the new coupon rate.–
  - Sell Deal – the system triggers an IRR effective on the sale date during the processing of a sell deal. In this case, the Yield value does not change but the cash flows are recomputed based on the current outstanding amount. Yield is recomputed only if the selling dealer is backdated and a rate change has happened after the DSTL date of the sale deal. The system throws up an override is a backdated sell or buy deal is input for a security for which rate revision has already occurred.
  - Reversal of Sell Deal – in case of reversal of a sell deal, the IRR record as of the DSTL date of the sale deal is deleted and a new IRR record is created as of the earliest IRR re-computation date. The re-computed date can be the date of the coupon rate revision date or the DSTL date of the re-computed sell deal.

## 4.3 Branch Parameters

This topic contains the following sub-topic:

### 1) [Define Branch Parameters](#)

#### 4.3.1 Define Branch Parameters

This topic describes the systematic instruction to define branch parameters.

CONTEXT:

A set of rules that governs the processing of securities in a particular branch of your bank is defined in the Branch Parameters screen.

PREREQUISITE:

Specify **User Id** and **Password**, and login to **Homepage**.

1. On Homepage, specify **SEDXBRPM** in the text box, and click the next arrow.

STEP RESULT: **Securities Branch Parameters** screen is displayed.

**Figure 4.2: Securities Branch Parameters**

2. On **Securities Branch Parameters** screen and click **Exit**.

For more information on fields, refer to the [Table 4.2: Securities Branch Parameters - Field Description](#)

The events, for which you had indicated automatic processing, are triggered off during the Batch Process. You can specify preferences for the automatic events that fall on a holiday, in the Branch Parameters screen.



**Table 4.2: Securities Branch Parameters - Field Description**

Field	Description
<b>Batch process Parameter</b>	<p>You have the option to specify when the batch process, must process automatic events falling due on a holiday. It could be either:</p> <ul style="list-style-type: none"><li>• As part of the EOD on the last working date before the holiday</li><li>• As part of the BOD process on the next working day after the holiday</li></ul>

Field	Description
<b>Revaluation Level</b>	<p>Revaluation entries can be passed at the portfolio level or the holding level.</p> <ul style="list-style-type: none"> <li>• <b>Portfolio:</b> At the portfolio level, revaluation entries will be passed for the portfolio and currency combination.</li> <li>• <b>Holding:</b> At the holdings, level entries will be passed for the net holdings for a portfolio, and security across SK locations and SK location accounts.</li> </ul> <p>For example,</p> <ul style="list-style-type: none"> <li>• PF1 - SE01</li> <li>• PF1 - SE02</li> <li>• PF1 - SE03</li> </ul> <p>The security currency for SE01, SE02 and SE03 is USD. The security currency for SE04 is GBP.</p> <p>If you indicate that revaluation should be passed at the holdings level, entries will be passes exclusively for the following combinations:</p> <ol style="list-style-type: none"> <li>1) 1. PF1 + SE01</li> <li>2) PF1 + SE02</li> <li>3) PF1 + SE03</li> <li>4) PF1 + SE04</li> </ol> <p>If you specify that entries should be passed at the portfolio level, then the revaluation entries will be made in the following manner:  PF1 + SE01 + SE02 + SE03  PF1 + SE04</p> <p>Refer the Maintaining a Portfolio Preference class chapter of this User Manual for more details.</p> <p><b>NOTE:</b> If you indicate that revaluation should be performed at the Holdings level, you have the option of selecting between Deal level revaluation and Position level revaluation while defining a portfolio.</p>

Field	Description
<b>Specifying the Accrual level</b>	<ul style="list-style-type: none"> <li>• <b>Portfolio:</b> At the portfolio level, accruals will be passed for the portfolio and currency combination.</li> <li>• <b>Holding:</b> At the holdings, level entries will be passed for net holdings of a portfolio and security across SK locations and SK location accounts.</li> </ul>
<b>Interest Accrual level</b>	<p>You can opt to accrue interest at a position level or at a deal level.</p> <ul style="list-style-type: none"> <li>• <b>Position:</b> At the position level, accrual happens for a combination of security and portfolio</li> <li>• <b>Deal Matching:</b> Deal level interest accrual is done for every individual buy deal for the same combination of security and portfolio</li> </ul> <p>Interest accrual at deal level is for Bank Portfolios only.</p>
<b>Deal Level Interest Accrual</b>	<p>The interest accrual process pickups all the settled buy deals and passes accrual entries for each of them.</p> <p>The deal level interest accrual will be done only for portfolios with the following costing methods:</p> <ul style="list-style-type: none"> <li>• Deal Matching (DM)</li> <li>• First in First Out (FIFO)</li> <li>• Last in First Out (LIFO)</li> </ul> <p>Deal level interest accrual cannot be done for portfolios with Weighted Average Costing (WAC) method since it would not be possible to determine the deals for which interest accrual should be stopped.</p> <p>For example refer,</p>

Field	Description
<b>Revaluation</b>	<p>Though interest accrual occurs at deal level, the revaluation (REVL) entries will continue to be posted at the position level. The revaluation process will compare the current book value (cost of assets in your books) with the book value at the market place.</p> <p>The price quote at the market place can be:</p> <ul style="list-style-type: none"><li>• Plus Accrued, in which case the value will be devoid of interest, which will be subsequently accrued.</li><li>• Flat Value, where the interest is built into the value. In this case, the system will arrive at the clean price of the asset.</li></ul>
<b>Capitalization</b>	<p>Capitalization or compounding of interest on interest) will result in a new deal, and the face value would be considered as the coupon amount for the previous coupon period. Therefore, IACR for the new deal would be done with the new face value.</p>

Field	Description
<b>For Back Dated Deals</b>	<p>In the case of backdated deals, adjusting entries will be posted. As the IACR will be at a deal level, for a backdated buy deal, a consolidated IACR entry will be posted. For a backdated-sell deal, an adjustment IACR entry will be posted for the matched buy deals.</p> <p>On the reversal of a sell deal, the interest accrual process will pass an adjustment entry for the relevant matched buy deals. This is illustrated in the example below.</p> <p>Let us continue with the example discussed above. You have struck 3 deals (2 buys + 1 sell) for '10-year RBI Bonds' (S1) for the Trading Portfolio (P1). Further, the 12 units sold comprise of 10 units from D1 and 2 units from D2. The other details of the deal are as follows:</p> <ul style="list-style-type: none"> <li>• Coupon Period – 1st Jan to 30th Jan</li> <li>• Coupon Amount – 1 USD per day per unit</li> <li>• Interest Accrual Frequency - Daily</li> </ul> <p>Coupon Accrued on D1 till 4th Jan = 40 USD (10 units* 1 USD* 4 days)</p> <p>Accrual will not happen for D1 after 4th January as all the 10 units are sold out on 5th January.</p> <p>Coupon Accrued on D2 till 4th January = 45 USD (15 units * 1 USD * 3 days)</p> <p>After 4th January, for D2, accrual will happen only for the remaining 13 units (15 – 2 units sold = 13).</p> <p>Now, on 10th January, the sell deal, D3 is reversed. Between, 5th and 10th Jan, coupon accrued on D2 = 65 USD (13 units * 1 USD * 5 days)</p> <p>Due to the reversal of the sell deal, the interest accrual process will pass accrual entries for the period 5th Jan to 10th Jan for the buy deals (D1 and D2):</p> <p>D1 = 60 USD (10 units * 1 USD * 6 days)</p> <p>D2 = 12 USD (2 units * 1 USD * 6 days)</p>

Field	Description
	<p>Subsequently, interest accrual will continue for deals D1 and D2 till redemption/CPLQ. The accrual process will be zero based i.e. at deal level, the accrual process will do the following:</p> <ol style="list-style-type: none"> <li>1) Identify all the BUY deals</li> <li>2) Determine the current quantity (buy quantity – the sold quantity)</li> <li>3) Find the amount to be accrued from the Previous Coupon Date (PCD) to the accrual date i.e. if the PCD is 1st Jan, and the accrual date is 10th Jan, it will calculate interest to be accrued for the period 1st Jan to 10th Jan. This amount is, say A1.</li> <li>4) Find the amount already accrued for the deal i.e. interest accrued for the period 1st Jan to 9th Jan i.e. before the actual accrual date, 10th Jan. The interest accrued is said, A2.</li> <li>5) Pass the accrual entry for A1-A2.</li> </ol> <p><b>NOTE:</b> For a deal level interest accrual, the accrual of the Withholding Tax will also happen at the deal level. However, interest accrual will not happen for unsettled deals. For deal level interest accrual, the IACR (Interest Accrual) event and the associated accounting entries will continue to be maintained at the portfolio product level.</p>

**Table 4.3: For the Events SPLP & SPSP**

Accounting Roles	Amount Tags	Debit/Credit Indicator
iccfcomp01_RCPY	iccfcomp01_PUCM	Dr
SEC BRIDGE GL	ccfcomp01_PUCM	Cr
SEC BRIDGE GL	iccfcomp01_PUEX	Dr
iccfcomp01_RCPY	iccfcomp01_PUEX	Cr

**Table 4.4: For the Events SSLP & SSSP**

Accounting Roles	Amount Tags	Debit/Credit Indicator
SEC BRIDGE GL	iccfcomp01_SOCM	Dr
iccfcomp01_RCPY	iccfcomp01_SOCM	Dr

Accounting Roles	Amount Tags	Debit/Credit Indicator
iccfcomp01_RCPY	iccfcomp01_SOEX	Dr
SEC BRIDGE GL	iccfcomp01_SOEX	Cr

**Table 4.5: For the Event IACR**

Accounting Roles	Amount Tags	Debit/Credit Indicator
iccfcomp01_RCPY	iccfcomp01_IA	Dr
iccfcomp01_I	iccfcomp01_IA	Cr
PAYABLE	iccfcomp01_ILIQ	Dr
iccfcomp01_RCPY	iccfcomp01_ILIQ	Cr

At the end of the coupon liquidation event, CPLQ, the balance in the interest receivable head (iccfcomp01\_RCPY) would be zero. The following example will illustrate this.

The following deal details are available:

- Coupon Period – 1st January 2003 to 30-Jan-2003
- Previous Coupon Date (PCD) – 1st January 2003
- Next Coupon Date (NCD) – 30th January 2003
- Ex Date – 26th January 2000 (the issuer will pay interest to the holders of the securities as on the Ex. Date or the Record Date).
- Interest amount – 1\$ per day per unit
- Accrual Frequency – Daily

Now on 10th Jan, you buy 20 units of a bond S1 at PUCM amt of 200\$.i.e. the interest accrued for the period 1st Jan (PCD) to 10th Jan will be tracked as a receivable from the issuer of the units ( $200 \$ = 20 * 1 * 10$ )

The following entries would be passed as part of event SPLP (amount tag IntComp\_PUCM):

**Table 4.6: SPLP entries**

Dr	IntComp_Rcpy (Interest Receivable)	200 \$
Cr	Sec Bridge GL	200 \$

Interest accrued on EOD of 26th Jan (for the period from 11th Jan to 26th Jan) = 320 USD (16 days \* 20 units \* 1 USD).

The following entries will be passed for this amount as part of event IACR (amount tag IntComp\_IA):

**Table 4.7: IACR entries**

<b>Dr</b>	<b>IntComp_Rcpy (Interest Receivable)</b>	<b>320 \$</b>
Cr	IntComp_IA (Accrued Interest)	320 \$

On 27th Jan, you decide to sell 15 units at the SOEX amount of 60 \$. This is the sold interest after the Ex. Date/Record Date i.e. the interest on 15 units for the period from 27th Jan to 30th Jan. The following entries will be passed for this amount as part of event SSLP (amount tag IntComp\_SOEX):

**Table 4.8: SEOEX entries**

<b>Dr</b>	<b>IntComp_Rcpy (Interest Receivable)</b>	<b>60 \$</b>
Cr	Sec Bridge GL (Intcomp_SOEX)	60 \$

Interest accrued on the remaining 5 units for the same period i.e. from 27th Jan to 30 Jan =  
20 USD (5 units \* 1 USD \* 4 days)

Therefore, Interest accrued on EOD of 30th Jan = 320 + 20 = 340 USD

**Table 4.9: Entries**

<b>Dr</b>	<b>IntComp_Rcpy (Interest Receivable)</b>	<b>5 \$</b>
Cr	IntComp_Rcpy	5 \$

**Table 4.10: 600 USD table**

<b>Dr</b>	<b>Payable</b>	<b>600\$</b>
Cr	IntComp_Rcpy	600 \$

## 4.4 Floating rate Codes

This topic contains the following sub-topic:

### 1) [Define Floating Rate Codes](#)

#### 4.4.1 Define Floating Rate Codes

This topic describes the systematic procedure to define floating rate interest codes.

##### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

- On Homescreeen, specify **CFDRTCD** in the text box, and click next arrow.

STEP RESULT: **Rate Code Maintenance** screen is displayed.



Figure 4.3: Rate Code Maintenance

◆ Rate Code Maintenance

New

Enter Query

Rate Code \*

Description

Holiday Currency

☒ Propagate Across Branches

Tenor Code Details

\*

Tenor Code \*

Tenor Code Description

Fields

Input By  
Date Time

Authorized By  
Date Time

Modification  
Number

☐ Authorized

☐ Open

2. On **Rate Code Maintenance** screen, specify the fields.
- For more information on fields, refer to [Rate Code Maintenance](#).

**Table 4.11: Rate Code Maintenance**

Field	Description
<b>Rate Code</b>	Enter a code to identify the rate you are defining. You can associate several currencies to the rate code and specify rates for each currency. While processing a contract, you need to indicate this code to make the rate applicable to the contract. The code cannot exceed 10 characters.
<b>Description</b>	Specify a brief description to identify the rate code being defined.
<b>Holiday Currency</b>	Specify the holiday currency for this rate code. You can choose the appropriate one from the adjoining option list that displays all valid currency codes maintained in the system.
<b>Propagate Across Branches</b>	Check this option to indicate that the rate code should be available across all branches.
<b>Indicate Tenor Code Details</b>	Indicate the following:
<b>Tenor Code</b>	Specify a unique code to identify the tenor for which this rate code should be applicable.
<b>Tenor Code Description</b>	Specify a brief description for the tenor code. You can add multiple tenor codes for the rate code <ul style="list-style-type: none"> <li>Click the add row button. Select the desired row, and click the delete row button to delete the tenor code. To process MT340, MT360, and MT361. You need to maintain the following rate codes:</li> </ul>

In order to process MT340, MT360 and MT361 you need to maintain the following rate codes:

- AONIA
- BR-AUBBSW
- BBR-BBSW
- SWAPRATE
- BA-CDOR
- BA
- CORRA
- TBILL
- ISDAFIX

- 
- CLICP
  - CIBOR
  - DKKOIS
  - ANNSR
  - ANNUALSR
  - EONIA
  - EURIBOR
  - TEC10-CNO
  - HIBOR
  - HONIX
  - ISDA
  - IDMA
  - IDREFIX
  - SBI
  - SOR
  - TELBOR01
  - TELBOR
  - BMK
  - CMT
  - INBMK
  - MIBOR
  - MIFOR
  - MIOIS
  - MITOR
  - RFRCBANKS
  - BBSF
  - LIBOR
  - MUTANCALL
  - TIBOR
  - TONA
  - TSR
  - CD3220
  - CD-KSDA
  - TILE-BANXICO
  - NIBOR-NIBR
  - BBR
  - NZIONA
  - WIBOR

- 
- ANNUAL
  - STIBOR
  - SIBOR
  - SONAR
  - SOR
  - THBFIX
  - CMS
  - COF11
  - FEDFUND
  - FEDFUND
  - ISDAFIX3
  - SANDPINDEXT
  - SIFMA
  - TREASURYRATE
  - TRSYRATE
  - TRSYRATE
  - BBR
  - BA
  - BA
  - TBILL
  - LIBOR
  - TSR
  - BBR
  - WIBOR
  - SIBOR
  - SOR
  - BRIBOR
  - SOR
  - BRIBOR
  - SOR
  - CMS
  - COF11
  - ISDA
  - LIBOR
  - TIBOR

## 4.5 Define Rate Sources

This topic describes the systematic instructions to define rate sources.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **CFDRTSRC** in the text box and click next arrow.

STEP RESULT: **Rate Source Definition** screen is displayed.

**Figure 4.4: Rate Source Definition**

The screenshot shows the 'Rate Source Definition' window. It contains a 'New' button and an 'Enter Query' button. Below them are two text input fields labeled 'Rate Source \*' and 'Description'. At the bottom, there is a 'Fields' section with a table of fields: 'Input By Date Time', 'Authorized By Date Time', 'Modification Number', 'Authorized' (checkbox), and 'Open' (checkbox).

2. On **Rate Source Definition** screen, specify the fields.

For more information on fields, refer [Rate type Definition - Field Description](#).

**Table 4.12: Rate type Definition - Field Description**

Field	Description
<b>Rate Type</b>	Click the add row button. Select the desired row, and click the delete row button to delete the tenor code. To process MT340, MT360, and MT361. You need to maintain the following rate codes: Specify a unique code to identify the rate type you wish to maintain. The code cannot exceed 10 characters.
<b>Description</b>	Specify a brief description for the rate type.

## 4.6 Define Rate Type

This topic describes about the systematic instructions to define rate type.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **CFDRTTYP** in the text box, and click next arrow.

STEP RESULT: Define Rate screen is displayed.

**Figure 4.5: Rate Type Definition**

2. On rate Type Definition specify the fields.

**Table 4.13: Rate Type Definition**

Field	Description
Rate Type	Specify a unique code to identify the rate type you wish to maintain. The code cannot exceed 10 characters.
Description	Enter a brief description for the rate type.

## 4.7 Define Float Rates

This topic describes the systematic procedure to define float rates.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

- On Homescreeen, specify **CFDFLRAT** in the text box and click next arrow.

STEP RESULT: **Floating Rate Maintenance** screen is displayed.

**Figure 4.6: Floating Rate Maintenance**

- On **Floating Rate Maintenance** screen, specify the fields.  
For more information about the fields, refer to [Table 4.14: Floating Rate Maintenance](#).

**Table 4.14: Floating Rate Maintenance**

Field	Description
<b>Rate Code</b>	Select the Appropriate Rate Code from the List of Values Available.
<b>Rate Source</b>	Select the Appropriate Rate Source from the List of Values Available.
<b>Tenor Code</b>	Select the Tenor Code created as part of Rate Code Maintenance from the List of Values Available.

---

Field	Description
<b>Currency Code</b>	Select the Currency Code from the List of Values Available for which the Interest Rates are to be maintained.
<b>Rate Details</b>	Update the Interest Rate by adding the required rate types maintained and providing the Interest rates about the particular rate type selected.



## 4.8 Rate Fixing Maintenance

This topic provides the instructions to capture the Treasury Rate Fixing Maintenance details.

For every cash flow settlement period of the floating rate leg, you have to fix the floating rate. The rate fixing days defined may differ from trade to trade basis. The floating rate fixed in advance or at the end of the period according to the rate fixing days and movement set for the trade.

For more information on Rate fixing Maintenance, refer to the Interest User manual, Section 2.4 Treasury Rate Fixing Maintenance.

## 4.9 Interest Class Definition

Treasury Interest Class Definition supports RFR methods and computation preferences for securities repo module only.

For more information on Interest Class Definition, refer to the Class User manual, Section 2.2.1 Defining Interest Class

## 4.10 Market Details

This topic describes the following sub-topic

- 1) [Maintain Market Details](#)

## 4.11 Maintain Market Details

This topic describes the systematic instruction to maintain market details.

CONTEXT:

It is necessary to maintain certain standard details, relating to the markets where securities are traded. The information relates to issues such as the interest calculation method, the relevant spot, ex-dates, and the default safe-keeping location.

Only the Head Office of your bank can define, and maintain market place related details. The other branches of your bank can refer to these details, every time a security is processed.

The advantage of defining market place details is that at the time of defining security, you only need to specify the code assigned to the market. All the details maintained for the particular market is automatically picked up.

PREREQUISITE:

Specify **User ID** and **Password**, and login to the **Homescreen**.

1. On Homescreen, type **SEDXMTCD** in the text box, and click next arrow.

If you are maintaining details of a new market place, choose New from the Actions menu or click on a new icon to open the Definition detailed screen.

If you are calling a market place maintenance record that has already been defined, choose the Summary option under Market Codes. From the Summary, screen double clicks a record of your choice to open it.

STEP RESULT: **Market Definition** screen is displayed.

Figure 4.7: Market Definition screen

Market Definition

New

Enter Query

Market Code \*

Market Type

Over The Counter Option

System Narrative

Market Description \*

Market Identifier Code

Category

Main

Interest

Spot Date

Ex Date

Country Code

Local Currency \*

Market Price Code

Holiday Type \*

Coupon Basis \*

Warrant Basis \*

Country Description

Safe keeping Location Id \*

Price Code Description

Holiday Currency

Dividend Basis \*

Right Basis \*

YTM For T Bills

Reinvestment Period Days

Use Bond Formula

Yield Calculation Parameters - Bonds

Reinvestment Period Days

Premium/Discount for Current Interest Period

Tax

Fields

Maker

Checker

Date Time:

Date Time:

Mod No

Record Status

Authorization Status

Exit

2. On **Market Definition** details tab, specify the fields.
- For more information on fields, refer to [Table 4.15: Market Definition - Main Tab - Field Description](#)
- Before maintaining, the interest calculation method, and the relevant spot and ex dates, etc., certain basic details about the market place need to be maintained.
- Apart from the other main details, you can specify the Yield Calculation Parameters for Bonds and T-bills for each market definition record that you maintain.

**Table 4.15: Market Definition - Main Tab - Field Description**

Field	Description
<b>Country Code</b>	Specify the country to which the market belongs.
<b>Local Currency</b>	Specify the local currency of the country in which the market is situated.
<b>Safe Keeping Location Id</b>	The Safe Keeping location to and from which the securities will be delivered.
<b>Price Code</b>	specify the price code from which the security price is to be picked up for this market.
All the details maintained here are picked up and defaulted to the Securities Definition screen. You are allowed to change the information, at the time of defining securities	
<b>YTM method for T-Bills</b>	The basis for YTM calculation for T-Bills can either be: <ul style="list-style-type: none"> <li>• Simple Interest</li> <li>• Effective (Compound) interest</li> </ul>
<b>Use Bond Formula</b>	Enable the Use Bond Formula option, YTM is calculated using the effective interest formula (typically used for bonds). For Bonds and T-Bills with the effective interest method of YTM calculation, you need to specify the following details:
<b>Reinvestment Period</b>	The effective interest formula assumes that payments are reinvested at the same rate as the yield of the T-Bill/Bond (coupon schedules) until the maturity of the security. You have to specify this period in terms of days.
<b>Annualizing Method</b>	

Field	Description
<p>For Bonds and for T-Bills, with effective interest you need to specify the annualizing method. This is the method by which the System computes the periodic YTM.</p> <p>The options available are:</p> <ul style="list-style-type: none"> <li>• Simple</li> <li>• Compound</li> </ul> <p>If the Annualizing method is Compound, the Annual YTM is computed as follows:  <math>Y0 = [(1 + 1/Y0)A/P - 1]</math></p> <p>If the Annualizing method is Simple, the annual YTM is computed as follows:  <math>Y0 = [Y0(A/P)]</math></p> <p>Where</p> <ul style="list-style-type: none"> <li>• y0 is the Periodic YTM</li> <li>• Y0 is the Annual Deal YTM</li> <li>• A is the Day Count Method – Denominator (this is picked up from your maintenance in the Security Definition screen).</li> <li>• P is the Period of Reinvestment. If Null, defaulted to A/n</li> </ul> <p>Apart from these details, you need to specify the Day Count Denominator and Numerator methods for all Bonds and T-Bills.</p>	

3. On **Market Definition** screen, click **Interest**

STEP RESULT: **Market Definition** Interest screen is displayed.

4. On **Market Definition screen**, specify the fields.

For more information on fields, refer to

The interest details that you define here will be picked up, and defaulted, in the interest section of the **Securities Definition** screen. However, while defining security details you have the option of changing these details.

The details maintained here are specific to the interest calculation methods, applied during accruals and liquidation. It is not necessary to specify, the same day count method for calculating interest on accruals as well

as on liquidation. The system allows specifying two different day count methods for calculating interest, one for accruals and the other for liquidation.

Interest Type	Description
Actual / Actual	The Actual number of days in the period/ The Actual number of days in that year. Click on Actuals in Numerator Method field, click on Actuals in Denominator Method field.
Actual /365	The number of actual calendar days for which calculation is done / 365 days in a year. Click on Actuals in Numerator Method field; click on 365 days in the Denominator Method field.
Actual / 365 – Japanese	This is similar to the Actual/365 method except that leap days are always ignored, in the numerator day count calculation. Click on Actual Japanese in Numerator Method field; click on 365 in Denominator Method field.
Actual / 365 – ISDA	Sum of (A) and (B) where: A = Interest accrual days falling within the leap year / 366 B = Interest accrual Days not falling within the leap year/ 365 The denominator is the actual number of days in a year. Click on 365 ISDA in Numerator Method field; click on Actual in Denominator Method field.
Actual /360	The actual number of calendar days for which calculation is done / 360 days. Click on Actual in Numerator Method field; click on 360 in 'Denominator Method' field.
Denominator Method	Select the denominator method from the adjoining drop-down list. This list displays the following values: <ul style="list-style-type: none"> <li>• 360</li> <li>• 365</li> <li>• 364</li> </ul>

5. On **Market Definition** screen, click Spot Date.  
STEP RESULT: **Spot Date** tab is displayed.

Figure 4.8: Spot Date Tab

Market Definition

New

Enter Query

Market Code \*

Market Type

Over The Counter Option

System Narrative

Market Description \*

Market Identifier Code

Category

Main

Interest

Spot Date

Ex Date

Spot Date Method

Rolling Method

Spot Days Count Basis

Weekday of Spot Date

Spot Days

Holiday Treatment

Fixed Method

1 Of 1

Go

☐ From Day

To Day

Month Indicator

Future Months

Spot Day

Weekday of Spot Date

Holiday Treatment

Tax

Fields

Maker

Checker

Date Time:

Date Time:

Mod No

Record Status

Authorization Status

Exit

6. On **Spot Date** tab, specify the details.
- In this section, indicate the method by which Spot Date is calculated. Spot date is calculated to keep a track of deal settlements. You can click on the respective tab to go to this section of the screen.
- There are two methods for calculating the spot-date. It can be calculated as a certain number of days from the trade date of the security. It can also be fixed for a market place for a specific range of trade dates.
- There are two methods for calculating the spot-date. It can be calculated as a certain number of days from the trade date of the security. It can also be fixed for a market place for a specific range of trade dates.

**Table 4.16: Spot Date - Field Description**

Field	Description
<b>Rolling</b>	If the spot date calculation method indicated is rolling, then you can specify the spot day count basis.
<b>Spot Day Count Basis</b>	There are two options available for this field: <ul style="list-style-type: none"> <li>• Calendar days – spot days will be expressed as calendar days</li> <li>• Working days - spot days will be expressed as working days</li> </ul>
<b>Weekday of Spot Date</b>	Indicate your preference of weekday for the spot date, if you have specified the calculation method as rolling. If the weekday of the spot date computed is different from the preferred weekday then, the spot date computed will be moved forward to the preferred weekday.
<b>Holiday Treatment</b>	Once you indicate a preferred weekday for the spot date, it is required to specify the holiday treatment for the preferred weekday. If you choose to ignore this option, the spot date will be retained on the holiday. If not, as specified by you, it will be moved forward to the next working day or moved back to the previous working day. When the spot day method specified is Fixed, indicate the details relating to the range of trade dates and the corresponding spot date for each slab. You also have to specify whether the spot date lies in the current month or a future month. You can select the relevant option from the picklist available for the month indicator.

7. On **Market Definition** Screen, click **Ex Date**

STEP RESULT: **Market Definition Ex-Date tab** is displayed.

8. On **Ex Date** tab, specify the fields.

There are different methods for calculating the ex date. It can be calculated as a certain number of ex days, prior to the next coupon date of the security or it can be fixed for a market place for a specific period.

**Table 4.17: Ex Date - Field Description**

Field	Description
<b>Expiry Date Method</b>	If the expiry date calculation method indicated, is rolling then you can specify the expiry date count basis.
<b>Expiry Days Count Basis</b>	express the expiry days as calendar days or as weekdays.
<b>Weekday of Expiry Date</b>	Specify your preference for the weekday for the ex-date. The concept of weekday, of the ex-date and the holiday treatment, is the same as that of Spot date.
<b>Fixed Method</b>	If the ex-date specified is fixed, then maintain certain mandatory details such as the From and To dates, the month indicator, and the holiday treatment. The information that you maintain here, is similar to the information entered for the spot date. This is so only if the spot date method specified, is fixed. However, in such a case, the ex-date will be before the event date.

## 4.12 EIM for Treasury Bills and Security Bonds

Oracle Banking Treasury Management also supports yield computation using nominal based cash flows. This is applicable for bonds and treasury bills for both WAC and non-WAC based portfolio cash flows.

## 4.13 Processing for Bonds

If the parameter 'COMMON\_YLD\_ACCR' is set to 'Y', the initial cash flow for yield computation will be based on the net considerations of the deal. Yield will be calculated based on the actual cash flows instead of the face value. The formula used for the computation of YTM for Bonds is the same.

**Table 4.18: Notation**

Value	Description
$P_0$	Purchase price of the Bond
N	Total number of coupons
$C_i$	Coupon payment for coupon i
$y_0$	Periodic YTM
$Y_0$	Annualized Deal YTM
A	Day Count Method – Denominator



Value	Description
n	Number of coupons in a year
$P_0$	Purchase price of the Bond
P	Period of Reinvestment (Defaulted to A/n if null)
R.P.	Redemption Price
$A_i$	Accrued Interest
$Ad_i$	Coupon date – Value date
$Ad_n$	Redemption date – Value date

## 4.14 Processing for Treasury Bills

The YTM is computed using O/S Deal Nominal if COMMON\_YLD\_ACCR is set to Y. During the Revaluation of T-Bills and Accrual of Discount for T-Bills, the O/S Deal Nominal is also used to compute the Net Present Value (NPV). The formula used for the computation of YTM for T-Bills is the same.

**Table 4.19: Notation**

Field	Description
$P_0$	Purchase price of the T-Bill
R.P.	Redemption Price
$y_0$	Periodic YTM
d	Redemption Date – Value Date
P	Period of Reinvestment
$Y_0$	Deal YTM
A	Day Count Method – Denominator

**NOTE:** If the parameter COMMON\_YLD\_ACCR is set to Y, discount accrual is calculated at nominal value, and no scale-up would be done during the discount accrual process. This applies to both, T Bills and Bonds.

## 4.15 Day Count Method Numerator

Indicate the day count numerator, which is to be used to arrive at the number of days for yield calculation. The options available are:

- 30 Euro
- 30 US
- Actual

---

## 4.16 Yield Calculation Parameters for T-Bills

The options available for calculating the Numerator are:

- 30 Euro
- 30 US
- Actual

The options available for calculating the Denominator are:

- 360
- 365

- 364

You can select the appropriate.

**NOTE:** For each Security, the Yield Calculation Parameters are defaulted from the market of issue depending on whether it is a Bond or a T-Bill. You will be allowed to modify these details.

Consider the following example for 364 Days Interest Method:

Forgiven bond security (SEC364M2), schedules are generated as shown below:

Security Instrument: SEC364M2

Quantity: 100

Security Face Value: 100

Interest Rate: 2%

Denom Method: Actual/364

Deal Value Date: 2-Sep-2008

Deal Maturity: 23-Nov-2008

Coupon Schedule: Weekly

**Table 4.20: Details**

No	Coupon Due Date	Days	Interest Amount
1	9-Sep-2008	7	3.89
2	16-Sep-2008	7	3.89
3	23-Sep-2008	7	3.89
4	30-Sep-2008	7	3.89
5	7-Oct-2008	7	3.89
6	14-Oct-2008	7	3.89
7	21-Oct-2008	7	3.89
8	28-Oct-2008	7	3.89
9	4-Nov-2008	7	3.89
10	11-Nov-2008	7	3.89
11	18-Nov-2008	7	3.89
12	23-Nov-2008	5	3.89

Consider the following example for Yield (T-Bills/Bonds)

Security Instrument: SEC364M2

Deal Input Price: 100

Redemption Price: 120

Denom Method: 364

DSTL Date: 2-Sep-2008

Deal Maturity: 23-Nov-2008

Formula used for Yield Calculation:

Discounted:

$\text{Yield} = ((\text{Redemption Value} - \text{Input Price}) / (\text{Redemption Value})) * (\text{Denom Method} / \text{No of days});$

True discount (Return):

$\text{Yield} = ((\text{Redemption Value} - \text{Input Price}) / (\text{Input Price})) * (\text{Denom Method} / \text{No of days});$

Days between DSTL and Maturity Date = 81

For Discounted:

$\text{Yield} = ((120-100)/120)*(364/81) = 0.748971193415638$

True discount (Return):

$\text{Yield} = ((120-100)/100)*(364/81) = 0.898765432098765$

## 4.17 Premium/Discount for Current Interest Period

Check this option to specify that the premium or discount should be accrued only for the current period. This option will be applicable only if the security is a Floating Rate Bond. If you check this option, all the securities whose market code is identical to the one specified in the Market Definition screen will inherit this feature, provided the interest rate type of the specified security product is Floating.

## 4.18 Compute Coupon Interest

This topic describes the following sub-topics:

### 4.18.1 Interest Method for Computing Coupon Interest

Apart from the above-mentioned method for calculating the interest, you can also use the ACT/ACT–ISMA Interest Method and ACT/ACT–FRF Interest Method.

#### ACT/ACT–ISMA Interest Method

The ACT/ACT–FRF Interest Method is applied for periodic coupons using the following coupon:

$\text{Coupon Interest} = \text{Nominal} \times (\text{Coupon Rate} / \text{Number of Coupons}) \times (\text{Number of elapsed Days} / \text{Number of days in coupon period})$

For ACT/ACT–ISMA, you need to maintain the following parameters:

- Numerator Method – Any of the option in the list
- Denominator Method – Actual
- Denominator Basis – Per Annum

- Rate Denomination Basis – Per Coupon Period

Let us understand the above with the following example:

Consider the following facts:

Security purchased for 10 million at a rate of 5% p.a with the coupon date of 15th Jan.

**In case the frequency of the coupon is Yearly:**

The ACT/ACT–ISMA method for a non leap year is

Amount  $\times 5/100 \times 365/365 \times 1$

And for a leap year the ACT/ACT–ISMA method is

Amount  $\times 5/100 \times 366/366 \times 1$

**In case the frequency of the coupon is Half yearly:**

Then, for a coupon on 15/01 the formula used in ACT/ACT–ISMA method is

Amount  $\times 5/100 \times 184/184 \times 2$

And for coupon on 15/07, the formula used in this method is

For a non leap year:

Amount  $\times 5/100 \times 181/181 \times 2$

For a leap year the formula is:

Amount  $\times 5/100 \times 182/182 \times 2$

**In case the frequency of the coupon is Quarterly:**

Then, for coupon on 15/01 the formula used in ACT/ACT–ISMA method is

Amount  $\times 5/100 \times 92/92 \times 4$

For coupon on 15/07, the formula used in this method is

For a non leap year:

Amount  $\times 5/100 \times 90/90 \times 4$

For a leap year the formula is:

- Amount  $\times 5/100 \times 91/91 \times 4$
- For coupon on 15/10, the formula used in this method is Amount  $\times 5/100 \times 92/92 \times 4$

**366 Basis**

specify whether the system should use a leap year or leap date for calculating the interest

- Leap Year (Y) – Indicates that the system will compute the interest based on the number of calendar days in the year.
- Leap Date (D) – Indicates that the system will use the ACT/ACT–FRF Interest Method to compute the interest. Specify whether the system should use a leap year or leap date for calculating the interest

**NOTE:** This field is enabled only if the Denominator Basis value is Per Annum, and the Denominator Method is ACTUAL.

### ACT/ACT–FRF Interest Method

In ACT/ACT–FRF Interest Method, the Numerator will be the actual number of days between two coupon dates and the denominator will be 366 under the following cases:

- If 29th February falls between the duration of two coupon dates (i.e. previous coupon date and next coupon date)
- If the previous coupon date and the next coupon date fall in different years (annual frequency, next coupon dates in the immediately subsequent year of previous coupon date)
- If the coupon schedule is not periodic and spreads across multiple years. The system will apply 366 as the denominator for all the years for computing the day count, even if one instance of 29th February falls in between the coupon dates.

Let us understand the formula applied for calculating the interest in ACT/ACT–FRF method with an example:

Consider the following facts:

A security purchased for 10 million at a rate of 5% p.a with the coupon date of 15th January.

#### Case 1:

Assume the following parameters are maintained for a yearly coupon:

- Nominal - 10,000,000
- Interest Rate – 5% per Annum
- Coupon Frequency – Annual
- Previous Coupon Date – 15/01/1999
- Next Coupon Date – 15/01/2000
- Numerator Method – ACTUAL
- Denominator Method – ACTUAL
- Denominator Basis – Per Annum

#### In case 366 basis is Leap Year:

The interest is calculated based on the day count derived for each of the two years in which the coupon date fall and the formula applied is:

$$10,000,000 \times 5/100 \times 350/365 + 10,000,000 \times 5/100 \times 15/366$$

#### In case 366 basis is Leap Date:

Here the system will apply the ACT/ACT–FRF interest method to compute the coupon interest. Since this period does not include 29th February, the denominator for interest calculation will be 365 and the formula will be:

$$10,000,000 \times 5/100 \times 365/365$$

Assume the following parameters are maintained for a half yearly coupon:

- Nominal - 10,000,000

- Interest Rate – 5% per Annum
- Coupon Frequency – Half yearly
- $f_n$  Previous Coupon Date  $i_V$  15/01/2000 (PCD 15/07/1999)
- Next Coupon Date – 15/07/2000 (PCD 15/01/2000)
- Numerator Method – ACTUAL
- Denominator Method – ACTUAL
- Denominator Basis – Per Annum

#### In case 366 basis is Leap Year:

The interest is calculated based on the day count, derived for each of the two years in which the coupon dates fall (if the previous and the next coupon dates fall in different years). If both coupon dates fall in the same year, the denominator will be 365 or 366 respectively, depending on whether the current year is a leap year or a nonleap year.

For coupon on 15/01/2000, the formula used is

$$10,000,000 \times 5/100 \times 169/365 + 10,000,000 \times 5/100 \times 15/366$$

And for coupon on 15/07/2000, the formula used in this method is

$$10,000,000 \times 5/100 \times 182/366$$

In case 366 basis is Leap Date:

For coupon on 15/01/2000, the formula used in ACT/ACT– FRF method is

$$10,000,000 \times 5/100 \times 184/365$$

This period does not include 29th February.

And for coupon on 15/07/2000, the formula used in ACT/ACT– FRF method is

$$10,000,000 \times 5/100 \times 182/366$$

29th February falls in this period.

#### Case 2:

Assume the following parameters are maintained for a Quarterly coupon:

- Nominal - 10,000,000
- Interest Rate  $i_V$  5% per Annum
- Coupon Frequency  $i_V$  Quarterly
- Coupon Date 1  $i_V$  15/01/2000 (PCD 15/10/1999)
- Coupon Date 2  $i_V$  15/04/2000 (PCD 15/01/2000)
- Coupon Date 3  $i_V$  15/07/2000 (PCD 15/04/2000)
- Coupon Date 4  $i_V$  15/10/2000 (PCD 15/07/2000)
- Numerator Method  $i_V$  ACTUAL
- Denominator Method  $i_V$  ACTUAL

- Denominator Basis  $\frac{1}{V}$  Per Annum

In case 366 basis is Leap Year:

The interest is calculated based on the day count derived for each of the two years in which the coupon dates fall (if the previous and next coupon dates fall in different years). If both coupon dates fall in the same year, the denominator will be 365 or 366 respectively depending on whether the current year is a leap year or nonleap year.

For coupon on 15/01/2000 the formula used in is

$$10,000,000 \times 5/100 \times 77/365 + 10,000,000 \times 5/100 \times 15/366$$

For coupon on 15/04/2000, the formula applied is

$$10,000,000 \times 5/100 \times 91/366$$

For coupon on 15/07/2000, the formula applied is

$$10,000,000 \times 5/100 \times 91/366$$

For coupon on 15/10/2000, the formula applied is

$$10,000,000 \times 5/100 \times 92/366$$

In case 366 basis is Leap Date:

For coupon on 15/01/2000, the formula used in ACT/ACT– FRF method is

$$10,000,000 \times 5/100 \times 92/365$$

This period does not include 29th February.

For coupon on 15/04/2000, the formula used in this method is

$$10,000,000 \times 5/100 \times 91/365$$

29th February falls in this period.

For coupon on 15/07/2000, the formula used in this method is

$$10,000,000 \times 5/100 \times 91/365$$

This period does not include 29th February.

For coupon on 15/10/2000, the formula used in this method is

$$10,000,000 \times 5/100 \times 92/365$$

This period does not include 29th February.

#### 4.18.2 Exempt Interest for the Ex Period

For Purchase Deals and Sell Deals booked in the Ex Period, you can specify whether you want to calculate the interest for that period. If you check this box, the system will not apply interest for such deals. Also, the system accrues the holdings as of the ex-date, and will not pass any interest related accounting entries related to the deals



booked in the Ex period. In case you do not opt for a zero-interest facility, the system accrues the actual holdings during the accrual period, including the buy/sell deals booked in the Ex period.

Consider the following example.

Let us consider a security with:

Coupon Start Date – 01 Aug

Next Coupon Date – 08 Aug

Record Date – 05 Aug

Coupon Interest – 3.65 % (Per Annum)

Interest Accrual Frequency – Daily

Now let us assume that on 06 Aug 5000 Units are sold -

Case 1: If you do not opt for Zero interest

Accounting entries are passed for event SSLP (Interest Only)

Dr IntComp\_RCPY- 100 (IntComp\_SOEX)

Dr Sec Bridge GL - 100 (IntComp\_SOEX)

#### **Case 2: If you opt for Zero interest**

For interest, the system does not pass any accounting entries

## **4.19 Tax Details**

This topic contains the following sub-topics:

- 1) [Specify Tax Details](#)
- 2) [Associate Scheme with Issuer Tax](#)

### **4.19.1 Specify Tax Details**

With every market place that you define, you can associate a Tax scheme. When you specify the market code, at the time of defining security, the details of the tax scheme associated with the market code are automatically associated with the security.

**NOTE:** At the market definition level, you can only maintain the Issuer tax details. You can, however, change these details at the security definition level.

To invoke this screen, click the Tax button in the Market Definition screen. The Tax Definition screen will be displayed.

### **4.19.2 Associate Scheme with Issuer Tax**

To associate a tax scheme with an issuer class, click the Default From Class' button. The Default from the Class screen will be displayed. In it is available a list of tax classes specific to the Securities module. Select the tax scheme to be associated with the issuer tax. All the components linked to the particular scheme will be associated with the

market code you are defining. To change the tax scheme which has already been linked to a market code, in the Market Definition screen, click on the unlock button in the toolbar.

### 4.19.3 Indicate Stop Association

The tax components linked to a tax scheme will be automatically applied to all deals involving the security associated with the particular market code. However, if you want to stop applying

one or more of these components to new contracts that are initiated, you can do so by checking the Stop Association field. Stopping the application of a tax component for a market code would be equivalent to deleting the component for all deals involving the security. However, you have the option of using the definition made for the component, once again. To do so, Uncheck this field. Deals that are subsequently input, will pick up the components.

**NOTE:** Entry to certain fields in the Market Definition screen is mandatory. If you try to save the record without inputs to all these fields, the record will not be saved. You will be prompted to give all the mandatory inputs before attempting to save it again.

## 4.20 List of Glossary - General Maintenance

### SEDXBNPM

Securities Bank Parameters Maintenance - [4.2.1 Maintain Bank Parameters](#) (p. 30)

### SEDXBRPM

Securities Branch Parameters - [4.3.1 Define Branch Parameters](#) (p. 34)

### CFDRTCD

Rate Code Maintenance - [4.4.1 Define Floating Rate Codes](#) (p. 42)

### CFDRTSRC

Rate Source Definition - [4.5 Define Rate Sources](#) (p. 47)

### CFDRTTYP

Rate Type Definition - [4.6 Define Rate Type](#) (p. 48)

### CFDFLRAT

Floating rate Maintenance - [4.7 Define Float Rates](#) (p. 49)

### SEDXMTCD

Market Definition - [4.11 Maintain Market Details](#) (p. 51)

# 5. Maintain Price Details

## 5.1 Maintain Price Details

This topic describes the systematic instruction to maintain price details.

### CONTEXT:

From time to time, you need to update the current market price of various securities maintained in the system. Through the Market Price Definition screen, you can update the market price of the securities that you maintain.

On selecting a market code for the security being defined, the price code details maintained in this screen will be picked up and defaulted to the Security Definition screen. You have the option of changing these details at the security definition level. Thus, at the time of entering a deal, all you need to do is select the code assigned to the security. All other details such as the market to which it belongs, the interest quotation method and the price quote, will be automatically picked up from the Security Definition screen.

### PREREQUISITE:

Specify **User ID** and **Password** and login to Homescreeen.

1. On Homescreeen, type **SEDXMLRAT** in the text box, and click next arrow.

STEP RESULT: **Securities Price Definition Maintenance** screen is displayed.

**Figure 5.1: Securities Price Definition Maintenance**

2. On **Securities Price Definition Maintenance** screen, specify the fields.

If you are maintaining details of the market price for new security, click on new from the toolbar. The Market Definition detailed screen will be displayed without any details. To modify or update the existing prices as of different Value dates, click on the unlock button. Enter the value date and the new price in the respective fields and save the record. If you are calling a market price maintenance record that has already been defined, choose the Summary option under Market Price. From the Summary screen, double click on a record to open it.

For more information on fields, refer to [Table 5.1: Securities Price Definition Maintenance](#)

**Table 5.1: Securities Price Definition Maintenance**

Field	Description
<b>Price Code</b>	<p>The price code indicates the price of a market place. Each price code you define is unique. If the security is quoted in different markets, its value would be different in each market. You can capture these prices using different price codes.</p> <p>The price code assigned to each security is used to identify the particular market price of the security for revaluation. All the price codes defined in this screen are picked up and displayed in the pick list available for the Revaluation Price Code field of the Security Definition screen. You can specify the revaluation price code for each security while defining it.</p> <p>If you are defining the revaluation price for the security, you can choose any one of the price codes as the revaluation code. Let's assume you choose SERL03. This code will be picked up exclusively for revaluation. Each security code is associated with a market code. At the time of entering a deal, specify the security code, and the price code linked to the market will be picked up and defaulted.</p> <p>For example, refer <a href="#">Table 5.2: Example</a></p>

Field	Description
<b>Price Quotation Method</b>	<p>You can specify the price quotation method to be used for the security for which you are defining the price. The details that you maintain here are specific to the price quotation method used for the particular security. You can choose any of the following methods for calculating the price:</p> <ul style="list-style-type: none"> <li>• <b>Absolute Price</b> <ul style="list-style-type: none"> <li>• Here the market value of the security is quoted as the actual price of the security.</li> </ul> </li> <li>• <b>%Price</b> <ul style="list-style-type: none"> <li>• Here the security price is quoted as, % Price = (Market price / Face value) x 100</li> </ul> </li> </ul> <p>For example, the Face value of security A is USD1000. The market value of the same security is USD900. If the price quotation method specified is Absolute Price then the price of the security will be quoted as USD900. For the same security, if you choose to apply the % Price method, then the price of the security will be: <math>900 / 1000 \times 100 = 90\%</math> You will quote the % price of the security as 90.</p> <p>Premium/Discount is the differential between the face value of the bond and the price at which it is sold. If you were to specify the Discount/Premium method then the security would be quoted at a discount of USD100 (<math>USD1000 - USD900 = USD100</math>). If the market price of the security were to be USD1100 then the security would be quoting at a premium of USD100.</p> <p>In the % Discount/% Premium method, the percentage of the discounted price is quoted. In the case of the above example, it would be a 10% discount or a 10% premium.</p> <p>The YTM price is quoted based on its yield to maturity. This price quotation method is applicable only for Zero-coupon bonds.</p>

**Table 5.2: Example**

Security	Market Place	Price	Price Codes
Reliance	NSE - Delhi	3000 Rs.	SERL01
Reliance	BSE - Bombay	3020 Rs.	SERL02
Reliance	OTC- Bombay	3010 Rs.	SERL03
Reliance	CSE - Calcutta	3025 Rs.	SERL04

If you are defining the revaluation price for the security, you can choose any one of the price codes as the revaluation code. Let's assume you choose SERL03. This code will be picked up exclusively for revaluation. Each security code is associated with a market code. At the time of entering a deal, specify the security code, and the price code linked to the market will be picked up and defaulted.

## 5.2 Price Quotation Method

specify the price quotation method to be used, for the security for which you are defining the price. The details that you maintain here are specific to the price quotation method used for the particular security.

You can choose any of the following methods for calculating the price:

**Table 5.3: Price Calculation table**

Term	Definition
<b>Absolute price</b>	Here the market value of the security is quoted as the actual price of the security.
<b>%Price</b>	Here the security price is quoted as, % Price = (Market price / Face value) x 100

For example, the Face value of security A is USD1000. The market value of the same security is USD900. If the price quotation method specified is Absolute Price, then the price of the security will be quoted as USD900.

For the same security, if you choose to apply the % Price method, then the price of the security will be:  $900 / 1000 \times 100 = 90\%$ . You will quote the % price of the security as 90. Premium/Discount is the differential between the face value of the bond and the price at which it is sold. If you were to specify the Discount/Premium method then the security would be quoted at a discount of USD100 ( $USD1000 - USD900 = USD100$ ). If the market price of the security were to be USD1100 then the security would be quoting at a premium of USD100.

In the % Discount/% Premium method, the percentage of the discounted price is quoted. In the case of the above example, it would be a 10% discount or a 10% premium.

The YTM price is quoted on the basis of its yield to maturity. This price quotation method is applicable only for Zero-coupon bonds.

The yield on discounted instruments is measured by the yield to maturity (YTM) which is the return on security bought at the current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price increases above the straight discounted price YTM would decrease and vice versa. In the Yield to Maturity quotation method the price is calculated as follows:

$$YTM = \frac{(\text{Face Value} - \text{Purchase price}) * \text{Days in a Year}}{\text{Price} * \text{Days to maturity}}$$

### Interest Quotation Method

For interest-bearing instruments, the price at which the instrument is quoted can include the accrued interest or can be calculated separately. Indicate the interest quotation method for the security price code you are defining. The interest quotation method could be either:

- Flat or
- Plus accrued

In the former method, the price is quoted as inclusive of the interest. This is also called the Dirty price. In the latter method, the accrued interest is quoted separately; i.e., the price quoted is exclusive of the interest component. This is also referred to as the clean price.

### 5.2.1 Price

This is the price at which the security is to be traded. The price of the security keeps on fluctuating depending on the market rates. Hence, the updating of the price of the security at regular intervals is necessary. To define a new

price for existing security, click the add button and enter the new price. This price will be associated with the particular security when it is traded. To delete an existing price, highlight the old price and click on the delete button. Each time you change the price details of existing security, the old details will automatically get stored into a history file maintained internally.

## 5.3 List of Glossary - Maintain Price Details

### SEDXMRAT

Securities Price Definition Maintenance - [5.1 Maintain Price Details](#) (p. 69)

## 6. Maintain Market Price Codes

### 6.1 Introduction

The Securities Market Price Codes screen, allows you to maintain codes for the price at which the security is trading in the market. Since particular security can be traded in different markets, you can also maintain multiple price codes for the same security. The price codes that you define in this screen are available in the Price Code pick list of the Price Definition maintenance screen. These details can be amended at the time of defining security.

### 6.2 Maintain Market Price Codes

This topic describes the systematic instruction to maintain market price codes.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXMPCD** in the text box, and click next arrow.

STEP RESULT: **Security Market Price Code** is displayed.

**Figure 6.1: Securities Market Price Code**

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

2. On **Security Market Price** code, specify the fields.  
If you are maintaining details of a new market price code, click on new from the toolbar. The Market Definition detailed screen will be displayed without any details. If you are calling a market price code maintenance record that has already been defined, choose the Summary option under Market Price Code. From the Summary screen, double click on a record to open it..

### 6.3 List of Glossary - Maintain Market Price Codes

#### SEDXMPCD

Securities Market Price Code - [6.2 Maintain Market Price Codes](#) (p. 74)



## 7. Maintain Safe Keeping Locations

### 7.1 Introduction

As a part of the maintenance function, you can define the various Safe Keeping (SK) Locations where securities can be lodged or withdrawn, as and when they are traded with. For every safe-keeping location that you define, you have to maintain SK accounts. Therefore to record the movements of security held at a particular location, simply debit or credit the SK account, depending on whether the security is being lodged, withdrawn, bought or sold. Safekeeping locations can either be internal or external. An internal location is one where the bank acts as the custodian. While maintaining details of safekeeping locations you are required to indicate whether the SK location is your bank or an external location. Basic details, of every customer of your bank, is maintained in the Customer Information Maintenance screen. Here you assign a unique CIF number to each customer so that the limit lines can be set for each customer. While defining external SK locations, indicate the CIF code assigned to the particular customer. This aids in tracking limits for every SK location. The safekeeping locations you have maintained and authorized in this screen are in turn linked to different portfolios, through the Portfolio Definition screen. The pick list containing the location ID's of the various SK locations, in the Deal On-Line screen, will reflect only those SK location IDs associated with the particular portfolio. Therefore, at the time of entering a deal if you specify the SK location ID that has been linked to a particular portfolio, the SK account(s) linked to the SK location is reflected in the pick list. You can specify this SK account in the To and From fields respectively.

#### 7.1.1 Maintain Safe Keep Location

This topic describes the systematic instruction to maintain safe keep location.

##### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXSKLC** in the text box and click next.

**STEP RESULT:** **Securities Safe Keeping Location Maintenance** screen is displayed.

**Figure 7.1: Securities Safe Keeping Location Maintenance**

The screenshot displays the 'Securities Safe Keeping Location Maintenance' window. It features a toolbar with 'New' and 'Enter Query' options. The main area contains several input fields for location details, including 'Safe Keeping Location Id \*', 'Safe Keeping Location Description \*', 'Customer Id', 'Customer Name', 'Exposure Line', and a checkbox for 'Banker's Acceptance Issue'. There are also dropdown menus for 'Safe Keeping Location Type' (with 'Internal or External \*' label), 'Internal', and 'External Type'. A 'Safe Keeping Location Account' section shows a table with one row 'Safe Keeping Location Account'. To the right, 'Corporation Action Collection' has radio buttons for 'Manual', 'Auto', and 'Message to Incident Command System'. At the bottom, a 'Fields' section lists 'Maker', 'Checker', 'Date Time:', 'Mod No', 'Record Status', 'Authorization Status', and an 'Exit' button.

2. On **Securities Safe Keeping Location Maintenance** screen, specify the fields.  
 If you are maintaining details of a new safekeeping location, click on new icon from the toolbar. The Safe Keeping Location detailed screen will be displayed without any details. If you are calling a safekeeping location maintenance record that has already been defined choose, the Summary option under SK Location Maintenance. From the Summary screen, double click on a record to open it.  
 For more information on fields, refer to [Table 7.1: Securities Safe Keeping Location Maintenance](#)

**Table 7.1: Securities Safe Keeping Location Maintenance**

Field	Description
<b>Safe Keeping location Identification</b>	Every safe keeping location that you define needs to be assigned a unique identification code. This ID is in turn linked to a single or to multiple accounts depending on the number of accounts you want to link, to a specific safe keeping location.
<b>Description</b>	In addition to the SK Location ID, specify a title or a short description of the SK location you are defining. This will enable you to identify the SK location quickly. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.
<b>Customer Identification</b>	<p>You might be holding securities on behalf of your customer therefore it becomes necessary to maintain a customer profile concerning the securities held. This information can be maintained in the Customer Information Maintenance (CIF) screen, which is part of the Core Entities module of Oracle Banking Treasury Management. The Customer Ids available in the pick list are defaulted from the CIF maintenance screen. By linking a Credit Line to a Liability Number, you assign a limit, to the customer linked to the line. Every credit-seeking customer is linked to a liability number and the credit facilities granted to him are tracked against this liability number.</p> <p><b>NOTE:</b> In the Customer Information Maintenance screen, you need to link customers to specific SK Locations. For this purpose you can create a customer category called Safe Keeping Locations. This can be created through the Customer Category detail screen. All the SK Locations that you have maintained can come under this category.</p> <p>After defining the category, you only need to associate the liability number of the customer with the customer category. The customers thus defined can be linked to a credit line through the Limits maintenance screen.</p> <p>For further details, on the Customer Information Maintenance screen, please refer to the Oracle Banking Treasury Management user manual Core Entities.</p>

This topic contains the following subtopics:

- 1) [Exposure Line](#)
- 2) [Computation of KEST](#)
- 3) [Specify Generation of New SWIFT Messages](#)

## 7.2 Exposure Line

This topic contains following subtopics:

- 1) [Track Exposure Line](#)
- 2) [Specify SK Location Account](#)
- 3) [Making Query](#)

### 7.2.0.1 Track Exposure Line

To track the maximum limit up to which securities can be held in each SK location you can specify the exposure line for SK location. After defining the customer ID in the CIF maintenance screen, click on the Limits button and maintain an overall limit for each SK location. You can also specify the limit beyond which you would not like to expose yourself or your customer, to a particular SK location. By defining a limit for each SK location, you can limit your exposure to the particular SK location.

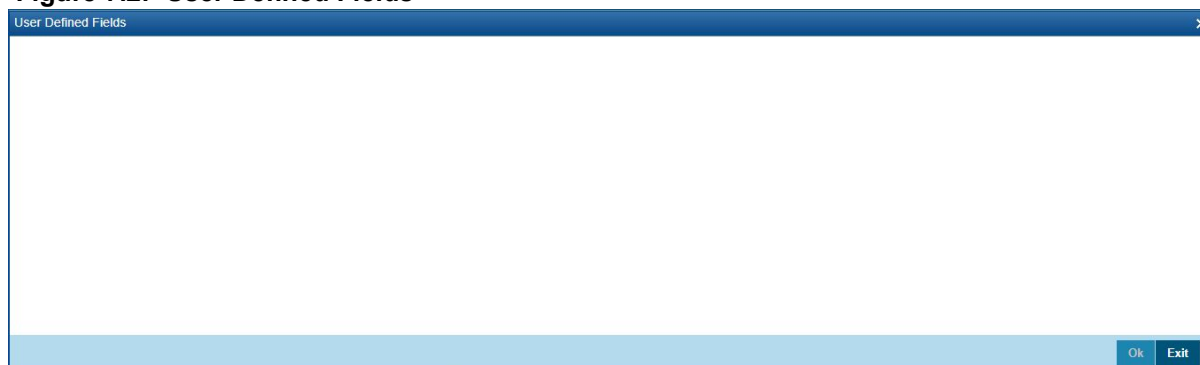
### 7.2.0.2 Banker's Acceptance

Indicate whether or not the SK location can be used for a Banker's Acceptance portfolio. The settlement account maintained for this SK customer should be a GL Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances.

### 7.2.1 Specify SK Location Account

For every SK location that you maintain you can define multiple accounts. Apart from defining individual accounts for each security, you can also define separate accounts for customer and bank portfolios, for the same security. You can add to or delete from, the list of SK location accounts maintained. To add a new account, click the Add row button and enter the new SK Account Number. This number will be associated with the particular safe-keeping location, to track all future transactions involving the security. To delete an existing SK account, highlight the SK account number and click on the delete row button.

**Figure 7.2: User Defined Fields**



## 7.2.2 Making Query

Click the Search button in the Summary View screen to display the Query screen.

## 7.3 KEST

This topic contains following sub-topics:

- 1) [Computation of KEST](#)
- 2) [Define KESTYPE as a User Defined Field](#)
- 3) [Calculate of KEST for Customer Sell Type of Transactions](#)
- 4) [Calculate KEST for Customer Buy Type of Transactions](#)
- 5) [Specify KEST Type for a Customer](#)
- 6) [Specify KEST Rates in the Securities Price Definition Maintenance Screen](#)

### 7.3.1 Computation of KEST

KEST is a scheme of levying withholding tax on the income earned by the customers of your bank. This type of withholding tax is applicable only on incomes earned from securities. Some of the customers might directly pay the KEST amount to the Government. Under such circumstances, your bank need not calculate the KEST amount. However, for customers who are not paying the KEST directly to the Government, you can calculate the KEST amount. The KEST that has to be paid to the Government can be of two types:

- KEST A
- KEST B

The difference between KEST A and KEST B is that the rate of KEST B is slightly higher than KEST A.

The rate of KEST depends on the type of transaction:

- For normal security transactions, KEST will be a fixed percentage of the income earned by the customer.
- For mutual fund transactions, the rate is announced daily. Further, the rates for mutual fund will differ from one mutual fund to another. An external application called 'Data Provider' will provide the rates to Oracle Banking Treasury Management through an interface

### 7.3.2 Define KESTYPE as a User Defined Field

For every customer that you maintain in Oracle Banking Treasury Management, you need to specify:

- Whether the customer is paying the KEST directly to the Government
- Whether the customer is exempted from paying the KEST type (either A or B). This is used to calculate the KEST amount if the customer transacts in securities through your bank.

In Oracle Banking Treasury Management, factory shipped UDF's like KESTTYPE, KEST A and KEST B are available to capture the KEST type of a customer and KEST rates for each type. For every customer that you maintain in Oracle Banking Treasury Management, you need to specify:

- The user defined field KESTTYPE is associated with the function Id STDCIF, which represents the 'Customer Information Maintenance' screen.

- The user defined fields KEST A and KEST B are associated with the function Id SEDXMRAT, which represents the 'Security Price Definition Maintenance' screen.

### 7.3.3 Calculate of KEST for Customer Sell Type of Transactions

For a particular customer, if you have chosen the KEST type as KEST A or KEST B, the system will pick up an appropriate rate and the customer settlement account will be debited with the KEST amount in-case of customer sell type of transactions.

- For normal securities, the rate will be a pre-maintained fixed percentage (This is discussed in the subsequent sections of this document).
- In case of mutual funds, the rates are announced on a day-to-day basis. Therefore, the percentage will be provided by an external application 'Data Provider' to Oracle Banking Treasury Management through an interface.

### 7.3.4 Calculate KEST for Customer Buy Type of Transactions

If you have opted for KEST A or KEST B type of KEST for a customer, the system will obtain an appropriate rate and credit the customer's settlement account for customer buy type of transactions.

- For normal securities, the rate will be a pre-maintained percentage.
- In case of mutual funds, the rates are announced on a day-to-day basis. Therefore, the percentage will be provided by an external application 'Data Provider' to Oracle Banking Treasury Management through an interface.

### 7.3.5 Specify KEST Type for a Customer

This topic describes the systematic procedure to specify KEST Type for a Customer.

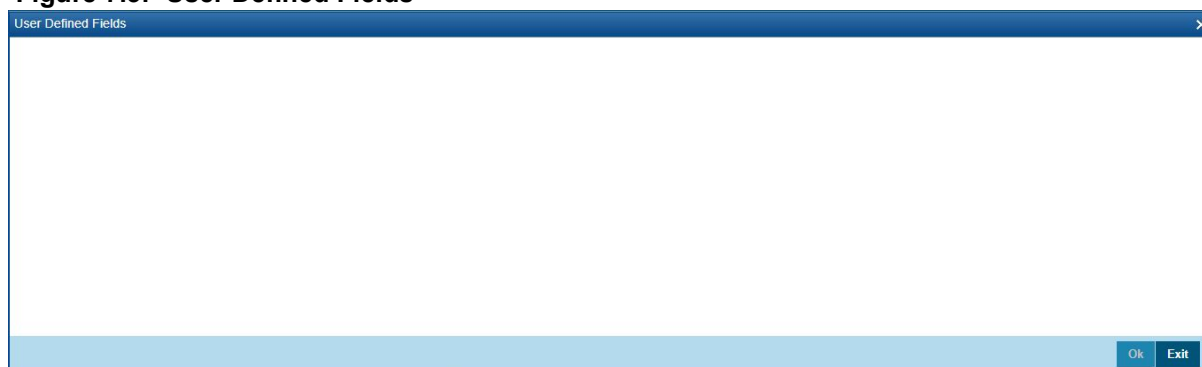
PREREQUISITE:

Specify **User ID** and **Password** and login to **Homescreen**.

From **Homescreen**, login to **Customer Information Maintenance** screen.

1. On **Customer Information Maintenance** screen, click Fields.

STEP RESULT: **User Defined** Fields is displayed.

**Figure 7.3: User Defined Fields**

Specify

- The customer is directly paying the KEST to the Government
- The customer has to be exempted from paying KEST
- The KEST type is A or B

### 7.3.6 Specify KEST Rates in the Securities Price Definition Maintenance Screen

This topic describes the systematic instruction to specify KEST Rates in the Securities Price Definition Maintenance Screen.

#### CONTEXT:

The current market price of various securities is maintained in the Market Price Definition screen. Further, you can update the market price of the securities through this screen. You need to specify the rates for KEST A and KEST B at the time of maintaining market prices. Therefore, at the time of defining a customer, you need to specify the type of KEST (whether A or B). During market price maintenance for a particular security, you indicate the actual rate for KEST A and KEST B.

#### PREREQUISITE:

Specify **User ID** and **Password** and login to Homescreeen.

From Homescreeen, login to **Securities Price Definition Maintenance** screen.

1. On **Securities Maintenance** screen, click Field to indicate rates for KEST A and KEST B.

**STEP RESULT:** The **Field Name to Value Definition** screen is displayed.

**Figure 7.4: User Defined fields**

Field Name	Value	Value Description
------------	-------	-------------------

2. On **User Defined Fields** screen, specify the fields.

The system will display the user defined fields KEST A and KEST B, if you have maintained these UDF's. Here, you need to indicate the actual rates for the two KEST types. Consequently, at the time of processing a security deal for a customer, the system will pick up the KEST rate from the market price maintenance based on the KEST type specified for the customer for a particular security code.

**NOTE:** The system displays the override 'KEST Rates are not entered' if you try to save the market price details without specifying the KEST rates.

## 7.4 Specify Generation of New SWIFT Messages

If you need to generate new SWIFT messages MT 540, 541, 542 or 543 for any transactions involving the transfer (receipt or delivery) of securities, for a counterparty, you must indicate this when you are maintaining the counterparty BIC codes, in the BIC Code Details screen. Indicate this by checking the ISO15022 box on the screen. If the messages MT 520, 521, 522 or 523 must be generated for any transactions involving the transfer (receipt or delivery) of securities, for the counterparty, you can leave the ISO15022 box unchecked to indicate the same.

## 7.5 List of Glossaries - Maintain Safe Keeping Locations

### SEDXSKLC

Securities Safe Keeping Location maintenance - [7.1.1 Maintain Safe Keep Location](#) (p. 75)



## 8. Build Branch and Currency Restriction Classes

This topic contains the following subtopics:

- 1)
- 2) [Process Branch and Currency Restrictions Class Screen](#)
- 3) [Specify the Customer Category Restrictions Class](#)

### 8.1 Restrictions as Classes

This topic contains following subtopic:

- 1) [Maintain Restrictions as Classes](#)
- 2) [Advantage of Defining Restrictions as Classes](#)

#### 8.1.1 Maintain Restrictions as Classes

From the head office of your bank, you can establish certain controls over your branch operations. You can achieve these controls by specifying restrictions. In Oracle Banking Treasury Management, you can define restrictions of the following types:

- The branches that can offer a service and the currencies in which an allowed branch can offer a service
- The customers who can avail a service

A set of restrictions grouped is referred to in Oracle Banking Treasury Management as a Restriction Class. You can maintain several restriction classes of branch and currency and several classes of customer restrictions. To every product created, you can attach these restriction classes. If restricted, a product can only be used by those branches and offered only in those currencies that you allow. Only those customers that you allow, can avail a service.

For example, suppose that you offer a special portfolio management facility, christened Safe Fast Buck.

Requirement

- You would like to offer this facility only in select branches
- You would like to offer this facility only in the local currency the GBP
- You would like to offer this service only to individuals

**Set up:**

Maintain the restrictions as follows:

- Maintain a restriction class of branches and currencies (in this case, only GBP) that you would like to allow:  
Class\_A
- Maintain a restriction class of customer categories that you would like to allow: Class\_B

You can associate these classes (Class\_A and Class\_B) with the product, Safe Fast Buck.

**Result:**

- Only those branches that you have allowed can offer Safe Fast Buck
- Allowed branches can offer Safe Fast Buck only in GBP

- Only Individuals can avail Safe Fast Buck

### 8.1.2 Advantage of Defining Restrictions as Classes

By maintaining classes, you give yourself the flexibility of applying the same restriction classes on several services that you offer. You do not have to define restrictions for each service that you offer.

## 8.2 Process Branch and Currency Restrictions Class Screen

This topic describes the systematic instruction to process branch and currency restrictions class screen.

#### CONTEXT:

You can maintain branch and currency restrictions in the **Product Branch** and **Currency Restrictions Class Maintenance** screen, invoked from the Application Browser.

#### PREREQUISITE:

Specify **User ID** and Password, and login to Homescreeen.

1. On Homescreeen, specify **CSDCBRCL** in the text box, and click next arrow.

STEP RESULT: **Branch Currency Restrictions Class Maintenance** screen is displayed.

**Figure 8.1: Branch Currency Restrictions Class Maintenance**

2. On **Branch Currency Restrictions Class Maintenance** specify the fields.

For more information on fields, refer to [Table 8.1: Branch Currency Restrictions Class Maintenance - Field Description](#)

A Branch and Currency Restrictions Class is identified by a unique Code and a Description. The branch and currency restriction classes that you maintain have to be specific to a module in Oracle Banking Treasury Management. This is because a class maintained for one module would be unsuitable for another. For instance, you may choose to allow loan facilities in some branches, but disallow these branches from trading in securities.

**Table 8.1: Branch Currency Restrictions Class Maintenance - Field Description**

Field	Descriptions
<b>Maintain Branch Restrictions</b>	<p>A branch restriction class identifies a unique list of allowed or disallowed branches. At your head office, you can associate a product that you propose to offer with any Branch and Currency Restriction Class that you have maintained. The branch and currency restrictions defined for the class will apply to the service.</p> <p><b>NOTE:</b> Any product that your bank offers is available to all branches, by default, unless you specifically restrict its availability.</p>

Field	Descriptions
<b>Choosing the List Type</b>	Specify branch restrictions either in the form of an allowed list or in the form of a disallowed list. When you associate a restriction class, defined as an allowed list, with a product, those branches that do not figure in the list cannot offer the service. If you have maintained a disallowed list for a class, branches that do not figure in it can offer the service. For example, suppose that you have a network of twenty branches. You would like to exclude six branches from trading in securities. You would like all other branches to deal in securities. Since there are more branches that can offer the facility than those that cannot, you can opt to maintain a disallowed list, and include the six disallowed branches in it. Indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option. Specifying a Branch to be Allowed/Disallowed Under Branch Restriction, click add the icon to display the list of available Branch Codes and Its Descriptions through its options list. From this option list, you can select the Branch Code to be Allowed/Disallowed.
<b>Maintaining Currency Restrictions</b>	A currency restriction identifies a unique list of allowed or disallowed currencies. When creating a product at your head office, you can associate it with any Branch and Currency Restriction Class that you have maintained. The branch and currency restrictions defined for the class will apply to the product.
<b>Choosing the List Type</b>	Specify currency restrictions either in the form of an allowed or a disallowed list. Branches can deal only with products that figure in the allowed list. Branches cannot deal with products that figure in a disallowed list. Specifying a Currency to be Allowed/Disallowed Under Currency Restrictions, click add an icon to display the list of available Currency Codes and Its Descriptions through its options list. From this option list, you can select the Currency Code to be Allowed/Disallowed. Click Cancel to delete your specifications.

---

## 8.3 Specify the Customer Category Restrictions Class

Group your customers according to the common features that they share. For example, customers can be grouped into:

- Banks
- Corporates
- Financial Institutions (excluding banks)
- Individuals

Each group may be referred to as a customer category. A customer restriction class identifies a unique list of customer categories that can avail of a service. When building service, at your head office, you can associate it with any Customer Restriction Class that you have maintained. The restrictions defined for the class will apply to the service.

### 8.3.1 Process Customer Category Restrictions Class screen

This topic describes the systematic instructions about Customer Category Restrictions Class screen

#### CONTEXT:

You can maintain a list of either allowed or disallowed Customer Categories in the Customer Category Restrictions Class screen. This screen can be invoked from the Application Browser.

#### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, type **CSDCUCCL** in the text box, and click next arrow.

STEP RESULT: **Customer Restriction class Maintenance** screen is displayed.

Figure 8.2: Customer Restriction Class Maintenance screen

Customer Restrictions Class Maintenance

New

Enter Query

Module \*

Description

Class Code \*

Description

Restriction Type ☒ Allowed ☐ Disallowed

Customer Categories

Code \*

Description

Customer Access Class

Customer Id \*

Category

Customer Name

Restriction Type \*

Fields

Input By

Authorized By

Modification

Date Time

Date Time

Number

☐ Authorized

☐ Open

2. On **Customer Restriction Class Maintenance** screen, specify the fields.
- For more information on fields [Table 8.2: Customer Restriction Class Maintenance - Field Description](#)
- A Customer Category Restrictions Class is identified with a unique Code and a Description. The customer restriction classes maintained have to be for a specific module, in Oracle Banking Treasury Management. A class maintained, for one module would be unsuitable for another. For 8-5 instance, you may choose to offer trade finance facilities to certain customer categories but disallow these categories from availing your portfolio maintenance services.

**Table 8.2: Customer Restriction Class Maintenance - Field Description**

Field	Description
<b>Restriction Type</b>	Specify customer restrictions in the form of either an allowed list or a disallowed list. Customer categories that do not figure in an allowed list, cannot avail that service (associated with the customer restrictions class). Customer categories that do not figure in a disallowed list can avail of the service.
<b>Exempting Specific Customers belonging to a Category</b>	Exempt customers, belonging to a particular category, from the allowed or disallowed list. For example, suppose that you have maintained Financial Institutions as a customer category and you do not want Financial Institutions to avail of a service that you offer. You can maintain a disallowed list, in the Customer Category Restrictions Class screen, and include Financial Institutions in the list. However, you would like Cavillieri and Barrett Inc., a financial institution to avail of this service.

## 8.4 List of Glossaries - Build Branch and Currency Restriction Classes

### CSDACTCL

Branch Currency Restriction Class Maintenance - [8.2 Process Branch and Currency Restrictions Class Screen](#) (p. 84)

### CSDCUCCL

Customer Restriction Class Maintenance - [8.3.1 Process Customer Category Restrictions Class screen](#) (p. 87)

## 9. Accounting Role to Head Mapping Class

### 9.1 Introduction

The general ledgers and sub-ledgers that your bank maintains are defined in the Chart of Accounts. For instance, assume that you have maintained the following GLs, in the Chart of Accounts:

**Table 9.1: Chart Account**

Name of the GL	GL Code in Oracle Banking Treasury Management
Outright Asset GL	OUTASSTGL
Outright Liability GL	OUTLIABTY
Realized Trading Profit	RETRP0001
Realized Trading Loss	RETRL0001
Unrealized Revaluation Profit	RELREVP01
Unrealized Revaluation Loss	RELREVL01

To each GL, you can link more than one sub-ledger. For example, assume you have linked the following SLs to the Outright Asset GL:

**Table 9.2: Chart Table**

Name of the SL	SL Code in Oracle Banking Treasury Management
Long Term Bonds	OUTASST01
Medium Term Bonds	OUTASST02
Short Term Bonds	OUTASST03

In Oracle Banking Treasury Management, GL/SLs are broadly referred to as Account Heads.

This topic contains the following sub-topics:

- 1) [General Ledger Types](#)
- 2) [Accounting Roles and Heads Class](#)
- 3) [Event Class](#)

### 9.2 General Ledger Types

The GL/SLs, maintained in the Chart of Accounts can be classified into different categories. The following are examples of the broad categories into which GLs fall:

- Asset
- Liability
- Realized Profit



- 
- Realized Loss
  - Income
  - Expense
  - Contingent Asset
  - Contingent Liability
  - Position GL
  - Position Equivalent GL

These categories are referred to as 'Accounting Roles' in Oracle Banking Treasury Management.

## 9.3 Accounting Roles and Heads Class

Every product maintained would impact specific accounting heads (GLs). These heads are unique to a product. For instance, if you have maintained ahead Medium-Term Bonds, only deals involving medium-term bonds would be reflected under the head. Similarly, you could maintain ahead for a specific portfolio. All accounting entries relating to the portfolio will be passed to the head maintained for the portfolio. You can identify all the heads specific to a product and indicate their roles, individually, when you build a Class of Accounting Roles and Heads. A class, in this case, identifies the body of GLs unique to a product. A class of accounting heads can be associated with a product that you have maintained. All deals and portfolios involving the product will be reported under the heads that you specify.

This topic contains the following sub-topics:

- [Advantage of Building Accounting Roles and Heads Classes](#)
- [Maintain an Accounting Roles and Heads Class](#)
- [Map Roles to Heads](#)

### 9.3.1 Advantage of Building Accounting Roles and Heads Classes

While entering into a deal, one or more GLs have to be debited, and one or more GLs would have to be credited. For example, when you sell securities into a customer portfolio, you could do the following:

- Debit the Customer Account
- Credit the Bridge
- Credit the Tax Payable GL

- Credit the Income Charge

Every time you enter into a deal involving a product, you do not have to specify the account heads (GLs) involved. The heads identified for the class to which you associate the product will automatically be picked up.

### 9.3.2 Maintain an Accounting Roles and Heads Class

This topic describes the systematic procedure to maintain account roles and head class.

#### CONTEXT:

Classes of accounting roles and heads can be built, in the Accounting Role to Head Mapping Class Maintenance screen. In this screen, you can:

- Specify a list of accounting roles
- Map these roles to the appropriate account heads (GLs)

#### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **CSDRHCLM** in the text box, and click next arrow.

**STEP RESULT:** **Role to Head Mapping Class Maintenance** screen is displayed.

**Table 9.3: Role to Head Mapping Class Maintenance**

2. On **Role to Head Mapping Class Maintenance** screen, specify the fields.

Each class that you maintain can be identified by a unique Class Code and a brief description. Ideally, this description facility would be used to specify the product for which you are building the class. This would help you easily associate a product with the class built for it. For example, suppose that you offer a portfolio maintenance facility to individuals. An accounting role and head class can be built specifically for this service. When building the class you can assign it a unique code, Port\_In\_01 and describe this Accounting Role and Head class as Class for Portfolio Maintenance of Individuals. You can indicate that this class is specifically for the Securities module. When defining the accounting roles and heads for the portfolio service in the Securities module, Port\_In\_01 will be available to you. You can associate the service with Port\_In\_01.

### 9.3.3 Map Roles to Heads

Choose a role by double-clicking on it. Now, you have to associate the role with an account head (a GL). Choose a particular head, by double-clicking on it. Choosing add icon confirms the association of a role with the corresponding

head in the Accounting Head column. If you would like to disassociate a role and ahead, choose the delete icon. Similarly, you can associate all heads, which you would like to include in a class, with a role.

## 9.4 Event Class

A deal goes through different stages in its life cycle, such as:

- Deal booking
- Money Settlement of Securities Deal
- Settlement of Securities Deal
- Reversal of Securities Deal
- Cancellation of Securities Deal, etc.

Each stage is referred to as an Event, in Oracle Banking Treasury Management.

The following are examples of the events for a portfolio that you maintain:

- Booking of Contingent Asset
- Accrual of Discount Earned
- Accrual of Interest Earned
- Forward Profit and Loss Accrual

At an event, you may want to generate advices or post accounting entries. For instance, when you settle a deal (a Money Settlement Event), you would:

- Pass the requisite entries
- Print a payment advice

Define the accounting entries and advice to be passed for a set of events, as an Event Accounting Entries and Advices Class. An Events Class can be associated with a deal or portfolio product that you have maintained. At an event, in the life cycle of a deal relating to a product, or a portfolio, the appropriate entries will be passed. Advices will be generated as defined, for the associated events class.

This topic contains the following subtopics:

- 1) [Maintain an Event Accounting Entries and Advices Class](#)

### 9.4.1 Maintain an Event Accounting Entries and Advices Class

This topic describes the systematic instructions to maintain event accounting entries and advice class.

#### CONTEXT:

An Events Class is identified with a unique Code and a Description. 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. For instance, events like Securities Purchase from Long Position and Accrual of Securities Discount Earned are specific to Portfolios in the Securities module. Therefore, to build an Events Class that you would associate with a service offered in the Securities (Portfolio) module, choose the event from a list of events specific to the Securities (Portfolio)

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.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreen.

1. On Homescreen, specify **CSDACTCL** in the text box, and click next arrow.

STEP RESULT: **Event Class Maintenance** screen is displayed.

**Figure 9.1: Event Class maintenance Screen**

The screenshot shows the 'Events Class Maintenance' window. It has a title bar with a diamond icon and standard window controls. Below the title bar is a 'Save' button. The main area contains several input fields: 'Class Code \*', 'Class Description', 'Module \*', and 'Module Description'. Below these is a section titled 'Event Class' which 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 'Accounting Entries' tab is selected. Below the tabs, there are several fields and checkboxes: 'Input By DOC1', 'Authorized By', 'Modification Number', 'Date Time', and 'Date Time'. There are also checkboxes for 'Authorized' and 'Open', and a 'Cancel' button.

2. On **Event Class Maintenance** screen, specify the fields.  
For every event constituting the class being built, you have to specify the accounting entries that should be passed (if any), and the advice that should be generated.
  3. On **Event Class Maintenance** screen, click **Accounting Entries**
- STEP RESULT: **Accounting Entries** screen is displayed.

**Figure 9.2: Accounting Entries**

4. On **Accounting Entries** screen, specify the fields.

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

- The accounting role
- The amount item
- If a debit or a credit
- The transaction code
- If the entries are to be netted
- The MIS Head

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.

**Table 9.4: Accounting Entries - Field Description**

Field	Description
<b>Specifying the Amount Tag</b>	The amount (i.e. the principal, the brokerage, the charge amount, 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. Process a list of the number of tags that are maintained in the Amount Tag field. You can choose a tag by double-clicking on it.
<b>Indicating if a debit or credit</b>	You have already specified the type of account to which an entry should be passed, and the tag which identifies the amount (principal, brokerage, the charge amount, 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.
<b>Transaction Codes</b>	Every accounting entry in Oracle Banking Treasury Management involves a Transaction Code that describes the nature of the entry. This code and its description are available whenever you retrieve contract information in reports such as the Transaction Journal. The transaction code must be indicated in this field. Click the adjoining option list icon, to invoke a list of the transaction codes that are maintained. Double click on the Code that you would like to enter in this field. The Transaction Code for both legs of the transaction would be the same.
<b>Netting</b>	If two or more accounting entries for a particular event are to be passed to the same account and on the same Value Date, these entries can be netted while posting to the account. Specify whether such entries should be netted in this field by choosing either the Yes or the No indicator. Clicking the add icon confirms the association of an accounting role with the corresponding Amount Tag, Transaction Code, MIS Head, and the Debit/Credit and Netting indicators. If you would like to disassociate a role from the other details, click the delete icon.

5. On **Events Class Maintenance** fields, click **Advice**.

STEP RESULT: **Advice** screen is displayed.

**Figure 9.3: Advice screen**

6. On **Advices** screen, specify the fields.

**Table 9.5: Advice screen - Field Description**

Field	Description
Indicating the Advices to be Generated	Define the advices that you would like to generate for an event, in the Advice Name column.
Indicating when the Advice is to be Generated	You now need to indicate when the advice that you have chosen needs to be generated. To do this, you have to choose either the Input or the Authorize option from the Generation Time Field. You can also set the priority with which the advice should be generated. To suppress advice, choose the Yes option in the Suppress column.

## 9.5 List of Glossaries - Accounting Role to Head mapping Class

### CSDRHCLM

Road to Head Mapping Class Maintenance - [9.3.2 Maintain an Accounting Roles and Heads Class](#) (p. 92)

### CSDACTCL

Event Class Maintenance - [9.4.1 Maintain an Event Accounting Entries and Advices Class](#) (p. 94)



## 10. Define Security Preference Classes

### 10.1 Introduction

Preferences are the options available for defining the attributes of a security. The following are some of the preferences that you can indicate for security:

- The Market of Issue
- The tenor
- If there are Call' and 'Put' options associated with the security
- If you can trade the security in fractional quantities
- The lot size in which the security can be traded (say multiples of 10)
- If the coupon frequency is periodic (and, if yes, the actual frequency)
- If you would like to automatically initiate Corporate Actions for the security

It is your preferences that give security its distinctiveness. You can maintain several sets or classes of security preferences. Thus, you can maintain a class of preferences for short-term zero-coupon bonds, another for medium-term zero-coupon bonds, a third for long-term zero-coupon bonds, and so on. When defining a security product of a certain type, say short-term zero-coupon bonds, you only need to associate it with the appropriate preference class defined. The product will acquire, by default, all the attributes defined for the class associated with it. You can change these default attributes to suit specific security products.

This topic contains the following sub-topics:

- 1) [Specify Security Product Preference Class](#)
- 2) [Define Deal Limits for a Preference Class](#)
- 3) [Define Security Conversion Rule](#)

#### 10.1.1 Security Product Preference Classes

This topic contains the following sub-topics:

- 1) [Specify Security Product Preference Class](#)
- 2) [Capture Information Specific to a Security Type](#)
- 3) [Indicating Banker's Acceptance](#)
- 4) [Capture Trade-Related Information](#)
- 5) [Identifying the Holder](#)
- 6) [Specify the Material of a Security](#)
- 7) [Indicate the Price Code for Revaluation](#)
- 8) [Tenor Details](#)
- 9) [Capture SWIFT Related Information](#)

## 10.1.2 Specify Security Product Preference Class

This topic describes the systematic instruction to specify security product preference class.

CONTEXT:

Security preference classes are maintained in the Security Product Preference Class Definition screen, which is invoked from the Application Browser.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXSECL** in the text box, and click next arrow.

STEP RESULT: **Securities product Preference Class Definition** screen is displayed.

**Figure 10.1: Securities product Preference Class Definition**

2. On **Securities Product Preference** screen, specify the fields.

For more information on fields, refer to [Table 10.1: Securities Product Preference - Field Description](#)

**Table 10.1: Securities Product Preference - Field Description**

Field	Description
<b>Class Code</b>	Identify a security preference class that you build with a unique ten-character Class Code. You can follow your convention for devising the code.
<b>Description</b>	Briefly describe the Security Preference Class that you are defining. The description that you specify is for information purposes only and will not be printed on any customer correspondence.

Field	Description
<b>Market of Issue</b>	<p>For a Securities Preference class, you can identify a Market of Issue. Only a market maintained in the Markets Maintenance screen can be specified. Your specification here will default to the security products associated with the class. However, when defining a product, while retaining the other preferences that default from the associated class, you can change the default market.</p> <p>All securities maintained under a product, by default, will also be associated with the market specified for the product. However, when maintaining securities under a product, in the Securities Definition screen, you can identify different markets.</p>
<b>Security Type</b>	<p>The first preference defined for a class is the Security Type. Securities can be broadly classified into the following types:</p> <ul style="list-style-type: none"> <li>• Bonds</li> <li>• Zero Coupon Bonds</li> <li>• Equities</li> <li>• Rights</li> <li>• Warrants</li> </ul> <p>By indicating the security type, you restrict the application of a class on the products of a particular type. For instance, you can associate a Security Preference Class with the Security Type defined as Bonds, only on products maintained for bonds. The security type specified also determines the other references that you can define, for a preference class. For example, if you indicate the security type as Bond, you can also define details relating to interest.</p>
<b>Interest Details of bond</b>	<p>When maintaining a preference class for bonds, you must define interest-related details. These interest details will default to the security (bond) product with which you associate the class. These default interest details can be modified to suit the product.</p>

Field	Description
<b>Interest type</b>	<p>If you have indicated the security type for a preference class as Bond, you should also indicate the Type of Interest. It could be one of the following:</p> <ul style="list-style-type: none"> <li>• Fixed</li> <li>• Floating</li> </ul> <p>After defining the interest details, you can indicate the Coupon and Interest Rate Revision details.</p>
<b>The Interest Quotation Method</b>	<p>The Interest Quotation Method for a bond can be either of the following:</p> <ul style="list-style-type: none"> <li>• Flat</li> <li>• Plus Accrued</li> </ul> <p>When the interest component is included in the market price of a security, the quotation method is referred to as Flat. A flat price of a security is also referred to as the Dirty Price. When the interest component is excluded from the market price of a security, the quotation method is referred to as Plus Accrued.</p>

Field	Description
<b>Specifying the Coupon Frequency</b>	<p>When building a class of preferences, you can indicate if the coupons due for a bond are periodic. Coupons for bonds (maintained under the products with which you associate the preference class) will be calculated according to the periodicity that you specify. For an interest-bearing bond, with a periodic coupon, you must indicate the Coupon Frequency. Some coupon frequencies are listed below:</p> <ul style="list-style-type: none"><li>• Weekly</li><li>• Monthly</li><li>• Once in two months</li><li>• Quarterly</li><li>• Once in four months</li></ul> <p>If you indicate that the coupon frequency is weekly, you should also indicate the day on which the coupon is due. For instance, you can have a bond with a weekly coupon that is due on Wednesdays. If the coupon frequency is in terms of a month, you can choose to indicate that the coupon days should adhere to Month Ends. The implication of this option is explained in the following example.</p>

Field	Description
	<p>You would like to maintain a product for Periodic Interest-bearing Bonds. The coupon frequency for securities maintained under this product is Half-yearly. You are defining a preference class that you would like to associate with this product, amongst others. In the Product Preference Class Definition screen, in the Security Type field, choose the Bonds option and the Periodic Coupon option. Now, you can specify the Coupon Frequency, as Half-yearly. You can opt to indicate that the coupon dates should adhere to month ends. Let us study the impact of the Adhere to Month End option, with relation to a security that you have maintained under the product. Assume the Issue Date of the Security is 30 June 2000, and the Maturity Date is 30 June 2002. The coupon frequency is half-yearly.</p> <p>If you choose the Adhere to Month End option:</p> <ul style="list-style-type: none"> <li>• 31 December 2000</li> <li>• 30 June 2001</li> <li>• 31 December 2001</li> <li>• 30 June 2002</li> </ul> <p>If you do not choose the Adhere to Month End option: The coupons for this security would be due on the following dates:</p> <ul style="list-style-type: none"> <li>• 30 December 2000</li> <li>• 30 June 2001</li> <li>• 30 December 2001</li> <li>• 30 June 2002</li> </ul> <p>The coupon due dates for all securities maintained under the product (with which you associate the preference class) will be calculated similarly, depending on the option you choose.</p>

Field	Description
<b>Interest Rate Revision Frequency</b>	<p>You can revise the interest rates for bonds with floating interest. The revision frequency can be different from the coupon frequency and is referred to as an Asynchronous (interest rate) Revision.</p> <p>Asynchronous revision can be:</p> <ul style="list-style-type: none"> <li>• Periodic</li> <li>• Non-periodic</li> </ul> <p>As part of your preferences for a Security Class, you can indicate Interest Rate Revision details. The revision details defined for the class will apply on all securities maintained under a product (with which you associate the class).</p> <p>10-5 By default, interest rates will be revised according to the coupon frequency defined for a bond. If you would like to revise the interest rates at a different frequency, choose the Allow Asynchronous Revision option. If the asynchronous revision of rates is periodic, click on the Periodic Revision option, and specify the Revision Frequency. For a frequency that is weekly, indicate the day on which the revision is due. (For instance, you could indicate that the interest rates for securities should be revised every Monday.) If the revision frequency is in terms of a month, you can choose to indicate that the revision days should adhere to Month-Ends. The implication of this option is explained in the following example.</p>

Field	Description
	<p>For example, You are defining a Security Preference Class that you would like to associate with a Security Product. You have maintained several securities under this product. We shall study the impact of the Adhere to Month End option concerning security maintained under the Product. Assume the Issue Date of the security (with floating interest and an asynchronous rate revision) is 01 January 2000, and the Maturity Date is 31 December 2000. You have specified that the interest rate revision frequency is quarterly. If you choose the Adhere to Month End option: The rate revisions for this security, would be due on the following dates:</p> <ul style="list-style-type: none"> <li>• 31 March 2000</li> <li>• 30 June 2000</li> <li>• 30 September 2000</li> <li>• 31 December 2000</li> </ul> <p>If you do not choose the Adhere to Month End option: The rate revisions for this security would be due on the following dates:</p> <ul style="list-style-type: none"> <li>• 31 March 2000</li> <li>• 30 June 2000</li> <li>• 30 September 2000</li> <li>• 30 December 2000</li> </ul> <p>The rate revision dates for all securities maintained under the product (with which you associate the preference class) will be calculated similarly. If the interest rates for securities should be revised on a non-periodic basis, you should leave the Periodic Revision option blank. You can capture the revision details for a security with non-periodic rate revision, in the Security Online Definition screen.</p>

### 10.1.3 Capture Information Specific to a Security Type

#### If the Security Type is 'Bond'

Specified the Security Type for a class as Bond, you can indicate if Call and Put options would be available.

The issuer of a bond may also offer the option of converting the bond into shares or equities.

Such bonds are referred to as Convertible bonds. When defining a Security Preference Class, with the Type as Bond, you can capture this information by choosing the Convertible option.

Redemption

- Series
- Quantity



- Bullet

The Redemption Mode that you specify for a class, will default to the products that you associate with the class. When defining the redemption mode for a specific product, you can change the default redemption mode.

#### **If the Security Type is Equity**

The issuer of equity can grant a holder, voting rights. You can capture this information when defining a Security Preference Class with the Security Type, Equity. The holders of all equities maintained under a product, by default, will have voting rights. You can change these default attributes when maintaining the product.

#### **If the Security Type is Right or Warrant**

Rights and Warrants can be renounced. To capture this information at the Security Preference class level, you can choose the Renouncable option.

### **10.1.4 Indicating Banker's Acceptance**

You can indicate whether or not the security that is defined under the product, which is based on this class, can be used for a Banker's Acceptance deal. This implies that you can fund the issuer of the security through a loan contract or a money market placement deal. You can also trade in the security on your behalf.

You will be allowed to select this option only if the Security Type is Zero Coupon Bond.

### **10.1.5 Capture Trade-Related Information**

Based on the security type, the information for security is captured.

If the Security Type is 'Bond'

If you specified the Security Type for a class as Bond, you can indicate if Call and Put options would be available.

The issuer of a bond may also offer the option of converting the bond into shares or equities. Such bonds are referred to as convertible bonds. When defining a Security Preference Class, with the Type as Bond, you can capture this information by choosing the Convertible option.

#### **Redemption Type**

Indicate the mode of redemption. An issuer can redeem bonds in three ways:

- Series
- Quantity

- Bullet

The Redemption Mode that you specify for a class, will default to the products, that you associate with the class. When defining the redemption mode for a specific product, you can change the default redemption mode.

**If the Security Type is equity**

The issuer of equity can grant a holder, voting rights. You can capture this information when defining a Security Preference Class with the Security Type, Equity. The holders of all equities maintained under a product, by default, will have voting rights. You can change these default attributes when maintaining the product.

**If the Security Type is Right or Warrant**

Rights and Warrants can be renounced. To capture this information at the Security Preference class level, you can choose the Renouncable option.

**10.1.6 Indicate Banker's Acceptance**

Indicate whether or not the security that is defined under the product, which is based on this class, can be used for a Banker's Acceptance deal. This implies that you can fund the issuer of the security through a loan contract or a money market placement deal. You can also trade in the security on your behalf. You will be allowed to select this option only if the Security Type is Zero Coupon Bond.

Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances.

**10.1.7 Capturing Trade-Related Information**

You can define the minimum quantity in which security should be traded when building a Security Preference class. In the Lot Size field, you can enter your specifications. Your specification will apply, by default, to all products with which you associate the class (and, in turn, to all securities maintained under the product). However, this default attribute can be changed, when defining the preferences for a security product.

**Quantity Quotation**

Securities can be quoted in the following terms:

- Units (Example, 500 units of a security)

- Nominal (Example, securities worth USD 5000 of face value)

When building a preference class, you can enter the preferred quotation method. This method will default to all products with which you associate the class. The default value can be changed. Security, maintained under a product acquires the quotation method specified for the product.

If you choose the Units Quotation option, you can also indicate if the securities can be traded in fractional units. You can specify the fractional units in the 'Decimals' field. Deals entered in fractional units of securities will be validated against the decimal value that you enter here.

### Price Quotation

The method in which price is quoted, is a feature of the market where a security is traded. Each market may use a particular price quotation method. The price of a security can be quoted in the following ways:

#### Price

in this method, the total price of the security is quoted. The total price can be expressed as: (Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is 'Flat')

% Price

the price is quoted as a percentage. The same is expressed as follows:

% Price

% Price = (Market price / Face value) x 100

% Discount - in this case, the price is quoted on the basis of the discount percentage at which the security is bought or sold.

% Premium - in this case, the price is quoted on the basis of the premium percentage at which the security is bought or sold.

Premium - the price in this method is quoted on the basis of the premium at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

Discount - the price is quoted on the basis of the discount at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

YTM - the price is quoted on the basis of its yield to maturity. In Oracle Banking Treasury Management, this price quotation method applies only on Zero Coupon Bonds. The yield on a discounted instrument is measured by its yield to maturity (YTM). YTM is the yield on a security calculated from the purchase date to its maturity. The YTM changes with the market price. In case the market price increases above the straight discounted price, YTM would decrease, and vice versa. Using this quotation method, the price is calculated as follows:

$$YTM = \frac{(\text{Face Value} - \text{Purchase price}) * \text{Days in a Year}}{\text{Price} * \text{Days to maturity}}$$

The deal amount is determined based on the deal quantity and the price quotation method. Irrespective of the price quotation method used, the net result is always the same. For a Security Preference Class, you can identify a Price

Quotation method. During trade, the securities maintained under a product (with which you associate the Preference Class) will, by default, be quoted in the manner that you specify. However, when maintaining a security, you can identify its price quotation method.

### 10.1.8 Identifying the Holder

The holder of a security can be either of the following:

- The registered
- The Bearer

If you would like the securities maintained under a product (with which you associate the Securities Preference Class you are defining) to be 'Bearer' type securities, choose the 'Bearer' option. Else, choose the 'Registered' option. However, when defining a product, while retaining the other preferences that default from the associated class, you can change the default Registered/Bearer indicator. While maintaining a security under a product, in the Securities Definition screen, you could choose to retain the defaulted Registered/Bearer indicator.

## 10.2 Specify the Material of a Security

Securities can be in different formats:

**Table 10.2: Securities**

Option	Description
Script-based	Issued in a paper format
Dematerialized	In an electronic format
Immobilized	Securities in lieu of which proxies are traded
Combination	Issued in one or more of the above formats

## 10.3 Indicate the Collateral Type

A customer can offer you securities as collateral against a liability. In the Central Liability module of Oracle Banking Treasury Management, you can categorize different types of securities into Collateral Types. For example, you can define Government Bonds as one type of collateral, and Corporate Bonds as another type.

For a preference class, you can indicate a Collateral Type. All securities maintained under a product (with which you associate the preference class) will fall under the Collateral Type that you specify.

## 10.4 Opting for Automatic Initiation of Corporate Actions

Check against the option Auto Initiation of Corporate Action, to indicate that corporate action for securities should be automatically initiated. On choosing this option, corporate actions for

a security will be automatically initiated on the due dates that you specified. If you do not choose this option, you have to manually initiate all corporate actions required

for a security.

### 10.4.1 Indicate the Price Code for Revaluation

Every security that you deal with must be associated with a Price Code. A Price Code identifies the price of security in a specific market. To ascertain the value of a security, concerning the prevailing market rates, you need to constantly revalue it. When defining a Preference class, specify the Price Code that you Option Description Scrip-based Issued in a paper format Dematerialized In an electronic format Immobilized Securities instead of which proxies are traded Combination Issued in one or more of the above formats 10-9 would like to use, to revalue securities. The value of a security in a market, will be determined concerning the current rates of the corresponding price codes.

## 10.5 Tenor Details

Specify tenor details for the Security Preference Class being defined. The tenor can be in terms of:

- Days
- Months
- Years

Securities maintained under a product should adhere to the minimum and maximum tenor limits that you specify here. For example, if you specify the tenor in Days, specify the Minimum Tenor as 2, and the Maximum Tenor as 100, the system ensures that the period between the Issue Date and the Redemption Date does not exceed 100 days.

### 10.5.1 Capture SWIFT Related Information

If trade is restricted

Ownership or transfer of a security can be subject to restrictions imposed by the Issuer or Market. You can indicate if trade involving the securities maintained under a product is Restricted. You can choose the Restricted option to indicate this. Securities with trade restrictions will be reported as such, in the

If the position has been covered

You can allow or disallow selling (of a security) from a short position. Enter this information when building a Preference Class. Your specification will default to all securities maintained under products. This default can be changed. Choose the Covered option if your positions (on securities) should be covered. By not choosing the 'Covered' option,

you indicate that securities (maintained under products with which you associate the class) can be sold from a short position. This attribute of a security will be reported in Field 17B of the Market-Side Securities Trade Confirmation message (MT 518), generated for deals involving the security.

## 10.6 Define Deal Limits for a Preference Class

This topic describes the systematic instructions to define deal limits for a preference class.

### CONTEXT:

You may not want to sell a security at a deal price that varies beyond a limit, with respect to the market price. In Oracle Banking Treasury Management, you can ensure this by defining currency-wise deal price variance limits for a security preference class. These limits will apply to the securities maintained under products with which you associate the class.

### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

From Homescreeen, login to **Security Product Preference Class** screen.

1. On **Security Product Preference Class** screen, click Limits.

STEP RESULT: **Limits** screen is displayed.

**Figure 10.2: Limits**

On **Limits** screen, specify the fields.

For more information on screens, refer below table.

**Table 10.3: Security Product Preference Class - Field Description**

Field	Description
<b>Currency</b>	<p>When building a Security Preference Class, you can define deal price limits in several currencies. Deals involving securities in the currency will be governed by the limits that you define for the currency.</p> <p>In this screen, you can express deal price limits in terms of:</p> <ul style="list-style-type: none"> <li>• Positive and Negative Overrides (percentage)</li> <li>• Positive and Negative Exceptions (percentage)</li> </ul>
<b>Positive Override</b>	Indicates the upper override limit.
<b>Negative Override</b>	<p>Indicates the Lower override limit.</p> <p>With respect to the market price, if the deal price of a security varies beyond the Override Limits (positive and negative), you can save the deal by providing an 'override'. All overrides provided at deal-time will be included in the reports that you generate for the deal. With respect to the market price, if the deal price of a security varies beyond the Exception Limits, you cannot save the deal.</p>

## 10.7 Define Security Conversion Rule

This topic describes the systematic instruction to define security conversion rule.

PREREQUISITE:

Specify **USER ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXCNRL** in the text box, and click next arrow.

STEP RESULT: **Security Conversion Rule Definition** screen is displayed.

**Figure 10.3: Security Conversion Rule Definition**

2. On **Security Conversion Rule Definition** screen, specify the fields.

**Table 10.4: Security Conversion Rule Definition**

Field	Description
<b>Conversion Rule Id</b>	Enter the conversion rule Id.
<b>Conversion Type</b>	Indicate the type of conversion that you are effecting. This release of Oracle Banking Treasury Management supports only securities splits. This implies that you can convert an existing security into on or several units of a new security. While re-denominating In currency securities to Euro, choose split as the conversion type. In Oracle Banking Treasury Management, the re-denomination of and In currency security to Euro is handled in the same way as a split.



Field	Description
<b>Process Status</b>	Specify the process status from the drop-down. The options available are; Processed Unprocessed Repair
<b>Security Id</b>	Specify the security ID from which the conversion is required.
<b>Ratio</b>	Specify the ratio from which the security needs to be converted.

## 10.8 List of Glossary - Define Security Preference Classes

### SEDXSECL

[10.7 Define Security Conversion Rule](#) (p. 114)

### SEDXCNRL

[10.7 Define Security Conversion Rule](#) (p. 114)

# 11. Maintain Portfolio Preference Class

## 11.1 Introduction

Preferences are the options that are available to you for defining the attributes of a portfolio. Based on the type of portfolio, (bank, customer, and issuer) you are defining the following are some of the preferences that you can define:

- The costing method to be used
- The accounting basis
- Accrual frequencies for components like premium, discount, forward profit or loss
- Revaluation preferences
- Limit tracking preferences

A set of such preferences can be grouped together into what we call in Oracle Banking Treasury Management, a 'Preference Class'. You can maintain several portfolio preference classes. The preferences that you define will shape a portfolio and give it a distinctness that is unique to the type it represents.

### The Advantage of Defining a Portfolio Preference Class

While creating a portfolio product, instead of specifying preferences for each product, you need to just associate the appropriate portfolio preference class to the product. All the attributes defined for the class will be made applicable to the portfolio product. You can change the defaulted preferences to suit the product. The preferences that you specify for a portfolio are comprehensive and cover all types of securities that can constitute it. Depending on the type of security the preferences will apply.

**NOTE:** Once defined, a portfolio preference class can be made applicable to any number of products.

This chapter contains the following sub-topic:

- 1) [Portfolio preference Class](#)

### 11.1.1 Portfolio preference Class

This topic contains the following sub-topic:

- 1) [Specify Portfolio Preference Class](#)

#### 11.1.1.1 Specify Portfolio Preference Class

This topic describes the systematic procedure to specify portfolio preference class.

##### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homepage.

1. On Homepage, specify **SEDXPFL** in the text box and click next arrow.

**STEP RESULT:** **Securities Portfolio Product Preference** screen is displayed.

**Figure 11.1: Securities Portfolio Product Preference**

2. On **Securities Portfolio Product Preference** screen, specify the fields.

**Table 11.1: Securities Portfolio Product Preference - Field Description**

Field	Description
<b>Class Code</b>	Specify a code to identify a class. In Oracle Banking Treasury Management, each portfolio preference class that you maintain is identified by a unique ten-character code called a Class Code. One of the characters of the code should necessarily be a letter of the English alphabet. You can follow your own convention for devising this code.
<b>Description</b>	specify a short description that will enable you to identify the portfolio preference class quickly. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.
<b>Portfolio Type</b>	<p>An important detail in defining a portfolio class is to specify the type of portfolio for which you are defining preferences. The portfolio type identifies the basic nature of a portfolio. In Oracle Banking Treasury Management you can set up the following type of portfolios:</p> <ul style="list-style-type: none"> <li>• A bank Portfolio</li> <li>• A customer portfolio</li> <li>• Issuer portfolio</li> </ul> <p>This is the basic feature of a portfolio and will determine the subsequent entries that you make. This preference will be defaulted to a portfolio product and subsequently to the securities portfolios to which the product is associated.</p>

Field	Description
<b>Costing Method</b>	<p>A costing method is used to determine your holding cost in a portfolio. While trading in the securities that constitute a portfolio, you can arrive at the profitable price at which you can trade, using one of the costing methods. You can indicate a costing method only if you are setting preferences for a bank type of portfolio. This is because you maintain the books of accounts only for a bank portfolio. Based on the preference of your bank you can select an option from the pick list.</p> <p>The costing method includes</p> <ul style="list-style-type: none"> <li>• Weighted Average Cost (WAC)</li> <li>• Last in first out (LIFO)</li> <li>• First in first out (FIFO)</li> <li>• Deal matching</li> </ul> <p>For an Issuer type of portfolio, the Weighted Average Cost (WAC) method will be applicable. The costing method preference does not apply to a customer portfolio as you merely perform a custodial function and are not involved with maintaining a book of accounts for the customer. To understand the accounting methods mentioned above we will examine an example and apply all the costing methods to it. The following deals have been struck for a bank portfolio: <a href="#">Table 11.2: Deals table</a></p>
<b>Weighted Average Cost (WAC)</b>	<p>The acquired cost of each security in a portfolio is maintained as an average cost. So the realized profit in this case would be computed as follows: <a href="#">Table 11.3: Weighted Average Cost</a></p> <p>The remaining 150 securities would be held at an average cost of \$95.83</p>

Field	Description
<b>Last in first out (LIFO)</b>	<p>In this method of cost accounting, the securities that have been bought last by a portfolio would be sold first. In this case the cost of the securities that have been sold would be \$96. <a href="#">Table 11.4: Cost Accounting Table</a></p> <p>The remaining securities would be held at:</p> <ul style="list-style-type: none"> <li>• 50 remaining out of deal B @ \$96</li> <li>• 100 remaining out of deal A @ \$95</li> </ul>
<b>First in first out</b>	<p>In this case the securities that have been bought first by a portfolio would be sold first. In this case the computation of accrued interest would remain the same but the cost of the securities that have been sold would be \$96. <a href="#">Table 11.4: Cost Accounting Table</a></p>
<b>Deal matching</b>	<p>In the case of deal matching you can indicate against which of the earlier buy deals the sell deal is to be matched. Thus the realized profit would change depending on the deals selected s the matched deals. We will consider one possibility, but in reality the number of combinations is infinite. <a href="#">Table 11.5: Cost Details</a></p> <p>The remaining securities would be held as</p> <ul style="list-style-type: none"> <li>• 50 remaining out of deal A @ \$95</li> <li>• 50 remaining out of deal B @ \$96</li> <li>• 50 remaining out of deal C @ \$96.5</li> </ul>
<b>Processing</b>	<p>Processing preferences refer to specifications that you indicate for the functioning of Oracle Banking Treasury Management. Based on the preferences that you indicate, Oracle Banking Treasury Management will validate or perform functions.</p> <p>The processing preferences that you can specify include:</p>

Field	Description
<b>Automatic Liquidation of Corporate Actions</b>	The corporate actions that are applicable for securities in the portfolio can be liquidated on the Event date (the date on which the corporate action is due). Check against this option to indicate that the corporate actions applicable to securities in a portfolio should be automatically liquidated on the due date. Leave it unchecked to indicate that it should be manually liquidated. If you select the automatic option, the corporate action will be automatically liquidated on the liquidation date as part of the automatic processes run as part of beginning of day (BOD) or End of day (EOD).
<b>Short Positions Allowed</b>	A short position is selling a security without sufficient holdings. As a preference you can indicate whether while trading in securities of a portfolio you can have a short position. Check against the option 'short positions allowed' to allow short positions for the portfolio. This check box works in combination with the value in the field 'Contra Holdings Validation'. If you check this box, you have to select a value for 'Contra Holding Validation'. While creating a Repo deal in a portfolio, you should uncheck this box. If 'Repo on Today's Projected Holdings' is checked, you should not check this box.
<b>Contra Holdings</b>	Contra Holdings is value dated projected holdings based on the unsettled deals.

Field	Description
<b>Contra Holdings Validation</b>	<p>Select the method of validating the position. The drop-down list displays the following options:</p> <ul style="list-style-type: none"> <li>• Online - Select 'Online' to validate the position online. If you select this, the system will allow you to create securities deal with value dated projected holdings.</li> <li>• EOTI - Select 'EOTI' to validate the position during EOTI (End of Transaction Input) stage. If you select this, the system will allow you to create a securities deal without sufficient position. The position will be validated during EOTI stage.</li> <li>• No Check - Unlimited - the system will allow you to sell more than the holdings in a portfolio for a security without restrictions on quantity and value date</li> </ul> <p>It is mandatory to specify the validation method if you have checked the box 'Short Position Allowed'. If that check box is not checked, then you need not specify the validation method. If Short Position Allowed is unchecked, then the value of this field has to be null.</p>
	<p><b>NOTE:</b> For a contract with the sell quantity greater than the value dated holdings for a particular security code, if you check 'Short Position Allowed' and set 'Contra Holding Validation' to 'No Check - Unlimited' or 'EOTI', then the system will display an override message when you save or modify the contract</p>

Field	Description
<b>Banker's Acceptance</b>	indicate whether or not the portfolio that is defined under the product, which is based on this class, can be used for a Banker's Acceptance deal. You will be allowed to select this option only for 'Issuer' type portfolios. Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances. Select the method of validating the position. The drop-down list displays the following options:
<b>Repo on Today's Projected Holdings</b>	Check this box to enable Repo on projected holdings for the day. If you check this, the system will allow you to create a Repo deal based on the projected holdings for the day. However, this option does not allow you to create a Repo deal based on future dated projected holdings. If you check this box, you should leave the box 'Short Positions allowed' unchecked.
<b>Book Discount Premium</b>	<p>Indicate how an asset belonging to a portfolio should be booked. In other words, the basis for asset accounting in a portfolio.</p> <p>In Oracle Banking Treasury Management an asset can be booked on the following basis:</p> <ul style="list-style-type: none"> <li>• Non-accrual basis</li> <li>• Accrual basis</li> </ul> <p>To understand these asset accounting methods, we will examine an example and apply each basis method to it. You have purchased a USD 10 bond for USD 15 on 1 January from a customer portfolio. You have paid a premium of USD 5 for the bond. On 30 January, you sell the bond for USD 20.</p>
<b>Non-accrual basis</b>	Using the non-accrual basis, the following accounting entries will need to be passed: <a href="#">Table 11.6: Entries</a> <a href="#">March 1 Entries</a>



Field	Description
<b>Accrual basis</b>	<p>select this accrual basis for asset accounting, then on 1 January you would: <a href="#">Accrual Basis - January 1</a></p> <p>On 30 January the amount to be accrued is USD 1. The following entries will need to be passed: <a href="#">Accrual Basis - January 30</a></p> <p>When you sell the unit at USD 20 <a href="#">USD 20 entries</a></p>
<b>Book Intrinsic Value</b>	<p>A warrant or right attached to security entitles the holder to convert it into common stock at a set price during a specified period. Thus rights and warrants attached to security have a hidden or intrinsic value. To recall, you have already defined the intrinsic value of a right or warrant in the Securities Warrants Definition screen. As a portfolio preference, you can choose to book or ignore the intrinsic value of rights and warrants for asset accounting purposes.</p>
<b>Rekey for Authorization</b>	<p>Authorization is a way of checking the entries made by a user. All operations on a portfolio, except placing it on hold, should be authorized before the end-of-day operation is begun. When a portfolio is invoked for authorization - as a cross-checking mechanism, to ensure that you are calling the right portfolio you can specify that the values of certain fields should be entered before the other details are displayed. The complete details of the portfolio will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the "re-key" fields.</p>

Field	Description
<b>Rekey Fields</b>	<p>You can specify any or all of the following as re-key fields:</p> <ul style="list-style-type: none"> <li>• Portfolio ID</li> <li>• Portfolio customer</li> <li>• Portfolio currency</li> </ul> <p>If no re-key fields have been defined, the details of the portfolio will be displayed immediately when the authorizer calls the portfolio for authorization. The re-key option also serves as a means of ensuring the accuracy of inputs. For example, suppose that you define a customer portfolio in the currency INR. The portfolio involves a product for which the re-key fields assigned are the portfolio customer and currency. By mistake, the portfolio currency is entered as USD instead of INR. When the authorizer selects the portfolio for authorization and indicates the re-key fields of portfolio currency as INR, the details of the portfolio will not be displayed. The portfolio details will not be displayed if:</p> <ul style="list-style-type: none"> <li>• The value in the field that has to be re-keyed has been entered wrongly at the time of portfolio definition, or</li> <li>• The re-key value is input wrongly at the time of authorization.</li> </ul> <p>When you have correctly captured the currency of the portfolio as INR and the authorizer makes an error while entering the re-key value. In such a case also, the details of the portfolio will not be displayed for authorization.</p>
<b>Corporate Action Notice</b>	<p>When you have correctly captured the currency of the portfolio as INR and the authorizer makes an error while entering the re-key value. In such a case also, the details of the portfolio will not be displayed for authorization.</p>
<b>Notice Days</b>	<p>indicate the number of days before a corporate action is due on which the corporate action notice should be generated.</p>

Field	Description
<b>Notice Days Type</b>	<p>Further indicate whether the number of days that you specified was expressed in calendar or working days. For example, you have specified that a Corporate Action Notice should be generated ten days before a corporate action is due for securities in a portfolio. Today's date is 15 December; a corporate action is due for a security that is part of this portfolio on 30 December. Your bank closes for a Christmas vacation on 25 and 26 December.</p> <p>For calendar days: A Corporate Action Notice will be generated on 20 December. Ten calendar days before the corporate action is due. For working days: Going by the calendar of the bank, the Corporate Action Notice will be generated on 18 December, ten working days before the corporate action is due.</p>
<b>Accrue Discount for Treasury Bills</b>	<p>The discount on Zero-Coupon Bonds or T-Bills can be accrued over its tenure. If you indicate that accrual of discount applies to a portfolio preference class you can indicate accrual preferences. For example, you have purchased a 90-day T-Bill having a face value of USD 100,000 for USD 98,000. The difference between the purchase price and the face value of USD 2000 can be accrued over the 90-day tenor of the T-Bill or can be realized on its maturity. Check against the 'Accrue discount for Treasury bills' option to indicate that the discount on zero-coupon bonds and T-Bills that form part of the portfolio should be accrued. In this case, you can indicate accrual preferences like the:</p> <ul style="list-style-type: none"> <li>• Accrual frequency</li> <li>• Accrual start day</li> <li>• Accrual start month</li> </ul> <p>The accrual preferences that you specify will be made applicable to all portfolio products to which the class is associated.</p>

Field	Description
<b>Accrual Frequency</b>	<p>The discount on T-Bills can be accrued over the tenor of the T-Bill. The frequency at which the discount has to be accrued is specified as a portfolio preference. Thus, the discount components of all T-Bill in a portfolio will be accrued at the same frequency. The frequency can be one of the following:</p> <ul style="list-style-type: none"><li>• Daily</li><li>• Monthly</li><li>• Quarterly</li><li>• Half yearly</li><li>• Yearly</li></ul>
<b>Accrual Start Day</b>	<p>In the case of monthly, quarterly, half-yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as "30", accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for the half-yearly and yearly accrual frequency.</p>

Field	Description
<b>Accrual Start Month</b>	If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done. For example, you have selected the half-yearly option and specified the start date as 31 and the start month as of June. The first accrual will be done on 30 June for the period from January 1 to June 30 and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

Field	Description
<b>Purchase Interest</b>	<p>While defining non-WAC portfolios you can indicate the point at which Purchase Interest is to be adjusted. (For portfolios with WAC as the costing method, this option is always set to Sale and Coupon and the purchase interest is taken into accruals and not tracked separately). The options are:</p> <ul style="list-style-type: none"> <li>• Sale and Coupon - indicates that the purchase (acquired) interest is to be netted during any sale in the first coupon of the purchase or on the first Coupon of Purchase (during Coupon liquidation against the coupon amount).</li> <li>• Sale - indicates that purchase interest is to be held till redemption. When a sale is made, purchase interest is reduced proportionately during partial sale/ full sale/ redemption. If you select this option purchase interest is not netted during coupon liquidation.</li> </ul> <p>This option can be overwritten at the product level.</p> <p><b>NOTE:</b> The option of adjusting purchase interest at Sale is applicable only for purchase interest in the CUM period. You must handle adjustments for interest exchanged in the EX period operationally.</p>

Field	Description
	<p>Coupon liquidation takes place for a Portfolio + Security + SK Location combination. Therefore, for adjusting deal level purchase interest at the event CPLQ, the purchase interest of all deals contributing to the position are considered proportionately.</p> <p><b>NOTE:</b> Maintain the accounting entries for the CPLQ and SSLP events keeping in mind whether you have set the Wipe Deal Purchase Event as Sale and Coupon or Sale.</p> <p>For Capitalized Bonds, purchase interest is wiped-off at the time of coupon liquidation as part of the SPLP (Security Purchase) event. You will need to maintain accounting entries for the same.</p>
<b>Statement of Holdings required</b>	<p>Indicate whether a statement of holding should be generated for portfolios associated with the portfolio preference class. Check against this option to indicate that it is applicable to the class. Leave it unchecked to indicate otherwise. If it is applicable to the class, you can indicate preferences for its generation.</p>
<b>Statement Frequency</b>	<p>Indicate the frequency, with which a statement of holdings should be generated.</p> <p>The frequency that you specify can be:</p> <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> </ul>
<b>Statement Start Day</b>	<p>Based on the frequency that you specify you can indicate the start date for the generation of the statement. The system generates a statement of holding automatically, as part of the end of cycle processing based on the preferences that you specified here. If the statement generation date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.</p>

Field	Description
<b>Statement Start Month</b>	Indicate the start month for the generation of the statement
<b>Transaction Statement</b>	Specify the fields.
<b>Statement of Transactions Required</b>	Indicate whether a transaction statement should be generated for portfolios associated with the class. Check against this option to indicate that it applies to the class. If it applies to the class, you can indicate preferences for its generation.
<b>Statement Frequency</b>	Indicate the frequency, with which a transaction statement should be generated. The frequency that you specify can be: <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> </ul>
<b>Statement Start Day</b>	Based on the frequency that you specify you can indicate the start date for the generation of the statement. The system generates transaction statements for the portfolio, automatically as part of the end of cycle processing based on the preferences that you specified here. If the statement generation date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.
<b>Statement Start Month</b>	indicate the start month for the generation of the statement
<b>Contra Holding</b>	A contra (short for Customer and Bank/long for Issuer) holding is when you sell more than your holdings in security (buy back more than the issued quantity in case of issuer portfolios). As a preference, you can indicate whether while trading in securities of a portfolio you can have a contra holding (negative projected holdings for bank portfolios and positive projected holdings for issuer portfolios).



Field	Description
<b>Contra Holding</b>	Contra holding is the value dated projected holdings based on the unsettled deals.
<b>Contra Holding Validation</b>	<p>While saving a securities dealer, the system checks the holdings on the basis of the settlement date. You can choose to allow the holdings in a portfolio to go negative based on the projected holdings as per the Settlement Date by enabling the Contra Holdings validation option. You need to indicate whether the projected holding can go negative for the portfolio. Select the Online option if you don't want the position to go negative at any point in time. If you have selected the EOTI option, you will not be allowed to mark the EOTI stage if the projected holding in the portfolio is negative on any given settlement date. In case of Buy Deals viz. Bank Buys, Customer Buys or Reversal of Sell Deals, the positions are updated on authorization of the respective buy deals. In case of Sale Deals viz. Bank Sells, Customer Sells or Reversal of Buy Deals, the positions are updated on saving the respective Sell deals. The settlement dated position checks are done for Sell Deals and Reversal of Buy Deals at the time of saving the deal and also during authorization of the deal. For contra holdings of type 'Online', if the projected holdings on the settlement date are going short, then an error message will be displayed while saving a Sell deal or while reversing a Buy deal.</p>
	<p>If the contra holding is of type 'EOTI', if the projected holdings on the settlement date are going short, then the system throws up an override while saving a Sell deal or while reversing a Buy deal</p> <p>The projected settlement date holdings are checked again at the time of marking EOTI for the branch. If the projected holdings have gone short for any of the settlement dates, the system displays an error message and stops any further processing. You are not allowed to configure this error message as an override.</p>

**Table 11.2: Deals table**

Sequence	Purchase date	Deal	Asset Cost	Number of Units	Proceeds
A	1 January	Buy	\$95	100	\$ 9500
B	1 January	Buy	\$95	100	\$9600
C	15 January	Buy	\$96.5	100	\$9650
D	1 February	Sell	\$97	150	\$14550

**Table 11.3: Weighted Average Cost**

Cost Details	Descriptions
Total Cost of the securities	\$28750 for 300 units
Average cost	\$95.83
Total cost price of the securities sold	\$14374.5 for 150 units
Total sale proceeds	\$14550 for 150 units
Realized profit	\$175.5

**Table 11.4: Cost Accounting Table**

Cost Details	Description
Total cost price of the securities sold	\$96 arrived at thus: \$9650 for 100 units and \$4800 for 50 units
Total sale proceeds	\$14550 for 150 units
Realized profit	\$100

**Table 11.5: Cost Details**

Cost Details	Description
Total cost of the securities sold	\$96 arrived at thus: \$9500 for 100 units \$4800 for 50 units
Total sale proceeds	\$14550 for 150 units
Realized profit	\$205

**Table 11.6: Entries**

Content	Description	Value
Dr	Premium to be accrued	USD 5
Cr	Customer	USD 15

Content	Description	Value
Dr	Asset	USD 10

**Table 11.7: March 1 Entries**

Content	Description	Value
Dr	Customer	USD 20
Cr	Asset	USD 10
Cr	Premium	USD 5
Cr	Profit and Loss	USD 5

**Table 11.8: Accrual Basis - January 1**

Content	Description	Value
Dr	Premium to be accrued	USD 5
Dr	Asset	USD 10
Cr	Customer	USD 15

**Table 11.9: Accrual Basis - January 30**

Content	Description	Value
Dr	Premium to be accrued	USD 5
Dr	Asset	USD 10
Cr	Customer	USD 15

**Table 11.10: USD 1 Entries**

Content	Description	Value
Cr	PTBA	USD 1
Dr	Expense	USD 1

Table 11.11: USD 20 entries

Content	Description	Value
Dr	Customer	USD 20
Cr	Asset	USD 10
Cr	PTBA	USD 4
DR	Customer	USD 20
Cr	Profit and Loss	USD 6s

3. On **Security Portfolio product Preference Class Maintenance** screen, click **Details**.

STEP RESULT: **Security Portfolio product Preference Class Maintenance Details** screen is displayed.

Figure 11.2: Security Portfolio product Preference Class Maintenance Details screen

The screenshot displays the 'Security Portfolio Product Preference Class Maintenance Details' window. At the top, there are tabs for 'New', 'Enter Query', 'Main', and 'Details'. The 'Details' tab is selected. Below the tabs, there are input fields for 'Class Code \*' and 'Module \* SP'. The main area is divided into several sections:

- Premium/Discount Accrual:** Includes dropdowns for 'Accrue Premium', 'Accrue Discount', 'Accrual Method', 'Accrual Frequency', 'Accrual Start Day', 'Start Month', 'Accrue Premium Method', and 'Accrue Discount Method'.
- Redemption Premium Accrual:** Includes dropdowns for 'Accrue Redemption Premium', 'Accrual Frequency', 'Accrual Method', 'Accrual Start Day', and 'Accrual Start Month'.
- Interest Accrual:** Includes dropdowns for 'Interest Accrual', 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'.
- Revaluation of Positions:** Includes dropdowns for 'Revaluation Method', 'Revaluation Frequency', 'Revaluation Start Day', 'Revaluation Start Month', 'Realized Revaluation', 'Revaluation Basis', and 'LOCOM Basis'.
- Limits Tracking:** Includes dropdowns for 'Bonds', 'Equities', 'Rights', 'Warrants', and 'Treasury Bills'.
- Forward Profit & Loss Accrual:** Includes dropdowns for 'Forward Profit/Loss Accrual', 'Accrual Method', 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'.

At the bottom, there is a 'Fields' section with labels for 'Maker', 'Checker', 'Date Time', 'Mod No', 'Record Status', and 'Authorization Status'. An 'Exit' button is located in the bottom right corner.

4. On **Security Portfolio product Preference Class Maintenance Details** screen, specify the fields.

For more information on field, refer to [Table 11.12: Details Tab - Field Description](#)

You can maintain portfolio preference classes in the Portfolio Product Preference Class Definition screen

If you are calling a portfolio restriction class record that has already been defined, choose the Summary option.

**Table 11.12: Details Tab - Field Description**

Field	Description
<b>Premium/Discount Accrual</b>	The premium or discount on coupon-bearing instruments can be accrued over a period. If you indicate that accrual of discount or premium applies to a portfolio product preference class, you can indicate accrual preferences. For example, you have purchased a USD1000 bond for USD 1200 and hold it for 5 years to maturity. You have paid a premium of USD 200 for the security. Choose to accrue the premium of USD 200 over the tenure of the bond or book it as a loss when the bond matures.
<b>Accrue Premium</b>	Check against this option to indicate that premium should be accrued.
<b>Accrue Discount</b>	<p>Check against this option to indicate that discounts should be accrued. You will also have to specify the method to be used to accrue the premium and discount. The options available are:</p> <ul style="list-style-type: none"> <li>• Constant Yield Basis</li> <li>• Exponential</li> <li>• Straight Line Basis</li> </ul> <p>However, if the Costing Method is 'WAC' (Weighted Average Cost), the accrual will be based on any one of the following methods:</p> <ul style="list-style-type: none"> <li>• Constant Yield Basis</li> <li>• Straight Line Basis</li> </ul>

Field	Description
	<p>Also, you should ensure that accrual of both discount and premium is based on the same method i.e. either Straight Line or Constant Yield method. Yield for deals involving WAC portfolios with Constant Yield method of premium/discount accrual will not be calculated at deal input. Instead, it will be calculated on deal settlement as a part of the EOD batch process. This yield will be updated for all the deals in the particular holding. Yield for the holding will be calculated on the settlement of Bank Buy deals for all WAC portfolios other than Issuer portfolios wherein the yield will be calculated on the settlement of Bank Sell deals. The computed yield will be stored at the branch + portfolio + security level.</p> <p><b>NOTE:</b> The yield computation for WAC portfolio will be triggered for the following events:</p> <ul style="list-style-type: none"> <li>• Buy Deal (Sell for Issuer)</li> <li>• Reversal of a buy deal (Reversal of Sell for Issuer)</li> <li>• Back dated Buy (Back dated Sell for Issuer)</li> <li>• Reversal of Back dated buy (Reversal of Back dated Sell for Issuer)</li> </ul>
	<p><b>Maturity Date Extension</b></p> <p>If you have chosen to accrue premium or discount, you need to specify the following accrual preferences also:</p> <ul style="list-style-type: none"> <li>• Accrual method</li> <li>• Accrual Frequency</li> <li>• Accrual start day</li> <li>• Accrual start month</li> </ul> <p>The accrual preferences that you specify will be made applicable to all portfolio products to which the class is associated.</p>

Field	Description
<b>Accrual Method</b>	<p>Select the method to be used to calculate the amount of premium or discount to be accrued from the adjoining drop-down list. This list displays the following values:</p> <ul style="list-style-type: none"> <li>• 30 (Euro) / 360</li> <li>• 30 (US) / 360</li> <li>• Actual / 360</li> <li>• 30 (Euro) / 365</li> <li>• 30 (US) / 365</li> <li>• Actual / 365</li> <li>• 30 (Euro) / Actual</li> <li>• 30 (US) / Actual</li> <li>• Actual / Actual</li> <li>• 30 (Euro) / 364</li> <li>• 30 (US) / 364</li> <li>• Actual / 364</li> </ul>
<b>Accrual Frequency</b>	<p>The premium or discount on securities can be accrued over the tenor for which you hold the security. The frequency at which these components have to be accrued has to be specified as a Portfolio product preference. Thus, the premium or discount components of all securities in a portfolio will be accrued at the same frequency.</p> <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> </ul>

Field	Description
<b>Accrual Start Day</b>	In the case of monthly, quarterly, half-yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as '30', accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as '31' and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly accrual frequency.
<b>Accrual Start Month</b>	If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done. For example, you have selected the half-yearly option and specified the start date as 31 and the start month like June. The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.



Field	Description
<b>Limit Tracking</b>	<p>Your liability in holding security is tracked under a Credit Line. You have already specified security limits, which indicate the maximum limit up to, which you can trade in security. For limit tracking purpose you can indicate the basis on which your liability to the security should be determined. In Oracle Banking Treasury Management you can use one of the following options:</p> <ul style="list-style-type: none"> <li>• Face-value</li> <li>• Market price</li> <li>• Book price</li> </ul> <p>If you indicate face value, then the face value of the instrument will be used to track your liability in holding the security. Your liability using the face value is calculated thus:</p>
<b>Liability = Face Value * Number of units held</b>	<p>The market price indicates the price at which the security is currently quoted in the market. Your liability to the security is calculated by using the current market value of the security; multiplied by the number of units held.</p>
<b>Liability = Market Value * Number of units held</b>	<p>The book price refers to the price at which you hold a security. The book price of a security is derived using the costing method that you specified for the portfolio. Your liability is the book price multiplied by the total number of units held:</p>

Field	Description
<b>Liability = Book Price * Number of units held</b>	<p>For example, you enter a deal in Oracle Banking Treasury Management to buy 100 units of equity for a bank portfolio. The face value of the equity is USD 10. Currently the equity is quoted in the market for USD 15. The book price of the security using the Weighted Average Costing method is USD 12.</p> <p>For simplicity, assume that you have set up your exposure limit to the equity as USD 1200. You have indicated that an exposure beyond this amount is an exception and further processing of the deal should be stalled. If your exposure to the security reaches USD 1200 an override should be sought.</p> <p><b>Face value</b> Your liability in holding 100 units of the security is: Face Value * Number of Units = Liability USD 10 * 100 = USD 1000</p> <p>The deal will go through smoothly as it is below the security limit that you set up.</p> <p><b>Market Value</b> Your liability in holding 100 units of the security is: Market Value * Number of Units = Liability USD 15 * 100 = 1500</p> <p>In this case, Oracle Banking Treasury Management will not allow you to process the deal as you have exceeded the security limit that was set up.</p> <p><b>Book value</b> Your liability in holding 100 units of the security is: Book Price * Number of Units = Liability USD 12 * 100 = USD 1200</p>

Field	Description
Liability = Book Price * Number of units held	<p>When you save the deal, Oracle Banking Treasury Management will prompt you with an overriding message. If you choose to ignore the override the deal will go through.</p> <p>Specify limit-tracking preferences for each of the following security types:</p> <ul style="list-style-type: none"><li>• Bonds</li><li>• Equities</li><li>• Rights</li><li>• Warrants</li><li>• Treasury Bills</li></ul> <p><b>NOTE:</b> You can have different limit tracking methods for the same security type depending on the type of portfolio to which it belongs.</p>
Forward Profit and Loss Accrual	Specify the fields.

Field	Description
<b>Forward PL Accrual</b>	<p>The forward profit or loss on a deal can be accrued over a period starting from the deal spot date to the settlement date of the deal. As a preference for a portfolio, you can indicate whether the forward profit or loss should be accrued. Your profit or loss in a deal is determined thus:</p> <ul style="list-style-type: none"> <li>• For a Buy deal if strike price is greater than spot price then it is a loss</li> <li>• For a Buy deal if strike price is less than spot price then it is a profit</li> <li>• For a Sell deal if strike price is greater than spot price then it is a profit</li> <li>• For a Sell deal if strike price is less than spot price then it is a loss</li> </ul> <p>Check against the Forward profit and loss accrual option to indicate that the forward profit or loss should be accrued.</p> <p>Example</p> <p>You strike a forward deal on 1 January to buy 100 units of security. The settlement date of the deal is 10 January. Your deal strike rate is USD 100 and the market price of the security stands at USD 120.</p> <p>Market Value (120) - Strike Rate (100) x No of units (100)= USD 2000 Profit You have made a profit of USD 2000.</p>

Field	Description
	<p>You can choose to accrue the USD 2000 over the 10 days or realize it as a profit on the settlement date of the deal. If you indicate that accrual of profit or loss applies to a portfolio class you can indicate accrual preferences like the:</p> <ul style="list-style-type: none"><li>• Accrual method</li><li>• Accrual frequency</li><li>• Accrual start day</li><li>• Accrual start month</li></ul> <p>The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated.</p> <p><b>NOTE:</b> The forward profit or loss amount is accrued over the period starting from the deal spot date to the deal settlement date. We will call this the regular accrual cycle.</p> <p>However, based on the accrual frequency preferences that you specify, the accrual start date can fall before or between the regular accrual cycle. If the accrual start date that you specify falls before the spot date of the deal, no accrual will be carried out until the spot date. If the accrual start date that you define falls between the spot date and the settlement date, accrual will begin on the start date that you specify. On the accrual, start date accrual entries will be passed even for the lapsed period between the spot and the accrual start date.</p>

Field	Description
	<p>Example</p> <p>You strike a forward deal on 1 January to buy 100 units of a security. The settlement date of the deal is 20 January and the Spot date is 01 January. You have specified the following accrual preferences:</p> <p>Start date: 10th.</p> <p>Start month: January.</p> <p>Based on the regular accrual cycle, accrual can start any time between 1 January and 20 January. Based on the accrual preferences that you specify accrual can start only on 10 January. However when accrual is done on the 10 January it will be done also for the elapsed period (01 to 10 January).</p>
<p><b>Accrual Method</b></p>	<p>Select the method to be used to calculate the amount of forward profit or loss that is to be accrued from the adjoining drop-down list. This list displays the following values:</p> <ul style="list-style-type: none"> <li>• 30 (Euro) / 360</li> <li>• 30 (US) / 360</li> <li>• Actual / 360</li> <li>• 30 (Euro) / 365</li> <li>• 30 (US) / 365</li> <li>• Actual / 365</li> <li>• 30 (Euro) / Actual</li> <li>• 30 (US) / Actual</li> <li>• Actual / Actual</li> <li>• 30 (Euro) / 364</li> <li>• 30 (US) / 364</li> <li>• Actual / 364</li> </ul>

Field	Description
<b>Accrual Frequency</b>	<p>The forward profit that you make or the loss that you incur while trading in securities of a portfolio can be accrued until the settlement date of the deal. The frequency with which these components have to be accrued has to be specified as a portfolio preference. Thus, the forward profit or loss will be accrued at the same frequency for all securities in the portfolio.</p> <p>The frequency can be one of the following:</p> <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> </ul>
<b>Accrual Start Day</b>	<p>In the case of monthly, quarterly, half yearly or yearly accruals, you should specify the date, on which the accruals have to be done during the month. For example, if you specify the date as 30, accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month - that is, on 31st for months with 31 days, on 30th for months with 30 days and 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly accrual frequency.</p>

Field	Description
<b>Accrual Start Month</b>	<p>If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done.</p> <p>You have selected the half-yearly option and specified the start date as 31 and the start month as of June. The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.</p>
<b>Redemption Premium Accrual</b>	Specify the fields.
<b>Accrual Redemption Premium</b>	<p>For instruments like bonds, which bear a redemption premium, you can choose to accrue the redemption premium due to the security over its tenor. Check against the 'Accrue redemption premium' option to indicate that the premium on redemption premium bearing instruments in the portfolio should be accrued.</p> <p>Example</p> <p>You have purchased a USD 1000 bond with a redemption value of USD 1100. You hold it for 5 years to maturity. At the end of five years, you are paid USD 1100, USD 100 more than what you paid for it. You can choose to accrue this USD 100 over its 5 year tenor or realize it as a whole on the redemption of the bond.</p> <p>If you specified that redemption premium should be accrued you can indicate accrual preferences like the:</p> <p>Accrual method          Accrual frequency          Accrual start day          Accrual start month</p> <p>The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated.</p>



Field	Description
<b>Accrual Method</b>	<p>Select the method to be used to calculate the amount of forward profit or loss that is to be accrued from the adjoining drop-down list. This list displays the following values:</p> <ul style="list-style-type: none"> <li>• 30 (Euro) / 360</li> <li>• 30 (US) / 360</li> <li>• Actual / 360</li> <li>• 30 (Euro) / 365</li> <li>• 30 (US) / 365</li> <li>• Actual / 365</li> <li>• 30 (Euro) / Actual</li> <li>• 30 (US) / Actual</li> <li>• Actual / Actual</li> <li>• 30 (Euro) / 364</li> <li>• 30 (US) / 364</li> <li>• Actual / 364</li> </ul> <p>The values of accrual method maintained in this screen get defaulted in portfolio product creation for the selected class code.</p>
<b>Accrual Frequency</b>	<p>The redemption premium can be accrued over the tenor of security. The frequency at which it has to be accrued has to be specified as a Portfolio Preference. Thus, the redemption premium of all redemption premium-bearing instruments in a portfolio will be accrued at the same frequency.</p> <p>The frequency can be one of the following:</p> <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> </ul>

Field	Description
<b>Accrual Start Day</b>	<p>In the case of monthly, quarterly, half-yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as "30", accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly accrual frequency.</p>
<b>Accrual Start Month</b>	<p>If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done.</p> <p>Example</p> <p>You have selected the half-yearly option and specified the start date as 31 and the start month as of June. The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday</p> <p>If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.</p>

Field	Description
<b>Revaluation of Positions</b>	<p>Market-based securities are driven by market forces of demand and supply, the price of such securities tends to rise or fall in value. These fluctuations have a direct effect on the value of the portfolios to which security belongs. Oracle Banking Treasury Management provides a feature to revalue a portfolio based on settled (Holdings) or unsettled positions (Positions). You can specify the revaluation method and the frequency at which the settled and unsettled positions of the portfolio should be revalued. Further, for settled positions, you can indicate whether realized revaluation should take place.</p> <p>It is important to note that revaluation entries will be passed only for portfolios belonging to the bank. For customer portfolios, however, revaluation is done solely for reporting the performance of the portfolio.</p>
<b>Indicating the Basis for Revaluation</b>	<p>In Oracle Banking Treasury Management, portfolio revaluation can be done based on the settled, unsettled position or both. However, while specifying revaluation preferences, you can choose to revalue only the settled positions or settled and unsettled positions in a portfolio. You will not be allowed to specify revaluation of only the unsettled positions in a portfolio.</p> <p>Revaluation of settled positions in a portfolio can be of two types:</p> <ul style="list-style-type: none"> <li>• Realized</li> <li>• Unrealized</li> </ul>

Field	Description
	<p>In the case of realized revaluation, the profit, or loss entries passed after the revaluation would be posted to the relevant GL. The next revaluation will pass entries based on the market price as of the last time the revaluation was done. In the case of unrealized revaluation, the profit and loss entries passed after the revaluation will also be posted to the relevant GLs. The only difference is, that when the next revaluation entries are passed, profit or loss entries are based on the original value of the portfolio. Let us take the example of a portfolio with a holding of 100 units of security. Each unit was bought at the rate of USD 10 on 1 January 2000. The value of the holding in the portfolio is USD 1000. The portfolio is defined with realized revaluation of settled positions. We will examine a case where the revaluation for the portfolio is done daily.</p> <p><b>Unrealized revaluation:</b></p> <p>On 2 January the value a unit of the security falls to USD 9. Consequently, the value of the portfolio is reduced to USD 900. The revaluation will post a loss to the tune of USD 100 to the relevant profit and loss GLs. On 3 January the value of a unit of the security increases to USD 11.</p>

Field	Description
	<p>The value of the portfolio now stands at USD 1100. When the revaluation is run again, the loss of USD 100 that was registered on 2 January is reversed and profit entries for USD 100 are passed to profit GLs.</p> <p>Realized revaluation:</p> <p>On 2 January the value a unit of the security falls to USD 9. Consequently, the value of the portfolio is reduced to USD 900. When the revaluation is done the profit and loss GLs will reflect the loss of USD 100. On 3 January the value of securities increases to USD 11. The value of the portfolio now stands at USD 1100. When the revaluation is run again, the loss of USD 100 that was registered is not reversed but the profit GLs will record an increase of USD 200. The profit as of 3 January is calculated based on the revalued portfolio value of USD 900 arrived at on 2 January.</p>

Field	Description
<b>Revaluation Method</b>	<p>After you indicate the basis for revaluation, you can indicate the revaluation method to be used and the frequency with which revaluation should be carried out. The options available are:</p> <ul style="list-style-type: none"> <li>• LOCOM (lower of cost or market) — This method can be used for realized and unrealized revaluation.</li> <li>• MTM (marked to market) — This method can be used for realized and unrealized revaluation. MTM revaluation can be based on either the Book Value (MTM-BV) method or the Effective Interest method (MTM-EIM).</li> <li>• MTMLOCOM — This is a combination of the two methods LOCOM and MTM and can be used only for realized revaluation. Portfolios marked with this revaluation method will be revalued only if they register a loss. Revaluation entries are passed at the portfolio level.</li> </ul> <p>The revaluation basis and method that you specify will determine how a portfolio is revalued.</p> <p>Select MTM – EIM method of revaluation for the portfolio that you are defining only if the following conditions are satisfied:</p> <ul style="list-style-type: none"> <li>• The portfolio costing method is not WAC;</li> <li>• Revaluation happens at the Deal level;</li> <li>• The asset (security) is accounted for on accrual basis;</li> <li>• The accrual method for Discount, Premium and Redemption Premium is Constant Yield; and</li> <li>• No Short position is allowed.</li> </ul>

Field	Description
<b>Specifying the Revaluation Basis if the Revaluation Method is LOCOM</b>	<p>For portfolios in respect of which you have opted for realized revaluation, and the revaluation method is 'LOCOM' and the costing method is 'WAC', you have two options about revaluation basis (the basis for LOCOM):</p> <ul style="list-style-type: none"> <li>• If you choose the LOCOM basis as 'Acquisition Cost', the revaluation profit is realized only to the extent of the accumulated realized loss – that is, revaluation profit goes towards offsetting accumulating revaluation loss.</li> <li>• If you choose the LOCOM basis as 'Holding Cost', revaluation profit is not recognized, only the revaluation loss, if any, is realized.</li> </ul> <p>If a portfolio product uses a preference class for which this specification has been made, the specification defaults from the class; you can change the default. If you do so, your specification here is defaulted to any portfolios using the product. Realized revaluation using the LOCOM method, with the basis as 'Acquisition Cost' is done only for settled deals.</p>
<b>Revaluation Frequency</b>	<p>The frequency with which a portfolio should be revalued is specified as a portfolio preference. Once you have indicated the basis and method for revaluation, you can specify the frequency with which a portfolio should be revalued. The revaluation frequency can be one of the following:</p> <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> </ul>

Field	Description
<b>Revaluation Start Day</b>	<p>In the case of monthly, quarterly, half-yearly or yearly revaluation, you should specify the date on which the revaluation should be done during the month. For example, if you specify the date as "30", the revaluation will be carried out on that day of the month, depending on the frequency.</p> <p>If you want to fix the revaluation date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the revaluation will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the revaluation date as 31, the revaluation will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly revaluation frequency.</p>



Field	Description
<b>Revaluation Start Month</b>	<p>If you set the revaluation frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first revaluation has to begin, besides the date on which the revaluation should be done. For example, you have selected the half-yearly option and specified the start date as 31 and the start month as of June. The system will do the first revaluation will be done on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December. If the revaluation date falls on a holiday, the revaluation is done as per your holiday handling specifications in the Branch Parameters screen.</p> <p><b>NOTE:</b> Realized and unrealized revaluation for a portfolio can be done at different frequencies. It is important to note that if the realized and unrealized revaluation frequencies fall on the same day, realized revaluation always takes priority over unrealized revaluation.</p> <p>For example, today's working date is 31 January. You have defined realized and unrealized revaluation for the portfolio. The realized revaluation frequency is monthly and the unrealized revaluation is daily. On 31 January, only realized revaluation of settled positions in the portfolio will be done.</p>
<b>Interest Accrual Preferences</b>	<p>The interest in coupon-bearing instruments can be accrued over the tenure of the instrument. As a portfolio preference, you can indicate whether interest should be accrued over the tenure of coupon-bearing instruments that constitute it.</p>

Field	Description
<b>Interest Accrual</b>	<p>Check against this option to indicate that interest should be accrued for coupon-bearing instruments in the portfolio. Leave it unchecked to indicate that accrual is not applicable. In Oracle Banking Treasury Management interest accrual is done for all un-matured securities with a primary date less than the accrual date. If you specified that interest should be accrued you can indicate accrual preferences like the:</p> <ul style="list-style-type: none"> <li>• Accrual frequency</li> <li>• Accrual start day and</li> <li>• Accrual start month</li> </ul> <p><b>NOTE:</b> You do not specify the interest accrual method while defining preference classes. You can specify the same at the time you define a securities portfolio.</p> <p>The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated.</p>
<b>Accrual Frequency</b>	<p>The frequency at which interest should be accrued has to be specified as a portfolio preference. Thus, the interest components of all securities in a portfolio will be accrued at the same frequency.</p> <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> </ul>

Field	Description
<b>Accrual Start Date</b>	<p>In the case of monthly, quarterly, half-yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as "30", accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly accrual frequency.</p>
<b>Accrual Start Month</b>	<p>If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done.</p> <p>Example</p> <p>You have selected the half-yearly option and specified the start date as 31 and the start month as of June. The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday</p> <p>If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.</p>
<b>Revaluation Exchange Rate Code</b>	<p>The revaluation profit and loss will be in the currency in which the cash flows are denominated.</p>

Field	Description
<b>Exchange Rate Code</b>	Specify the exchange rate code to be used for converting the profit/loss into the local currency.

### 11.1.1.2 Yield Accrual for Deals bought on Par

To handle Yield accruals for deals bought on par, you need to maintain the event YACR and define the following accounting entries as part of the event:

**Table 12: YACR Table**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM EARNED	SEC_PREM_ACCR	Debit
SEC PREM TBACRD	SEC_PREM_ACCR	Credit
SEC INT ADJ REC	SEC_INTADJ_ACCR	Debit
SEC INT ADJ INC	SEC_INTADJ_ACCR	Credit
SEC DISC TBACRD	SEC_DISC_ACCR	Debit
SEC DISC EARNED	SEC_DISC_ACCR	Credit

For sale from a long position, you need to maintain the SSLP event and the following accounting roles and amount tags:

**Table 11.1: SSLP table**

Accounting Role	Accounting Role	Dr./Cr. Indicator
SEC BRIDGE GL	ACCRUED_INT_ADJ	Debit
SEC INT ADJ	ACCRUED_INT_ADJ	Credit

### 11.1.2 Processing of the Yield accrual for deals bought on par

First, the system validates the Redemption Premium accrual frequency and Discount premium accrual frequency which needs to be the same at the Portfolio Definition level. This condition is validated only if the bank level parameter COMMON\_YLD\_ACCR is set to 'Yes'. Secondly, the effect of the redemption premium accrued is included in the NPV calculation and the Redemption premium accrual is done before Discount Premium accrual. Then, the YACR event is triggered for accrual only if you have maintained the bank parameter 'COMMON\_YLD\_ACCR' as 'Y' and the security is a bond or a T Bill. During IRR computation, the acquisition type should also be identified. Acquisition type can be:

- Discount
- Premium, or

- Par

The system displays the corresponding amount tags based on the acquisition type.

The NPV is computed as shown below:

NPV = O/S Deal Nominal

+ O/S Interest Accrual

+ O/S Redemption Premium Accrual

+ (Premium TBA – Premium Accrued\*)

- (Discount TBA – Discount Accrued\*)

+ (Interest Adjustment Accrued Already + Interest Adjustment Accrued\*)

**NOTE:** While computing NPV the Premium, Discount, and Interest adjustment (On par) are mutually exclusive.

### 11.1.3 Trading P/L

At the time of sale discount/premium accrued, redemption premium accrued is included for calculation of the trading profit/loss. While processing SSLP, the system includes trading profit and loss with the following parameters:

- O/S Redemption Premium Accrual
- Un-accrued Premium
- Un-accrued Discount
- O/S Interest Adjustment Accrual

## 11.2 List of Glossary - Maintain Portfolio Preference Class

### SEDXPFL

Securities Portfolio Product Preference Class maintenance - [11.1.1.1 Specify Portfolio Preference Class](#) (p. 116)

## 12. Define a Deal preference Class

### 12.1 Introduction

Preferences are the options available for defining the attributes of a deal. Preferences are based on the type of deal you define such as Bank portfolio buys and sells, the customer buys and sells, standalone lodge and withdraw, safe-keeping location (SKL) to SKL transfer and block securities. The following are some of the preferences that you can define:

- Exchange rate preferences
- The mode of money settlement
- The mode of delivery settlement
- Allowing brokerage

A set of such preferences can be grouped into what is called in Oracle Banking Treasury Management, a Preference Class. You can maintain several deal preference classes. The preferences that you define will give a deal distinctiveness unique to the type it represents.

#### The advantage of Defining a Portfolio Preference Class

While creating a deal product, instead of specifying preferences for each product, you only need to associate the appropriate deal preference class to the product. All the attributes defined for the class will be by default, applicable to the deal product. You can change the preferences that are defaulted, to suit the deal product.

**NOTE:** Once defined, a deal preference class can be made applicable to any number of products.

This chapter contains the following sub-topic:

- 1) [Process Deal Preference Class](#)

### 12.2 Process Deal Preference Class

This topic describes the systematic instructions to process deal preference class.

#### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXDPCL** in the text box, and click next arrow.

**STEP RESULT:** **Security Deal Product Preference Class Maintenance** screen is displayed.

**Figure 12.1: Security Deal Product Preference Class Maintenance**

2. On **Security Deal Product Preference Class Maintenance** screen, specify the fields.

For more information on fields, refer to

[Table 12.1: Security Deal Product Preference Class Maintenance Screen](#)

After you have defined a deal preference class, click save icon from the toolbar to save the record. Click **Exit** to exit the screen. You will be returned to the Application Browser.

**Table 12.1: Security Deal Product Preference Class Maintenance Screen**

Field	Description
<b>Class Code</b>	In Oracle Banking Treasury Management, each Deal Preference Class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
<b>Description</b>	Specify a short description that will enable you to identify the deal preference class easily. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

Field	Description
<b>Deal Leg Type</b>	<p>Each deal type has characteristic features that are unique to the type. Certain deals also have two legs, a buy, and a sell leg. A deal preference class that you set up can cater to a particular leg (buy or sell) of a deal. You can indicate the deal leg type for which you are setting up preferences. You can select one of the following from the picklist:</p> <ul style="list-style-type: none"> <li>• Bank sell</li> <li>• Bank buy</li> <li>• Customer sell</li> <li>• Customer buy</li> <li>• Standalone lodge</li> <li>• Standalone withdraw</li> <li>• SKL to SKL transfer</li> <li>• Block securities</li> </ul> <p>By indicating the leg type, you restrict the application of the class to products of the same type. For instance, you can associate a Deal Preference Class of the Leg Type Bank sell, only with products that cater to the selling of securities by the bank.</p>
<b>Exchange Rate Type</b>	<p>Specify the exchange rates that are to be used when a deal involving a foreign currency, is processed. This is done, by specifying the Rate Type to be used in a deal. When a deal involves a currency conversion, the Rate Type that you defined will be picked up by default and applied. This defaulted rate type can be changed at the time of processing a deal. You can define an exchange rate variance (the upper and lower limit), within which the exchange rate can differ from the rate type that is defaulted.</p>



Field	Description
<b>Brokerage Allowed</b>	<p>You can choose to allow or disallow brokers, for a deal that you enter. Brokerage is applicable only for the bank to buy or sell the type of deals. As a preference, you can indicate whether the brokerage is applicable to the class you are defining. If you allow brokerage, you can enter deals that may or may not involve brokers. If you disallow brokerage for the product, then the product cannot be associated with deals that are struck through a broker. To allow brokers, check against this option. To disallow brokers, leave it unchecked. When a deal involving a broker is processed, the brokerage applicable to the broker will be picked up and applied from the Brokerage maintenance</p>
<b>Automatic Money Settlement</b>	<p>Money settlement for security deals can be liquidated automatically or manually. While setting up a deal preference class, you can indicate the mode of monetary settlement. It could be one of the following:</p> <ul style="list-style-type: none"> <li>• Manual</li> <li>• Automatic</li> </ul> <p>Check against this option, to indicate that money settlement should be automatic. Leave it unchecked to indicate manual settlement. If you specify the automatic mode of money settlement, deals involving a product to which the class is applied will be automatically settled, on the settlement date.</p> <p>If the money settlement date falls on a holiday If the money settlement date of a deal falls on a holiday, the deal will be settled depending on your specifications, in the Branch Parameters screen.</p>

Field	Description
<b>Extension Allowed</b>	Choose to allow extension of the Settlement Date for deals involving a product to which, a preference class is applied. Check against this option, to allow extension of the settlement date. Leave it unchecked to disallow extension. This feature is useful when you need to extend the settlement date for the deal. You need not enter a new deal for the extension period but simply amend the settlement date of the deal to a future date. For example, the settlement date of a deal is 1 April. You need to extend the settlement date of the deal by two days. If you have allowed the extension of the deal for the product, you can settle the contract on 3 April.

Field	Description
<b>Rekey Requirements</b>	<p>All operations on a deal, (input, amendment, modification, etc.) have to be authorized by a user other than the person who carried out the operation. They need to be authorized before the End of Day operation commences. Authorization is a method of checking the entries made by a user. As a cross-checking mechanism to ensure that the right deal is invoked for authorization, you can specify that the values of certain fields should be entered, before the other details are displayed. The complete details of the deal will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the re-key fields. You can specify any or all of the following as re-key fields:</p> <ul style="list-style-type: none"> <li>• Trade date</li> <li>• Security ID</li> <li>• Deal price</li> <li>• Settlement date</li> <li>• Portfolio ID</li> <li>• Money Settlement date</li> <li>• Nominal/Units</li> </ul> <p>If no re-key fields have been defined, all details of the deal will be displayed when the authorizer calls the deal for authorization.</p>

Field	Description
	<p>The re-key option also serves as a means of ensuring, the accuracy of inputs. For example, suppose that a user enters a deal to sell 100 units of a bond that belongs to the customer portfolio PF01. The deal involves a product for which the re-key field assigned is the Portfolio ID.</p> <p>Now, the user makes a mistake and enters the Portfolio ID as PF02. The authorizer selects the deal for authorization and indicates the re-key field of Portfolio ID as PF01. The details of the deal will not be displayed. When this happens, the authorizer can inform the user of the mistake and it can be rectified.</p> <p>The deal details will not be displayed if:</p> <ul style="list-style-type: none"><li>• The value in the field that has to be rekeyed, has been entered wrongly at the time of deal definition.</li><li>• The re-key value is entered wrongly at the time of authorization.</li></ul> <p>It could also be that the user had correctly captured the Portfolio ID as PF01 but the authorizer made an error while entering the re-key value. In such a case also, the details of the deal will not be displayed for authorization.</p>

Field	Description
<b>Other Preference</b>	<p>Specify the following:</p> <ul style="list-style-type: none"> <li>• Forward deals allowed - whether forward deals can be entered into, by using a product to which the class is applied</li> <li>• Cancellation allowed - whether deals entered using a product, to which the class is associated, can be canceled</li> <li>• Spot deals allowed - whether spot deals can be entered using a product, to which the class is applied</li> <li>• Partial release allowed - whether partial delivery of securities is allowed, for the deals involving a product, to which the class is applied. This preference is applicable only if the leg type that you selected is Block securities.</li> </ul>

## 12.3 List of Glossaries - Define a Deal Preference Class

### SEDXDPCL

Securities Seal product preference Class Maintenance screen - [12.2 Process Deal Preference Class](#) (p. 160).

## 13. Security Restriction Classes

### 13.1 Introduction

From the head office of your bank, you can establish certain controls over the securities that your branches trade-in. These controls can be achieved by specifying restrictions. In Oracle Banking Treasury Management, you can define security restrictions of the following types:

- Securities restrictions specific to the portfolios that you maintain
- Security restrictions specific to the deals that you enter into

Maintain several sets or classes of each type of security restriction. Thus, you can maintain several classes of security restrictions for portfolios, and several classes for deals.

You can associate these classes of security restrictions, to the respective portfolio products and the deal products that you maintain. In other words, you indicate that:

- A portfolio product cannot be used to trade in specific securities
- A deal product cannot be used to trade in specific securities

### 13.2 The Advantage of Defining Security Restrictions as Classes

The advantage of defining restriction classes is that at the time of creating portfolio and deal products, you do not have to repeatedly define security restrictions for each product. You only need to associate a product with a restrictions class that you have maintained. The product acquires all the attributes, defined for the Security Restrictions Class, that you associate it with.

By maintaining classes, you also give yourself the flexibility of applying the same restrictions class to several products.

### 13.3 Security Restrictions

This topic contains the following sub-topic:

#### 1) [Process the Security Restrictions](#)

#### 13.3.1 Process the Security Restrictions

This topic describes the systematic instructions to process the security restrictions.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXSRCL** in the text box, and click next arrow.

STEP RESULT: **Security Restriction Class Maintenance** screen is displayed.

**Figure 13.1: Security Restriction Class Maintenance**

2. On **Security Restriction Class Maintenance** screen, specify the fields.

For more information on fields, refer to [Table 13.1: Security restriction Class Maintenance - Field Description](#). Maintain security restrictions in the Security Restrictions Class Maintenance screen. This is invoked from the Application Browser. If you are maintaining details of a new security restrictions class, or click new icon from the toolbar.

If you are calling a Security Restrictions Class record that has already been defined, choose the Summary option of the Security Restrictions Class on the Application Browser.

**Table 13.1: Security restriction Class Maintenance - Field Description**

Field	Description
<b>Class</b>	In Oracle Banking Treasury Management, every Security Restrictions Class that you maintain is identified by a unique ten-character code called a Class Code.

Field	Description
<b>Description</b>	Briefly describe the Class that you are maintaining. The description helps you identify a class when you create a product. The description is for information purposes only and will not be part of any customer correspondence. When maintaining a Security Restrictions Class, you have to specify the module for which you are maintaining the class. A class can be maintained either for the Securities (Portfolio) module or for the Securities (Deal) module. This is because, a restrictions class maintained for one module would be unsuitable for another. For instance, you can choose to allow deals in some securities, but disallow the same securities in a portfolio.
<b>Restriction Type</b>	Specify security restrictions in the form of an allowed or a disallowed list. You cannot deal with security products that are not listed in the allowed list of Security Restrictions Class. If you have maintained a disallowed list for a class, security products that do not figure in it can be involved in deals linked to the product (to which you associate the restrictions class). You can indicate if you are maintaining an allowed or a disallowed list type by choosing the appropriate option under this field.
<b>Security Restriction</b>	A security restriction class identifies a unique list of allowed or disallowed security products.
<b>Code</b>	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add icon to display the list of Security Product Code through its option list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to Allowed/Disallowed list.
<b>Description</b>	It is the Description of Security Product Code that you choose to Allowed/Disallowed list.



Field	Description
<b>Exempting specific securities from a list</b>	You can exempt specific securities, involving a securities product that you have listed, in the Allowed/Disallowed restrictions list.
<b>Security Identification</b>	It is the Internal Security Id for which Security Product has been maintained under Securities Security Product Definition.
<b>Product</b>	It is the Security Product Code that has been maintained under Securities Security Product Definition.
<b>Security Description</b>	<p>It is the description of Security Identification. Click add an icon to display the list of Security Ids through its options list which has been maintained under Securities Security Product Definition. You can choose to move them to the Allowed / Disallowed List. For example, suppose that you have maintained a Securities Product for Short Term Zero-Coupon Bonds. You assigned the product a code SZC1. You have entered five zero-coupon bonds under this product, with the following Security IDs: SEC01, SEC02, SEC03, SEC04, and SEC05. You are maintaining a Securities Restrictions Class, SE_CUS_PR1. You include SZC1 in the Allowed list that you maintain for the class. By default, all securities entered against this product will be allowed.</p> <p><b>Requirement:</b></p> <p>Assume that you would like to disallow specific security, SEC05. All securities maintained under the different security products will be displayed in the Security ID, column under Security Access.</p> <p>Highlight the security SEC05 in the Security ID column. In the Restriction Type column corresponding to SEC05, choose the Disallowed option.</p> <p><b>Result:</b></p> <p>When you associate the restrictions class SE_CUS_PR1 with a portfolio product, say CP01, you can deal in all securities involving SZC1, except the security SEC05.</p>

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## 13.4 List of Glossaries - Security Restriction Classes

### SEDXSRCL

Securities Restriction Class Maintenance - [13.3.1 Process the Security Restrictions](#) (p. 168)

## 14. Maintain Portfolio Restriction Classes

### 14.1 Introduction

From the head office of your bank, you can establish certain controls over the portfolios that your branches can trade-in. These controls can be achieved by specifying restrictions. A set of restrictions can be grouped, is called a Restriction Class in Oracle Banking Treasury Management. You can maintain several portfolio restriction classes.

### 14.2 Advantage of Defining Restrictions as Classes

While creating a product, instead of specifying restrictions for each product, you need to only associate the appropriate portfolio restriction class, to the product. All the attributes defined for the class will apply to the product. These defaulted restrictions can be changed to suit the product. Thus, you need not define restrictions for each product that you create.

**NOTE:** Once defined, a portfolio restriction class can be made applicable to any number of products.

### 14.3 Portfolio restriction Classes

This topic contains the following sub-topic:

- 1) [Process Portfolio Restriction Classes](#)

#### 14.3.1 Process Portfolio Restriction Classes

This topic describes the systematic instruction to process portfolio restriction class.

**PREREQUISITE:**

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXPRCL** in the text box and click next arrow.

**NOTE:** You can Process the Portfolio Restriction Class Maintenance screen from the Application Browser. If you are maintaining details of a new portfolio restriction class, click a new icon on the toolbar.

**STEP RESULT:** **Securities Corporate Action Maintenance Redemption** screen is displayed.

**Figure 14.1: Securities Deal Portfolio Restriction Class**

2. On **Security Corporate Action Maintenance Redemption** screen, specify the fields.

**Table 14.1: Security Corporate Action Maintenance Redemption**

Field	Description
<b>Class Code</b>	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
<b>Description</b>	Specify a short description that will enable you to identify the portfolio restriction class easily. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.
<b>Module</b>	A portfolio restriction class that you maintain has to be specific to a module in Oracle Banking Treasury Management. This is because a class that is maintained for one module would be unsuited to another. For instance, you may choose to allow trading in securities in some branches, but disallow these branches from loan facilities.

Field	Description
<b>Restriction Type</b>	<p>Specify portfolio restrictions in the form of an allowed or disallowed list.</p> <p>When you associate a restriction class with a product, the portfolios that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, portfolios that do not figure in the list can be involved in deals linked to the product. You can indicate whether you are maintaining an allowed or a disallowed list type, by choosing the appropriate option under this field.</p>
<b>Exempting Specific Portfolios from a List</b>	<p>You can exempt specific portfolios from the restriction specified for the product with which it is associated. Click add icon and select a portfolio code from the picklist. You can choose to Allow or Disallow the portfolio that you have selected by choosing the appropriate option under Restriction Type. Click the delete icon to remove a portfolio from the list.</p> <p>For example, suppose that you have maintained a Portfolio Product to cater to Bank Portfolios. You assigned the product, a code PF01. You have entered five bank portfolios under this product, with the following Portfolio IDs: P001, P002, P003, P004, and P005. You are maintaining Portfolio Restrictions for the product and include PF01 in the Allowed list. By default, all portfolios entered against this product will be allowed.</p> <p>Requirement: However, you would like to disallow a specific portfolio, P005. Click the add icon and select the ID of the Portfolio P005 from the pick list. In the Restriction Type column corresponding to P005, choose the Disallowed option. <b>Result:</b> When you associate the restriction class with a product, you can deal in all portfolios involving PF01, except the portfolio P005.</p>
<b>Portfolio Identification</b>	It is the Internal Security Id for which Security Portfolio has been maintained under Securities Security Portfolio Definition.
<b>Product</b>	It is the Security Portfolio Code that has been maintained under Securities Security Portfolio Definition.
<b>Portfolio Description</b>	It is the description of portfolio identification.

## 14.3.2 Process Securities - Portfolio Safe Keeping Location Balances Summary

This topic describes the systematic instructions to process describe securities - portfolio safe keeping location balance summary.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SESXPFSB** in the text box, and click next arrow.

STEP RESULT: **Securities - Portfolio Safe Keeping Location Balances** screen is displayed.

**Figure 14.2: Securities - Portfolio Safe Keeping Location Balances**

2. On **Securities - Portfolio Safe Keeping Location Balances** screen, specify the fields.  
In the above screen, you can base your queries on any or all of the following parameters and fetch records:
  - Authorization Status
  - Branch Code
  - Record Status
  - Portfolio Id

- Security Id

Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

- Authorization Status
- Record Status
- Branch Code
- Portfolio Id
- Portfolio Description
- Portfolio Reference
- Portfolio Customer Id
- Customer Name
- Security Id
- Security Description
- Security Currency
- Currency Name
- Safe Keeping Location Id
- SK Location Description
- Safe Keeping Location Account
- Security Form
- Current Position
- Current Holdings
- Opening Position
- Opening Holdings
- Portfolio Type

### 14.3.3 Process Securities - Portfolio Safe Keeping Location Movements Summary

This topic describes the systematic instructions to process portfolio safe keeping location movements summary

#### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SESXPSMV** in the text box, and click next arrow.

**STEP RESULT:** **Securities - Portfolio Safe Keeping Location Movements Summary** screen is displayed.

**Figure 14.3: Securities - Portfolio Safe Keeping Location Movements Summary**

2. On **Securities - Portfolio Safe Keeping Location Movements Summary** screen, specify the fields. On the screen, base your queries on any or all of the following parameters and fetch records:

- Branch Code
- Value Date
- Portfolio Id
- Security Id

Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

- Authorization Status
- Branch Code
- Value Date
- Portfolio Id
- Portfolio Description
- Portfolio Reference
- Portfolio Customer Id



- Customer Name
- Security Id
- Security Description
- Security Currency
- Safe Keeping Location Id
- SK Location Description
- Safe Keeping Location Account
- Balance type
- Opening Balance
- Closing Sec balance
- Movements As of Today

## 14.4 List of Glossary - Maintain Portfolio Reference Class

### **SEDXPRL**

Securities Corporate Action maintenance Redemption - [14.3.1 Process Portfolio Restriction Classes](#) (p. 173)

### **SESXPFSB**

Securities - Portfolio Safe Keeping Location Balances - [14.3.2 Process Securities - Portfolio Safe Keeping Location Balances Summary](#)

### **SESXPSMV**

Securities - Portfolio Safe Keeping Location Movements Summary - [14.3.3 Process Securities - Portfolio Safe Keeping Location Movements Summary](#) (p. 177)

# 15. Define Attributes of a Securities Product

## 15.1 Introduction

A Security Product is a category or a type of security. For instance, you can define short term zero-coupon bonds in the local currency, as a product in Oracle Banking Treasury Management. Similarly, you can define Rights as a product. A security product, thus, serves to classify the securities that you deal with. In this chapter, we shall discuss how you can define attributes specific to a Securities (SP) product.

## 15.2 Process Security Product

This topic describes the systematic procedures to Process Security Product.

PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDSEPRD** in the text box, and click next arrow.

STEP RESULT: **Security Product** screen is displayed.

**Figure 15.1: Security Product - Field Description**

The screenshot displays the 'Securities Security Product Definition' window. It features a top bar with 'New' and 'Enter Query' buttons. The main area contains several input fields organized into two columns. The left column includes fields for 'Product Code \*', 'Product Description \*', 'Product Type \*', 'Description', 'Slogan', 'Product Group \*', 'Product Group Description', 'Start Date' (YYYY-MM-DD), 'End Date' (YYYY-MM-DD), and 'Remarks'. The right column includes 'Exchange Rate Variance (%)', 'Override Limit \*', 'Stop Limit \*', 'Rate Code \*' (a dropdown menu), and 'Rate Type \*'. At the bottom, there is a navigation bar with 'Preferences', 'Interest', and 'MIS' tabs. Below this, a status bar shows 'Maker', 'Checker', 'Date Time', 'Mod No', 'Record Status', 'Authorization Status', and an 'Exit' button.

2. On **Security Product** screen, specify the fields.

For any product you create in Oracle Banking Treasury Management, you can define generic attributes, such as branch, currency, and customer restrictions, interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter. You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively.

For further information on the generic attributes that you can define for a product, refer the following Oracle Banking Treasury Management User Manuals:

- Products
- Interest
- User Defined Fields
- Settlements

**Table 15.1: Security Product**

Field	Description
<b>Product Type</b>	<p>The product type identifies the basic nature of a product. A securities product that you create can belong to any one of the following types:</p> <ul style="list-style-type: none"> <li>• Bonds</li> <li>• Zero Coupon Bonds</li> <li>• Equities</li> <li>• Rights</li> <li>• Warrants</li> </ul>
<b>Exchange Rate Variance</b>	<p>Define the market price variance that you would like to allow for a security product. This variance is expressed in terms of a percentage. For a special customer or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance. When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all portfolios associated with the portfolio product.</p> <p><b>The Override Limit</b> If the variance between the default rate and the rate input varies by a percentage that is between the Override Limit and the Rate Stop Limit, you can save the transaction (involving the portfolio) by providing an override.</p> <p><b>Stop Limit</b> If the variance between the default rate and the rate input varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the transaction involving the portfolio.</p>

3. On **Security Product** page, click **Preference**.  
STEP RESULT: **Security Preference** screen is displayed.

**Figure 15.2: Security Preference screen**

4. On **Security Preference** screen, specify the fields.

For more information on fields, refer to [Table 15.2: Security Preference - Field Description](#)

When defining a product, you can choose to specify preferences for the product by the following methods:

- Associating the product with a **Security Preference Class**.
- By defining these preferences specifically for the product.

Click the 'Floating Rate Fixing' button to display the Floating Rate Fixing Parameter screen. For detailed information on this screen refer to the section, 'Specifying the Interest Rate Revision Frequency' in the chapter, 'Defining Security Preference classes' of this User Manual. Click the 'Limits' button to display Currency Wise Limits screen. For detailed information on this screen, refer to the section 'Defining deal limits for a preference class' in the chapter, 'Defining Security Preference classes' of this User Manual. For detailed information on each of the attributes please refer to the chapter called Defining Security Preference classes.

**Table 15.2: Security Preference - Field Description**

Field	Description
<b>Coupon Plotting</b>	<p>Specify whether coupon events that fall on holidays should be shifted forward or backward. You can also choose not to change the event date even if it is a holiday.</p> <p>In the Coupon Plotting Holiday Treatment field, you can select from the following options:</p> <ul style="list-style-type: none"> <li>• Forward</li> <li>• Backward</li> <li>• Ignore</li> </ul> <p>The choice that you make here defaults to the specific securities that you define under this product. Irrespective of the holiday treatment specified by you, the system will not perform any holiday adjustment if, in the Product Event Accounting Entries Maintenance, you select 'No' as the Holiday Treatment parameter. A more detailed explanation is available in the Products manual. If the forward/backward shift in a coupon event date entails a movement across months, then the event date will be guided by whether you have allowed/disallowed movement across months in the Branch Parameters screen. For more details and an example, refer to the chapter on Bank and Branch Parameter Maintenance in this manual</p> <p><b>Accounting Value Date</b></p>
	<p>Interest calculations and accruals are done till the coupon event date. However, if the coupon event date is a holiday, you can specify whether the actual processing of accounting entries should be shifted forward / backward. You can also choose that the accounting entries shall be passed as of the coupon processing date itself, even though it is a holiday. In the Acct Val Dt Holiday Treatment screen, you can select from the following options:</p> <ul style="list-style-type: none"> <li>• Forward</li> <li>• Backward</li> <li>• Ignore</li> </ul> <p>The choice that you make here defaults to the specific securities that you define under this product. If the forward/backward shift in an accounting value date entails a movement across months, then the value date will be guided by whether you have allowed/disallowed movement across months in the Branch Parameters screen. A coupon event date falling on a holiday may itself be shifted to the previous or following working day. In that case, holiday treatment for the accounting value date becomes irrelevant. For more details and an example, refer to the chapter on Bank and Branch Parameter Maintenance in this manual.</p>

Field	Description
Coupon Date Amendment Limit	For continuous coupon schedules, the coupon payment dates are automatically populated according to the coupon frequency that you specify while defining security. You can amend these dates within the limit that you specify in the Coupon Date Amendment Limit field. For more details on changing coupon dates for continuous schedules, refer to the Securities Online chapter in this manual.

5. On **Security Product** screen, click **Interest**  
 STEP RESULT: **Interest Details** screen is displayed.

**Figure 15.3: Interest details screen**

The screenshot displays the 'Securities Security Product Definition' window with the 'Interest' tab selected. The interface includes a top navigation bar with 'New' and 'Enter Query' buttons. The main area contains several input fields organized into two columns. The left column includes fields for Product Code, Product Description, Product Type, Description, Slogan, Product Group, Product Group Description, Start Date, End Date, and Remarks. The right column includes fields for Exchange Rate Variance (%), Override Limit, Stop Limit, Rate Code (a dropdown menu), and Rate Type. At the bottom, there is a status bar with tabs for 'Preferences', 'Interest', and 'MIS'. The 'Interest' tab is active, showing fields for Maker, Checker, Date Time, Mod No, Record Status, and Authorization Status, along with an 'Exit' button.

6. On **Interest Details** screen, specify the fields.  
 It contains the following sub-topic:
- [Specify Interest Details Type](#)
  - [Specify Interest Details Type](#)
  - [Specify Event Details](#)

### 15.2.1 Specify Interest Details Type

While building an Interest Component, you can define:

- Primary Interest - Applicable only for Securities Module

- Coupon – Applicable only for Securities Module

### 15.2.2 Specify Event Details

#### Events and the Basis Amount

The term Event can be explained concerning a deal. A deal goes through different stages in its life cycle, such as:

- Deal Booking
- Money Settlement of Deal
- Reversal of Deal
- Cancellation of Deal

Each stage is referred to as an Event in Oracle Banking Treasury Management. The event at which you would like to associate the interest component, being defined, to a contract is referred to as the Association Event. The basis on which interest is calculated is referred to as the Basis Amount. For instance, a coupon can be based on the current face value of a security. When building an interesting class, you have to specify the tag associated with the Basis Amount.

#### Accrual Required

Choose to accrue the interests due to a contract. To accrue the interest payable on a contract, choose the 'Accrual Required' option.

#### Rate Type

The interests paid on contracts can be at a Fixed Rate or based on a Floating Rate. If you indicate that interests should be calculated based on a Floating Rate, you must specify the 'Periodic' Floating Rate Type. For all contracts maintained under products, associated with a class, the interest will be by default calculated using the specified Rate type.

### 15.2.3 Specify Rate Details

#### Default Rate Code

Interest payable on contracts would be calculated at specific rates. When building an interest component, you have to specify the rate at which the interest should be computed. When associating a rate code (that you have maintained in the Rate Codes Maintenance screen) with the interest component that you are building, the rates corresponding to the code will be used to compute interest. When maintaining a contract, you can choose to waive the rate code altogether or amend the properties of the code to suit the security. If you allow amendment of a rate code,

you can specify if you would like to allow the rate code amendment after the association event. You can also allow the amendment of the rate value (corresponding to a rate code).

### Default Tenor

Each rate code is associated with a tenor. For instance, you have a Rate Code 'LIBOR'. You can link any number of tenor codes to the same rate code.

**Table 15.3: Codes table**

Tenor	Description
1W	One week rate
2W	Two week rate
2M	Two months rate
6M	Six months rate
1Y	One year rate

When building an interest component, you can specify a Tenor Code that you would like to associate, with the Floating Interest Rate Code. Interests for contracts (maintained under a product) will be calculated using the rate corresponding to the Rate Code and the Tenor Code.

### Other Details

#### Default Waiver

Check this box to indicate that even if charge is computed, it should not be liquidated.

#### Allow Rate Type Amendment

Check this box, to allow rate type amendment

#### Allow Rate Code Amendment

Check this box, to allow rate code amendment

#### Amend after Association

If you would like to allow the amendment after association of a rule for a charge component, check this box. Once checked the system will allow you to modify the rule after the association event is triggered for the linked contract.

#### Allow Rate Amendment

Check this box, to allow rate amendment.

#### Negative Interest Allowed

Check this box to allow negative interest for interest class. You can check this box only if interest class is maintained for Money Market, Corporate Deposit or Bills and Collections module and 'Main Component' flag is checked.

If negative interest is allowed for an interest class, system will generate a negative interest component on saving the interest class. Negative Interest Class name is derived as Main Interest Class Code\_N. If the length of main interest class code is more than 8, then the system truncates the interest class code to first eight characters and adds '\_N'.

## 15.3 List of Glossaries - Define Attributes of a Specific Product

### SEDSEPRD

Securities Product - [15.2.2 Specify Event Details](#) (p. 185)



# 16. Define Attributes of a Portfolio Product

## 16.1 Introduction

In this chapter, we shall discuss the manner in which you can define attributes specific to a Securities Portfolio product. You can create a securities portfolio product in the Securities Portfolio Product Definition screen, invoked from the Application Browser. In this screen, you can enter basic information relating to a Portfolio product such as the Product Code, the Description, etc.

### 16.1.1 Process Security Portfolio Process Definition

This topic describes the systematic procedure to define attributes of a portfolio product.

#### PREREQUISITE:

Specify **User ID** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDPFPRD** in the text box, and click next arrow.

**STEP RESULT:** **Securities Portfolio Product Definition** screen is displayed.

**Figure 16.1: Securities Portfolio Product Definition**

2. On **Security Portfolio Product Definition** screen, specify the fields.  
For any product you create in Oracle Banking Treasury Management, you can define generic attributes, such as interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter. You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively.  
For further information on the generic attributes that you can define for a product, refer the following Oracle Banking Treasury Management User Manuals under Modularity:
  - Product Definition
  - Interest

- Settlements

**Table 16.1: Securities Portfolio Product Definition**

Field	Description
<b>Product type</b>	<p>The first attribute that you define for a portfolio product is its type. You can broadly classify portfolio products into three types:</p> <ul style="list-style-type: none"> <li>• Customer Portfolio</li> <li>• Bank Portfolio</li> <li>• Issuer Portfolio</li> </ul> <p>If the bank issues securities (e.g., Central Bank issuing government bonds), it can maintain a portfolio for the securities it issues. This is an Issuer Portfolio. Under each product type, you can create any number of products.</p>
<b>Exchange Rate Variance</b>	<p>For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance. When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all portfolios associated with the portfolio product.</p>
<b>Override Limit</b>	<p>If the variance between the default rate and the rate input varies by a percentage that is between the Override Limit and the Rate Stop Limit, you can save the transaction (involving the portfolio) by providing an override.</p>
<b>Stop Limit</b>	<p>If the variance between the default rate and the rate input varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the transaction involving the portfolio.</p>

3. On **Securities Portfolio Product Definition** screen, click preference.

STEP RESULT: **Product Reference** screen is displayed.

**Figure 16.2: Product Preference**

The screenshot shows the 'Portfolio Preferences' window. It has a title bar with a close button. The main area is divided into several sections:

- Product Information:** Fields for Product Code, Product Description, Class Code, and Description. A 'Default From Class' button is next to the Description field.
- Tabs:** 'Main' and 'Other' tabs are visible, with 'Main' selected.
- Notice Day Type:** A dropdown menu.
- Portfolio Type:** Fields for Portfolio Type and a dropdown menu.
- Contra Holding:** A dropdown menu for Contra Holding Validation.
- Transaction Statement:** Fields for Transaction Frequency, Transaction Month, and Transaction Start Day. A checkbox for 'Statement of Transaction Required' is also present.
- Book Intrinsic Value:** Checkboxes for 'Warrants' and 'Rights'.
- Product Restriction:** A section with three rows: 'Branch Restrictions', 'Currency Restrictions', and 'Categories List'. Each row has a dropdown menu with 'Disallowed' and 'Allowed' options.

At the bottom right, there are 'Ok' and 'Exit' buttons.

4. On **Product Preference** screen, specify the fields.

Preferences are the options that are available to you for defining the attributes of a product. The following are examples of portfolio preferences.

- The Preferred Costing Method (Weighted Average, Deal Matching, FIFO, FILO)
- The Revaluation details (Basis, LOCOM Basis, Method, Frequency, and Start Date)
- The Forward Profit and Loss Accrual details
- The Premium/Discount Accrual details
- The Redemption Premium Accrual details
- Corporate Action Notice details

All portfolios maintained under a portfolio product will inherit the preferences that you define for the product.

5. **Accrual Method**

- 30(Euro)/360
- 30(US)/360
- Actual/360
- 30(Euro)/365
- 30(US)/365
- Actual/365
- 30(Euro)/Actual
- 30(US)/Actual
- Actual/Actual
- 30(Euro)/364
- 30(US)/364
- Actual/364

**NOTE:** The values of the accrual method maintained in this screen get defaulted in portfolio creation for the selected product.

Table 16.2: Field Description

Field	Description
<b>Branch Restrictions</b>	Indicate whether you want to create a list of allowed branches or disallowed branches by choosing one of the following options: <ul style="list-style-type: none"> <li>Disallowed</li> <li>Allowed</li> </ul>
<b>Categories List</b>	Indicate whether you want to create a list of allowed customers or disallowed customers by choosing one of the following options: <ul style="list-style-type: none"> <li>Disallowed</li> <li>Allowed</li> </ul>
<b>Currency Restrictions</b>	Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options: <ul style="list-style-type: none"> <li>Disallowed</li> <li>Allowed</li> </ul>

6. On **Portfolio Preference** screen, click **Other**.  
STEP RESULT: **Portfolio Preference** screen is displayed.

Figure 16.3: Portfolio Preference

The screenshot displays the 'Portfolio Preferences' window with the 'Other' tab selected. The window is divided into several sections for configuring different aspects of the portfolio product:

- Product Information:** Fields for Product Code, Class Code, and Description. A 'Default From Class' button is also present.
- Premium/Discount:** Includes checkboxes for 'Accrue Premium' and 'Accrue Discount', and dropdowns for Accrual Method, Accrual Frequency, Accrual Start Day, Accrual Start Month, Accrue Premium Method, and Accrue Discount Method.
- Redemption Premium:** Includes a checkbox for 'Accrue Redemption Flag' and dropdowns for Accrual Method, Accrual Frequency, Accrual Start Day, and Accrual Start Month.
- Limits Tracking:** A list of instrument types (Bonds, Equities, Rights, Warrants, Treasury Bills) with corresponding dropdown menus.
- Revaluation of Positions:** Includes checkboxes for 'Revaluation of Settled Positions' and 'Revaluation of Unsettled Positions', and dropdowns for Revaluation Method, Revaluation Frequency, Revaluation Start Day, and Revaluation Start Month. There is also a section for 'Realized Revaluation' with a dropdown for Revaluation Method (LOCOM) and dropdowns for Revaluation Frequency, Revaluation Start Day, and Revaluation Start Month.
- Interest Accruals:** Includes a checkbox for 'Interest Accruals' and dropdowns for Accrual Frequency, Accrual Start Day, and Accrual Start Month.
- Forward Profit & Loss Accrual:** Includes a checkbox for 'Forward Profit/Loss Accrual' and dropdowns for Accrual Method, Accrual Frequency, Accrual Start Day, and Accrual Start Month.
- Revaluation Exchange Rate Code:** Includes a dropdown for 'Exchange Rate Type' and a text field for 'Description'.

At the bottom right, there are 'OK' and 'Exit' buttons.

7. On **Portfolio Preference** screen, specify the fields.  
When defining a portfolio product, you can choose to specify preferences for the product, either by
- Associating the product with a Portfolio Preference Class that you have defined

- Entering your preferences specifically for the portfolio product

If you would like to associate a portfolio preference class to a product, choose the 'Default From Class' button in the Portfolio Product Preferences screen. A list of the Portfolio Preference Classes that you have maintained will be displayed. Choose the preference class that is applicable to the product that you are creating.

For detailed information on each of the attributes, please refer to the chapter called 'Maintaining a Portfolio Preference Class' of this User Manual.

## 16.2 Process Security Portfolio Instrument Restrictions

This topic provides the systematic instructions to process security portfolio instrument restrictions.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDPFINR** in the text box, and click next arrow.

STEP RESULT: **Security Portfolio Instrument Restrictions** screen is displayed.

**Figure 16.4: Security Portfolio Instrument Restrictions**

2. On **Security Portfolio Instrument Restrictions** screen, specify the fields.

For more information on fields, refer [Table 16.3: Security Portfolio Instrument Restriction](#)

**Table 16.3: Security Portfolio Instrument Restriction**

Field	Description
<b>Product Code</b>	Specify the product code. Alternatively, you can select the product code from the list.
<b>Product Restriction</b>	The description will be displayed based on the Product Code selected.
<b>Class Code</b>	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
<b>Class Description</b>	The description will be displayed based on the Class Code selected.
<b>Security Restrictions</b>	A security restriction identifies a unique list of allowed or disallowed security products.
<b>Product Code</b>	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add an icon to display the list of Security Product Code through its options list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to the Allowed/Disallowed list.
<b>Product Description</b>	Security Product Code describes that you choose to Allowed/Disallowed list.
<b>Internal Security Id</b>	It is the Internal Security Id for which Security Product has been maintained.
<b>Product Code</b>	It is the Security Product Code that has been maintained under Securities Security Product Definition.
<b>Security Description</b>	It is the description of Security Identification.
<b>Restriction Type</b>	Specify portfolio restrictions in the form of an allowed, or disallowed list.

## 16.3 List of Glossaries - Define Attributes of a Portfolio Product

### SEDPFPRD

Securities Portfolio Product Definition - [16.1.1 Process Security Portfolio Process Definition](#) (p. 187)

### SEDPFINR

Security Portfolio Instrument Restrictions - [16.2 Process Security Portfolio Instrument Restrictions](#) (p. 191)

# 17. Define Attributes of Deal Product

## 17.1 Securities Deal Product

In this chapter, we shall discuss how you can define attributes specific to a Securities (SP) Deal product.

This topic contains the following sub-topic:

- 1) [Process Securities Deal Product](#)

## 17.2 Process Securities Deal Product

This topic describes the systematic instructions to define securities deal product.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDDLPRD** in the text box, and click next arrow.

STEP RESULT: **Securities Deal Product Definition** screen is displayed.

**Figure 17.1: Securities Deal Product Definition**

2. On **Security Deal Product Definition** screen, specify the fields.

In this screen, you can enter basic information relating to a SP product such as the Product Code, the Description, etc.

For any product you create in Oracle Banking Treasury Management, you can define generic attributes, such as interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons on this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter.

You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product pref-

erences respectively. For further information on the generic attributes that you can define for a product, please refer the following Oracle Banking Treasury Management User Manuals under Modularity:

- Product Definition
- Interest
- Settlements



**Table 17.1: Security Deal Product Definition - Field Description**

Field	Description
Product Type	<p>An important detail in defining a product is to specify the type of product you are creating. The product type identifies the basic nature of a product. A Securities Deal product that you create can be of the following types:</p> <ul style="list-style-type: none"> <li>• Bank buys</li> <li>• Bank sells</li> <li>• Customer buys</li> <li>• Customer sells</li> <li>• Standalone lodge</li> <li>• Safe keeping location 9SK) to SKL transfer</li> <li>• Block securities</li> </ul> <p>The accounting entries that are passed, the messages that are generated and the processing of deals involving this product are determined by your entry to this field.</p>
Exchange Rate Variance	<p>For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance. When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all deals associated with the deal product. Rate Override Limit: If the variance percentage between the default rate and the rate input is between the Rate Override Limit and the Rate Stop Limit, you can save the deal by providing an override. Rate Stop Limit: If the variance between the defaulted rate and the rate that is entered varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the deal.</p>

3. On **Deal Product Preference** screen, click preference.

STEP RESULT: **Preference** screen is displayed.

4. On **Preference** screen, specify the fields.

STEP RESULT: When defining a product, you can specify preferences for the product, by either of the following methods:

- Associating the product with a Deal Preference Class

- Defining these preferences specifically for the product

To associate a deal preference class to a product, click 'Default From Class' button the Deal

Product Preferences screen. A list of the deal preference classes that you have defined specifically for Securities module of Oracle Banking Treasury Management will be displayed. Choose the deal preference class to be associated with the product, from the option list. All the details defined at the class get defaulted here. In addition, you can specify certain attributes for the deal.

**Table 17.2: Field Description**

Field	Description
<b>Consider Brokerage for Disc. Accrual</b>	Check this option to indicate whether the brokerage component is to be considered for discount accrual on a constant yield basis.
<b>Branch Restrictions</b>	Indicate whether you want to create a list of allowed branches or disallowed branches by choosing one of the following options: <ul style="list-style-type: none"> <li>• Disallowed</li> <li>• Allowed</li> </ul>
<b>Categories List</b>	Indicate whether you want to create a list of allowed customers or disallowed customers by choosing one of the following options: <ul style="list-style-type: none"> <li>• Disallowed</li> <li>• Allowed</li> </ul>
<b>Currency Restrictions</b>	Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options: <ul style="list-style-type: none"> <li>• Allowed</li> <li>• Disallowed</li> </ul> <p><b>NOTE:</b> This option is enabled only if you have allowed brokers for the deal.</p> <p>Default fields, From and To leg Safe Keeping details. For detailed information on the other attributes please refer to the chapter called Defining a Deal Preference Class.</p>

### 17.2.1 Specify Accounting Entries for KEST Computation

KEST is a scheme of levying withholding tax on the income earned by the customers of your bank. This type of withholding tax is applicable only on incomes earned from securities. Some of the customers might directly pay the KEST amount to the Government. Under such circumstances, your bank need not calculate the KEST amount. The system generates the accounting role KEST\_GL and the amount tags KEST\_BSINT\_AMT and KEST\_DEAL\_AMT for tax on bought sold accrued interest and tax on deal nominal amount respectively. At the time of defining a deal product, you need to specify the accounting entries that need to be passed for KEST calculation. The accounting

entries will be different for the sell and buy legs of a security deal. You will have to define the following accounting entries to process KEST:

**Table 17.3: Accounting Entries table**

Accounting Role	Amount Tag	Debit/Credit Indicator
Sec Settlement	KEST_BSINT_AMT	Dr
KEST_GL	KEST_BSINT_AMT	Cr
Sec Settlement	KEST_DEAL_AMT	Dr
KEST_GL	KEST_DEAL_AMT	Cr

The accounting entries for the buy leg of a security deal will be:

**Table 17.4: Accounting Entries - Buy leg**

Accounting Role	Amount Tag	Debit/Credit Indicator
Sec Settlement	KEST_BSINT_AMT	Cr You need to credit the customer account as the customer earns the KEST amount.
KEST_GL	KEST_BSINT_AMT	Dr
Sec Settlement	KEST_DEAL_AMT	Cr
KEST_GL	KEST_DEAL_AMT	Dr

These accounting entries have to be maintained for the event MSTL (Money Settlement of Securities Deal).

## 17.3 Process Security Deal Product Restrictions

This topic describes the systematic instruction to process security deal product restriction.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDPRDRS** in the text box, and click next arrow.

STEP RESULT: **Securities Deal Product Restriction** screen is displayed.

**Figure 17.2: Securities Deal Product Restriction**

2. On **Securities Deal Product Restriction** screen, specify the fields.

For more information on fields, refer to [Table 17.5: Security Deal Product Restriction - Field Description](#)

**Table 17.5: Security Deal Product Restriction - Field Description**

Field	Description
<b>Product Code</b>	Specify the product code. Alternatively, you can select the product code from the list.
<b>Product Restriction</b>	The description will be displayed based on the Product Code selected.
<b>Class Code</b>	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
<b>Class Description</b>	The description will be displayed based on the Class Code selected.
<b>Portfolio Product Restriction</b>	Portfolio product restriction identifies a unique list of allowed or disallowed portfolio products.

Field	Description
<b>Product Code</b>	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add icon to display the list of Security Product Code through its option list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to Allowed/Disallowed list.
<b>Product Description</b>	Description of Security Product Code that you choose to Allowed/Disallowed list.
<b>Portfolio Id</b>	It is the Internal Security Id for which Security Portfolio has been maintained under Securities Security Portfolio Definition.
<b>Product Code</b>	It is the Security Portfolio Code that has been maintained under Securities Security Portfolio Definition.
<b>Portfolio Description</b>	It is the description of portfolio identification.
<b>Allowed/Disallowed</b>	Specify portfolio restrictions in the form of an allowed, or disallowed list.
<b>Class Code</b>	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
<b>Class Description</b>	The description will be displayed based on the Class Code selected.
<b>Instrument Product Restriction</b>	Instrument product restriction identifies a unique list of allowed or disallowed security products.
<b>Security Code</b>	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add the icon to display the list of Security Product Code through its options list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to the Allowed/Disallowed list.
<b>Security Id</b>	It is the Security Id for which Security Product has been maintained.

Field	Description
Product Code	It is the Security Product Code that has been maintained under Securities Security Product Definition.
Security Description	It is the description of Security Identification.
Restriction Type	Specify portfolio restrictions in the form of an allowed, or disallowed list.

## 17.4 List of Glossaries - Define Attributes of a Deal Product

### SEDDLPRD

Securities Deal Product Definition - [17.2 Process Securities Deal Product](#) (p. 193)

### SEDPRDRS

[17. Define Attributes of Deal Product](#) (p. 193)

Securities Deal Product Restrictions - [17.3 Process Security Deal Product Restrictions](#) (p. 197)

# 18. Define a Product Combination

## 18.1 Introduction

Certain security deals that you enter can involve two legs - a buy and a sell leg. A product combination is an association of a buy and a sell product. To recall you have already defined products that cater specifically to either a buy or sells leg of a deal. The advantage of creating a product combination is that, at the time of entering a deal, you only need to indicate the code assigned to the product combination. The attributes defined for the buy and sell products will automatically be applied to the buy and sell legs of deals.

**NOTE:** Create a product combination only after you have created a buy and sell deal products.

## 18.2 Process a Combination Product

This topic describes the systematic instructions to process a combination product.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXCMBP** in the text box, and click next arrow.

STEP RESULT: **Security Combination Product Maintenance** screen is displayed.

**Figure 18.1: Security Combination Product Maintenance**

2. On **Security Combination Product Maintenance** screen, specify the fields.  
The Securities Combination Product Maintenance screen is invoked from the Application Browser. To enter the details of a new deal, click new icon from the tool bar.  
From the Summary screen, you can to open an existing product combination, by double clicking on it.

**Table 18.1: Security Contract Product Maintenance - Field Description**

Field	Description
<b>Product Code</b>	In Oracle Banking Treasury Management, each product combination that you create is identified by a unique four-character code called a product code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
<b>Description</b>	Specify a short description that will enable you to identify the product combination easily The short description specified is for information purposes only and will not be printed on any customer correspondence.
<b>Product Group</b>	Each product combination is classified under a specific group. The different groups are defined in the Product Group Definition screen. To indicate the group to which a product belongs, select a group code from the picklist.
<b>Product Slogan</b>	specify a marketing punch line to be associated with the product combination. This slogan will be printed on all the advices that are sent to the customers involved in a deal involving this product combination.
<b>Specifying the life-span of a product</b>	<p>A product combination that is defined can be used over a specific period by defining a start and an end date. The settlement date of a deal involving a product should be:</p> <ul style="list-style-type: none"> <li>• The same as or later than the Start Date</li> <li>• The same as or earlier than the End Date of the product</li> </ul> <p>The start and end date of a product combination is useful when you are defining a product combination for a specific period.</p> <p><b>NOTE:</b> If you do not specify an End Date, a message is displayed prompting you to indicate whether you are creating an open-ended product combination. In this case, the product combination can be used until it is closed.</p>
<b>Product Remarks</b>	Specify information about the product combination, intended for the internal reference of your bank. Your remarks will not be printed on any correspondence with the customer.



Field	Description
<b>Combining two deal products into a combination</b>	<p>When you create a product combination, you should only associate two unique deal products. One, catering to the buy leg and the other to the sell leg of a deal. The combination could be between any of the types listed below:</p> <ul style="list-style-type: none"> <li>• Bank buys</li> <li>• Bank sells</li> <li>• Customer buys</li> <li>• Customer sells</li> </ul> <p>For instance, you could create a combination for a bank buy and a customer sell. After this, indicate the sold product that constitutes the combination.</p>
<b>Indicating the preferred leg</b>	<p>When creating a product combination, indicate the Preferred Leg of the combination, under the preferred leg option. The attributes defined for the preferred leg will be inherited by all deals associated with the product combination.</p>
<b>Indicating that a product combination can cater to rights and warrants exercise</b>	<p>Create a product combination to cater to the exercise of rights or warrants. When you choose to exercise rights that arise out of your holding, you should make a combination product, with the rights exercise option applicable to the deal. If you select the rights exercise option, you should also indicate the counter product that should be used, when rights are exercised. A counter product is a product combination (with a buy and sell leg) that will be applicable when rights are exercised. You can select a counter product from the option list available.</p> <p>In Oracle Banking Treasury Management, the exercise of rights involves four steps:</p> <ol style="list-style-type: none"> <li>1) The selling of rights</li> <li>2) The buying of rights</li> <li>3) The buying of the resultant securities</li> <li>4) The selling of resultant securities</li> </ol> <p>The buy leg of the combination product will cater to the buying of resultant securities and the sell leg to the selling of the resultant securities by the SK location. The sell leg of the counter product caters to the selling of rights from the portfolio, which is doing the exercise and the buy leg to the buying of rights from the SK location of the holding.</p> <p>For example, suppose that you hold 100 units of equity in a bank portfolio. To the equity is attached 100 rights that can be exercised on 15, June to purchase 100 units of shares.</p> <p>When you exercise the rights, you should associate with the deal, a product combination that caters to the exercise of rights. All the details that you specified for the product combination will apply to the deal.</p>

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## 18.3 List of Glossaries - Define a Product Combination

### SEDXCMBP

Security Combination Product Maintenance - [18.2 Process a Combination Product](#) (p. 201)

## 19. Maintain a Security

### 19.1 Introduction

In Oracle Banking Treasury Management, you have to maintain all securities that you deal with. In other words, you can only enter into deals involving securities that you have maintained in the system. Maintaining security involves various operations. They include specification for the following:

- Issuer Details
- The Maker of Issue
- The Relevant Dates (the Tear-off Date, the Start of Interest Date, etc.)
- The Price Details
- The Coupon Details

This topic contains the following sub-topics:

- 1) [Details of a Security](#)
- 2) [Interest Method for Computing Coupon Interest](#)
- 3) [Upload Security Instruments for Amendment](#)
- 4) [Bulk Upload- Security Instruments & Market Security-Price](#)
- 5) [Process Securities Deal Contract](#)

### 19.2 Process Security Deals Product Definition

This topic describes the systematic instruction to maintain process security deals product definition.

**PREREQUISITE:** Specify **User Id** and **Password**, and login to the Homescreen.

1. On Homescreen, specify **SEDTRONL**, in the text box, and click next arrow.

**STEP RESULT:** **Security Instrument Definition** screen is displayed.

**Figure 19.1: Security Instrument Definition**

- On **Security Deal Product Definition** screen, specify the fields.

For more information on fields, refer [Table 19.3: Security Instrument Definition - Field Description](#)

When you enter into a deal, the details defined for security will automatically be picked up. Security is maintained in the Security Definition screen, which is invoked from the Application Browser.

## 19.3 Security Instrument Definition Screen Description

The Securities Definition screen contains a header, a footer and a body of fields that capture information specific to the security that you are defining. The body of fields, on this screen, is divided into three tabs.

The three tabs are:

**Table 19.1: Tab Types**

Tabs	Description
Main	Click this tab to enter the essential attributes of a security.
Interest	Click this tab to enter the interest details specific to the security that you are maintaining.
Others	Click this tab to enter additional information relating to the security that you are maintaining.

Also displayed on the screen is an array of icons. Clicking on an icon launches its screen. Details specific to an attribute can be captured on the screen. These buttons are briefly described below:

**Table 19.2: Buttons**

Buttons	Description
Series	Click on this icon to invoke the Series details screen. If the redemption type of a bond is Series, you can enter the series details in this screen.

Buttons	Description
Coupon	Click on this icon to indicate the coupon details for the bond that you are maintaining.
Revision	For bonds defined with floating interest, and an asynchronous, periodic interest rate revision, you can define Revision details. Click on this icon to invoke the Revision Schedules screen.
Redemption Schedule	Click this icon to define redemption schedules for a security (with Quantity Redemption) that you are maintaining.
Interest	This button invokes the Interest service of Oracle Banking Treasury Management. You can define interest details for a security in this screen.
Tax	This icon invokes the Tax services
MIS	Click this icon to define MIS details for the security.
Fields	Click this icon to invoke the User Defined Fields details screen.
Holiday Preferences	Click this icon to invoke the Holiday Preferences screen.

## 19.4 Details of a Security

This topic contains following sub-topics:

- 1) [Entering and Saving the Details of a Security](#)
- 2) [Indicate Corporate Action Preference](#)
- 3) [Capture Trade-Related Information](#)
- 4) [Specify Type of Price Quotation](#)
- 5) [Capture Information Specific to the Security Type](#)
- 6) [Indicate bankers acceptance](#)
- 7) [Specify Currency](#)
- 8) [Specify Relevant dates](#)
- 9) [Specify Price Details](#)
- 10) [Specify Interest Details for a Bond](#)
- 11) [Opting for Automatic Initiation of Corporate Actions](#)
- 12) [Indicate a Revaluation Price Code](#)
- 13) [Indicate the Collateral Type](#)
- 14) [Specify the Market for Revaluation](#)
- 15) [Specify the Yield Calculation Parameters for a Security](#)

## 19.5 Entering and Saving the Details of a Security

Security can be maintained in the Security Definition screen, which is invoked from the Application Browser. In the Securities Definition screen, you can maintain details of the different kinds of securities that you deal with. They include Bonds, Zero Coupon Bonds, Treasury Bills, Equities, Rights, and Warrants. When dealing with security, the details that you specified on this screen will be picked up automatically. Security must be maintained under a Security Product, created by the Head Office. For instance, if your bank has defined a Short Term Zero-Coupon Bonds security product, you would maintain all short-term zero-coupon bonds that you deal with under this product. Security inherits all the attributes defined for the product under which it is maintained. This enables the efficient maintenance of security. At the time of saving a deal, the customer's portfolio balances for the security of the deal will be taken and the balance in security currency will be computed and inserted in the FATCA accounts and obligations screen. If the deal is closed or liquidated completely, then the corresponding row in FATCA accounts and obligations maintenance will be archived. If you delete the deal before authorization, then you should also delete corresponding entry in FATCA accounts and obligations maintenance.

**Table 19.3: Security Instrument Definition - Field Description**

Field	Description
<b>Security Reference Number</b>	In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially, by the system. This number tag is used to identify the security that you are maintaining. It is also used in all the accounting entries generated by transactions involving security. Thus, the system generates a unique number for each security. 19-4 The security reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number. The Julian Date has the following format: YYDDD Here, YY stands for the last two digits of the year and DDD for the number of day (s) that have elapsed in the year. For example, 31 January 1999 translates into the Julian date: 99031. Similarly, 05 February 1999 becomes 99036 in the Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).
<b>Security Id</b>	You can identify a security that you are maintaining, with a unique identifier and a brief description. The identifier is referred to as the Security ID. A security will be identified by this number in addition to, the Security Reference No., generated by the system.
<b>Description</b>	The description that you specify is for information purposes only, and will not be printed on any customer correspondence.
<b>ISIN (International Security Identification Number) Identifier</b>	You can enter the ISIN reference, allotted to the security that you are maintaining. In the SWIFT messages that you generate, this number will identify a security.

Field	Description
<b>Security Type</b>	<p>The securities that you deal in can be broadly classified into the following types:</p> <ul style="list-style-type: none"> <li>• Bonds</li> <li>• Zero Coupon Bonds</li> <li>• Equities</li> <li>• Rights</li> <li>• Warrants</li> </ul> <p>You can maintain a security of a particular type, only under products defined for the type. For instance, you can only maintain bonds, under a product defined for Bonds. The attributes that can be defined for a security depend on the Security Type. For example, if the security type is indicated as Bond, you can also define details relating to interest.</p>
<b>Trading Status</b>	This field is generated by the system, that states whether the trade is Active or Closed (Suspended).
<b>Security Status</b>	This field is generated by the system, that states whether the security is of Primary type (new issue) or Secondary type.
<b>Interest Type</b>	<p>This is a auto populated field. This is populated by the system based on the security product preferences specified. The value can be:</p> <ul style="list-style-type: none"> <li>• Fixed</li> <li>• Floating</li> </ul>
<b>Product Code</b>	You can associate every security that you maintain with a Security Product that you have maintained in the Security Product Definition screen. When you associate security with a security product, it acquires the attributes defined for the product. This means, you do not have to define the attributes of a security, all over again, when maintaining it. On choosing a product, you can view the type of security that you can associate with the product. The Security Type field displays this information. For instance, you can associate a bond that you are maintaining only with a product created for 'Security Type: Bond'.
<b>Description</b>	In the adjacent field, you can view a brief description of the product (with which you have chosen to associate the security that you are maintaining).
<b>Market of Issue</b>	<p>For a security, you can identify a Market of Issue. Only a market that you have maintained in the Markets Maintenance screen can be specified.</p> <p>All securities maintained under a product, by default, will also be associated with the market specified, for the product. When maintaining a security, however, you can identify a unique market for the security. An issuer of securities should have a valid CIF record, in the Core module of Oracle Banking Treasury Management. When maintaining a security, you should identify the issuer. Your CIF specifications for the issuer, such as Limits, will automatically be picked up, for the security.</p>

Field	Description
<b>Specify Material of Security</b>	<p>When maintaining a security, identify the manner in which it can be held, and the material of the security. The holder of a security can be one of the following:</p> <ul style="list-style-type: none"> <li>Registered</li> <li>Bearer</li> </ul> <p>Securities can be in different formats:</p>
<b>Redemption Quotation Method</b>	<p>The Redemption Quotation Method can be specified in the following ways:</p> <ul style="list-style-type: none"> <li>Percentage – In this case, the quantity to be redeemed is expressed in percentage.</li> <li>Factor – In this case, the quantity to be redeemed is expressed in fraction.</li> <li>Cashflow – Here, the quantity to be redeemed is expressed as an actual cash flow. This represents the amount per face value that will be received on the redemption date. The cashflow includes the coupon and the redemption amount.</li> </ul> <p><b>NOTE:</b> The Redemption Quotation types 'Factor' and 'Cashflow' are applicable only for the quantity redemption type securities.</p>

**Table 19.4: Securities Formats**

Option	Description
Scrip-based	Issued in a paper format
Dematerialized	In an electronic format
Immobilized	Securities in lieu of which proxies are traded
Combination	Issued in one or more of the above formats

### 19.5.1 Indicate Corporate Action Preference

The 'Confirm Corp Action' box indicates whether the redemption and coupon schedules should be created as a confirmed corporate action or not. By default, this check box will be checked. However, you can uncheck it to indicate that all redemption and coupon schedules should be created in the corporate action maintenance as unconfirmed.

## 19.6 Capture Trade-Related Information

You can define the minimum quantity in which a security should be traded. Enter the specification in the Lot Size field. Preferences defined for the product, under which you maintain the security, will default to this screen. These default attributes can be changed.

### The Quantity Quotation method

Securities can be quoted in terms of:

- Units (500 units of a security)



- Nominal (securities worth USD 5000)

Specify the quantity quotation method for every security you maintain. A security maintained under a product acquires the quotation method specified for the product. If you choose the Units Quotation option, you may also indicate whether the security can be traded in fractional units. Specify the fractional units in the Decimals field. Deals entered in fractional units of the security will be validated against the decimal value that you specify.

## 19.7 Specify Type of Price Quotation

The method in which price is quoted is a feature of the market where security is traded. Each market may use a particular price quotation method. The price of a security can be quoted in the following ways: Price - in this method, the total price of the security is quoted. The total price can be expressed as:

Price - in this method, the total price of the security is quoted. The total price can be expressed as: (Face Value  $\pm$  Premium or Discount) + Accrued Interest (if the interest quotation method is Flat)

% Price - the price is quoted as a percentage, as follows:

% Price = (Market price / Face value)  $\times$  100

% Discount - in this case, the price is quoted based on the discount percentage at which the security is bought or sold.

% Premium - in this case, the price is quoted on the basis of the premium percentage at which the security is bought or sold.

Premium - here, the price is quoted on the basis of the premium at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

Discount - the price is quoted on the basis of the discount at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

YTM - the price is quoted based on its yield to maturity.

The yield on a discounted instrument is measured by its yield to maturity (YTM). YTM is the yield on a security, calculated from the purchase date to its maturity. The YTM keeps changing with the market price. In case the market price increases above the straight discounted price, YTM would decrease and vice versa.

The price using this quotation method is calculated thus:

Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same. The price quotation specifications defined for the product, under which the security is maintained, will default in this screen. However, this quotation method can be specific for a security.

## 19.8 Capture Information Specific to the Security Type

You can capture information that is specific to the type of security you are maintaining.

### If the Security Type is bond

You can indicate if Call and Put options are available for the bond that you maintain in this screen. The issuer of a bond may also offer the option of converting the bond into shares or equities. Such bonds are referred to as convertible bonds. Choosing the Convertible option can capture this information. You can also indicate if the bonds would be Redeemable, and if so, the mode of redemption. An issuer can redeem bonds in three ways:

- Series
- Quantity

- Bullet

For bonds with the Redemption Type defined as Series, you can specify the Series details in the Security Definition - Series screen. Click **Series**.

**Figure 19.2: Series**

The actual (series) redemption dates can be specified, in the Security Definition – Redemption Schedules screen. For bonds with the Redemption Type, defined as Quantity and Series, you can specify the redemption details in the Security Definition - Redemption Schedules screen. This screen is invoked by clicking on the 'Redemption Schedule' button.

**Figure 19.3: Redemption Schedule**

Specify the date(s) of redemption (in the Event Date field) and the quantity of redemption (in terms of a percentage/fraction/actual cashflow). If the redemption mode is series, specify the series that should be redeemed on an Event Date. If the redemption quotation is 'Cashflow', you should ensure that the quantity is not less than the

interest for the period. Redemption price will be derived based on redemption quotation type. If the Redemption quotation is 'Factor', then the redemption price will be derived as follows:

- $F_n$  is the redemption factor of the  $n$ th redemption schedule
- $F_{n-1}$  is the redemption factor of  $n-1$ th redemption schedule (this value will be 1 for the first redemption schedule)
- $RP_n$  is the redemption price of the  $n$ th redemption schedule
- $FV_0$  is the original face value of the security

$$RP_n = (F_{n-1} - F_n) * FV_0$$

**NOTE:** The factor for the final redemption date will be zero. During modification of redemption schedules, the system will validate whether the cumulative factor of all redemption schedules (previous period factor – current period factor) is equal to one or not. The factor for each redemption schedule cannot be greater than one.

If the Redemption quotation is 'Cashflow', then the redemption price will be derived as follows:

$$RP_n = (CF_n - C_n)$$

- $CF_n$  is the cash flow of  $n$ th redemption schedule
- $C_n$  is the actual coupon cashflow for the  $n$ th coupon period
- $RP_n$  is the redemption price of the  $n$ th redemption schedule

In case the Redemption Quotation is 'Percentage', the system will allow you to define the percentage as zero for any intermediate schedule. However, it will validate whether the sum of all percentages is equal to 100 or not. At the time of instrument definition for Factor/Cashflow type of securities, if the Factors/ Cashflows are unknown, the final redemption price will be the initial face value. At any point in time, if the factor values/cash flows for redemption date(s) are specified, then the final redemption price will be calculated as the Face value – the sum of the redemption price of the intermediate schedules. If the total redemption price across all schedules is not equal to the initial face value for Factor/Cashflow type of securities, the system will display an error message upon saving the record.

**NOTE:** For Collateral Debt Obligations (CDOs), the sum of intermediate cash flows cannot be greater than the face value.

### If the Security Type is equity

The issuer of equity can grant a holder voting rights. This information can be captured when maintaining a security, with the Security Type, Equity.

### If the Security Type is Right or Warrant

Rights and Warrants can be renounced. You can capture this information when maintaining rights and warrants.

## 19.8.1 Indicate bankers acceptance

Indicate whether or not you intend to use the security you are defining for a Banker's Acceptance deal. If this option is checked, it implies that you can fund the issuer of the security through a loan contract or a money market placement deal. You can also trade in the security on your behalf.

The value for this field defaults based on your specification in the Security – Product Preferences screen. If the default value is 'Yes', you can change it to 'No', but not the other way round. The quantity quotation for this security

has to be 'Nominal' if the Banker's Acceptance option is enabled. Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances.

## 19.8.2 Specify Currency

When maintaining a security, specify the currency in which it is issued. You can also indicate the currency in which, the issuer of the security (that you are maintaining) pays corporate actions, such as Coupon Payment. The currencies can be selected from the pick lists available.

## 19.8.3 Specify Relevant dates

Capture the dates that are relevant to a security being maintained. The following are the dates that you should specify:

- The Issue/Tear-off Date
- The Start of Interest Date
- The Start of Trading Date
- The Redemption/Expiry/Maturity Date

The Start of Interest Date and the Start of Trading Date that you specify should be greater than the Issue Tear-off Date. In case you want to extend the redemption date of the security after it is authorized, indicate a new redemption date in the redemption/Expiry Date field. Once you extend the redemption date, you need to maintain a new coupon schedule for the newly extended period (between the previous redemption date and the new redemption date). In case you do not maintain a coupon schedule for the period, the system will, by default, apply the bullet schedule for the new period.

**NOTE:** No back dated buy/sell deal input or reversal of a deal is allowed before the transaction date of the security extension.

On extension of the security, YTM for all deals will be recomputed and the Discount/Premium accrual will be completed till the extension date (using the old redemption date). Discount/ Premium accrual for only the unaccrued part will be done using the new redemption date after extension. Additionally, you can also maintain a new interest revision schedule for an extended period.

## 19.9 Specify Price Details

Specify the following price details for a security:

- The Initial Face Value
- The Issue Price
- The Redemption Price

**Table 19.5: Information table**

Term	Description
Initial Face Value	This is the actual unit face value of the security you are maintaining, as of the Issue Date. This price is also referred to as the par value of the security.

Term	Description
Issuer price	<p>An issuer can offer a security at a premium or at a discount with respect to the par value, on the Issue Date. You can capture the offer price (the purchase price), or the Issue Price for a security that you are maintaining.</p> <p><b>NOTE:</b></p> <ul style="list-style-type: none"> <li>You must capture the Issue Price of Zero Coupon Bonds</li> <li>The issue price of Zero Coupon Bonds must be lower than the Redemption price</li> </ul>
Current Face Value	<p>This is a system-generated value, giving the current Face value of the security. This is the same as the Initial Face Value but may differ in case of split or reduction of face value by the issuer to increase the capital base. When viewing the details of bonds, defined with quantity redemption, you can view the face value as of the current system date.</p>
Redemption	<p>The price at which an issuer redeems a security is referred to, in Oracle Banking Treasury Management, as the Redemption Price. Enter the Redemption Price of the security, when defining it in this screen.</p>

### 19.9.1 Specify Interest Details for a Bond

When maintaining a bond, you must define its interest details.

- Flat
- Plus Accrued

When the interest component is included in the market price of a security, the quotation method is referred to as Flat. A flat price of a security is also referred to as the Dirty Price. When the interest component is excluded from the market price of a security, the quotation method is referred to as Plus Accrued.

#### Specify Coupon Frequency

You can indicate if the coupons due for a bond are periodic. Choose the Periodic option, to indicate that the coupon is periodic. Coupons for a bond will be calculated according to the periodicity that you specify. For an interest-bearing bond, with a periodic coupon, you must indicate the Coupon Frequency. The coupon frequency can be:

- Weekly
- Monthly
- Once in two months
- Quarterly
- Once in four months

If you indicate that the coupon frequency is weekly, you should also indicate the day on which the coupon is due. For instance, you can have a bond with a weekly coupon that is due on Wednesdays. If the coupon frequency is in terms of a month, you can indicate that the coupon days should adhere to Month-Ends. You can define the actual

coupon schedules in the Securities Definition – Coupon Schedules screen. You can process this screen by clicking **Coupon**.

**Figure 19.4: Coupon**

In this screen, you can specify the first coupon due date (Base Start Date) and the last coupon due date (Base End Date). If you choose the Continuous option, the system calculates all intermediate coupon due dates, based on the frequency specified. If you specify a weekly frequency, you must also specify the Week Day. You can also choose to adhere to month ends. For the Discrete / Irregular coupon schedule definition, you will have to set the coupon dates. For continuous coupon schedules, to introduce an intermediate coupon date, click add icon. Enter the intermediary Coupon Date, in the Base Start Date field, and choose the Discrete option. Even if the coupon schedules are defined to be continuous, you have the flexibility to amend the coupon payment dates.

Click ZOOM button in the Coupon Schedule screen to invoke details of the coupon periods:

**Figure 19.5: Coupon Period**

You can enter your coupon date amendments on this screen, provided the amended dates do not violate the limit set at the product level. During coupon date amendment, if you change the NCD (next coupon date) of one schedule, then you should also change the PCD (previous coupon date) of the next schedule accordingly. If you do not, the system will prompt you with a warning, but will not automatically update the PCD of a schedule when the

NCD of the previous schedule is changed. After authorization, coupon dates can only be amended under the following conditions:

- You can amend only the NCD for the current period, provided that there are no active deals after the record date;
- For future periods, you can amend both the NCD and the PCD, provided that there are no active deals in that period.

Any such amendment of PCD/NCD will be subject to the validations as mentioned above.

## Interest Rate

Specify the Interest Rate.

## Specifying Holiday Treatment for Coupon Payments

The holiday treatment that you have specified as part of Product Preferences is inherited by the security. You can change this treatment for the particular security that you are defining. You can also amend it at any point in time – the amended parameters will take effect for subsequent coupon events. Irrespective of the holiday treatment specified by you, the system will not perform any holiday adjustment if, in the Product Event Accounting Entries Maintenance, you select 'No' as the Holiday Treatment parameter. A more detailed explanation is available in the Products manual. For details of holiday treatment of coupon payments, refer to the chapter on Securities Products in this manual.

## Using the Holiday Calendar Currency list

If the issuer currency and the security currency are not the same, then you might wish to have coupon events fall on days which are common working days for both currencies. For example, the bank (issuer currency = EUR) issues a USD-denominated bond (security currency = USD), for which one of the coupon payments falls due on a Saturday (a holiday for both EUR and USD). In addition, the following Monday is a holiday for USD.

You have chosen 'Forward' as the holiday treatment option for processing of coupon events. Then, subject to the holiday treatment preferences that you maintain the coupon payment is processed with a value date of the following Tuesday, which is the next common working day for both currencies. For any security, you can maintain a list of currencies whose holiday calendars are to be consulted by the system in determining common working days. Click 'H' button to invoke the following list:

Use the options list against each field to select a currency whose holiday calendar you wish to be included in the computation of common working days. If one of the currencies maintained in this list is the local currency of the branch, then the system will use the branch holiday calendar to determine the common working days. For example, suppose that the branch currency is GBP and the security issuer currency is USD. You have maintained both GBP and USD in the holiday calendar currency list. Oracle Banking Treasury Management will use the USD holiday calendar and the holiday calendar of the branch for determining the common working day.

## Specify the Interest Rate Revision Frequency

Revise the interest rates for bonds with floating interest. This revision frequency can be different from the coupon frequency. This is referred to as Asynchronous (interest rate) Revision. Asynchronous revision can be:

- Periodic
- Non-Periodic

As part of interest specifications, you can indicate Interest Rate Revision details. By default, interest rates will be revised according to the coupon frequency, defined for a bond. To revise interest rates at a different frequency, choose the Allow Asynchronous Revision option. If the asynchronous revision of rates is periodic, click on the Periodic Revision option, and specify the Revision Frequency. For a frequency that is weekly, you should indicate the day on which the revision is due. (For instance, you could indicate that the interest rates for securities should be revised every Monday.) If the revision frequency is in terms of a month, you can indicate that the revision days

should adhere to Month-Ends. The implication of this option is explained in the following example. Assume the Issue Date of the security (with floating interest and an asynchronous rate revision) is 01 January 2000 and the Maturity Date is 31 December 2000. You have specified that the interest rate revision frequency is quarterly. If you choose the Adhere to Month End option: The rate revisions for this security would be due on the following dates:

- 31 March 2000
- 30 June 2000
- 30 September 2000
- 31 December 2000

If you do not choose the Adhere to Month End option:

The rate revisions for this security would be due on the following dates:

- 31 March 2000
- 30 June 2000
- 30 September 2000



- 31 December 2000

If the interest rates for a security should be revised on a non-periodic basis, you should leave the Periodic Revision option blank. You can capture the actual revision details for a security, with non-periodic rate revision, in the Security Definition – Revision Schedules screen.

Click **Revision**.

**Figure 19.6: Revision**

In this screen, specify the first revision due date (Base Start Date) and the last revision due date (Base End Date). If you choose the Continuous option, the system calculates all

Intermediate revision due dates, based on the frequency specified. If you specify a weekly frequency, you must also specify the Week Day. You can also choose to adhere to month ends. To introduce an intermediate revision date, click the add icon. Enter the intermediary Revision Date in the Base Start Date field and choose the Discrete option.

## 19.9.2 Build Rate Fixing Schedules

On saving the SE Instrument, the system builds rate fixing schedules based on the rate revision dates, rate fixing days and fixing date movement. Derived Rate fixing date is viewed from the revision schedule details screen after save of Instrument. If there are no revision schedules defined for a contract then rate fixing is not applicable.

For every revision schedule, which applies a rate fixing from an external system or in OBTR via online screen or EOD processing, a new event rate fixing event RFIX will trigger and the rate fixing applied field will be updated automatically to Y. The effective rate will resolve after considering the spread and is displayed with other rate related details in the Revision date details screen of SEDTRONL.

Rate fixing is not applied on back dated contracts having past revision schedules. For future dated rate fixing date that is when the fixing date movement is forward rate revision event will not fire on schedule date. Once rate fixing is done the rate revision event will trigger.

**Table 19.6: Rate Fix Forward Example - 2 days forward**

Rate fixing is applied 2 days after the revision schedules and adjustment entries are posted

Revision Schedule Date	Rate Fixing Date
12/11/2019	12/13/2019
12/18/2019	12/20/2019
12/25/2019	12/27/2019
1/1/2020	1/3/2020
1/10/2020	1/12/2020

**Table 19.7: Rate Fix Backward Example - 2 days Backward**

Rate fixing is applied 2 days before the revision schedules.

Revision Schedule Date	Fixing Date	
12/17/2019	12/13/2019	14th & 15th Weekend holiday
12/24/2019	12/20/2019	21st & 22nd Weekend holiday
12/31/2019	12/23/2019	28th 29th Weekend holiday
1/7/2020	1/3/2020	4th & 5th Weekend holiday
1/14/2020	1/10/2020	11th & 12th Weekend holiday

**Table 19.8: Rate Fix Example**

Rate fixing and Rate revision on same date

Revision Schedule Date	Fixing Date
12/17/2019	12/17/2019
12/24/2019	12/24/2019
12/31/2019	12/31/2019
1/7/2020	1/7/2020
1/14/2020	1/14/2020

### 19.9.3 Exempting interest for the ex period

For Purchase Deals and Sell Deals booked in the Ex Period, you can specify whether you want to calculate the interest. If you check this box, the system will not apply interest for such deals. In addition, the system accrues the holdings as of the ex date and will not pass any interest related accounting entries related to the deals booked in the Ex period. In case you do not opt for zero interest facility, the system accrues the actual holdings during the accrual period including the buy/sell deals booked in the Ex period. The system defaults the value maintained in the

Market Definition screen. You can choose to change this value, if required. However, you will not be allowed to change this value if the security is already authorized.

### **19.9.4 Opting for Automatic Initiation of Corporate Actions**

Check against the option Auto Initiation of Corporate Action, to indicate that corporate actions for a security should be automatically initiated. If you choose this option, corporate actions for a security will be initiated automatically on the due dates specified (as part of the corporate actions for a security). If you do not choose this option, you will have to manually initiate all corporate actions required for the security.

### **19.9.5 Indicate a Revaluation Price Code**

Every security that you deal with must be associated with a Price Code. A Price Code identifies the price of security in a specific market. To ascertain the value of a security in a market, with reference to the prevailing rates, you need to constantly revalue the security. When defining security, specify the Price Code that you would like to use, to revalue the security. The value of a security in a market will be determined with respect to the current rates for the corresponding price code.

### **19.9.6 Indicate the Collateral Type**

A customer can offer you securities as collateral against a liability. In the Central Liability module of Oracle Banking Treasury Management, you can categorize different types of securities into Collateral Types. For example, Govern-

ment Bonds can be defined as one type of collateral, and Corporate Bonds as another type. When maintaining security, specify its Collateral Type.

## 19.9.7 Specify the Market for Revaluation

Indicate the market, which will determine the number of spot days to be used for arriving at the revaluation date while revaluing the security using the effective interest method.

## 19.10 Specify the Yield Calculation Parameters for a Security

For each Security, the Yield Calculation Parameters are defaulted from the market of an issue depending on whether it is a Bond or a T-Bill. You will be allowed to modify these details for a specific Security. Click the 'Yield' button in the Security Definition screen. The Yield Calculation Parameters screen is displayed.

**Figure 19.7: Yield Calculation Parameters**

**Table 19.9: Yield Calculation Parameters - Field Description**

Field	Description
<b>Specifying YTM method for T-Bills</b>	<p>The basis for YTM calculation for T-Bills can either be:</p> <ol style="list-style-type: none"> <li>1) Simple interest</li> <li>2) Effective (Compound) interest</li> </ol> <p>If you enable the Use Bond Formula option, YTM is calculated using the effective interest formula (typically used for bonds). For Bonds and T-Bills with the effective interest method of YTM calculation, you need to specify the following details:</p>
<b>Reinvestment Period Days</b>	<p>The effective interest formula assumes that coupon payments are reinvested at the same rate as the yield of the T-Bill/Bond till the maturity of the security. You have to specify this period in terms of days.</p>

Field	Description
<b>Annualizing Method</b>	<p>For Bonds and for T-Bills with effective interest you need to specify the annualizing method. This is the method by which the System computes the periodic YTM from the deal YTM, which is annualized. The options available are:</p> <ul style="list-style-type: none"> <li>• Simple</li> <li>• Compound</li> </ul> <p>If the Annualizing method is Compound, the relationship between the periodic YTM and the deal YTM is computed as follows:</p> $y_0 = \left[ (1 + Y_0)^{\frac{P}{A}} - 1 \right]$ <p>If the Annualizing method is Simple, it is computed as follows:</p> $Y_0 = \left[ y_0 \left( \frac{A}{P} \right) \right]$ <p>Where</p> <ul style="list-style-type: none"> <li>• y0 is the Periodic YTM</li> <li>• Y0 is the Deal YTM</li> <li>• A is the Day Count Method – Denominator</li> <li>• P is the Period of Reinvestment. If Null, defaulted to A/</li> </ul> <p>Apart from these details you need to specify the Day Count Denominator and Numerator methods for all Bonds and T-Bills.</p>
<b>Day Count Method Numerator</b>	<p>Indicate the day count numerator, which is to be used to arrive at the number of days for yield calculation. The options available are:</p> <ul style="list-style-type: none"> <li>• 30 Euro</li> <li>• 30 US</li> <li>• Actual</li> </ul>
<b>Day Count Method Denominator</b>	<p>Select the day count method to be used while calculating yield from the adjoining drop-down list. This list displays the following values:</p> <ul style="list-style-type: none"> <li>• 360</li> <li>• 365</li> <li>• 364</li> </ul> <p><b>NOTE:</b> Values of Day Count Method Denominator maintained in 'Yield Calculation Parameters' screen is used in Yield calculation of T-Bills and Bonds.</p>

Field	Description
<b>Premium/Discount for Current Interest Period</b>	<p>Check this option to specify that the premium or discount should be accrued only for the current period. This option will be applicable only if the security is a Floating Rate Bond.</p> <p><b>NOTE:</b> This option will be disabled if the bank level parameter COMMON_YLD_-ACCR is set to 'Y'.</p> <p>Asynchronous revision cannot be enabled if the Premium/Discount for Current Interest Period is checked and vice versa.</p>

### 19.10.1 Process Bonds and T-bill based on the YTM parameters

While processing a Bond, if the Price quote is not by 'Yield to Maturity', the YTM is computed based on the formula given below:

$$P_0 = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\Delta d_i}{P}\right)}} + \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d_N}{P}\right)}} - AI \right]$$

Where:

- P0 is the Purchase price of the Bond
- N is the Total number of coupons
- Ci is the Coupon payment for coupon i
- y0 is the Periodic YTM
- Y0 is the Annualized YTM
- A is the Day Count Method – Denominator
- n is the Coupons in a Year
- P is the Period of Reinvestment. If Null, defaulted to A/n
- R.P. is the Redemption Price
- AI is the Accrued Interest
- di is the Coupon Date jV Value Date
- dN is the Redemption Date – Value Date

The formula used to calculate the yield given price – for T-Bills (provided you have enabled the Use Bond Formula option), will be

$$P_0 = \left[ \frac{R.P.}{(1 + \%Y_0 * \left(\frac{\Delta d}{A}\right))} \right]$$

Where

- P0 is the Purchase price of the T-Bill
- R.P. is the Redemption Price

- $y_0$  is the Periodic YTM
- $d$  is the Redemption Date ;  $V$  Value Date
- $A$  is the Day Count Method – Denominator

The following example explains the computation of YTM for T-Bills, using the formula mentioned above.

**Table 19.10: Price Table**

<b>Purchase Price</b>	<b>USD 90</b>
Redemption Price	USD 100
Day count method Numerator	Actual
Day count method Denominator	365
Reinvestment Period	183 days
Redemption Date	30-June-2003
Purchase Value Date	31-Jan-2003
Annualizing Method	Simple

Applying the formula the periodic YTM is calculated as follows:

$$90 = (100 / ((1 + y_0)^{((30\text{-June-2003}) - (31\text{-Jan-2003}) / 183)}))$$

$$y_0 = ((100/90)^{(183/((30\text{-June-2003}) - (31\text{-Jan-2003}))}) - 1$$

$$y_0 = 0.1372 \text{ or } 13.72\%$$

Annual YTM is computed using the relationship given above.

$$Y_0 = 0.14 * (365/183)$$

$$Y_0 = 0.2736 \text{ or } 27.36\%$$

Refer to the Batch Processing Chapter of this manual for detailed information on End-of-Day processing for Securities with YTM as the as method of accruing Discount or Premium

## 19.11 Interest Method for Computing Coupon Interest

Apart from the above-mentioned method for calculating the interest, you can also use the ACT/ACT–ISMA Interest Method and ACT/ACT–FRF Interest Method

### ACT/ACT–ISMA Interest Method

The ACT/ACT–FRF Interest Method is applied for periodic coupons using the following coupon: Coupon Interest = Nominal x (Coupon Rate/Number of Coupons) x (Number of elapsed Days/ Number of days in coupon period) For ACT/ACT–ISMA, you need to maintain the following parameters:

- Numerator Method – Any of the option in the list
- Denominator Method – Actual
- Denominator Basis – Per Annum

- Rate Denomination Basis – Per Coupon Period

Specify denominator method for calculating the accrual and liquidation amount as follows:

### Denominator Method

Select the denominator method from the adjoining drop-down list. This list displays the following values:

- 360
- 365
- 364

The values of Denominator Method maintained in 'Securities Instrument Definition' screen are used for accrual and liquidation Interest amount calculation for Bonds for a given security.

### 366 Basis

While maintaining the Interest related details in the Security Definition screen, you need to specify the whether the system should use leap year or leap date for calculating the interest.

- Leap Year (Y) – Indicates that the system will compute the interest based on the number of calendar days in the year.
- Leap Date (D) – Indicates that the system will use the ACT/ACT–FRF Interest Method to compute the interest.

**NOTE:** This field is enabled only if the Denominator Basis value is Per Annum and the Denominator Method is ACTUAL.

### ACT/ACT–FRF Interest Method

In ACT/ACT–FRF Interest Method, the Numerator will be the actual number of days between two coupon dates and the denominator will be 366 under the following cases:

- If 29th February falls between the duration of two coupon dates (i.e. previous coupon date and next coupon date)
- If the previous coupon date and the next coupon date fall in different years (annual frequency, next coupon dates in immediate subsequent year of previous coupon date)
- If the coupon schedule is not periodic and spreads across multiple years. The system will apply 366 as the denominator for all the years for computing the day count even if one instance of 29th February falls in between the coupon dates.

## 19.12 Process Security Instruments

This topic describes the systematic instruction to process security instruments.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SESTRONL** in the text box, and click next arrow.

**STEP RESULT:** **Securities Instrument Definition Summary** screen is displayed.



**Figure 19.8: Securities Instruments Definition**

2. On **Securities Instrument Definition Summary** screen, specify the fields.  
click Search button to view all the pending functions. However, you can to filter your search based on any of the following criteria:

- Authorization Status
- Record Status
- Internal Security Id
- ISIN Identifier
- Product
- Security Reference
- Security Description

When you click the Search button the records matching the specified search criteria are displayed. For each record fetched by the system based on your query criteria, the following details are displayed:

- Authorization Status
- Record Status
- Internal Security Id
- ISIN Identifier
- Product
- Security Reference
- Security Type
- Interest Type
- Market Of Issue
- Issuer Code
- Registered/Bearer

- Form Type
- Quantity Quotation
- Price Quotation
- Interest Quotation
- Renounce able
- Security Currency
- Payment Currency
- Security Description
- Issue Date
- Start of Trading Date
- Redemption Date
- Maker Id
- Checker Id

- On **Securities Instruments Definition** Screen, click **Interest**.

STEP RESULT: **Contract Interest Details** screen is displayed.

**Figure 19.9: Contract Interest Details**

- On **Contract Interest Details** screen, specify the fields.  
For more information on fields, refer field description table.

**Table 19.11: Contract Interest details - Field Description**

Field	Description
<b>Internal Security Id</b>	Identify a security that you are maintaining, with a unique identifier. The identifier is referred to as the Security ID. Specify the security id.
<b>Creation ESN</b>	Event sequence number gets displayed by the system.
<b>Component</b>	Component gets displayed by the system.

Field	Description
<b>Waiver</b>	Check this box to indicate that interest on the contract should be waived.
<b>Negative Interest Allowed</b>	Check this box to allow negative interest for interest class. You can check this box only if interest class is maintained for Money Market, Corporate Deposit or Bills and Collections module and 'Main Component' flag is checked. If negative interest is allowed for an interest class, system will generate a negative interest component on saving the interest class. Negative Interest Class name is derived as Main Interest Class Code_N. If the length of main interest class code is more than 8, then the system truncates the interest class code to first eight characters and adds '_N'.
<b>Rate Code</b>	While processing a contract, you need to indicate this code to make the rate applicable to the contract. Specify a valid rate code to identify the rate you are defining. The adjoining option list displays all the valid rate code maintained in the system. You can select the appropriate one.
<b>Tenor Code</b>	Specify a valid tenor code to identify the tenor for which this rate code should be applicable. The adjoining option list displays all the valid tenor code maintained in the system. You can select the appropriate one.
<b>Interest Spread</b>	Specify the Interest spread.
<b>Rate</b>	Specify the interest rate.
<b>Flat Amount</b>	Specify the Flat amount.
<b>Acquired Amount</b>	Specify the acquired amount.

Field	Description
<b>Interest Method</b>	<p>The method in which the number of days is to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. However, you can change it. The following are the options available in the drop-down list:</p> <ul style="list-style-type: none"> <li>• 30(Euro)/360</li> <li>• 30(US)/ 360</li> <li>• Actual/360</li> <li>• 30(Euro)/365</li> <li>• 30(US)/365</li> <li>• Actual/365</li> <li>• 30(Euro)/Actual</li> <li>• 30(US)/Actual</li> <li>• Actual/Actual</li> <li>• 30(Euro)/364</li> <li>• 30(US)/ 364</li> <li>• Actual/364</li> </ul>
<b>Index</b>	Specify the index of the security.
<b>Spread</b>	Specify
<b>Floor</b>	Specify the lower limit of the security.
<b>Ceiling</b>	Specify the upper limit of the security.

## 19.13 Holiday Preference

### CONTEXT:

Financial center holidays are validated during contract input for SE deals. Users should modify the dates appropriately during deal input.

Financial center holidays are validated during contract input for transactions received through interface. Appropriate validation message(s) are returned to the interface.

Also, if the system validates the Safe Keeping Location (SKL) holiday, then you can create a Financial center corresponding to the SKL. Maintain a holiday calendar for the financial center corresponding to the SKL. Validations for this financial center are enforced by the system and thereby indirectly get the SKL holiday also validated. So multiple financial centers are linked and validated for a transaction.

1. On the **Securities Instrument Definition** screen, click **Holiday Preference**.

STEP RESULT: **Holiday Preference** screen is displayed.

**Figure 19.10: Holiday Preference**

2. On the **Holiday Preferences** screen, Specify the details as required.  
See the below table for field descriptions:

**Table 19.12: Field Description**

Field	Description
<b>Contract Reference Number</b>	The Contract Reference number from the main screen is displayed.
<b>Contract Reference</b>	The Contract Reference number from the main screen is displayed here.
<b>Version Number</b>	Version of the contract number is displayed in case of contract amendments/events.
<b>Contract Level</b>	
<b>Local Holiday</b>	Select this check box, if the local holiday validation of dates and schedule movement is required, which is defaulted from product and amendable.
<b>Currency Holiday</b>	Select this check box, if the currency holiday calendar validation of dates and schedule movement is required, which is defaulted from product and amendable.
<b>Financial Center</b>	Select this check box, if the financial center holiday calendar validation of dates and schedule movement is required, which is defaulted from product and amendable.
<b>Currency</b>	Specify the currency details for which the holiday validation for dates and schedules movement is required, which is defaulted from product and amendable.

3. On the **Holiday Preferences** screen, click **Event Date**  
STEP RESULT: **Holiday Preferences** with **Event Date** tab details is displayed.

**Figure 19.11: Holiday Preferences - Holiday Preferences**

4. On the **Event Date Preference** tab, specify the details as required.  
The following are the field descriptions:

**Table 19.13: Field Description**

Field	Description
<b>Event Description</b>	This field provides the list of dates for appropriate events in the life cycle.
<b>Local Holiday</b>	Select this check box if the local holiday validation of the dates and schedule movement has to be executed.
<b>Currency Holiday</b>	Select this check box, to execute the currency holiday calendar validation of the dates and movement of schedules.
<b>Financial Center</b>	Select this check box, to execute the financial center holiday calendar validation of the dates and movement of schedules.
<b>NOTE:</b> Based on the requirement you can choose more than one holiday check at the same time.	

### 19.13.1 Holiday Validation Assumptions

- Automatic schedule movement is applicable only for **Payment** and **Rate Revision** schedules across the modules.

#### Holiday Preference Example

If a SE contract is a comparing two currencies USD and GBP validations, as an addition, the user selects the **Currency Holiday** under **Holiday Check Required** section in **Holiday Preferences** screen and adds the INR as

currency to validate, the system validates the same based on the INR holiday calendar. As per the validation, if the currency date falls on a holiday the accounting entries or the transaction is done the next working day. If the INR holiday details is not present to validate, the INR validation is discarded by the system and the original validation of the USD and GBP is continued by the system.

**NOTE:** When the **Currency Holiday** is checked and the currency details is specified, ensure the holiday calendar of the specified currency is added.

Also, the decision making is mainly in the contract level and the details on the contract level are defaulted to product level.

If the schedule of a contract falls on a holiday/adhoc holiday the value date of the contract remains same as the holiday date but the transaction date is marked to the previous or the next working day based on the schedule movement set by the user in contract level.

## 19.14 Upload Security Instruments for Amendment

From an external system, you can upload Securities that require amendment in Oracle Banking Treasury Management. The system will distinguish between the new and the ones that require amendment based on the action code of the uploaded record. For an instrument requiring amendment, the action code will be 'AMND'. If the action code is 'AMND', Oracle Banking Treasury Management will first check whether the instrument exists in the system or not. If it does not exist in the system, an error message will be displayed to notify that the instrument cannot be amended. The Security ID provided by the external system has to same if it is a new instrument or if it is an amendment to an existing one. When you upload a new instrument, the external security Id number will be displayed in the 'Security ID' field for that instrument. The Security ID will be the basis for checking whether the instrument exists or not. The upload for the security amendment will trigger the 'AMND' event. The same event is triggered even when you amend the 'Securities Definition' screen itself. The fields that can be amended for Security are as follows:

- ISIN Identifier
- Description
- Redemption/Expiry Date
- Outstanding Issue Size
- Payment Currency

At the time of uploading a securities instrument, if only the Security Id and Product is provided and the source preference has 'Put on Hold' on Exception then the instrument will be uploaded with status Hold. Subsequently, any user can modify the same. If the instrument is created from the front end and kept on hold only then can the same user modify the instrument. If the instrument is created having a market code whose country code is different, then the country code of the home branch in which the instrument is created will be treated as 'Foreign Market Instrument'. Otherwise, the instrument will be treated as 'Local Security Instrument'. In Oracle Banking Treasury Management the following batch functions will be created to handle triggering of notification:

- Notification for Local Instrument Changed
- Notification for Securities Coupon Revision Announcement

- Notification for Local Market Security Price

This batch function will log a notification into the Database queue. This will, in turn, be picked up by the Gateway and will be sent to the external system. During batch hand-off for security instruments, only the Local Security Instrument will be handed off and not the Foreign Market Instrument.

## 19.15 Bulk Upload- Security Instruments & Market Security-Price

Using Bulk upload, more than one security instrument or market security price can be uploaded. If during upload if any one of the instruments or security price has an error then the whole upload will be rejected. The instrument and security price cannot be uploaded through the same XML simultaneously. If the same instrument which has been uploaded successfully is uploaded again, an error will be thrown but in case of security price, the upload will go through. If for the same security price a different data is being sent, then it would amend the existing security price with the new information. Once the upload is successful, all the records will be auto authorized irrespective of maintenance done at the source preference.

## 19.16 Process Securities Deal Contract

This topic describes the systematic instructions to process securities deal contract.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXREAS** in the text box, and click next arrow.

STEP RESULT: **Security Deal Contract Reassign** screen is displayed.

**Figure 19.12: Security Deal Contract Reassign**

2. On **Security Deal Contract Reassign** page, specify the fields.  
For more information on fields, refer to field description table.

**Table 19.14: Security Deal Contract Reassign - Field Description**

Field	Description
<b>Product Code</b>	Select the code of the product from the adjoining option list.
<b>Deal Reference</b>	Select the deal reference number from the adjoining option list.



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Field	Description
Current User Id	Specify the identification of the current user.
New User Id	Select the user identification from the adjoining option list.

## 19.17 List of Glossaries - Maintain a Security

### SEDTRONL

Securities Instruments Definition - [19.2 Process Security Deals Product Definition](#) (p. 205)

### SESTRONL

Securities Instrument Definition Summary - [19.12 Process Security Instruments](#) (p. 226)

### SEDXREAS

Security Deal Contract Reassign - [19.16 Process Securities Deal Contract](#) (p. 234)

## 20. Maintain and Process Corporate Actions

### 20.1 Introduction

In the Securities module of Oracle Banking Treasury Management, defining the corporate action is a part of the maintenance function. The processing of corporate action events is done as part of the End of Cycle process. The following are the corporate action events that can take place.

- Settlements (Money as well as Security settlements).
- Bonds
  - Interest coupon payment
  - Redemption (both series and quantity)
  - Maturities
  - Calls
  - End of Trading
  - Warrants (detachment, tradable)
- Equities
  - Dividend payment (both cash and stock)
  - Bonus
  - Rights (Tear-Off, Exercise, Expiry)

This section contains following sub-topics:

- 1) [\*Process Corporate Action Event Stages\*](#)
- 2) [\*Rights and Warrants\*](#)
- 3) [\*Process Rights and Warrants\*](#)
- 4) [\*Process Rights\*](#)
- 5) [\*Rights and Warrants Expiry Details\*](#)
- 6) [\*Security Redemption Details\*](#)
- 7) [\*Security Redemptions\*](#)
- 8) [\*Process of Amendment on Redemption Schedules\*](#)
- 9) [\*Interest Coupon Details\*](#)
- 10) [\*Process Interest Coupon\*](#)
- 11) [\*Process Interest Rate Revision Details\*](#)
- 12) [\*Maintain Stock Dividend Details\*](#)

- 13) [Process Dividends](#)
- 14) [Process Bonus to Cash Conversion Details](#)
- 15) [Process Bonus to Cash Conversions](#)
- 16) [Process Corporate Action Events](#)

## 20.2 Process Corporate Action Event Stages

The three stages are

- Corporate action initiation
- Corporate action collection
- Corporate action liquidation

**Table 20.1: Corporate Action Events**

Term	Definition
<b>Corporate action Initiation</b>	At the time of defining new security, you can indicate whether corporate actions have to be auto-initiated. A check box is available where you can make this specification. If you leave this box unchecked, then you will have to manually initiate the action.
<b>Corporate action Collection</b>	Corporate action collection can be manual or automatic. This specification is done for every security at the time of defining SK locations. When the corporate action collection, for a particular security, is indicated as automatic then, the Beginning of Day programs will pick up all the corporate actions due and trigger the event. You have to trigger the event manually if the automatic process is not indicated. It is important to note that the collection event is triggered only after the initiation event is complete.
<b>Corporate action Liquidation</b>	Securities can be liquidated automatically or manually. Deals specified, as having an automatic mode of liquidation, will be automatically liquidated on Event Date, during the Beginning of Day processing. Automatic or manual Liquidation of corporate actions is specified at the portfolio definition level. If you specify that corporate actions have to be liquidated automatically, then the appropriate liquidation event for the corporate action is triggered. In the case of manual liquidation of corporate actions, only those actions, which have undergone the tear-off event, will be eligible for liquidation. If more than one event is due for liquidation, for the same security, then you have to trigger each event one after the other.

Term	Definition
<b>Please remember</b>	Liquidation for a corporate event is done automatically, only if you check the Auto liquidate Corporate Events field, in the Portfolio Definition screen. If for a portfolio you have unchecked the auto liquidate option, then the liquidation event is liquidated manually. If the automatic disbursement fails, then the event will be identified for processing in the next Event Selection program. The same program can, however, be forced liquidated through manual disbursement.

## 20.3 Rights and Warrants

This topic contains the following sub-topics:

- 1) [Rights and Warrants](#)
- 2) [Indicating Rights Ratio and Rounding Fractions](#)
- 3) [Specify Event Narrative](#)
- 4) [Save Rights/Warrants Record](#)

### 20.3.1 Process Rights and Warrants

This topic describes the systematic instructions to process rights and warrants.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

CONTEXT:

As part of the maintenance function in Oracle Banking Treasury Management, you need to maintain basic details of Rights and Warrants, as and when they are issued. Rights and warrants can be defined through the Securities Rights and Warrants Corporate Action maintenance screen. The details that you maintain here relate to the ratio at which rights and warrants are issued, the resultant security id, the resultant ratio, the exercise start, and end date, etc.

1. On Homescreeen, specify **SEDXRWDF** in the text box, and click next arrow.

STEP RESULT: **Securities Rights/Warrants Definition** screen is displayed.

**Figure 20.1: Securities Rights/Warrants Definition**

2. On **Securities Rights/Warrants** screen, specify the fields.

If you are defining details of a new right or warrant, click on a new icon from the toolbar. The Rights and Warrants Corporate Action maintenance detailed screen will be displayed without any details. If you are calling a record that has already been created, click on the Summary view. The details of existing records will be displayed in a tabular form. Highlight the record you wish to view and double click on it. You can specify whether you are maintaining details for Rights or Warrants by clicking on the appropriate button.

3. On **Security Rights/Warranty Definition** screen, click **Narrative**

STEP RESULT: **Security Rights/Narrative Definition** screen is displayed.

**Figure 20.2: Security Rights/Narrative Definition**

Corporate Action Id \_\_\_\_\_

**Narrative**

Event Narrative 01 \_\_\_\_\_

Event Narrative 02 \_\_\_\_\_

Event Narrative 03 \_\_\_\_\_

Event Narrative 04 \_\_\_\_\_

Event Narrative 05 \_\_\_\_\_

Event Narrative 06 \_\_\_\_\_

Event Narrative 07 \_\_\_\_\_

Event Narrative 08 \_\_\_\_\_

Event Narrative 09 \_\_\_\_\_

Event Narrative 10 \_\_\_\_\_

Ok Exit

You have the option of entering a free format narrative for the rights/warrants event or leaving this screen blank. If you choose to define a narrative, it will be associated with the security of rights/warrants type, for which you have defined the event. You can also choose to leave this field blank.

## 20.4 Indicating Rights Ratio and Rounding Fractions

Indicate the ratio at which rights are issued. Usually, rights are issued in proportion to the percentage of ownership. This is to ensure that current owners maintain their percentage of ownership if additional shares of the same class are issued. The simplest method to achieve this is to issue, one right per unit of security owned. For instance, an owner of 100 units of security will get 100 rights. This, however, might not be the case always; hence you need to

specify the rounding fraction. The rounding fraction indicates how the fractional entitlements in the parent security should be handled. The options that you can indicate are as follows:

**Table 20.2: Options**

Options	Description
Retain	If you choose this option, then the fractional units will be retained.
Round Up	The entitlement will be rounded up, to the next full unit.
Round Down	The entitlement will be rounded down, to the previous full unit.
Round standard	The entitlement will be rounded up to the next full unit if the fraction is greater than 0.5, else it will be rounded down to the previous full unit.

For example, rights are declared in the ratio of 10: 1 for the parent security. Parent security has 125 units. This means that for every ten units of intermediate security owned one intermediary security right will be issued. The entitlement is computed as follows:

Ratio: 10: 1

Rights Shares of Intermediate Security

$125 \times 1/10 = 12.5$

If you choose

**Table 20.3: Options**

Options	Description
Round Up	12.5 will be rounded up as 13
Round Down	12.5 will be rounded down as 12
Round Standard	In this case, since the fraction is greater than 0.5, the entitlement will be rounded up to 13.

You can also choose to retain the fractional unit as 12.5. The ratio and rounding standard for the Resultant security is computed in the same manner as the Parent to Intermediate security ratio.

- note: The ratio and rounding fraction calculation basis is the same for rights as well as warrants. Click on the appropriate button, Rights or Warrants, before entering details to indicate whether you are maintaining details for rights or warrants.
- The Intermediate Security Id LOV fetches only those securities which are created with Security Type as 'Right'/'Warrant' and the Tear off / Issue date for such security is greater than the Current System.
- Exercise End Date should be less than the Expiry Date of Intermediate Security.

## 20.5 Save Rights/Warrants Record

After you have defined the mandatory attributes for a right/warrant, click Save in the toolbar or choose Save from the Actions menu to save the record. A message prompting you to confirm the saving of the record is displayed. The

Event date defaults with the Issue/ Tear-off Date as maintained at the Instrument Definition of the respective Right/Warrant Security when you save the record.

Click 'Exit' to exit the Rights/Warrants Definition screen. You will be returned to the Application Browser

**NOTE:** Entry to certain fields in the Rights/Warrants definition screen is mandatory. If you try to save the record without inputs to all mandatory fields, the record will not be saved. You will be prompted to give all the mandatory inputs before attempting to save it again.

## 20.6 Process Rights and Warrants

Remember that only those securities marked with auto initiation will be picked up for processing. Both with Rights as well as with Warrants the initiation, collection and liquidation happen together. The quantity of rights/warrants due for a portfolio is determined by the opening position/ holdings as of the record date. The rights/warrants events table is populated on the record date and is available for maintenance, as well as for viewing details of existing events. You are allowed to insert after the record date, those deals that were settled earlier to this date. As and when you insert back dated deals, the opening balance of rights/warrants due as of the record date is altered. This change will be reflected every day at EOD.

The record date is picked up and defaulted as the processing date. If required, you can change the processing date. Although the processing date can be changed, no change can be done to an existing record, as of the event date.

## 20.7 Process Rights

Processing for rights takes place for three events:

- Rights Tear-off
- Rights Exercise
- Rights Expiry

Each of the above is processed in stages. Initiation, Collection, and Liquidation, depending on the stage that is applicable to the event being processed. For instance, there is no collection involved in the case of tear-off events. If the automatic processing of events fails due to some then the same events can be force run manually.

This topic contains following sub-topics:

- 1) [Rights Tear-Off](#)
- 2) [Rights Exercise](#)
- 3) [Warrants Tear Off](#)
- 4) [Warrants Exercise](#)

### 20.7.1 Rights Tear-Off

The Events table is as of the record date and is updated when backdated deals are inserted. On the initiation processing date, a holding in the rights security is created for the portfolio. This process is automatically for all equities marked for auto initiation of corporate actions. For equities marked for manual corporate action the initiation



event has to be invoked manually, for holdings to be created. Positions and holdings for Rights are updated to reflect the latest, once the event is completed.

### 20.7.2 Rights Exercise

If you associate security of rights type, with an exercise type of product in the deal input screen the exercise event is carried out for the security involving the product. You have to indicate the number of rights to be exercised along with the SK location and the SK account where the rights are lodged. You can view details of the quantity of the resultant security, along with other details such as the exercise price. In case there are charges, the charge details will also be displayed. Depending on the number of rights exercised, the holdings in the rights security will go down and the holdings in the resultant security will go up. For the event Rights Exercise Collection for a long position (RELC), only those events with the collection date less than or equal to today and for which collection has not already been made will be selected for processing.

Once the collection is complete the Rights Exercise Initiation for a long position (RELT), is triggered. The Rights Exercise event processes those events that have not yet been initiated, despite having the initiation date of today or less than today. After the rights initiation event is through the Rights Exercise Disbursement for long periods (RELL) event is triggered. In the case of auto liquidation, the system liquidates only those events which are yet to be disbursed with the disbursement date being less than or equal to today. Positions are updated once the disbursement event is complete.

### 20.7.3 Warrants Tear Off

On the initiation processing date, a holding in the warrant's security is created for the portfolio. This process is automatic for all equities, marked for auto initiation of corporate actions. In case of equities marked for manual corporate action, the initiation event has to be invoked manually, for the holdings to be created.

### 20.7.4 Warrants Exercise

Security of warrants type is associated with an exercise type of product then at the time of deal input, the exercise event is carried out for the security, involving the product. You have to indicate the number of warrants to be exercised along with the SK location and the SK account where the warrants are held. The details of the quantity of the resultant security can be viewed along with other details such as the exercise price. In case there are charges, the charge details will also be displayed. Depending on the quantity of warrants exercised, the holdings in the warrants security will go down and the holdings in the resultant security will go up. The Warrants Exercise Collection for long position (WELC) will pick up those events for which the collection is not yet done. This is however, done only for events with collection date less than or equal to today's date. After the collection, the Events table is updated to indicate that the collection is complete, for the event. After WELC, the Warrants Exercise Disbursement for long positions (WELL) is triggered. Those events with the disbursement date, less than or equal to today will be picked up for liquidation. Once the disbursement is complete, the Events table is updated to indicate that liquidation is complete for the event.

## 20.8 Rights and Warrants Expiry Details

This topic contains following sub-topics:

- 5) [Process Rights and Warrants Expiry Details](#)
- 6) [End of Trading Processing](#)
- 7) [Specify Event Narrative](#)
- 8) [Rights and Warrants Expiry Details](#)

9) *Process Rights and Warrants***Process Rights and Warrants Expiry Details**

This topic provides the systematic instruction to process rights and warrants expiry details.

## CONTEXT:

The Rights and Warrants Expiry definition screen, allows the capture of some additional details of an expiry event, for a security of rights / warrants type.

## PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXEXPD** in the text box, and click next arrow.

STEP RESULT: **Rights/Warrants Expiry Event** screen is displayed.

**Figure 20.3: Rights/Warrants Expiry Event**

2. On **Rights/Warrants Expiry Event** screen, specify the fields.

If you are calling a record that has already been created, click on the Summary view. The details of existing records will be displayed in a tabular form. To open a record, double click on it.

You can amend the details of an existing rights/warrants type of security by clicking on the unlock icon in the toolbar or by choosing Unlock from the Actions Menu.

**NOTE:** Please remember that you can change the details of an existing rights/warrants type of security only if it is not yet authorized. Once a record is authorized and confirmed it will be processed as of the event date.

**Table 20.4: Rights/Warrants Expiry Event - Field Description**

Field	Description
<b>Specifying End of Trading Date</b>	The event date or the date on which holdings in the security would expire is picked up from the Security Definition screen. You are only allowed to indicate the date on which, the trading in the rights/warrants security, is to be suspended. You can indicate that trading is to be suspended on the security, on either the event date or a few days before the event date. For instance, if the Event date is 31 March 2000, you can specify the same end of the trading date or specify 28 March 2000 as the date on which, trading in the security is to be suspended.
<b>Event Narrative</b>	To define an event narrative, to be used while generating SWIFT messages, click the 'Narrative' button. The event narrative screen is displayed. To exit from the screen without saving the text, click the 'Exit' button.
<b>Processing a Rights Expiry Event</b>	<p>For the rights expiry event, holdings in the rights security are depleted for the relevant portfolios, as of the event date. The event is triggered automatically if specified to do so. Otherwise, it will have to trigger manually. Only those events, with an expiry date less than or equal to today, are selected for processing. Rights expiry consists of two separate events:</p> <ul style="list-style-type: none"> <li>• Rights expiry initiation (selects the event to be processed)</li> <li>• Rights expiry disbursement (selects the event to be liquidated from)</li> </ul> <p>The event, Rights Expiry Initiation for a long position (RXLT), is triggered for those events, which have an initiation date less than or equal to today but have not yet been initiated. After RXLT is through, the event Rights Expiry Disbursement for long position (RXLL) event is triggered. Only those events with the disbursement date less than or equal to today and for which liquidation has not already been done will be processed. Positions and holdings are updated for rights once the event is completed.</p>
<b>Processing a Warrants Expiry Event</b>	<p>On the event date, holdings in the warrant's security are depleted for the relevant portfolios. The event is triggered automatically if you have specified so otherwise, it will have to be triggered manually. The Events table is scanned when the Warrants Expiry Initiation for long position (WXLT) event is triggered. Only those events with initiation dates less than or equal to today's date are picked up. The Events table is updated after the completion of the event. After WXLT, the Warrants Expiry disbursement or liquidation for a long position (WXLL) is triggered for those events, which are not yet liquidated but have disbursement dates less than or equal to today. After liquidation, the events table is updated to indicate that disbursement for the event is complete. Positions and holdings for warrants are updated.</p>

## 20.9 Security Redemption Details

This topic contains the following sub-topic:

- 1) [Process Security Redemption Details](#)

## 20.10 Process Security Redemption Details

This topic describes the systematic instructions to process security redemption details

CONTEXT:

One of the methods of retiring a bond is to redeem it. The Securities Corporate Action Event Maintenance - Redemption screen, allows us to define, and maintain details of redeemable securities.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXREDF** in the text box, and click next arrow.

STEP RESULT: **Securities Corporate Action Maintenance Redemption** screen is displayed.

**Figure 20.4: Securities Corporate Action Maintenance Redemption**

2. On **Securities Corporate Action Maintenance Redemption** screen, specify the fields.

If you are defining details of new redeemable security, click new icon from the toolbar. The Corporate Action Maintenance Redemption detailed screen will be displayed, without any details. If you are calling a redeemable security record that has already been created, click on the Summary view. The details of existing records will be displayed in a tabular form. From the Summary, the screen chooses an existing record to open it.

**Table 20.5: Securities Corporate Action Maintenance Redemption**

Field	Description
<b>Redemption Type</b>	<p>The Redemption type for security will default as defined at the Security Instrument. While defining redeemable securities you can specify the method in which the security is to be redeemed. You can indicate whether the redemption type is to be Bullet, Quantity or Series. In a bullet type of redemption, all the holdings in the security will be redeemed on maturity. For quantity redemption, the nominal held in the security is redeemed by a specific percentage on a date different from the maturity date. While redeeming the security either the face value of the security or the number of units held in the security will be reduced by the percentage you specify. In a series type of redemption, the holdings in the specified security pertaining to the specified list will be redeemed on a date other than the maturity date.</p>
<b>Specifying Redemption Schedules</b>	<p>For securities that are redeemable on call and with redemption type Quantity, you can choose to redeem a specific amount of the face value by entering the requisite percentage/ factor or cash flow amount in the 'Redemption Quantity' field.</p> <p>In the case of quantity redemption, the nominal value held in security is redeemed by a specific percentage on a date different from the maturity date. The face value of the security is reduced by the percentage you specify. The total number of units held in the security remains unchanged. For example, if you are holding 10 units of security of face value 1000 USD, then, after a quantity redemption of 30%, your holdings will become 10 units at a face value of 700 USD each. When you insert a redemption schedule, the redemption price of the last schedule is adjusted. For example, you have initially set up security for 100% redemption on maturity at a price of 1,200 USD. The face value of the security is 1,000 USD. Now, you specify a 30% redemption schedule at 360 USD. The system changes the redemption schedule:</p> <p>FROM the original 100% at 1,200 USD TO 30% at 360 USD and 70% at 700 USD.</p> <p>You will have to unlock the Securities Corporate Action Maintenance – Redemption screen and amend the redemption price for the last schedule – in this case, to 840 USD, if you wish to maintain the same total redemption premium. You can, however, change the redemption price of the last schedule to any value that you desire. When a new redemption schedule is maintained, discount/premium accruals are completed up to the event date using the old yield. The YTM re-computation is done as of the event date.</p>

Field	Description
<b>Specifying Back-dated Redemption Schedules</b>	<p>You can insert backdated redemptions for security, provided the back-dated redemption does not go beyond the previous coupon payment date. For specifying backdated redemptions, the quantity quotation for the security has to be 'Nominal'. Also, you should have maintained the security as a callable one is the Security Definition screen. However, the effective date cannot be before the last coupon date. Amendment is allowed only for unconfirmed schedules. Secondly, the back-dated amendment will not be allowed if the DSTL date falls on or after the event date of the redemption schedule. In the case of the back-dated amendment, corporate action for redemption is processed during End Of Day (EOD) processing. In the case of the insertion of the back-dated schedule, the redemption processing is done during the Beginning Of Day (BOD) processing of the next working day. A back-dated amendment or insertion of redemption schedules cannot be done beyond the last coupon date. For example, if the system date is January 18, 2003, and the last coupon payment happened on January 01, 2003, then a backdated redemption schedule can go only as far back as January 01, 2003. Also, an inserted redemption schedule date must correspond with a coupon payment date. If it does not, then a coupon schedule will automatically be inserted by the system. For example, suppose that a security has a coupon period from January 01, 2003, to July 01, 2003. The system date is June 15, 2003, and the redemption schedule was inserted on March 31, 2003.</p> <p>The system breaks the existing coupon period into two:</p> <ul style="list-style-type: none"> <li>• January 01, 2003 to March 31, 2003; and</li> <li>• March 31, 2003 to July 01, 2003</li> </ul> <p><b>NOTE:</b> Any deals booked after the Record Date of the inserted redemption schedule will have to be manually reversed and then re-booked by you after authorizing the inserted redemption schedule. This is because the status of these deals will change from 'Cum' to 'Ex' due to the insertion of the coupon/redemption schedule.</p> <p>Following the insertion of the redemption schedule, the system will automatically adjust the ALPL and DPRP events of all deals and rebook them.</p>
<b>End and Restart of trading period</b>	<p>Indicate the date on which trading in the security will be suspended and the date on which the trading will be resumed. This is done by way of specifying the End of Trading Date and the Restart of Trading Date.</p>

Field	Description
<b>Exchange Rate and the Exchange Rate Fixing Date</b>	If the issuer payment currency is different from the security currency then specify the exchange rate between the security currency and the issuer payment currency can be specified. In addition you can also indicate the date on which the exchange rate between the security currency and the issuer payment currency will be announced.
<b>Redemption Price</b>	For securities having 'Factor' or 'Cash flow' redemption quotation, the redemption price is calculated automatically. For securities having 'Percentage' as the redemption quotation, you need to specify the price at which they can be redeemed.
<b>Redemption Quotation</b>	The system displays the redemption quotation selected in the 'Securities Instrument Definition' screen. You will not be able to change it.
<b>Redemption Quantity</b>	If the redemption quotation is 'Factor', specify the redemption factor. If the redemption quotation is 'Cash flow', specify the actual cash flow. Whenever you modify this value, the system calculates the redemption price upon saving. In the case of factor quotation, whenever the redemption factor is modified for the existing redemption schedules, the redemption price is recalculated on saving. The redemption factor and the price for future schedules are also adjusted. However, the factor for the last redemption is not adjusted. It remains 0. Similarly, whenever a call redemption schedule is maintained with redemption quotation as 'Factor' or 'Cash flow', the system calculates the redemption price upon saving. For factor-based redemption schedules, the factor and redemption price is adjusted for future redemption schedules. The factor for the last redemption is not adjusted.

## 20.11 Security Redemptions

This topic contains the following sub-topics:

- 1) [Process Security Redemption Details](#)
- 2) [Redemption Processing based on Quotation Type](#)
- 3) [End of Trading Processing](#)

### 20.11.1 Process for Security Redemptions

Only those events that have not yet been initiated will be selected. However, this is done only for events with initiation date less than or equal to today. The Events table is updated to indicate that initiation is complete. Specification of redemption collection to be automatic or manual is done at the time of defining the security. Only those securities for which the auto collect option is checked will be picked up for redemption collection. Other events would have to be triggered manually. Those events with the collection date less than or equal to today and for which collection has not yet been done, are selected for processing. The Redemption Collection for short position (RDSC) or the Redemption Collection for a long position (RDLC), is triggered depending on whether the position is short or long respectively. The collection event collects the redemption amount from the safekeeping location and updates the



Events table, to indicate that collection is complete for the event. After the updation of the Events table, the events for which liquidation is due and the liquidation date is less than or equal to today, are picked up for liquidation. The Redemption Disbursement or liquidation for short position (RDSL) and Redemption Disbursement or liquidation for a long position is triggered depending on whether the position is short or long respectively. The Events table gets updated after liquidation is complete. In the case of accruals is due, then the accrual of interest, premium, discount and redemption premium are consolidated by running the ACIN and ACPD events. The liquidation events (RDSL and RDLL) are run only after that. Once you run the accrual event the tax and ICCF details will also get updated.

**NOTE:** The initiation collection and disbursement events are synonymous.

### 20.11.2 Redemption Processing based on Quotation Type

If the redemption quotation type is 'Factor', then the redemption amount due for the intermediate redemption schedules will be calculated as follows:  $\text{Redemption Amt} = \text{Holdings} * (\text{Redemption factor of previous period} - \text{Redemption factor of the current period})$  If the redemption quotation type is 'Cash flow', then the redemption amount due for the intermediate redemption schedules will be calculated as follows:  $\text{Redemption Amt} = \text{Holdings} * (\text{Redemption price/Initial FV})$  For final redemption, the remaining holdings are redeemed. On running the YTM recalculation batch, the system recalculates the price of the redemption schedules based on the current coupon rate in case of coupon rate revision.

**NOTE:** Batch processing is applicable only for securities under 'Cash flow' type of redemption quotation. Recalculation is done only for the redemption schedules on or after the current coupon period.

### 20.11.3 End of Trading Processing

This topic describes about the end of trading process.

Securities, which are due to mature end of trading days before the maturity date, will be picked up for the End of Trading processing. Those securities with the end of trading date less than or equal to today, are picked up and the EOTR event is triggered.

### 20.11.4 Process of Amendment on Redemption Schedules

You can amend future-dated redemption schedules. In such a scenario, accruals linked to the DPRP event are completed based on the old yield and old cash flows till the application date. New cash flows are built on the application date. The YTM for all the existing deals is recalculated as of the application date based on new cash flows. Also, future accruals linked to the DPRP event are calculated based on the new YTM. During the amendment of back-dated redemption schedules, accruals linked to the DPRP event are completed based on the old yield and old cash flows till the event date of redemption. New cash flows are built as of the event date. The YTM for all the existing deals is recalculated as of event date based on the new cash flows. For re-computation of YTM, the following formula is used for NPV calculation:  $\text{NPV} = \text{Face value} - \text{Un-accrued Discount} + \text{Un-accrued premium}$ . Future accruals linked to the DPRP event are computed based on the new YTM. coupon accruals are also adjusted based on the new face value. Back-dated redemption processing on the amendment is done at EOD.

## 20.12 Interest Coupon Details

This topic contains the following sub-topics:

- 1) [Process Interest Coupon Details](#)
- 2) [Link Interest Component to Tax Component](#)
- 3) [Specify Event Narrative](#)



## 20.12.1 Process Interest Coupon Details

This topic contains the systematic instruction to process interest coupon Details.

### CONTEXT:

The securities coupon definition screen allows capture of additional details of a coupon event, for the security of bond type. The details that are displayed in this field (such as the Internal action ID, the Internal Security ID and description, the event date, etc.) are picked up from the Security Definition screen. You are only allowed to amend existing details, like the currency in which the issuer would make the cash payments, the exchange rate between the security currency and the issuer payment currency and the date on which the exchange rate will be announced.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXCPND** in the text box, and click next arrow.

STEP RESULT: **Coupon Maintenance** screen is displayed.

**Figure 20.5: Coupon Maintenance**

2. On **Coupon Maintenance** screen, specify the fields.

If you are calling a coupon maintenance record that has already been created, click on Summary view. The details of existing records will be displayed in a tabular form. From the Summary highlight the record you wish to view details of and double click to open it. To amend the details of an existing coupon, click on unlock icon in the toolbar or choose Unlock from the Actions Menu.

**NOTE:** You are allowed only to amend the details of future dated records that are not yet confirmed. Once a record is authorized and confirmed it will be processed as of the event date. You will not be allowed to make any changes to a confirmed record.

### Exchange Rate and the Exchange Rate Fixing Date

If the issuer payment currency is different from the security currency, then you can specify the exchange rate between the security currency and the issuer payment currency. In addition, you can also indicate the date on which the exchange rate between the security currency and the issuer payment currency will be announced. The exchange rate that you define in this screen will be used for conversion when the security is being processed. If no exchange rate has been maintained, then the mid-rate will be used for conversion.

## 20.12.2 Link Interest Component to Tax Component

An interest component can be the basis amount tag of one or more tax components. Since each coupon that is maintained can have several interest components you need to link each of these components to the tax components. The interest components can also be in a currency other than the tax currency. Therefore, in addition to linking an interest component with the tax component, you need to specify the tax currency. If the currency of the interest component is different from the tax currency, then specify the tax exchange rate. To link an interest component with a tax component and to specify the tax currency for the exchange rate, click 'Exchange Rate' in the Coupon Maintenance screen. The Exchange Rate for Tax Currencies screen is displayed.

**Figure 20.6: Exchange Rate for Tax Currencies**

Internal Action Id \*  Issuer Payment Currency

Security Currency

**Tax Exchange Rate**

Tax Component *	Tax Currency *	Tax Exchange Rate	Issuer Currency Exchange Rate
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

You also need to specify the exchange rate between the issuer payment currency and the tax currency. You can add or delete a tax component from the list of tax components maintained. To add a new component, click add icon and select the new component from the pick list. To delete an existing tax component, highlight it and click the delete icon.

## 20.12.3 Specify Event Narrative

You can maintain a free format message, of the coupon event. This narrative or message will be used while generating SWIFT messages. Click 'Narrative' button, the Event narrative screen is displayed. In this screen, you can

either enter a free format narrative for the coupon event or leave this screen blank. If a narrative is defined, it will be associated with the security of the bond type for which the coupon event has been defined.

## 20.13 Process Interest Coupon

The Coupon Initiation event (CPIN) is triggered only for those interest coupons with initiation date less than or equal to today and for which initiation has not yet been done. After the initiation event is complete, the Events table is updated. The coupon collection event collects the coupon amount from the safekeeping location. The Coupon Collection event (CPCD) is triggered depending on whether the position is short or long. The Events table is scanned and those events with a collection date less than or equal to today and for which collection has not been done are picked up for processing. Once the processing is through the events table is updated to indicate that collection is complete for this event. The Coupon Disbursement event (CPLQ) is triggered depending on whether the position is short or long. This function picks the event from the Events table and liquidates it after executing doing the necessary validations.

**NOTE:** Triggering the event AICN completes the accrual of interest if accruals are due. The AICN event is triggered before the events for liquidation (CPSL or CPLL) are triggered. All details relating to Tax and ICCF are updated.

Once the event is complete, the Events table is updated to indicate that liquidation is complete for the event.

**NOTE:** If the security currency is different from the issuer currency and you have maintained the exchange rate and the exchange rate effective date, then this rate will be used for conversion.

Else the mid-rate will be used for conversion.

If the positions table has not been updated till the event date then positions and holdings are projected up to the event date. It is at depending on whether the interest calculation is position-based or holding based.

### 20.13.1 Process Interest Rate Revision Details

This topic describes the systematic instruction to process Interest Rate Revision Details.

#### CONTEXT:

You can capture the interest rate revision details for a security that has already been defined, through the Interest Revision screen. You can capture details like the date on which the interest rate was announced, the date on which the interest rate revision would be processed and the value date of rate revision.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXRVND** in the text box, and click next arrow.

**STEP RESULT:** **Interest Revision** screen is displayed

**Figure 20.7: Interest Revision**

2. On **Interest Revision** screen, specify the fields.

To enter interest rate remission details, click new icon on the toolbar. If you are calling an interest revision record that has already been created, click on Summary view. From the summary screen you can choose to open an existing record. The details of the record that you have created will be displayed in a tabular form.

**NOTE:** Interest revision screen for a security id and effective date will have two records one for positive and another for negative interest component

For a positive interest component corresponding to a corporate action id, the system to allow input of negative revision rate for a manual corporate action record.

All operations in revision screen such as new, open, close, unlock, copy, and reopen should be allowed only in the Positive Interest component record and the Negative interest component should be meant for query only.

The system supports the auto propagation of details and records the status of the positive component to negative components automatically.

**Table 20.6: Interest Revision -Field Description**

Field	Description
<b>Corporate Action Identification</b>	This is the system generated ID to uniquely identify the interest revision.
<b>External Corporate Identification</b>	This is the Id assigned to the event at the time of event declaration. Enter the Id associated with the event to uniquely identify it.
<b>Issuer Reference</b>	Indicate the issuer reference for the interest rate revision event.
<b>Announcement Date</b>	Enter the date on which the issuer would have declared the interest revision event.
<b>Event Date</b>	Each Rate Revision defined is having a event date from when it will be applicable. From this date the interest revision rate will be effective.
<b>MIS Rate</b>	For the Securities module you only have the option of maintaining a fixed rate for MIS refinancing.
<b>Confirmed</b>	Check this box to indicate if the occurrence of the event is confirmed.

Field	Description
<b>Confirmation Date</b>	When you select the check-box, and save the record the confirmation date will be defaulted with the current date.
<b>Parent Security Identification</b>	You have to indicate the code or ID of the bond type for which you are defining the interest revision rate. The Security ID or Code is picked up from the Security Definition screen. This short description of the security is for information purposes only and will not be printed on any customer correspondence.
<b>Interest Component</b>	Specify the component of the security for which you are defining the interest revision rate. At the time of defining a security, you can maintain different interest components for the security. The interest component(s) maintained will be reflected in the pick list available for this field.
<b>Effective Date</b>	Each rate that is defined for a Security ID and Interest Component combination should have an Effective Date associated with it. This is the date from which the interest revision rate will be effective. Once a rate comes into effect, it will be applicable till another Effective Date is defined for the same Security ID and interest component combination. When you save a record the effective date gets defaulted with the Event Date of Rate Revision.

### 20.13.2 Specify Auto or Manual Interest Revision

While specifying the interest revision rate, you can indicate whether the interest revision for the particular security is to be automatic or manual. If an automatic revision is specified, then revised rates will be applied and liquidations made as part of the Beginning of Day process. Otherwise, revisions will have to be made manually by you.

#### Revision Rate

The revision rate that you enter here will be effective as of the Value date defined.

#### 20.13.2.1 Specify Event Narrative

You can also enter a free format narrative, of the interest rate revision event. This narrative or message will be used while generating SWIFT messages. Click the 'Narrative' button, the Event Narrative screen is displayed. The message entered will be associated with the interest revision event. This field can be left blank if necessary.

### 20.13.3 Holiday Preference

1. On the **Interest Revision** screen, click **Holiday Preferences**.

STEP RESULT: **Holiday Preference** screen is displayed.

**Figure 20.8: Holiday Preference**

2. On the **Holiday Preference** screen, specify the details as required.  
For more information on holiday preference, see the section [19.13 Holiday Preference](#)

## 20.14 Auto Processing of Rate Fixing

If rate fixing event is not processed either manually from the Rate fixing screen or during BOD batch then during SE EOD batch processing system should check for effective date rate and if available, rate fixing should be processed based on the flag set for Proceed with previous available rate.

At Treasury branch parameter maintenance screen **STDTRBRN**, a preference check 'Proceed with previous available rate' is introduced and will be considered during both rate revision and rate fixing process during EOD. Default value of this field is checked.

In case when Proceed with previous available rate preference is enabled, during EOD processing system will check for rate availability for that particular effective date in the Floating rate table and if rates are not available for that date, then Rate fixing and revision event is applied on instruments with the previous latest rate available in the system.

Whereas when **Proceed with previous available rate** check box is not enabled, during EOD, processing system will skip the Rate fixing and revision event on respective instruments in case when the rate for that effective date is not available.

For every revision schedule, which applies a rate fixing during EOD processing, a new rate-fixing event RFIX triggers. In case of a forward movement on fixing days from the revision effective date, rate fix will happen after the revision effective date and interest catch up entries is posted during EOD processing.

**NOTE:** For the Manual processing, refer to the Interest User Manual, Section 2.12 Treasury Manual Rate Fixing .

## 20.15 Maintain Stock Dividend Details

This topic describes the systematic instruction to maintain stock dividend details.

### CONTEXT:

In the Stock Dividend or Bonus Definition screen, you can maintain details of the stock dividend declaration event, for security. The essential details that you need to capture for security include the resultant Security ID and the dispose fraction. Details like the stock to the cash price, the issuer pay currency and the end of exercise date can be captured only if you specify that stock is to be converted to cash.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXDVDF** in the text box, and click next arrow.

STEP RESULT: **Securities Stock Dividend Definition** is displayed.

**Figure 20.9: Securities Stock Dividend Definition**

When you click on the new icon the system automatically assigns a unique internal action ID to the corporate event. The system date is defaulted as the date on which the dividend event was announced. However the Announcement Date or the date on which the event was declared can be changed to a previous date.

2. Click **New** on the tool bar to maintain deals of new declaration.

If you are calling an event record that has already been created, click on Summary view. The details of the existing event records will be displayed in a tabular form. Specify the fields.

**Table 20.7: Cash Dividend Definition**

Field	Description
<b>Corporate Action Identification</b>	This is the system generated ID to uniquely identify the declaration of Stock Dividend.
<b>External Corporate Action Identification</b>	This is the Id assigned to the event at the time of event declaration. Enter the Id associated with the event to uniquely identify it.

Field	Description
<b>Security Identification</b>	Specify the code or ID of the equity-type security for which the dividend declaration is being defined. The codes displayed, in the pick list available for this field are picked up from the Security Definition screen.
<b>Security Issuer Reference</b>	Indicate the issuer reference number for the stock dividend event.
<b>Announcement Date</b>	This is the date on which the issuer would have declared the stock dividend event. Enter the announcement date of the event.
<b>Event Date</b>	Enter the date on which the cash payment will be made by the issuer.
<b>Record Date</b>	Enter the date on which the issuer determines the beneficiary eligible for the dividend based on the registered owner of the securities. The Record Date is computed from the ex days set up defined for the local market of issue.
<b>Resultant Security Identification</b>	Indicate the security of the equity type in which shares would be awarded.
<b>Resultant Ratio and Dispose Fractions</b>	Select the equity type of security in which shares should be awarded. After this, you are required to specify the ratio of, the quantity of the new security awarded to the number of current holdings, in the existing security. Also indicate how the fractional elements in the parent security should be handled. You can choose the following options:
<b>Stock to Cash Conversion</b>	Check this option to convert the stock dividend declared to cash. In such a case you are required to specify, the date by which the stock to cash conversion option, is to be exercised. Also, specify the price per unit. This is the price at which the stock dividend would be converted into cash.
<b>Stock to Cash Price</b>	Enter the price at which the stock dividend would be converted into cash.
<b>End of Exercise Date</b>	Enter the date before which the stock to cash conversion option is to be exercised.
<b>Stock to Cash Action Identification</b>	This is a unique event ID which is generated by the system on saving the Stock Dividend Definition record.
<b>Issuer Pay Currency</b>	In case of stock to cash conversion, you can indicate the currency in which the issuer should make the cash payments. From the pick list available select the payment currency.
<b>Confirmed</b>	Check this box to indicate that the occurrence of the event is confirmed.
<b>Confirmed Date</b>	When you select the check-box, and save the record the confirmed date will be defaulted with the current date.
<b>Exchange Rate</b>	When the issuer payment currency is different from the security currency, the exchange rate between the security currency and the payment currency has to be indicated. Specify the exchange rate.



Field	Description
<b>Exchange Rate Fixing Date</b>	<p>This is the date on which the exchange rate will be announced. Indicate the exchange rate announcement date.</p> <p><b>NOTE:</b> You can enter a free format event narrative for the event being defined or leave this field blank. If you enter a free format text it will be associated with the event while generating SWIFT messages.</p> <p>After entering the relevant details click save icon in the toolbar or Save from the Actions Menu, to save the event record.</p>

**Table 20.8: Options Table**

Options	Description
Retain	The fractional units would be retained
Round Up	Entitlements will be rounded up to the next full unit
Round Down	Entitlements will be rounded down to the previous full unit
Round standard	If the fractional unit is above 0.5, entitlements will be rounded up to the next full unit, otherwise the entitlements will be rounded down to the previous full unit.

## 20.16 Process Cash Dividend

This topic describes the systematic instruction to process dividend.

### CONTEXT:

The details of a cash dividend declaration can be captured through the Cash Dividend Definition screen. Through this screen, you can capture relevant details such as the dividend type (rate or amount), the issuer payment currency, the exchange rate, and the rate-fixing date.

### CONTEXT:

The details of a cash dividend declaration can be captured through the Cash Dividend Definition screen. Through this screen, you can capture relevant details such as the dividend type (rate or amount), the issuer payment currency, the exchange rate, and the rate-fixing date.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXCDDVD** in the text box, and click next arrow.

Click the new icon on the tool bar to create the icon.

**STEP RESULT:** **Cash Dividend Definition** screen is displayed.

**Figure 20.10: Cash Dividend Definition**

2. On **Cash Dividend** screen, specify the fields.

The details of a cash dividend declaration can be captured through the Cash Dividend Definition screen. Through this screen, you can capture relevant details such as the dividend type (rate or amount), the issuer payment currency, the exchange rate, and the rate-fixing date.

**Table 20.9: Cash Dividend Definition - Field Description**

Field	Description
<b>Corporate Action Identification</b>	This is the system generated ID to uniquely identify the declaration of Cash Dividend.
<b>External Corporate Action Identification</b>	This is the Id assigned to the event at the time of the event declaration. Enter the Id associated with the event to uniquely identify it.
<b>Security Identification</b>	Specify the security Id of the equity type for which the cash dividend event is to be defined. The description associated with the specified code will be displayed in the adjacent field.
<b>Security Issuer Reference</b>	Indicate the issuer reference for the cash dividend event.
<b>Announcement Date</b>	This is the date on which the issuer would have declared the cash dividend event. Enter the announcement date of the event.
<b>Event Date</b>	Enter the date on which the cash payment will be made by the issuer.
<b>Record Date</b>	Enter the date on which the issuer determines the beneficiary eligible for the dividend based on the registered owner of the securities. The Record Date is computed from the ex days set up defined for the local market of issue.

Field	Description
<b>Dividend Type</b>	Indicate the type in which the dividend amount should be declared. It could be a percentage of the face value of the security, or it could be the amount per unit of the security.
<b>Dividend Amount</b>	Indicates amount per unit. Specify the amount per unit to be used in calculating the cash dividend.
<b>Dividend Rate</b>	This field indicates the rate as a percentage of the face value. Enter a percentage of the face value to be used in calculating the cash dividend.
<b>Issuer Payment Currency</b>	Indicate the currency in which the issuer will make the cash payment. Click the adjoining option list for a list of valid currency codes. Select the appropriate.
<b>Dispose Fractions</b>	Indicate how fractions should be handled. Refer <a href="#">Dispose Fractions Available Options</a> for available options.
<b>Confirmed</b>	Check this box to indicate that the occurrence of the event is confirmed.
<b>Confirmed Date</b>	Select the check-box, and save the record the confirmed date will default with the current date.
<b>Exchange Rate and Exchange Rate Fixing Date</b>	When the issuer payment currency is different from the security currency, the exchange rate between the security currency and the payment currency has to be indicated. Along with this, the date on which the exchange rate will be announced should also be entered.

**Table 20.10: Dispose Fractions Available Options**

Term	Definition
<b>Retain</b>	Fractions will be retained as they are
<b>Round Up</b>	Entitlement will be rounded up to the next full integer
<b>Round Down</b>	Entitlement will be rounded down to the previous full integer
<b>Round Standard</b>	Entitlement will be rounded up to the next full integer if the fraction is greater than 0.5. Else it will be rounded down to the previous full integer

## 20.17 Process Dividends

Only those records, which have been authorized and confirmed, will be picked up for processing. The Dividend Initiation or tear off for long position (DVIN) event is triggered for those dividends with initiation date less than or equal to today's date. Based on the initiation date only those events for which initiation has not been done are selected. The Events table is updated once the event is complete. After DVIN event, the cash and stock dividends with collec-

tion date less than or equal to today will be picked up. Thus, the Dividend Collection for a long position event (DVCD) is triggered. The collection event collects the stock/cash amount and the cash instead of stock (for those securities with the stock to cash option on) from the SK location. Once the collection event is done the Events table is updated. The Dividend Disbursement for a long position (DVLQ) picks up those events with disbursement dates less than or equal to today. When the disbursement is through the Events table is updated.

## 20.17.1 Process Bonus to Cash Conversion Details

This topic describes the systematic instructions to process bonus to conversion details.

### CONTEXT:

When you specify that stock is to be converted to cash, in the Stock Dividend definition screen, details of that event will be picked up and stored as, a Bonus to Cash conversion record. You are only allowed to maintain some additional stock to cash conversion details, such as the bonus to be en cashed, the total bonus en cashed, the residue bonus due. This is maintained so on in the Bonus to Cash conversion screen. Invoke this screen by clicking on Bonus to Cash and then on the Detail option, under Securities CA Maintenance. This is invoked from the Application Browser. To view the details of a previously created record, go to the Summary View screen. The details of existing records are displayed in a tabular form. Highlight the record you want to view and double click it.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXBNCS** in the text box, and click next arrow.

STEP RESULT: **Bonus to Cash Conversion** screen is displayed.

**Figure 20.11: Bonus to Cash Conversion**

2. On **Bonus to Conversion** screen, specify the fields.

In the Bonus to Cash conversion, the main screen enters the security ID, the portfolio ID, and the SK location Id from where bonus due, is to be received.

**Table 20.11: Bonus to Cash Conversion - Field Description**

Field	Description
Branch Code	Specify the Branch Code

Field	Description
<b>Corporate Action ID</b>	This is the system generated ID to uniquely identify the declaration of Stock Dividend. This value is defaulted.
<b>Reference Number</b>	This is the system generated ID to uniquely identify the Corporate action of Stock to cash conversion.
<b>Security Id</b>	This is the security Id of the equity for which the bonus to cash details are being maintained. The description associated with the specified code is displayed in the adjacent field.
<b>Security Quantity</b>	This is the quantity of security for which the bonus was declared.
<b>Resultant Security Id</b>	The resultant security Identification to which shares have been awarded is defaulted here.
<b>Portfolio Id</b>	This is the portfolio ID of the equity for which the bonus to cash conversion details are being defined.
<b>Stock Keeping Location</b>	This is the SK location where the security is lodged and for which cash payment is to be received.
<b>Stock Keeping Account</b>	This is the account number which is to be credited when the payment due is received.
<b>Record Date</b>	The record date is defaulted from the Stock Dividend definition screen.
<b>Event Date</b>	The event date is defaulted from the Stock Dividend definition screen.
<b>Stock to Cash Action Id</b>	The stock to cash action Id assigned in the Stock Dividend screen is defaulted in this screen.
<b>Initial Bonus Due</b>	This field indicates the bonus amount that is due to be paid.
<b>Bonus Encashed</b>	You can choose to convert either a part of or the entire bonus that is due. Specify the amount to be encashed, in the Bonus to be Encashed field. If you choose to encash only a part of the amount due, then the residue bonus will be automatically calculated and displayed, in the Residue Bonus Due field. Assume that you have a holding of 500 units in a particular security. Bonus is declared in the ratio of 2:1. Therefore, you are liable to get 250 units of shares free. If you indicate that bonus is to be encashed for 125 units only then the remaining 125 units, which need to be encashed, will be reflected in the Residual Bonus field. You can choose to encash them at a later date.
<b>Adjusted Bonus Encashed</b>	The adjusted bonus is calculated by the system and displayed in this field. The calculations are such that, the net bonus encashed minus the adjusted bonus will be equal to the initial bonus.
<b>Residual Bonus</b>	If the bonus is encashed in parts then the residual amount due is displayed here.

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## 20.18 Process Bonus to Cash Conversions

This topic describes the overview to process bonus to cash conversion.

The events table is scanned. Those events with an initiation date less than or equal to today and for which initiation has not been done will be picked up. The BOST (Bonus Initiation for short position) or BOLT (Bonus initiation for a long position) depending on whether the position is short or long. After the initiation event is complete, the Events table is updated. Positions and holdings are also updated. For disbursing the events due, only those events with the disbursement date less than or equal to today's date will be picked up. The Bonus disbursement for short positions (BOSL) or Bonus Disbursement for long positions (BOLL) will be triggered depending on whether the position is short or long. After liquidation, the events table is updated to indicate that liquidation is complete for the event.

**NOTE:** Please remember that automatic liquidation is carried out only if you have specified so at the portfolio definition level. Otherwise, events due will have to be liquidated manually.

### 20.18.1 Process Corporate Action Events

This topic provides the systematic instructions to process corporate actions.

#### CONTEXT:

You can manually process these events marked for manual processing, through the Corporate Actions Manual Processing screen. The details of all these events, which are to be manually initiated, collected and liquidated, are displayed in this screen. Also the details of those events which have already been processed (either automatically or manually) will be displayed. You can change the date on which a particular event is to be processed. You are also allowed to manually process an event which was earlier marked for auto processing.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXCAMN** to the text box, and click next arrow.

**STEP RESULT:** **Corporate Action Manual Processing** screen is displayed.

**Figure 20.12: Corporate Action Manual Processing**

2. On **Corporate Action Manual Processing** screen, specify the fields.

The Corporate Action Manual Processing screen, allows you to amend existing details such as the processing date. You can also change the processing from automatic to manual or vice versa. To amend the details of an existing event, click on unlock in the toolbar or Unlock from the Actions Menu.

To the right of the Corporate Action Manual Processing, the screen are displayed a vertical array of six icons. By invoking these icons, you will be able to view and in case of charges and tax modify the attributes, of the event you are processing. To select a screen, click on an icon from the group of icons displayed at the right-hand side of the screen. A brief description of the functions icons represent, the given below:

**Table 20.12: Icons**

Icons	Description
<b>Events</b>	Click on this button to view the leg events accounting entries and overrides.
<b>Settlement</b>	Click on this button to enter the settlement message details. You can specify the following details: The accounts to be debited for charges The method in which the event is to be settled whether it is an instrument (as in a check or a demand draft) or a message (as in SWIFT or mail message). Details about the parties involved in the event.
<b>Charge</b>	Click on this button to view the charge details associated with the product. You are allowed to amend the charge amount and if necessary waive the application. You are allowed to make these changes, only at the time of processing the event.
<b>Tax</b>	Click on this button to view the transaction tax details. In addition to changing the charge amount, you can also waive the application. You are allowed to make these changes, only at the time of processing the event.

Icons	Description
Issuer Tax	Click on this button to view the issuer tax details. This is only a view screen, you are not allowed to modify the details displayed in this screen. You can view the issuer tax details only in case of coupon dividend or bonus to cash conversion events.
Coupon	Click on this icon to view the coupon details. This is a view-only screen, you are not allowed to modify any details displayed here. The coupon events are displayed only for a corporate action event coupon.

## 20.19 List Of Glossaries - Maintain and Process Corporate Actions

### SEDXRWDF

Securities Rights/ Warrants Definition - [20.3.1 Process Rights and Warrants](#) (p. 238)

### SEDXEXPD

Rights/Warrants Expiry Event - [Process Rights and Warrants Expiry Details](#) (p. 244)

### SEDXREDF

Securities Corporate Action - [20.10 Process Security Redemption Details](#) (p. 246)

### SEDXCPND

Coupon Maintenance - [20.12.1 Process Interest Coupon Details](#) (p. 251)

### SEDXRVND

Interest Revision - [20.13.1 Process Interest Rate Revision Details](#) (p. 253)

### SEDXCDVD

Cash Dividend Definition - [20.16 Process Cash Dividend](#) (p. 259)

### SEDXBNCS

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### SEDXCAMN

Corporate Action manual Processing - [20.18.1 Process Corporate Action Events](#) (p. 264)



## 21. Define Portfolio

### 21.1 Introduction

After creating Portfolio Products, you can proceed to set up a securities portfolio. In Oracle Banking Treasury Management securities portfolios can be defined for the following:

- The Bank
- The Bank Customers
- An Issuer of securities

The portfolios that you set up should necessarily be associated with a portfolio product. All portfolios associated with a portfolio product will inherit the attributes defined for it. Certain attributes can be changed to suit the portfolio you are defining.

While setting up a portfolio, you can indicate details such as:

- The currency of the portfolio
- The revaluation method and frequency
- Inventory management preferences (valuation) method (LIFO, FIFO, deal matching, WAC)
- The basis for asset accounting (in case of a bank portfolio)

Specify restrictions on the securities that the portfolio can trade-in. The preferences (that involve accounting entries) specified for a product default. These preferences cannot be changed.

**NOTE:** In Oracle Banking Treasury Management, portfolio products and securities portfolios are defined at the bank level. They will be available to the branches of your bank, based on the restrictions that you set up.

### 21.2 Process Portfolio Definition Details

This topic describes the systematic instruction to process Portfolio Definition Details.

#### CONTEXT:

You can invoke the Portfolio Maintenance screen, from the Application Browser. If you are setting up a new portfolio, click new icon on the toolbar. The Portfolio Definition screen is displayed without any details.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXPFNL** in the text box, and click next arrow.

If you are calling a Portfolio Definition record that has already been defined, choose the Portfolio Definition Summary screen. From the Summary screen, double-click a portfolio to open it.

**STEP RESULT:** **Security Portfolio Definition** screen is displayed.

Figure 21.1: Security Portfolio Definition

On **Security Portfolio** screen, specify the fields.

The Securities Portfolio Definition screen consists of a header, a footer containing fields that are specific to the portfolio you are defining and three tabs (Contract main, Main preferences and the Detail preference). Also displayed is a vertical array of six icons, along the lines of which you can enter details of a portfolio. Portfolio details are grouped into screens according to the similarities they share.

### 21.3 Process Details of a Portfolio

This topic describes the systematic instruction to process details of a portfolio.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreen.

1. On Homescreen, specify **SESXPFNL** in the text box, and click next arrow.

STEP RESULT: **Security Portfolio Summary** screen is displayed.

**Figure 21.2: Security Portfolio Summary**

2. On Security Portfolio Summary screen, specify the fields.

Click the Search button to view all the pending functions. However, you can to filter your search based on any of the following criteria:

- Contract Status
- Authorization Status
- Portfolio Id
- Portfolio Reference
- Branch
- Customer
- Product Code
- Maker Id
- Checker ID
- Portfolio Description

Click 'Search' button the records matching the specified search criteria are displayed. For each record fetched by the system based on your query criteria, the following details are displayed:

- Contract Status
- Authorization Status
- Portfolio Id
- Portfolio Reference
- Branch
- Customer
- Product Code

- Maker Id
- Checker ID
- Portfolio Description

**Table 21.1: Portfolio - Field Description**

Field	Description
<b>Product Code</b>	Use a product that has already been created, to enter the details of a portfolio. Depending on the type of portfolio you are creating, you can select an appropriate product code from the pick list available. A portfolio will inherit all the attributes, defined for the product associated with it. You can also add details that are specific to the portfolio, like the deal amount and details of the buyer and the seller. Some of the defaulted attributes if necessary can be changed. This feature simplified the procedure of setting up a portfolio.
<b>Portfolio Reference Number</b>	<p>In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the portfolio being defined. The system generates a unique number for each portfolio. The portfolio reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number. The Julian Date has the following format: YYDDD</p> <p>Here, YY stands for the last two digits of the year and DDD for the number of day(s) that have elapsed in the year. For example, January 31, 1998, translates into the Julian date: 98031. Similarly, February 5, 1998, becomes 98036 in Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).</p>
<b>Portfolio Identification</b>	Enter a unique reference number to identify the portfolio. The portfolio will be identified by this reference in addition to the portfolio reference generated by Oracle Banking Treasury Management. The portfolio reference generated by Oracle Banking Treasury Management is defaulted to this field. You can choose to change it and indicate a reference of your own. You can query information on the portfolio by using any of the reference IDs.
<b>Fund ID</b>	This field is defaulted from the product code the values are Bank (B), Customer (C) and Individual ( I).
<b>Portfolio Type</b>	<p>indicate as to which fund the aggregate account balance of all the customers under this account class will report for the depositor contribution from the option list.</p> <ul style="list-style-type: none"> <li>• Bank (B)</li> <li>• Customer (C)</li> <li>• Issuer (I)</li> </ul>

Field	Description
<b>Portfolio Description</b>	Enter a brief description of the portfolio you are defining. This description will be associated with the portfolio for information retrieval purposes. You can change or modify the description of a class. All subsequent retrieval of information on the portfolio will contain the modified description.
<b>Branch</b>	In this field when the new button is clicked, the current branch is displayed.
<b>Branch Name</b>	This field is automatically generated. This gives a brief description of the branch.
<b>Currency and Currency Name</b>	Here you can choose the currency applicable for the portfolio from the available picklist. The currency name will default based on this selection, and it is as per the description given in the Core Module.
<b>Asset Accounting Basis</b>	<p>This indicates how the assets of the portfolio should be accounted for and is applicable only for Bank Portfolios.</p> <p><b>NOTE:</b> This field is defaulted based on the portfolio product selected and cannot be changed during portfolio definition.</p> <p>Accrual basis: If you select the accrual basis for asset accounting, then on 1 January you would:</p> <p>Dr. Premium to be accrued USD 5 Dr. Asset USD 10 Cr. Customer USD 15 On 30 January the amount to be accrued is USD 1. The following entries will need to be passed:</p> <p>Cr. Premium to be accrued USD 1 Dr. Expense USD 1 When you sell the bond at \$20 Dr. Customer USD 20 Cr. Asset USD 10 Cr. Premium to be accrued USD 4 Cr. Profit and Loss USD 6</p>
<b>Customer</b>	<p>If you are setting up a Customer portfolio, you should indicate the customer for whom you are setting it up. Select a customer code from the picklist available. For a customer portfolio, indicate the default branch of the customer. Also, indicate a default account that should be either debited or credited when an accounting entry involving the portfolio is passed.</p> <p><b>NOTE:</b> User can set up several portfolios for a customer of the bank, or setting up several portfolios for a customer of the bank is allowed</p>

Field	Description
<b>Customer Name</b>	The customer name is automatically generated based on the customer code selected.
<b>Customer Branch</b>	Indicate the default branch in which the customer or issuer maintains accounts with your bank. Select a branch code from the option list. This field is applicable only for customer portfolios.
<b>Customer Account</b>	Indicate the default account that should be used for deals involving the portfolio. This field is applicable only for customer portfolios. Select an account from the option list. The options list will contain a list of all the valid accounts that the customer maintains with your bank.
<b>Description</b>	A brief description about the customer account is displayed.
<b>Portfolio Costing Method</b>	Indicate the method in which the Holding cost of the portfolio should be calculated. These preferences are defaulted from the Portfolio product and cannot be changed during Portfolio definition.
<b>Currency</b>	For all types of portfolios indicate the currency of the portfolio. You can select a currency code from the available option list. The securities that constitute a portfolio can be in currencies other than the portfolio currency. When entering a deal involving the securities of the portfolio, the currency conversion would be done using the standard rate maintained in the Exchange Rate screen. The same will be done when income is earned by the securities that are part of a portfolio.
<b>Book Intrinsic Value</b>	<p>A warrant or right attached to security entitles the holder to convert it into common stock at a set price during a specified period. Thus rights and warrants have a hidden or intrinsic value. The intrinsic value of a right or warrant is the difference between the exercise price of the unit and the market price of the resulting security. For asset accounting purposes, you can choose to book or ignore the intrinsic value of rights and warrants. Check against the field Rights to indicate that the intrinsic value of the rights attached to securities in the portfolio should be included for asset accounting.</p> <p>Check against the field Warrants to indicate that the intrinsic value of the warrants attached to securities in the portfolio should be included for asset accounting. Leave the fields unchecked to indicate that intrinsic value should be ignored.</p>

Field	Description
<b>Auto Liquidate for Corporate Actions</b>	The corporate actions that are applicable for securities in the portfolio can be automatically liquidated on the Event date (the date on which the corporate action is due). Check against this option to indicate the corporate actions applicable to securities in the portfolio should be automatically liquidated on the due date. Leave it unchecked to indicate that it should be manually liquidated. If you select the automatic option, the corporate action will be automatically liquidated on the liquidation date as part of the automatic processes run as part of the beginning of the day (BOD) or End of day (EOD).
<b>Corpus Account</b>	This field is meant for future use.
<b>Short Positions Allowed</b>	If you check this box, you can select whether the system should do contra holdings validation during save (Online) or at the end of the day (EOTI). If you do not want any validation on contra holdings, then you can select 'No Check - Unlimited'. If you do not check this box, then contra holding validation has to be null. If you check this box and 'Contra Holding Validation' is set to 'No Check - Unlimited' or 'EOTI', then the system will display an override message when you save/modify the contract and the sell quantity is greater than the value dated holdings for a particular security code. If there is an active Repo deal in the portfolio, the system will not allow you to check this box.
<b>Accrue Withholding Tax</b>	The withholding tax levied on transactions involving a portfolio can be accrued over the tenure of the security that is traded. Check against this field to indicate that withholding tax should be accrued. Leave it unchecked to indicate otherwise.
<b>Bankers Acceptance</b>	Check this box if you intend the portfolio to be used for a Banker's Acceptance deal. The value for this field defaults based on your specification in the Portfolio Product Preference screen. If the default value is 'Yes', you can change it to 'No', but not the other way round. Only those SK locations can be chosen for this portfolio, which has the Banker's Acceptance option enabled.
<b>Repo on Today's Projected Holdings</b>	Check this box to enable Repo on projected holdings for the day. If you check this, the system will allow you to create a Repo deal based on the projected holdings for the day. This option does not allow you to create a Repo deal based on future dated projected holdings. If you check this box, then 'Short Positions allowed' cannot be checked.

## 21.4 Define Preference for a Portfolio

While defining a portfolio, you can indicate preferences for the portfolio. The preferences defined for the portfolio product to which the portfolio is associated defaults. You have the option to change some of the defaults, but certain details that are characteristic of the product type to which the portfolio belongs cannot be changed. The preferences that you can specify are spread over two screens:

- The Main preference screen

- The Detail preferences screen

**Figure 21.3: Portfolio Main Preferences**

Preferences (that involve accounting entries) defined for the product cannot be changed while creating a Securities Portfolio that involves it. These include:

- The asset accounting basis
- The portfolio costing method
- Whether the intrinsic value of rights and warrants needs to be booked
- Accrual preferences like
  - Whether withholding tax should be accrued
  - Whether the discount for T-Bills should be accrued
  - Whether withholding tax for discounted T-Bills should be accrued
  - Whether premium or discount should be accrued
  - Whether redemption premium should be accrued
  - Whether interest should be accrued
  - Whether forward profit or loss should be accrued
- Revaluation preferences, such as the revaluation basis, LOCOM basis, method, frequency, and start date)

The LOCOM basis is defaulted from the Portfolio Product and can be changed. Subsequently, an amendment of the LOCOM basis specified in the Portfolio Definition screen is not possible. For details about the LOCOM basis, refer to the chapter 'Maintaining a Portfolio Preference Class' of this User Manual. Further, you can specify the following preferences, for the components that can be accrued:

- The accrual method
- Accrual frequency
- Start days
- Start month



---

### 21.4.1 Premium Discount

This topic describes about the overview of premium discount.

### 21.4.2 Accrual Method

The accrual method refers to the method to be used to calculate the amount of premium or discount to be accrued. You can select one of the following options from the drop-down list:

- 30 (Euro) / 360
- 30 (US) / 360
- Actual / 360
- 30 (Euro) / 365
- 30 (US) / 365
- Actual / 365
- 30 (Euro) / Actual
- 30 (US) / Actual
- Actual / Actual
- 30 (Euro) / 364
- 30 (US) / 364
- Actual / 364

### 21.4.3 Forward PL Accrual

Specify the following details:

### 21.4.4 Accrual Method

The accrual method refers to the method to be used to calculate the amount of forward profit or loss that is to be accrued. Select one of the following options from the drop-down list:

- 30 (Euro) / 360
- 30 (US) / 360
- Actual / 360
- 30 (Euro) / 365
- 30 (US) / 365
- Actual / 365
- 30 (Euro) / Actual
- 30 (US) / Actual
- Actual / Actual

- 
- 30 (Euro) / 364
  - 30 (US) / 364
  - Actual / 364

## 21.4.5 Redemption Premium

Specify the following details:

### 21.4.5.1 Accrual Method

The accrual method refers to the method to be used to calculate the amount of premium that is due to you for holding the bond. You can select one of the following options from the drop-down list:

- 30 (Euro) / 360
- 30 (US) / 360
- Actual / 360
- 30 (Euro) / 365
- 30 (US) / 365
- Actual / 365
- 30 (Euro) / Actual
- 30 (US) / Actual
- Actual / Actual
- 30 (Euro) / 364
- 30 (US) / 364
- Actual / 364

**NOTE:** The value of the accrual method maintained in the 'Security Portfolio Definition' screen is used for calculating the accrual interest for a given portfolio.

### 21.4.5.2 Indicating the Revaluation Level

As a branch parameter, if you have indicated that revaluation should be performed at the Holdings level, you have the option of selecting between Deal level revaluation and Position level revaluation for a specific portfolio. This option will not be made available if, as a branch parameter, you have indicated that the revaluation should be performed at the Portfolio level. You will not be allowed to revalue a portfolio at the deal level if the Costing Method

for the portfolio is WAC. The default level positions and that cannot be changed. The entries passed for deal level revaluation at the event BRVL (Securities Revaluation of Positions/Deals) are:

**Table 21.2: Accounting table**

Debit/ Credit	Accounting Role and Description	Amount Tag and Description
Debit	MTM_EXP - Expense GL for Revaluation (MTM Method)	MTM_EXP - Revaluation Expense (MTM Method)
Credit	MTM_LBY - Liability GL for Revaluation (MTM Method).	MTM_EXP - Revaluation Expense (MTM Method)
Debit	MTM_ASS - Asset GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method)
Credit	MTM_INC - Income GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method)
Debit	LOCOM_REVAL_EXP - Expense GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method)
Credit	LOCOM_REVAL_LBY - Liability GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method)

A note on Processing Bonds and T-bill based on the YTM parameters

While processing a Bond or a T-Bills, if the Price quote is not by 'Yield to Maturity', the YTM is computed based on the formula given below:

$$P_0 = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\Delta d_i}{P}\right)}} + \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d_n}{P}\right)}} - AI \right]$$

P0 is the Purchase price of the Bond

- P0 is the Purchase price of the Bond
- P is the Price of the Bond.
- N is the Total number of coupons
- C<sub>i</sub> is the Coupon payment for coupon i
- y0 is the Deal YTM (Periodic)
- Y0 is the Deal YTM
- A is the Day Count Method – Denominator
- n is the Coupons in a Year
- P is the Period of Reinvestment. If Null, defaulted to A/n
- R.P. is the Redemption Price
- AI is the Accrued Interest

- $\Delta d_i$  is the Coupon Date  $i$  Value Date
- $\Delta d_N$  is the Redemption Date – Value Date

The formula used to calculate the yield given price – for T-Bills, will be

$$P_0 = \left[ \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d}{P}\right)}} \right]$$

- $P_0$  is the Purchase price of the Bond
- R.P. is the Redemption Price
- $Y_0$  is the Deal YTM
- $\Delta d$  is the Redemption Date – Value Date
- A is the Day Count Method - Denominator

End-of-Day processing – accrual by the straight line method

During EOD processing on each day, the system picks up all deals in Bonds and T-Bills marked for DPRP accrual – based on Constant Yield Basis. 'DPRP' stands for Discount, Premium and Redemption Premium. In the case of Bonds, from the formula mentioned below, the YTM computed and stored at the time of saving the deal, is used to arrive at the price of the deal for the current working day ( $P_2$ ).

$$P_0 = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\Delta d_i}{P}\right)}} + \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d_N}{P}\right)}} - AI \right]$$

If the Annualizing method is Compound, the deal YTM is computed as follows:

$$Y_0 = \left[ (1 + y_0)^{\frac{A}{P}} - 1 \right]$$

If the Annualizing method is Simple, the deal YTM is computed as follows:

$$Y_0 = \left[ y_0 \left( \frac{A}{P} \right) \right]$$

If case of EX Deal, first coupon amount will be 0 ( $C_1 = 0$ ).

Where

- P is the Price of the Bond.
- N is the Total number of coupons.
- $C_i$  is the Coupon payment for coupon  $i$
- $y_0$  is the Deal YTM (Periodic).
- $Y_0$  is the Deal YTM.

- A is the Day Count Method – Denominator.
- n is the Coupons in a Year.
- P is the Period of Reinvestment. If Null, defaulted to A/n.
- R.P. is the Redemption Price
- AI is the Accrued Interest
- di is the Coupon Date – Application Date
- dN is the Redemption Date – Application Date

The price obtained for the current working day is then compared with the price obtained during the previous day's EOD processing (P1). The difference between the price of the deal on the current working day and the previous day (P2 – P1) is the amount for which accrual entries will be passed, on the current working day. In the case of T-Bills, from the formula mentioned below, the YTM computed and stored at the time of saving the deal, is used to arrive at the price of the deal for the current working day (P2).

$$P_0 = \left[ \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d}{P}\right)}} \right]$$

Where

- P is the Price of the T-Bill
- R.P. is the Redemption Price
- AI is the Accrued Interest
- di is the Coupon Date – Value Date
- dN is the Redemption Date – Value Date

The formula used to calculate the yield given price – for T-Bills, will be

$$P_0 = \left[ \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d}{P}\right)}} \right]$$

- P0 is the Purchase price of the T-Bill
- R.P. is the Redemption Price
- Y0 is the Deal YTM
- d is the Redemption Date – Value Date
- A is the Day Count Method - Denominator

The price obtained for the current day is compared with the price obtained during the previous day's EOD processing (P1). The difference between the price of the deal on the current day and the previous day (P2 – P1) is the amount for which accrual entries will be passed, on the current working day. For example, let us assume, in your country all Securities (Bonds, T-bills, CPs ) are quoted in the market on a yield basis. Additionally, no tax is levied on any capital

gains (to encourage trading) but 35 % tax is charged on the Discount Amount. Accrual in a straight-line method would divide the discount amount equal to the number of days to mature. But your bank would like to calculate the present value on the Security on a daily basis and the difference will be booked as Discount Earned. In this method, the present holding cost will be always lesser than the straight line revaluation (if it is bought in discount) and hence capital gain will be higher during the sell. A T Bill worth 50,000,000.00 (FV) is Bought on 1-Sep-2002 Maturing on 08-Aug-2003 at Annual Yield rate of 13%.

**Table 21.3: Buy**

Buy Date	01-SEP-2002	Description
Redemption Date	08-Aug-2003	
YTM Price	13%	B3
Quantity (Nominal)	50,000,000.00	B4
Days to Mature	341	B5
Price	89.1701	B6 = ROUND(100/(1+(B3*B5)/365),4))
Net Consideration	44,585,050.00	
Discount	5,414,950.00	B14

On A later date (10-Sep-02)

**Table 21.4: Table**

Yield	13%	D3
Holding Quantity	50,000,000.00	
Days to Mature	332	D5
Present Cost	89.4257	D6 = ROUND(100/(1+(D3*D5)/365),4)
Present Value	44,712,85000 D7 =D4*D6/100	
Present Discount	5,287,150.00 D14	
Discount to Be Amortized	127,800	D15 = B14- D14

#### DPRP Accrual for Bonds with quantity redemption schedules

For securities which are redeemable on call and with redemption type Quantity, you can choose to redeem a specific amount of the face value by entering the requisite percentage in the Redemption Percent field in the Securities Corporate Action Maintenance – Redemption screen. Refer to the chapter on Maintaining and Processing Corporate

Actions in this manual. For such securities, the DPRP accrual takes into account the weighted average of the days to redemption.

#### Accrual by the exponential method

In the exponential method of DPRP accrual, the amount accrued is not the same each day, but rises exponentially with each passing day of the accrual period. The amount accrued at the end of each day is given by the following formula:

$$W_b = PP * (FV/PP)^{(n1/n2)}$$

Where

$W_b$  = Value of the Bond on accrual date;

PP = Purchase Price of the Bond;

FV = Face Value of the Bond;

$n1$  = Number of days from purchase till the date of accrual;

$n2$  = Number of days from purchase till maturity.

For example, consider a Bond with the following basic details:

Purchase Price = PP = 80 USD

Face Value (Nominal) = FV = 100 USD

$n2 = 10$

The value of the bond and the amount accrued each day till maturity is given in the table below. For comparison, the accrued amount each day, as obtained by the straight line method of accrual, is given in the last column. All figures are in USD:

**Table 21.5: Bond**

<b>n1</b>	<b>Value of Bond</b>	<b>Value of Bond in excess of Purchase Price</b>	<b>Discount Accrual by exponential method</b>	<b>Discount Accrual by straight line method</b>
1	81.805	81.805	81.805	2.000
2	83.651	3.651	1.846	2.000
3	85.539	5.539	1.888	2.000
n1	Value of Bond	Value of Bond in excess of Purchase Price	Discount Accrual by exponential method	Discount Accrual by straight line method
4	87.469	7.469	1.930	2.000
5	89.443	9.443	1.974	2.000
6	91.461	11.461	2.018	2.000
7	93.525	13.525	2.064	2.000
8	95.635	15.635	2.110	2.000
9	97.793	17.793	2.158	2.000
10	100.000	20.000	2.207	2.000

n1	Value of Bond	Value of Bond in excess of Purchase Price	Discount Accrual by exponential method	Discount Accrual by straight line method
			20.000	20.000

In case the redemption date is extended, the system recomputes the DPRP amounts irrespective of the accrual method maintained for DPRP. Discount/Premium accrual will be completed till the extension date (using the old redemption date). However, all the unaccrued Discount/Premium will be accrued from the transaction date of the redemption date extension. Subsequently, YTM for all the deals will also be recomputed.

## 21.5 Specify Advice to be Generated

This topic describes the systematic procedure to specify advice to be generated.

### CONTEXT:

The advices that can be generated, for the events that occur during the life cycle of securities in a portfolio, are defined for the product to which the portfolio is associated.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreen.

From Homescreen, login to **Portfolio Definition** screen.

1. On **Portfolio Definition** screen, click **Advices**.

STEP RESULT: **Advices** screen is displayed.

**Figure 21.4: Advices**

Highlight an event, to view the advices associated with it. The address, to which an advice should be delivered, is picked up by default, based on the media and address maintained for the party. The party type to



whom an advice should be sent is also picked up automatically, based on the type of portfolio you are entering and the parties involved.

### Suppressing the generation of an advice

By default, all advices defined for a product will be generated for the portfolios to which it is associated. If any of the advices are not applicable to the portfolio being created you can suppress its generation.

#### Priority

For a payment message by SWIFT, you have the option to change the priority with which a message should be delivered. By default, the priority of an advice is marked as Normal. You have the option to priorities a payment message to one of the following options:

- Normal
- Medium
- High

After selecting the advices to be generated for the portfolio, click add icon to save the entries that you made. Click delete icon to reject the entries that you have made. In either case, you will be returned to the Portfolio Definition screen.

2. On **Portfolio Definition** screen, click **Events**.

STEP RESULT: Leg Events, Accounting Entries & Overrides screen is displayed.

**Figure 21.5: Leg Events Accounting Entries Overrides**

### Accounting entry details

Highlight the event to view its accounting entries. All the accounting entries that were passed and the overrides that were encountered for the event will be displayed. The following information is displayed for each accounting entry:

- Branch
- Account

- Dr/Cr indicator
- The amount tag
- The date on which the entry was booked
- Value Date
- The deal currency
- Amount in deal currency
- The foreign currency equivalent (if applicable)
- The exchange rate that was used for the conversion
- Amount in local currency
- All the overrides that were encountered for the event will also be displayed

Click '**Exit**' button to exit the screen. You will be returned to the Application Browser.

3. On **Portfolio Definition** screen, click Security Restriction.

STEP RESULT: **Security Restrictions** screen is displayed.

**Figure 21.6: Security Restriction**

The screenshot shows the 'Security Restrictions' window. At the top, there are input fields for 'Portfolio Id' and 'Portfolio Description'. Below these is the 'Restriction Type' section with two radio buttons: 'Allowed' (selected) and 'Disallowed'. The 'Security Product Restrictions' section contains a table with columns 'Code' and 'Description'. Below this is the 'Security Access' section with a table with columns 'Security Id', 'Product', 'Description', and 'Allowed'. Both table sections have a 'Go' button and a '1 Of 1' indicator. At the bottom right, there are 'Ok' and 'Exit' buttons.

4. On **Security Restriction** screen, specify the fields.

From the head office of your bank, you can establish certain controls over the securities that a portfolio can trade in. These controls are achieved by specifying restrictions. The security restrictions maintained for the portfolio product associated with a portfolio will by default apply. You can use the defaulted restrictions or define security restrictions for a portfolio.

**Table 21.6: Security Restriction - Field Description**

Field	Description
<b>Restriction Type</b>	Specify security restrictions in the form of an allowed or disallowed list. You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option under the field Restriction type. When you set up security restrictions, the securities that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, securities that do not figure in it can be involved in deals linked to the product.
<b>Allowed/Disallowed</b>	Under Security Restriction, you will see a column displayed. <ul style="list-style-type: none"> <li>An Allowed or Disallowed list (depending on the restriction type you are maintaining).</li> </ul>
<b>Exempting specific securities from an allowed or disallowed list</b>	You can exempt specific securities, from the restriction specified for the product to which they belong. Click the add icon and select a security code from the picklist. You can choose to Allow or Disallow the security that you have selected by choosing the appropriate option under Restriction Type. Click the delete icon to remove security from the list. For example, suppose that you have maintained the following security products in Oracle Banking Treasury Management: <a href="#">Table 21.7: Product</a> You are maintaining security restrictions for a portfolio. You have indicated the restriction type as Allowed. For this portfolio, you have moved the Security product SECA to the allowed list. This in effect means that you have, Allowed SECA for the portfolio. Disallowed SECB for the portfolio. You want to disallow security EQ 3 and allow security BD 1. In Oracle Banking Treasury Management this is achieved thus: Follow the same procedure for the security ID, BD1 and indicate that it is allowed for the portfolio. Thus you have allowed the securities EQ 1, EQ 2, and BD 1 for the portfolio.
<b>Confirming your specifications</b>	After you have defined restrictions, click 'Exit' to delete your specifications. You will be returned to the Portfolio Definition screen.

**Table 21.7: Product**

Product Code	Products linked to it
SECA	EQ 1 EQ 2 EQ 3
SECB	BD1 BD2 BD3

Product Code	Products linked to it
<p>You are maintaining security restrictions for a portfolio. You have indicated the restriction type as Allowed. For this portfolio, you have moved the Security product SECA to the allowed list. This in effect means that you have, Allowed SECA for the portfolio. Disallowed SECB for the portfolio. You want to disallow security EQ 3 and allow security BD 1. In Oracle Banking Treasury Management this is achieved thus: Follow the same procedure for the security ID, BD1 and indicate that it is allowed for the portfolio. Thus you have allowed the securities EQ 1, EQ 2, and BD 1 for the portfolio.</p>	

## 21.6 Map Accounts to a Safe Keeping Location

While setting up a portfolio, you can indicate the default account at a safe keeping location (SKL) that should be used when deals involving securities lodged at the SKL are traded.

Click 'SK Location' from the Portfolio Definition screen to invoke the Safe Keeping Location screen. In this screen you can indicate the default account to be used for each SK location.

**Figure 21.7: SK Location**

### The procedure for mapping accounts

Indicate the ID of the safekeeping location at the Safe Keeping Location field. Alternatively, select a safekeeping location from the picklist. The picklist will contain details of all valid safe keeping locations, maintained in the SKL Maintenance screen. Thereafter, indicate the default account at the SKL account field. Select an account from the picklist. The picklist will contain the accounts that the holder of the portfolio maintains, with the SK location. To add another SK location and account combination for a portfolio, click add icon and follow the procedure listed above. To

delete a mapping that you have made, highlight the mapping and click the delete icon. Click 'Exit' to cancel the entries. You will return to the Portfolio Definition screen.

## 21.7 Specify Accounting Role to Head Mapping Preferences

While creating a product, you have specified Role to Head Mapping preferences. The preferences specified for the product associated with the portfolio is defaulted. Click 'Role to Head' from the Securities Portfolio Definition screen.

**Figure 21.8: Role to Head**

The screenshot shows a window titled "Role To Head" with a blue header bar. Inside, there are two input fields at the top: "Portfolio Id" and "Portfolio Description". Below them are "Role To Head" and "Role Head Description". The main section is titled "Security Product - Role to Head Class Mapping" and contains a table with columns: "Product \*", "Description", "Role To Head \*", and "Description". There are navigation controls (back, forward, 1 Of 1, Go) and a "Go" button. Below this is another section titled "Security - Role to Head Class Mapping" with a similar table and controls. At the bottom right, there are "Ok" and "Exit" buttons.

### Level one

You accept the role to head mapping class defaulted from the product associated with the portfolio. In this case, the role to head mapping class will be made applicable across all securities in the portfolio.

### Level two:

The Role to Head Mapping Class that is defaulted from the product is not applicable to the portfolio being defined. You can specify another role to head mapping class and make it applicable to the portfolio. In this case, the new class that you specified will become applicable to all securities in the portfolio.

### Level Three

You have either accepted the default role to head mapping from the product or have associated a new role to head mapping class for the portfolio.

However, for a specific security product you want to use a different role to head mapping class. Indicate the role to head mapping that is applicable to the portfolio and specify a Role to Head Mapping Class that is to be applied to specific securities products.

### Level Four

Besides the Accounting Role To Head Mapping class defined for the portfolio, you can also define an accounting role to head mapping class for a particular security, within a security product.

## 21.8 Process Security Revaluation Prices for a Portfolio

This topic describes the systematic instruction to process Security Revaluation Prices for a Portfolio

### CONTEXT:

You can choose to maintain different price codes for each security within the portfolio. The prices associated with

these price codes will be used to revalue the portfolio. Thus for the same security, you could specify different revaluation price codes in different portfolios. To maintain price codes for each security within the portfolio click the 'SP Price' button in the Securities Portfolio Definition screen.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

From Homescreeen, login to **Security Definition Portfolio** screen.

1. On Security Definition Portfolio screen, click SP price.

STEP RESULT: **SP** price screen is displayed.

**Figure 21.9: SP Price**

The screenshot shows a web application window titled "SP Price". Inside the window, there are two input fields at the top: "Portfolio Id" and "Portfolio Description". Below these fields is a table with two columns: "Security Id" and "Revaluation Price Code". The table has a header row and one data row. At the bottom right of the window, there are two buttons: "Ok" and "Exit".

2. On SP Price screen, specify thee fields.

In this screen, you can maintain a set of securities and associate appropriate price codes with each of them. While revaluing the portfolio, the system first checks for the price code associated with the security at the portfolio level. Else, the default price code maintained for the security will be used for revaluation.

**NOTE:** You can link only one price code for a given security in a given portfolio.

## 21.9 Process Risk Profile

This topic describes the systematic instruction to process risk profile.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXRMT** in the text box, and click next arrow.

STEP RESULT: **Risk Profile Maintenance** screen is displayed.

**Figure 21.10: Risk Profile Maintenance**

- On **Risk Portfolio Maintenance** screen, specify the fields.  
For more information on fields, refer to field description table.

**Table 21.8: Risk Portfolio Maintenance - Field Description**

Field	Description
<b>Risk Profile</b>	Specify the risk profile.
<b>Description</b>	Enter a description for the risk profile.
<b>Branch Code</b>	Specify the branch code.
<b>Portfolio Id</b>	Select the portfolio ID from the adjoining list of values provided.
<b>Priority Number</b>	Specify the priority number to be associated with the benefit plan for the selected module. <b>NOTE:</b> The priority number specified should be unique across all benefit plans for a given module.
<b>Branch Code</b>	Specify the branch code.

## 21.10 View Safe keeping Location Portfolio Balances

This topic describes the systematic instruction to process safe keeping location portfolio balances.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

- On Homescreeen, specify **SESXSKPB** in the text box, and click next arrow.

**STEP RESULT:** **'Safe Keeping Location Portfolio Balances Summary'** screen is displayed.

**Figure 21.11: Safe Keeping Location Portfolio Balances Summary**

2. On **Safe Keeping Location Portfolio Balances** screen, specify the fields.  
On **Safe Keeping Location Portfolio Balances** screen, specify the fields.  
In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch Code
- Safe Keeping Location Id
- Safe Keeping Location Account
- Security Id

Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

- Branch Code
- Safe Keeping Location Id
- SK Location Description
- Safe Keeping Location Account
- Security Id
- Security Description
- Security Currency
- Portfolio Id
- Portfolio Description
- Portfolio Type
- Portfolio Reference
- Security Form
- Current Position



- 
- Current Holdings
  - Opening Position
  - Opening Holdings

## 21.11 List of Glossaries - Define Portfolio

### **SEDXPFNL**

Security Portfolio Definition - [21.2 Process Portfolio Definition Details](#) (p. 267)

### **SESXPFNL**

Security Portfolio Summary - [21.3 Process Details of a Portfolio](#) (p. 268)

### **SEDXRMNT**

Risk Profile Maintenance - [21.9 Process Risk Profile](#) (p. 288)

### **SESXSKPB**

Safe Keeping Location Portfolio Balances - [21.10 View Safe keeping Location Portfolio Balances](#) (p. 289)

## 22. Process Security Deal

### 22.1 Introduction

Using the securities module of Oracle Banking Treasury Management, process the following deal types:

- Bank portfolio buys and sells
- Customer buys and sells
- Standalone lodge and withdraw
- Accompany lodge and withdraw
- Safe keeping location (SKL) to SKL transfer
- Block securities

These could be spot, forward or back value dated deals. Moreover, these deals could be directly captured in Oracle Banking Treasury Management or uploaded from an external system. You can nevertheless amend an uploaded deal in Oracle Banking Treasury Management. Each deal that you enter in Oracle Banking Treasury Management should necessarily be associated with a deal product or combination product. To recall, you have already defined deal products to group together or categorize deals that share broad similarities. Deal products provide a general framework and services to classify or categorize deals. Under each Product that you have defined, you can enter specific deals based on your requirements. By default, a deal inherits all the attributes of the product or combination product, which is associated with it. This means that you will not have to define these general attributes each time you enter a deal, rendering the entry of a deal in Oracle Banking Treasury Management quick and simple.

**NOTE:** While defining a combination product you have indicated the 'preferred leg' of the combination. The preferences specified for the preferred leg will default to a deal involving a product combination.

The sequence of events involved in processing a securities deal, right from the trade date to the settlement date can be entered in Oracle Banking Treasury Management. A deal would, therefore, require information on:

- The securities that are traded
- The number of securities that are traded
- The counter-parties involved in the deal
- The price at which the securities are traded
- The portfolio to which the securities belong
- The dealer involved in the deal
- Details of the broker involved in the deal (if applicable)

These details, and several others, required to process a deal in Oracle Banking Treasury Management have been discussed in the course of this chapter.

This topic contains following sub-topics:

- 1) [Securities Deal Input Screen](#)
- 2) [Deal Net Consideration](#)
- 3) [Specify Details of Parties Involved in a Deal](#)
- 4) [Settlement Instructions for a Deal Leg](#)

- 5) [Process Levy Tax on a Deal](#)
- 6) [Process Brokerage on a Deal](#)
- 7) [Upload the Deals for Amendment](#)
- 8) [Liquidating a Deal](#)
- 9) [Reassigning a Deal to another User](#)

## 22.2 Securities Deal Input Screen

This topic contains the following sub-topics:

- 1) [Process Securities Data Input Screen](#)
- 2) [Securities Deal Input Screen](#)
- 3) [Process Securities Deals](#)

### 22.2.1 Process Securities Data Input Screen

This topic describes the systematic instruction to process security data input screen.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

- 1. On Homescreeen, specify **SEDSDLNL** in the text box, and click next arrow.

STEP RESULT: **Securities Deal Input** screen is displayed.

**Figure 22.1: Securities Deal Input**

The screenshot displays the 'Securities Deal Input' window with the following sections:

- Header:** Includes 'New' and 'Enter Query' buttons, and navigation links 'Previous', 'Of', and 'Next'.
- Main Section:**
  - Product:** Fields for Product \*, User Reference \*, External Reference Number, Product Description, and a 'P' button.
  - Source:** Fields for Source, Deal Reference \*, and a 'R' button.
  - Version Number:** Fields for Block Deal Reference and Reversed Contract Ref No.
- Security Section:** Fields for Security Code \*, Market Code \*, Security Description, Market Description, and Option Type.
- Deal Section:** Fields for Deal Quantity \*, Price Quote (Price), Input Price \*, Trade Date \*, DSTL Date, Local Currency Quantity, Original DSTL Date, Yield, Interest, Deliver \*, Interest Date, Receive \*, Maturity Date, Transaction Date, and Quote By.
- Securities From Section:** Fields for Leg Product, Portfolio, Counterparty, Counterparty Name, Safe Keeping Location, Safe Keeping Account, Leg Product Description, Description, Leg Reference, User Reference, Broker Id, Money Settlement Date, and Actual MSTL Date.
- Securities To Section:** Similar fields to the 'Securities From' section.
- Footer:** Includes a navigation bar with links like Certificates, Fields, Advice, Deal Match, Limits, Parties, Brokerage, Events, MIS Details, Settlements, Charges, Walk-in From, Net Consideration, Tax, Holiday Preferences, Limits To, and Walk-in To. It also contains fields for Maker Id, Date Time, Checker Id, Checker Stamp, Authorization Status, and Contract Status, along with 'Ok' and 'Exit' buttons.

If you are calling a deal that has already been created, choose the Deal Input Summary option. The details of all the deals that you entered earlier will be displayed in a tabular form. From the summary screen, you can open an existing deal by double clicking it.

2. On **Security Deal Input** screen, specify the fields.

The securities deal input screen, as it appears contains a header and a footer containing fields that are specific to the deal you are entering. Besides these, you will also notice two tabs and an array of icons, along the lines of which you can enter details of a securities deal.

**Table 22.1: Field Description**

<b>Field</b>	<b>Description</b>
<b>Main</b>	Click this tab to enter the essential terms of a deal. This screen, along with its fields have been detailed under the head 'Entering the details of a deal'.
<b>Additional</b>	In the screen that corresponds to this tab, you can enter additional details that are required to process the deal. The screen also displays price-related details, calculated on the basis of the amounts that you specified in the Main screen. The features of this screen have been detailed under the head 'Entering additional details of a deal'.
On the Securities Deal Input screen, you will also notice a toolbar with icons. The same set of icons is available for each leg of a deal. The buttons on this toolbar enable you to invoke several functions that are vital to processing a deal. These buttons have been briefly described below:	
<b>Advices</b>	Click this icon to invoke the advices screen. In the screen corresponding to this icon you can view, suppress and prioritize the advices that are to be generated for each leg of the deal. This screen along with its fields has been detailed under the head 'Specifying Advices for a deal'.
<b>Brokerage</b>	Click this icon to indicate brokerage details applicable to the deal leg.
<b>Charges</b>	This button process the Charge service of Oracle Banking Treasury Management. On invoking this function you will be presented with a screen where the charge rate, amount, currency, and the waive charge parameter can be specified. The procedure for making charge components applicable to a deal leg is discussed under the head 'Levying charges on a deal'.
<b>Deal Match</b>	If you are trading in a portfolio that involves deal matching, you can indicate deal-matching preferences. Click this button to match earlier buys in a portfolio, to the deal you are processing.
<b>Events</b>	Click this icon to view details of the events and accounting entries that the deal involves. The screen also displays the overrides that were encountered for the deal.
<b>Limits</b>	Click this icon to view the forward profit that you have made or the loss that you have incurred on account of the deal.
<b>WalkIn</b>	In the screen that corresponds to this button, you can indicate the credit lines under which your liability to the deal should be tracked. The details of this screen are discussed under the head 'Specifying credit administration details'.
<b>MIS Details</b>	Click this icon to define MIS details for the deal.
<b>Netcons</b>	Click this icon to view your net consideration in the deal.
<b>Parties</b>	In the screen that corresponds to this button, you can indicate the parties involved in the deal.

Field	Description
<b>Settlements</b>	Click this icon to invoke the settlement screens. Based on the details that you enter in the settlement screens, the deal will be settled. The details of these screens have been discussed in the section titled 'Maintaining Settlement Instructions'.
<b>Tax</b>	This screen process tax. The application of tax on a deal is discussed under the head 'Levying tax on a deal'.
<b>Product</b>	<p>You should necessarily use a product or a product combination that has already been created to enter the details of a deal. Based on the type of deal you are entering, you can select a product or a product combination from the picklist available at the 'Product' field. You must use a product combination to process the following deal types that involve two legs (a buy and a sell):</p> <ul style="list-style-type: none"> <li>• Bank portfolio buys and sells</li> <li>• Customer buys and sells</li> <li>• Accompany lodge and withdraw</li> </ul> <p>You can use a deal product to process a:</p> <ul style="list-style-type: none"> <li>• Deal that involves only one leg (either a buy or sell)</li> <li>• Safe keeping location (SKL) to SKL transfer and</li> <li>• To Block securities</li> </ul> <p>A deal will inherit all the attributes defined for the product to which it is associated. For deals that are associated with a product combination, the preferences specified for the preferred leg of the product combination will be applied. You can further add details that are specific to the deal like the deal amount, details of the buyer, the seller, etc. and process the deal.</p>
<b>Block Deal Reference</b>	This is a system generated deal reference for the sub-deals, created by way of a block deal product.
<b>Reversed Contract Reference Number</b>	The reference number of the contract that is being reversed and rebooked is displayed here.
<b>User Reference</b>	You can enter a reference number for the deal. A deal will be identified by this number in addition to the 'Deal Reference No' generated by the system. This number should be unique and cannot be used to identify any other deal. By default, the Deal Reference Number generated by the system will be taken as the User Reference No. While reversing a deal the tag 23Gis populated as CANC. In this case tag 20C:: INGENL should be populated with the value DCN. For the subsequent A1 (Linkages) block, the value for the tag 20 C will be populated as '20C::PREV// ' followed by the reference number.

Field	Description
<b>Deal Reference</b>	<p>In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the deal you are entering, it is also used in all the accounting entries and transactions related to this deal. Hence the system generates a unique number for each deal. The deal reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date and a four-digit serial number. The Julian Date has the following format: "YYDDD"</p> <p>Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/ have elapsed in the year. For example, January 31, 1998 translates into the Julian date: 98031. Similarly, February 5, 1998 becomes 98136 in the Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).</p>
<b>External Reference</b>	If the transaction is being uploaded from an external source, you can specify the identification for the transaction in the external source, as the external reference number.
<b>Source</b>	Indicate the source from which contracts have to be uploaded.
<b>Security Code</b>	<p>While entering the details of a deal, you should indicate the security that the deal involves and the market in which it is traded. You can select a security code from the pick-list. The pick-list contains a list of all the securities that you maintained in the Securities Definition screen. The trading in the security should be allowed for the portfolios involved in the deal.</p> <p>As you have already maintained details of the security, all the features of the security like its price, the quotation method, the corporate actions that it involves and several other details of the security will be processed based on these details. After you indicate the securities that are being traded in the deal, you can indicate the market in which they are traded. The market in which the security is traded is defaulted from the Security Definition screen. You can change the default and select a market code from the pick-list available. The pick-list contains valid market codes maintained in the Market Definition screen.</p>
<b>Market Code</b>	Indicate the market in which the security involved in the deal is traded. Select a market code from the option list. The option list contains valid market codes maintained in the Market Definition screen. The market in which the security is traded is defaulted from the Security Definition screen. You can change the default.
<b>Rules for amendment</b>	The entries made in this field can be amended before the deal is authorized. However, if amendment is required after authorization, you should reverse the deal and enter it again.

Field	Description
<b>Deal Type</b>	Indicate the type of deal you are processing. Using the Securities module of Oracle Banking Treasury Management, you can enter spot or forward deals. You can choose the appropriate option from the option list. A spot deal is one that settles on or before the spot date of the deal. A forward deal is one that settles on a date after the spot date of the deal.
<b>Deal Quantity</b>	<p>Securities that are traded can be quoted in terms of:</p> <ul style="list-style-type: none"> <li>• Units (100 units of a security), or</li> <li>• As a Nominal (securities worth USD 5000).</li> </ul> <p>The price quotation method defined for the security in the security definition screen is defaulted. You can change the quotation method that is defaulted. The deal quantity that you specify should be expressed in the security quotation method.</p>

- On the **Security Deal Input** screen, click **Holiday Preferences**.  
For more information on Holiday Preferences, see the section [19.13 Holiday Preference](#)

## 22.2.2 Process Securities Deals

This topic describes the systematic instruction to process **Securities Deals**.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

- On Homescreeen, specify **SESXDLNL** in the text box and click next.  
**STEP RESULT:** **Securities Deal Summary** screen is displayed.



**Figure 22.2: Securities Deal Summary**

2. On **Securities Deal Summary** screen, specify the fields.  
Click the Search button to view all the pending functions. However, you can to filter your search based on any of the following criteria:

**Table 22.2: Security Deal Summary - Field Description**

Field	Description
<b>Authorization Status</b>	Specify the authorization status. Alternatively you can select the authorization status of the contract from the drop-down list.
<b>Deal Status</b>	Specify the deal status. Alternatively you can select the deal status of the contract from the drop-down list.
<b>Deal Reference</b>	Specify the deal reference number. Alternatively you can select the deal reference number of the contract from the drop-down list.

Field	Description
<b>Security Code</b>	<p>Select the security code Alternatively you can select the security code from the drop-down list. Select the sold currency from the option list. When you click the 'Search' button the records matching the specified search criteria are displayed. For each record fetched by the system based on your query criteria, the following details are displayed:</p> <ul style="list-style-type: none"> <li>• Authorization Status</li> <li>• Deal Status</li> <li>• Deal Reference</li> <li>• Deal User Reference</li> <li>• Deal Quantity</li> <li>• Security Code</li> <li>• Security Currency</li> <li>• Deal Settlement Date</li> <li>• Booking Date</li> <li>• Trade Date</li> <li>• Checker ID</li> <li>• Maker Id</li> <li>• Portfolio Id</li> <li>• Transaction Date</li> <li>• Block Reference</li> </ul>
<p>After you have indicated the securities that are traded and the market in which they are traded, you can indicate details of the security that are specific to the deal you are processing.</p>	
<b>Deal Quantity</b>	<p>Indicate the quantity of the security that is traded. The quantity that you specify depends on the method in which the security is quoted (units or nominal). If the security is quoted in units, you should indicate the number of units of the security that was traded. If it is quoted as Nominal, indicate the sum of the face value for which it is purchased. For example, suppose that you have bought 100 units of a security of face value USD 100. If the security quotation method is units, then, while indicating the deal quantity you should indicate 100. If the quotation method is nominal, you should indicate USD 10000 (USD 100 x 100 Units) at the deal quantity prompt.</p>

Field	Description
<b>Trade Date</b>	The trade date is the date on which the deal is transacted. It is also referred to as the deal date. The date that you enter can be either today's date or a date earlier than today. The trade date should be earlier than the maturity date of the security as specified in the Securities Definition screen. For a series with a redemption record, the trade date should be earlier than the redemption date.
<b>Interest</b>	<p>The Interest Quotation Method for interest bearing instruments can be:</p> <ul style="list-style-type: none"> <li>• Flat</li> <li>• Plus Accrued</li> </ul> <p>You can indicate whether the deal price that you specified includes the purchased interest or the same has to be accrued separately. Indicate flat if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'. Indicate plus accrued to indicate that the price at which the security is quoted excludes accrued interest. This quotation method is also referred to as the 'Clean Price'.</p> <p><b>NOTE:</b> Specify an interest quotation method only if the deal involves the buying or selling of interest bearing bonds.</p>
<b>For indexed securities</b>	<p>In the case of indexed securities, you can specify the number of units that are traded, expressed either in the index or the local currency.</p> <p>If you express the deal quantity in the local currency, the equivalent in the index currency is displayed in the field titled Deal Quantity. Similarly, if you indicate the deal quantity in the index currency, it's equivalent in the local currency is displayed in the field titled LCY Qty.</p>
<b>Price Quote</b>	The method in which price is quoted is a feature of the market where the security is traded. Each market may use a particular price quotation method. The price of a security can be quoted as:
<b>Price</b>	<p>In this case the security is quoted on the basis of the price at which it is traded. You have already maintained the face value of the security in the Security Definition screen. The premium that you paid or discount at which you purchased the security is calculated against the face value of the traded security. The price can be expressed as:</p> <p>(Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is 'Flat')</p> <p>% Price — the price is quoted on the basis of the percentage of the price.</p> <p>% Price = (Market price / Face value) x 100</p>
<b>% Discount</b>	In this case, the price is quoted on the basis of the discount percentage at which the deal was bought or sold.
<b>% Premium</b>	In this case, the price is quoted on the basis of the premium percentage at which the deal was bought or sold.
<b>Premium</b>	Here the price is quoted on the basis of the premium at which the security was bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

Field	Description
<b>Discount</b>	The price is quoted on the basis of the discount at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold
<b>YTM</b>	<p>The price is quoted on the basis of its yield to maturity. This price quotation method is applicable only for Zero coupon bonds. The yield on discounted instruments is measured by the yield to maturity (YTM) which is the return on a security bought at current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price increases above the straight discounted price YTM would decrease and vice versa. The price using this quotation method is calculated thus:</p> $YTM = \frac{(\text{Face Value} - \text{Purchase price}) * \text{Days in a Year}}{\text{Price} * \text{Days to maturity}}$ <p>Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same. For example, take a USD 100 bond, maturing 20 months from the settlement date, which you have purchased at a premium of USD 20. We will examine the entry that you will have to make at the input price field while entering the details of the deal.</p> <p>Price — USD 120  % Premium —20%  Premium — USD 20  Percentage price — 120%  YTM — 12%</p> <p>Using any of the above price quotation methods, the price of the security amounts to USD 120.</p>
<b>Delivery Settlement date (DSTL date)</b>	The delivery settlement date is the date on which settlement of the traded securities should take place. Depending on the type of deal (spot or forward) you are processing, you can indicate the security settlement date. In the subsequent fields you can indicate the locations from which and to which the security should be delivered.

Field	Description
<b>Deliver</b>	<p>Specify instructions to the safe keeping location as to when the traded securities should be released to the buyer. The options available are:</p> <ul style="list-style-type: none"> <li>• Deliver against payment</li> <li>• Deliver free</li> </ul> <p>The deliver against payment option has no risk involved, as securities will be handed to the buyer only on payment. Choose the deliver free option to indicate that the delivery of securities is to be independent of payment. As there is a risk involved in choosing the deliver free option, while specifying limit details for the deal, you can also indicate the undelivered credit line under which your liability to the deal should be tracked.</p>
<b>Input Price</b>	<p>The deal price is the price at which the deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method specified for the security that is traded. You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million.</p> <p>The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued. For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal. The price that you enter is taken to be in the currency of the security that is traded.</p>
<b>Yield</b>	<p>This field is applicable only for deals that involve bonds. Enter the equivalent yield of the bond for the price that you input. It is important to note that no processing is done based on the yield that you enter. It is only for reporting purposes.</p>
<b>Viewing revised YTM</b>	<p>Deal YTM is computed for a security on the following occasions: <a href="#">Table 22.3: Event Table - Description</a></p> <p>To view details of changes in YTM, click 'D' button. The Yield to Maturity details screen is displayed. <a href="#">Figure 22.3: Year to Maturity Details</a></p> <p>YTM values can change due to Coupon Rate Revision, Redemption redefinition or extension of security. The YTM values are rounded off to the number of decimal places specified in the Securities Bank Parameters screen.</p>
<b>Interest Date</b>	<p>If you are entering the details of a buy or sell deal, you can indicate the date from which purchased or sold interest for interest bearing bonds should be calculated. For securities whose issue market has trade based accounting:</p>

Field	Description
<b>Interest value date = Trade date</b>	For securities whose issue market has settlement date based accounting, the settlement date is defaulted to the settlement date. You have the option to change the defaulted date. However, the interest value date that you enter in this case should be in the same coupon period as the settlement date. Interest computations will be performed on-line from the last coupon date (including) to interest value date (excluding) in the case of deals where settlement date is before ex-date. In case the settlement date is past the ex-date the computation will be from interest value date (including) to the next coupon date (excluding). The interest might need to be received or paid depending on whether the deal is a buy or a sell.
<b>Price in Local Currency</b>	Enter the price at which the deal was transacted expressed in the local currency. This field is applicable only for nominal quoted index securities. If you specify the deal price in the index currency, the local currency equivalent is displayed in this field. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method that you specified earlier. You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million. The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued. For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal.
<b>Receive</b>	The receive instructions that you can specify to the SKL involved in a deal are: <ul style="list-style-type: none"> <li>• Receive against payment</li> <li>• Receive free</li> </ul>
<b>Absolute price</b>	In-case the price quote is Premium, %Premium, % Price etc, the Absolute Price is the actual price (i.e. Premium + FV) of the security. This is a system generated field.
<b>Local Currency Quantity</b>	Enter the number of units traded in the deal expressed in the local currency. This field is applicable only for units quoted index securities. For indexed securities, you can specify the number of units that are traded either in the index or local currency. If you express the deal quantity in the local currency, the equivalent in the index currency is displayed in the field titled Deal Quantity. Similarly, if you indicate the deal quantity in the index currency, its equivalent in the local currency is displayed in this field.
<b>Maturity Date</b>	This field is applicable only in case of Bonds or securities with a redemption date. This is automatically generated to reflect the maturity date of the security being traded.

Field	Description
<b>Original DSTL Date</b>	This is automatically generated by the system to reflect the original delivery settlement date as per the market code maintenance for Spot days. You can change the date by using the calendar menu.
<b>Transaction Date</b>	The transaction date is the date on which you entered the deal into Oracle Banking Treasury Management. The system defaults the transaction date to today's date. Normally, the transaction date would be the same as the trade date of the deal. It would differ from the trade date if you enter a back valued deal.
<b>Deal Input Time</b>	This field captures the deal execution time at the time of deal booking received from front office. Format: YYYY-MM-DD HH:MM:SS:SSS (Default). Here SSS is milliseconds. <b>NOTE:</b> The above format can be changed in the user setting option based on requirement. System throws an error when you give the wrong date or time format on modification.
<b>Quote By</b>	This is the Quantity quotation method. Here you specify whether the Security quantity quoted above is in Units or in Nominal.

**Table 22.3: Event Table - Description**

Event	YTM is computed Effective from
When you enter the deal	Deal Settlement Date
When coupon rates are revised for securities with periodic rate revision	Rate Effective Date
When the redemption definition is changed	Event Date

**Figure 22.3: Year to Maturity Details**

### 22.2.2.1 Specify details for the buy and sell leg of a deal

In this section we will discuss the details that you should specify for the buy and sell legs of a deal. The preferences specified for the buy and sell products defined for the product combination will be made applicable to the respective legs of the deal. For each leg of the deal, you have been provided a toolbar using which you can capture details specific to the deal leg.



These icons together with the functions they invoke have been dealt with in the subsequent paragraphs.

**Table 22.4: Fields**

Fields	Description
<b>Identifying each leg of a deal</b>	Oracle Banking Treasury Management assigns a unique reference number to identify both the buy and sell legs of a deal. Besides helping to identify the leg of the deal, this number tag is used in all the accounting entries and transactions related to the leg that it represents. The deal leg reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date and a four-digit serial number. The Julian Date has the following format: “YYDDDD” Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/ have elapsed in the year.
<b>User Reference</b>	You can enter a unique reference number for the sell and the buy legs of a deal. The leg will be identified by this number in addition to the ‘Leg Reference’ generated by the system. By default, the Leg Reference generated by the system will be taken as the User Reference.



Fields	Description
<b>Indicating the broker</b>	If you are processing a bank buy or bank sell deal that involves brokerage, you can indicate the ID of the broker through whom the deal was brokered. You can select a Broker ID from the picklist available. The picklist will contain a list of valid brokers with whom you can enter deals. On indicating the broker code, the name of the broker is also displayed. You will be allowed to enter details of a broker only if brokerage was allowed for the product to which the deal is associated.
<b>Indicating whether your liability to the deal should be tracked</b>	indicate whether your liability to the deal should be tracked. If you indicate positively you can indicate the credit lines against which the buy and sell leg of the deal should be tracked. Click 'WalkIn' button from the relevant leg of the deal to specify the credit line against which the deal should be tracked. The screen that corresponds to this button is discussed under the head 'Specifying credit administration details'.

### 22.2.2.2 Specify Details of Sell Leg

You can specify the following details for the sell leg of a deal:

- The Portfolio from which you are selling securities
- The counterparty (the holder of the portfolio from which you are selling securities)
- The safe keeping location from which securities need to be collected
- The account at the safe keeping location, from which the traded securities need to be transferred
- Details of the securities dealer at your bank who sold securities from the portfolio
- The money settlement date

**Table 22.5: Field Description**

Field	Description
<b>A note on the settlement date</b>	The money settlement indicates the date by which the buyer should pay for the securities bought. The settlement date should be later than or the same as the Trade date and earlier than the maturity date of the security. For forward deals, the settlement date should be later than the default Spot date. For spot deals in the primary or secondary market, the settlement date should not be a holiday in any of the payment currencies. An override will be sought if the money settlement date is a holiday in any of the currencies involved in the deal.

### 22.2.3 Specify Details of the Buy Leg of a Deal

In this section we will discuss the details that you should specify for the buy leg of the deal. You can specify the following details for the buy leg of a deal:

- The Portfolio into which you are buying securities
- The counterparty (the holder of the portfolio into which you are buying securities)

- The safe keeping location to which securities need to be delivered
- The account at the safe keeping location, to which the traded securities are being transferred
- Details of the securities dealer at your bank who bought securities into the portfolio
- The date by which the seller should receive the amount for which securities were sold

Besides these, you can specify details for the buy leg by invoking the buttons on the Securities Deal details 'Main' screen.

## 22.2.4 Trading in securities that do not belong to a portfolio

You may encounter a situation where your customer requests you to sell securities that are not held in any of the portfolios that the customer maintains with the bank. When entering the details of this deal in Oracle Banking Treasury Management, you can indicate this situation by checking against the option 'Accompany Lodge'. By checking this option, you indicate that the holding of the customer in any of the portfolios maintained with the bank should not be reduced on account of the deal. For example, your customer requests you to sell 100 units of a security. But these securities do not belong to any portfolio that the customer maintains with the bank. Another such situation is when a customer requests you to buy securities but does not want them to be held in any portfolio that the customer maintains with the bank. When entering the details of such a deal, check against the option 'Accompany Withdraw'. By checking this option you indicate that the holding of the customer in any of the portfolios maintained with the bank should not increase on account of the deal.

**NOTE:** This situation will arise only when the bank is trading securities on behalf of a customer or while processing a deal for a walk-in-customer.

## 22.2.5 Additional Details Tab

This topic describes the systematic procedure to specify additional details tab.

CONTEXT:

To recall in the Main details screen you have captured details regarding the deal. In the Additional Details screen you can define details like the spot price details, the settlement 22-16 currency, the settlement SKL, exchange rates for deals in a foreign currency and other such details.

For forward deals you should also indicate spot price details. The spot price details that you specify will determine the calculation of forward profit that you have made or the loss that you have incurred in a forward deal.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

On Homescreeen, specify **SEDIDLNL** in the text box and login to **Securities Deal Input** Screen.

PREREQUISITE: On **Securities Deal Input** screen, click **Additional**.

1. On **Additional** screen specify the fields. For more information on fields,

STEP RESULT: **Security Deal Input Additional** screen is displayed.

Figure 22.4: Additional

Securities Deal Input

NewEnter Query

Product \*  
User Reference \*  
External Reference Number  
Product Description

Source  
Deal Reference \*  
R

Version Number  
PreviousOfNext  
Block Deal Reference  
Reversed Contract Ref No

MainAdditional

Spot Price  
Price Quote  
Interest Quote  
Interest Value Date  
Spot Price

Price  
Discount  
Premium  
Forward P & L  
Deal Nominal  
Adjusted Price  
T Bill Withholding Tax

Actual DSTL Date  
Payment Currency  
Security Currency  
Rate  
Settlement SKL  
Spot Date

Trade Details  
Deal Type

CertificatesFieldsAdviceDeal MatchLimitsPartiesBrokerageEventsMIS DetailsSettlementsChargesWalk-in FromNet ConsiderationTaxLimits ToWalk-in To

Maker Id  
Date Time

Checker Id  
Checker Stamp

Authorization Status  
Status

OkExit

Table 22.6: Field Description

Field	Description
<b>Spot Price and Spot Date</b>	The spot price refers to the price at which the security is currently quoted in the market. This price is compared with the deal price to determine the forward profit or loss. The market price of the security as maintained in the price code maintenance screen is defaulted. You have an option to change the default. The forward profit or loss is the difference between the deal price and the spot price and is calculated from the spot date of the deal to its settlement date. The spot date is calculated by adding the spot days specified for the market in which the security is traded to the trade date.
<b>Spot date = Trade date + spot days</b>	<p>The forward profit or loss would be accrued from the spot date to the settlement date of the deal. The accrual of the forward profit and loss will be done based on the accrual preferences specified for the portfolio to which the security belongs. Even if you have indicated that no accrual should be done, on the settlement of the deal the accrual will be done automatically.</p> <p><b>NOTE:</b> In case of forward deals Spot Price is defaulted from the market price maintenance and the spot price cannot be changed.</p>
<b>Payment Currency</b>	If the currency of the security is different from the settlement currency, you should indicate the currency in which payment is made. All the components of the deal like the deal amount, the charges and tax that is levied will be settled in this currency. By default the security currency is taken to be the payment currency. If you indicate the settlement currency to be different from the security currency you should also indicate the exchange rate to be used for the conversion.
<b>Price Details of the Deal</b>	The following information of the price of the deal is displayed:
<b>Interest Value Date</b>	This is the number of days for which accrued interest has been calculated. The interest value date that you specified earlier is used in the calculation. For cum-coupon deals, this is the difference between the last coupon date and the interest date. For ex-coupon deals, the interest days is the difference between the settlement date and the ex-coupon date.
<b>Discount</b>	This is the amount of rebate in the purchase or sale price of the deal, as compared to the nominal price of the security.
<b>Premium</b>	This is the price or amount paid by the buyer in addition to the nominal amount.
<b>Forward P &amp; L</b>	The forward profit or loss is the amount of profit made or the loss incurred in the deal. It is the variance between the deal price and the spot price of the security.
<b>Deal Nominal</b>	The deal nominal refers to the net consideration of the deal. The sum of all the components of a deal is the net value of the deal.

Field	Description
<b>Adjusted Price</b>	This is the price of interest-bearing instruments exclusive of the interest component. Interest bearing instruments can be quoted as flat or plus accrued. The adjusted price is applicable only for flat quoted instruments. The price of such instruments tends to increase during the period nearing the interest payment date and subsequently falls after the interest payment date. The adjusted price is thus the deal price stripped of the interest component.
<b>Deal Type</b>	Select the Deal type from the drop down list. The Deal Type can be <ul style="list-style-type: none"> <li>• Primary</li> <li>• Secondary</li> </ul>

2. On **Securities Deal Input** screen, click **Advices**.

STEP RESULT: **Leg Advices** screen is displayed.

**Figure 22.5: Leg Advices**

3. On **Advice** screen, specify the fields.

To recall, the advices that can be generated for the events that occur during the life-cycle of a deal are defined for the product to which the deal is associated.

The details of the advices applicable for an event are displayed in the Advices screen. The party type to whom a specific advice should be sent is picked up automatically based on the type of deal you are entering and the parties involved in the deal.

Choose the event for which you want to view advice details. The address of the party who is the recipient of the message will be picked up by default, based on the media and address maintenance for the party. You can change either of them. For a payment message by SWIFT, you also have the option to change the priority of the message.

Table 22.7: Field Description

Field	Description
<b>Suppressing the generation of an advice</b>	By default, all the advices defined for a product will be generated for the deals involving it. If any of the advices are not applicable to the deal you are processing, you can suppress its generation.
<b>Indicating the generation priority</b>	For a payment message by SWIFT, you also have the option to change the priority with which the message should be generated. By default, the priority of all advices is marked as 'Normal'. You have the option to priorities a payment message to one of the following options: <ul style="list-style-type: none"> <li>• Normal</li> <li>• Medium</li> <li>• High</li> </ul>
<b>Indicating the medium of generation</b>	The medium through which advice is transmitted and the corresponding address will be picked up based on the address and media maintained for the customer who is the recipient of the message. You can, however, change either of these while processing a deal. Typically, if changed, both of them will be changed. Click the Exit button to reject the entries you have made or to exit from the screen. In either case, you will be taken back to the Securities Deal Input screen.

#### Levying Transaction Charges on a Deal

For each leg of the deal, you can specify the charges that you levy. Charges are applicable only for customer legs of a deal (customer buys, the customer sells, lodge, withdraw and block securities). The characteristic feature of a charge is that it is always booked in advance and is not accrued, as a charge is collected only when it is due. To recall, you have defined the attributes of a charge by defining a 'Rule'. A rule identifies the basic nature of the charge. You have further defined a Charge class where you have enriched the attributes of a rule. We shall refer to these classes as components'. Each charge component, in turn, is linked to a deal product. All the charge components linked to a product default to the deals associated with it. Thus each time you enter a deal, you need not specify when and how charges should be collected. However, while capturing the details of a deal, you can choose to associate a component to the deal. Further, you can modify some of the attributes defined for the applicable component.

4. On **Securities Deal Input** screen, specify the fields.

STEP RESULT: **Charge Detail** screen is displayed.

**Figure 22.6: Charge Detail**

The screenshot shows a window titled "Charge Details" with a close button (X) in the top right corner. At the top, there is a text field labeled "Contract Reference \*" with the value "undefined". Below this is a "Details" tab. The main content area is divided into two sections: "Charge Association" and "Charge Application".

**Charge Association**

At the top of this section is a "Go" button and a "1 Of 1" indicator. Below is a table with the following columns: Creation ESN, Component \*, Rule, Description, Consider as Discount, Waived, Accrual Required, External Pricing, and Debit Customer as. The table is currently empty.

**Charge Application**

At the top of this section is a "Go" button and a "1 Of 1" indicator. Below is a table with the following columns: Creation ESN, Component \*, Tan Currency, Tan Amount, Charge Currency, Charge Amount, Consider as Discount, Waived, and Liquidated. The table is currently empty.

At the bottom right of the window are "Ok" and "Exit" buttons.

5. On **Charge Detail** screen, specify the fields.  
The reference number of the deal leg for which you are defining charge details is displayed. The screen will contain a list of all the charge components applicable to the deal leg.

**Table 22.8: Field Description - Charge Detail**

<b>Field</b>	<b>Description</b>
<b>Associating a charge component to a deal leg</b>	<p>All the charge components applicable to the deal leg you are processing will be displayed together with the rule that is linked to the component. In this section of the screen you can:</p> <ul style="list-style-type: none"> <li>• Change the charge rule linked to the component</li> <li>• Disassociate a charge component from the deal leg</li> </ul>
<b>Changing the charge rule linked to a component</b>	<p>The rule that is linked to a charge component is displayed next to the component. To link a new rule to the component. A list of all the charge rules maintained will be displayed. Select the appropriate rule from the picklist. The new rule will be made applicable to the charge component.</p>
<b>Disassociating a charge component from the deal leg</b>	<p>You can disassociate a charge component from the deal leg. In the 'Association' section of the Contract Charge screen, click against the waive option positioned next to the component. In this case, the charge component is attached to the deal leg but is not calculated.</p>
<b>Indicating the charge components to be applied to a deal leg</b>	<p>In the application section of the screen, you can indicate the charge components that should be applied to the deal leg. The list of components that is displayed depends on the charge components that you have associated to the deal leg. The following details of the component are also displayed:</p> <ul style="list-style-type: none"> <li>• The basis component on which the charge is levied</li> <li>• The currency of the basis amount</li> <li>• The basis amount</li> <li>• The charge amount and the</li> <li>• The currency in which the charge amount is defined.</li> </ul> <p>You can change the charge amount that is calculated using the class applicable to the component.</p>
<b>Waiving a charge on a deal leg</b>	<p>You also have the option to waive the component for the deal leg that you are processing. If, for some reason you want to waive the charge on the deal you are processing, you can do so by checking against the 'waiver' option in the application section of the screen. The charge will be calculated but not applied. You can waive a charge only if it is yet to be liquidated.</p>
<b>Consider as Discount</b>	<p>If the charge component is to be considered for discount accrual on a constant yield basis, 'Consider as Discount' option will be checked. You cannot modify this value. In case the charge currency is not equal to the contract currency and the contract currency is equal to the settlement account currency, the exchange rate as specified in the Settlements Screen will be used to convert Charge Amount to Contract Currency.</p>



Field	Description
<b>Charge liquidation</b>	<p>When a charge component that is applied to a deal is liquidated, the relevant accounting entries are passed. The contract charge screen displays:</p> <ul style="list-style-type: none"> <li>• The charge components that have already been liquidated</li> <li>• The amount that was liquidated</li> <li>• The currency in which it was liquidated</li> </ul>

6. **On Security Deal Input** Screen, click **Deal**.

If the portfolio from which you are buying or selling involves deal matching, you should indicate against which of the earlier buy deals the selling dealer is to be matched. Click 'Deal Match' button from the Securities Deal Input screen to match the sell leg of a deal to the buy leg. Click this button from the buy leg section of the screen to indicate the matching preferences and from the sell leg section to view the matched details.

STEP RESULT: **Deal** screen is displayed.

**Figure 22.7: Deal**

**Table 22.9: Field Description**

Field	Description
<b>For the sell leg</b>	If you are processing the sell leg of securities deal, and if the portfolio from which you are selling involves the deal matching costing method, you should also match the sell leg to previous buys in the portfolio.
<b>Procedure</b>	<p>Indicate the reference number of the bought deal, which you have selected for deal matching. In other words, indicate the buy deals done in the same security and portfolio to be matched with the sell leg of the deal. You can select a leg reference number from the picklist available. On indicating the match leg reference, you should also indicate the number of units or nominal that should be matched. Click add an icon to add the details of another buy leg to which you want to match the sell leg. Click the delete icon to cancel a buy leg that you have mapped to the sell leg. The summation displayed at the bottom of the screen contains the following information:</p> <ul style="list-style-type: none"> <li>• The total quantity of securities that have been matched</li> <li>• The number required to be matched</li> <li>• The number yet to be to be matched</li> </ul>
<b>For the sell leg</b>	While processing the sell leg of the deal, you can view details of the buy deals that have been matched to the sell leg. The reference number of the buy deal from which securities have been matched is displayed together with the number of units or nominal for which matching is done.

7. On **Securities Deal Input** Screen, click **Events**.

STEP RESULT: **Events** screen is displayed.

**Figure 22.8: Log Events, Account Entries and Overrides**

Table 22.10: Event Details - Field Description

Field	Description
<b>Accounting Entry Details</b>	<p>Highlight the event for which you want to view accounting entries. All the accounting entries that were passed and the overrides that were encountered for the event will be displayed. The following information is provided for each event:</p> <ul style="list-style-type: none"> <li>• Branch</li> <li>• Account</li> <li>• Dr/Cr indicator</li> <li>• Code</li> <li>• The date on which the entry was booked</li> <li>• Value Date</li> <li>• The deal currency</li> <li>• Amount in deal CCY</li> <li>• The foreign currency equivalent (if applicable)</li> <li>• The exchange rate that was used for the conversion</li> <li>• Amount in local currency</li> <li>• All the overrides that were encountered for the event will also be displayed.</li> </ul> <p>Click <b>Exit</b> to exit this screen.</p>

8. On **Securities Deal Input** screen, click **Limits**.

STEP RESULT: **Limits** screen is displayed.

9. On **Limits** screen specify the fields.  
In this screen you can indicate the credit lines under which you want to track your:

- Undelivered risk exposure
- Total exposure to the deal leg

Your undelivered risk arises only if you specified that the mode of security settlement for the deal is 'deliver free'. You can choose a credit line from the picklist available in this screen. Click 'Exit' button to delete the entries. In either case you will be returned to the Securities Deal Input screen.

## 22.2.6 Process Safe Keeping Location Balances

This topic describes the systematic instruction to process safe keeping location balances.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to **Homescreen**.

1. On **Homescreen**, specify **SESXSKBL** in the text box, and click next arrow.

STEP RESULT: **Safe Keeping Location Balances Summary** screen is displayed.

**Figure 22.9: Safe Keeping Location Balances Summary**

The screenshot shows a web application window titled "Safe Keeping Location Balances Summary". At the top, there are search options: "Search", "Advanced Search", and "Reset". Below these are input fields for "Branch Code(3)" and "Safe Keeping Location Id". There is also a "Safe Keeping Location Account" field. A pagination bar shows "Records per page: 15", "1 Of 1", and a "Go" button. The main area is a table with the following headers: "Branch Code", "Safe Keeping Location Id", "Safe Keeping Location Description", "Safe Keeping Location Account", "Security Id", "Security Description", "Security Currency", "Current Position", and "Current Balance". The table body is empty. At the bottom right, there is a blue "Exit" button.

2. On **Safe Keeping Location Balances Summary** screen, specify the fields.  
In the above screen, you can base your queries on any or all of the following parameters and fetch records:
  - Branch Code
  - Safe Keeping Location Id

- Safe Keeping Location Account

Select any or all of the above parameters for a query and click 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then system displays the following details pertaining to the fetched records:

- Branch Code
- Safe Keeping Location Id
- Safe Keeping Location Description
- Safe Keeping Location Account
- Security Id
- Security Description
- Security Currency
- Current Position
- Current Holding
- Opening Position
- Opening Holding

## 22.3 Deal Net Consideration

This topic describes the systematic procedure to deal net consideration.

### CONTEXT:

The sum of all the components of a deal is the net value of the deal. While processing a leg of a securities deal, you can view the net consideration of the deal.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

From **Homescreeen**, Navigate to **Securities Deal Input** screen.

1. From **Securities Deal Input** screen, click **Netcons**.

STEP RESULT: **Deal Net Consideration** screen is displayed.

**Figure 22.10: Deal Net Consideration**

Deal Net Consideration

Leg Reference Number

Leg Description

Cum/Ex Coupon

Interest Days

1 Of 1

Component Description	Currency	Amount in Component Currency	Payment Currency	Rate	+/-

Sign

Total Amount In Payment Currency

2. On **Deal Net Consideration** screen, specify the fields.

From this screen, you can choose to view either the:

- Interest
- Net consideration of the deal

### Viewing the Net Consideration

The sum of the different components of a deal determines the net value of the deal. To recall while defining a charge or tax (transaction and issuer) component, you can indicate whether the charge or tax component should be taken into account, when determining the net value of a deal.

All other components of the deal like the interest, premium, discount, forward profit or loss etc will be included in the net consideration of the deal.

- The component in consideration
- The currency in which the component is defined
- The component amount (in the component currency)
- The payment currency of the component
- The payment amount derived using the exchange rate that you specify
- The direction in which money flows. A (+) sign next to a component indicates that the buyer pays the component amount to the seller and a (-) sign indicates that the seller pays the component amount to the buyer.

If the component and payment currencies are different, the default exchange rate used for the conversion is displayed. You have the option to change the exchange rate to be used in the conversion. However, the rate that you specify should be within the exchange rate variance specified for the product to which the deal is associated. The net consideration for the deal expressed in the payment currency is displayed at the bottom of the screen.

### Viewing details of the bought or sold interest

Along with other interest details, the interest amount is displayed. This is the amount of accrued interest to be paid or received on the settlement date. The interest is calculated by the system depending on whether the

deal is an ex coupon or cum-coupon deal. You have the option to change the amount calculated for the interest and issuer tax components.

Interest is applicable only if:

- It is an interest bearing security
- It is a secondary deal
- Buy or sell type of deal
- Deal type is spot or forward

## 22.4 View the forward profit or Loss in a Deal

If you are processing a forward deal, you can view the forward profit that you have made or the loss that you have incurred in the deal. The following forward profit or loss details are displayed:

- The deal price
- The spot price
- The deal spot date

The Forward profit or loss amount and the frequency in which it is accrued is determined by the forward profit or loss preferences specified for the portfolio for which the deal is done. Click Exit button to exit the screen, you will be returned to the Securities Deal Input screen

## 22.5 Specify Details of Parties Involved in a Deal

This topic describes the systematic instruction to specify details of parties involved in a deal.

CONTEXT:

The Parties screen can be used to record details related to all the parties involved in the deal. The advice and messages that are generated for a deal will be sent to the concerned parties based on the details you specify on this screen.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

From Homescreeen, login to **Securities Deal Input** screen.

PREREQUISITE: From

1. On **Securities Deal Input** screen, click **Parties**.

STEP RESULT: **Messages** screen is displayed.

**Figure 22.11: Messages**

The screenshot shows a 'Party Details' window with two tabs. The 'Messages' tab is active, showing a table with the following columns: Advice Code, Advice Description, Party Id, Party Name, Address 1, and Address 2. The 'Party Details' tab is also visible, showing columns: Party Type, Description, Address 1, Address 2, Address 3, and Address 4. Both tabs have a 'Go' button and a '1 Of 1' indicator. The window has 'Ok' and 'Exit' buttons at the bottom right.

2. On **Message** screen, specify the fields.

Specify the following for each of the parties involved in a leg of the deal:

- The party type (beneficiary, advising bank, issuing bank, reimbursing bank, etc)
- The CIF ID assigned to the party, if the party is defined as a customer in Oracle Banking Treasury Management
- The country to which the party belongs
- The party's mail address
- The media type through which the advises should be routed and the respective address(es)

The parties involved in a leg of a deal depend on the type of deal you are processing.

The party details for the party type 'PSET' will be populated in the following SWIFT messages:

- MT 540
- MT 541
- MT 542
- MT 543

**NOTE:** If you have specified the party type 'DEAG' in the 'Party and Party Narratives' screen, it is mandatory to specify PSET.

The party details should not begin or end with '/' and should not have two consecutive slashes such as '//'.

### Specifying media details for a party

The advice for a party will be sent to the default media maintained in the Customer Addresses table for the party. If you want to send the advice through another medium, you should indicate it in the Parties screen for the party. The address for this medium should also be indicated. The advice will be sent through the new medium only if you indicate so in the Advices screen of Securities Deal Input screen. If not, the advice will still be sent to the default address defined for the party, even if a different medium has been input. You can use this feature to send one-off advice through a different medium. For example, for a particular customer, you



would normally send all advice through the mail and hence haven't defined SWIFT or TELEX advice at all. But for a particular deal, you want to send the advice through SWIFT. In such a case, you can specify the medium as SWIFT and specify the address only for the deal you are processing.

## 22.6 Settlement Instructions for a Deal Leg

This topic contains the following sub-topics:

- 1) [Maintain Settlement Instructions for a Deal Leg](#)
- 2) [Capture Settlement Instructions](#)
- 3) [Capture Account Details](#)
- 4) [Capture Details of the Deal Output](#)
- 5) [Capture Party Details](#)

### 22.6.1 Maintain Settlement Instructions for a Deal Leg

So far, we have discussed the basic information that is captured through the Securities Deal Input screen. To recall, along with other details of a deal, you have also specified the buy or sell amounts and the accounts to be debited or credited. The Debit and Credit amounts (and accounts) indicate the accounting entry that has to be passed at your bank to affect the deal. This entry is for the deal amount only. Apart from the details of these two accounts, you may have to capture the following details to effect a deal successfully:

- The accounts to be debited for charges, if there are any
- The accounts to be debited for interest that the deal involves
- The method in which the deal is to be settled -- whether it is an instrument or a Message (as in a SWIFT or TELEX message) and
- Details about the route through which the money settlement should take place

The information that is related to the settlement method and route applicable for a transfer is referred to as "Settlement Instructions".

### 22.6.2 Capture Settlement Instructions

The Settlement Instructions are captured through four different screens. Click 'Settlements' button on the Deal Input screen, to invoke the Settlement Instructions screen. Through the four screens you can capture the following information:

- Account details about the accounts involved in the deal that have to be either debited or credited in your branch)
- Message details
- Party details about the various parties involved in the deal)

### Fund Asset Management

The settlements processing is enabled only if 'Allow Corporate Access' has been checked while defining branch parameters in the Branch Parameters – Detail View screen. If 'Allow Corporate Access' is checked for a fund branch and the fund is Portfolio type, then during settlement processing, the settlement account is chosen based on the settlement instructions maintained for the counterparty. If 'Allow Corporate Access' is not checked for a fund branch, then the settlement processing is disabled and the settlement account remains as a fund branch account maintained

for the fund. If the corporate account exists in different branch then the Inter branch account/GL maintenance is used for resolving the bridge account.

### 22.6.3 Capture Account Details

As mentioned earlier, you have specified the accounts to be debited and credited for the deal amount in the Securities Deal Input screen. For deals that settle in a currency other than the security currency, the local currency equivalent of the Deal Amount is called the 'Amount Equivalent'. Amount Equivalent is also the term used for the amount involved in the second leg of the accounting entry for the deal.

**Figure 22.12: Settlement Details**

The accounts and amount involved in the Debit and Credit legs of the accounting entry for the deal amount will be displayed, as you have already entered them in the Securities Deal Input screen. These details cannot be changed here. If a change is necessary, you have to go back to the Deal Input screen and specify the change. For the other components involved in a deal, like charges, etc, you have to specify the account details in this screen. These details include the component, the currency in which it is paid, the payment account and its currency, the branch of your bank to which the account belongs, the exchange rate (in the case of the component currency being different from the account currency). Depending on the component, the system will also display whether the account involved in an entry has to be debited or credited:

- P indicates you credit (Pay to) the account involved
- R indicates you debit (Receive from) the account involved

### 22.6.4 Capture Details of the Deal Output

A deal can be settled either in the form of an instrument (a Demand Draft, a Manager's Check or a Check) or a Message (a S.W.I.F.T, TELEX or Mail message to be sent to the receiver). The details regarding the instrument or message have to be specified in the Message Details screen. The message details that you specify here are appli-

cable only for S.W.I.F.T. The type of S.W.I.F.T. message that is generated depends on the parties involved in the deal.

**Figure 22.13: Settlement Details**

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

**Table 22.11: Settlement Details - Field Description**

Field	Description
<b>Specifying instrument details</b>	For a deal that is being settled through an instrument, you should specify the type of instrument being used. It could be Manager's Check, Check or a Demand Draft. You should also specify the number that will identify the instrument. This number will be printed on the instrument. If the settlement is through an instrument, you cannot specify party details for the deal.
<b>Specify message details</b>	For a SWIFT message, you have to specify: <ul style="list-style-type: none"> <li>Whether a Cover has to be sent to the Reimbursement Bank, along with the payment message to the receiver</li> <li>Bank to bank payment details, (these can be in the form of instructions or additional information to any of the parties involved in the deal)</li> <li>Information from the sender to the receiver</li> </ul>

## 22.6.5 Capture Party Details

To effect a securities deal, you may have to pass on funds through a series of banks before it actually reaches the ultimate beneficiary. Through the two 'Parties' screens you can capture details of all the parties that will be involved in settlement of the deal.

These screens contain fields that explore the possible routes in which the deal components can be transferred.

**Table 22.12: Field Description**

Field	Description
<b>Intermediary Reimbursement Institution</b>	An 'Intermediary Reimbursement Institution' is the financial institution between the Sender's Correspondent and the Receiver's Correspondent, through which the reimbursement of the deal will take place.
<b>Intermediary</b>	<p>The 'Intermediary' in a deal, refers to the financial institution, between the 'Receiver' and the 'Account With Institution', through which the deal component must pass.</p> <p>The Intermediary may be a branch or affiliate of the Receiver or the account with Institution, or an entirely different financial institution. This field corresponds to field 56a of S.W.I.F.T. Here you can enter either the:</p> <ul style="list-style-type: none"> <li>• ISO Bank Identifier Code of the bank or the</li> <li>• Name and address of the Bank.</li> </ul>
<b>Receiver's Correspondent</b>	<p>The 'Receiver's Correspondent' is the branch of the Receiver or another financial institution at which the funds will be made available to the Receiver. This field corresponds to field 54a of S.W.I.F.T. You can enter one of the following:</p> <ul style="list-style-type: none"> <li>• ISO Bank Identifier Code of the bank</li> <li>• The branch of the Receiver's Correspondent</li> <li>• Name and address of the Receiver's Correspondent.</li> </ul>
<b>Account With Institution</b>	<p>An 'Account With Institution' refers to the financial institution, at which the ordering party requests the Beneficiary to be paid. The Account With Institution may be a branch or affiliate of the Receiver, or of the Intermediary, or of the Beneficiary Institution, or an entirely different financial institution. This field corresponds to field 57a of S.W.I.F.T. You can enter one of the following:</p> <ul style="list-style-type: none"> <li>• ISO Bank Identifier Code of the bank</li> <li>• The branch of the Receiver's Correspondent</li> <li>• Name and address of the Receiver's Correspondent</li> <li>• Other identification codes (for example, account number)</li> </ul>

Field	Description
<b>Ordering Institution</b>	<p>The 'Ordering Institution' is the financial institution, which is acting on behalf of itself, or a customer, to initiate the transaction. This field corresponds to 52a of S.W.I.F.T.</p> <p>In this field you can enter one of the following:</p> <ul style="list-style-type: none"> <li>• The ISO Bank Identifier Code of the Ordering Institution</li> <li>• The branch or city of the Ordering Institution</li> <li>• The Name and address of the Bank</li> </ul>
<b>Ordering Customer</b>	<p>The 'Ordering Customer' refers to the ordering customer of the deal. Here you can enter the name and address or the account number of the Customer, ordering the transaction. This field corresponds to field 50 of S.W.I.F.T. You will be allowed to enter details in this field only if you have initiated a customer transfer (MT 100 and MT 202).</p>
<b>Beneficiary Institution</b>	<p>Here, you can enter details of the institution in favour of which the payment is made. It is in reality the bank that services the account of the Ultimate Beneficiary. This field corresponds to field 58a of S.W.I.F.T. You will be allowed to make entries into this field only for Bank Transfers (when the remitter and beneficiary of the transfer are financial institutions -- MT 100 or MT 202). Here you can enter either:</p> <ul style="list-style-type: none"> <li>• The ISO Bank Identifier Code of the Beneficiary Institution</li> <li>• The Name and Address of the Beneficiary Institution</li> </ul>
Ultimate Beneficiary	<p>The Ultimate Beneficiary refers to the Customer to whom the deal amount is to be paid. This field refers to field 59 of S.W.I.F.T. You can make entries into this field only for a customer transfer (MT 100 and MT 202). The number of banks involved in the transfer would depend on the:</p> <ul style="list-style-type: none"> <li>• Relationships and arrangements between the sending and receiving banks</li> <li>• Customer instructions</li> <li>• Location of parties</li> <li>• The banking regulations of a country</li> </ul>

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## 22.7 Process Levy Tax on a Deal

This topic describes the systematic instruction to process Levy tax on a deal.

### CONTEXT:

The tax details specified for the product to which the deal is associated will be automatically applied to the deal. However, while processing a deal, you can waive the application of tax.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to **Homescreen**.

1. From the **leg of Deal** screen, click **Tax**

STEP RESULT: **Tax Details** screen is displayed.



### 22.7.0.1 Features of Tax Details Screen

The reference number of the deal leg for which you are defining transaction tax details are displayed. The screen will contain a list of all the tax components applicable to the deal leg.

#### Associating a tax component to a deal leg

All the transaction tax components applicable to the deal leg you are processing will be displayed together with the rule that was linked to the component. In this section of the screen you can:

- Change the tax rule linked to the component
- Disassociate a tax component from the deal leg

Changing the tax rule linked to a component

The rule that is linked to a tax component is displayed next to the component. To link a new rule to the component. A list of all the tax rules maintained will be displayed. Select the appropriate rule from the picklist. The new rule will be made applicable to the component.

#### Disassociating a tax component from the deal leg

Disassociate a tax component from the deal leg. In the 'Association' section of the Transaction tax screen, click against the waive option positioned next to the component. In this case, the tax component is attached to the deal leg but is not calculated.

#### Indicate the tax components to be applied to a deal leg

In the application section of the screen, you can indicate the tax components that should be applied to the deal leg. The list of components that is displayed depends on the tax components that you have associated with the deal leg. The following details of the component are also displayed:

- The basis component on which the tax is levied
- The currency of the basis amount
- The basis amount
- The tax amount and the
- The currency in which the tax amount is defined.

Change the tax amount that is calculated using the class applicable to the component.

#### Waiving tax on a deal leg

You also have the option to waive the component for the deal leg that you are processing. If for some reason you want to waive tax on the deal you are processing, you can do so by checking against the 'waiver' option in the application section of the screen. The tax will be calculated but not applied.

**NOTE:** You can waive tax only if it is yet to be liquidated.

#### Tax liquidation

When a tax component that is applied to a deal is liquidated, the relevant accounting entries are passed. The contract tax screen displays:

- The tax components that have already been liquidated
- The amount that was liquidated
- The currency in which it was liquidated



## 22.8 Process Brokerage on a Deal

When capturing the details of a deal that involves brokerage, you will have to specify the brokerage details applicable to the deal. To recall, you have already specified the name of the broker through whom the deal was brokered in the Securities Deal screen. The details specified for the broker including the brokerage rule linked to the broker, is defaulted. However, you can change some details, like — whether brokerage should be booked in advance, in arrears or whether it should be waived altogether.

Click 'Brokerage' button to define the brokerage details that are applicable to the deal leg you are processing. You will be allowed to enter details of a broker only if brokerage was allowed for the product to which the deal is associated.

**Figure 22.15: Brokerage Details**

The screenshot shows a window titled "Brokerage Details" with a blue header bar. The window is divided into several sections by horizontal lines:

- Rule Section:** Contains fields for "Reference Number\*" (with a red asterisk), "Broker Code" (with a small icon), "Broker Name", "Code", and "Description".
- Payable Section:** Contains fields for "Currency" (with a small icon) and "Amount".
- Brokerage Section:** Contains fields for "Currency" (with a small icon) and "Amount".
- Liquidation Section:** Contains a "Status" dropdown menu and a "Reference Number" field.
- Booking Section:** Contains four radio buttons: "No Booking", "Advance" (which is selected), "Arrears", and a checkbox labeled "Consider for Discount".

The code assigned to the broker through whom the deal was brokered is displayed along with the broker's name. If the brokerage payable currency is the same as the brokerage paid currency, then the same amounts (brokerage paid and brokerage payable) are displayed against the currencies. You have the option to change these currencies. While you cannot input the brokerage payable amount, the brokerage paid amount can be changed.

The following brokerage details are displayed:

- The brokerage liquidation status. If it has been liquidated, the liquidation reference number is also displayed.
- The rule code and description that has been linked to the broker

**Table 22.13: Field Description**

Field	Description
Booking	<p>Indicate preferences as to when the brokerage applicable to the deal should be linked. The options available are:</p> <ul style="list-style-type: none"> <li>• Advance</li> <li>• Arrears</li> </ul> <p>The preference specified for the broker will be displayed. You can change it in this screen, say from advance to arrears or vice-versa. You have a third option. That is, of waiving brokerage. If you opt for no booking, no accounting entries will be passed for brokerage for this deal.</p>
Consider As Discount	<p>This option is defaulted from the deal product level. However, the following validations are carried out:</p> <ul style="list-style-type: none"> <li>• The checkbox is unchecked if the booking method is other than 'Advance'.</li> <li>• If the 'Capitalize' option is not checked for the broker, deal, product and currency combination in the 'Charge Class Maintenance' screen, then this option will be left unchecked.</li> </ul> <p><b>NOTE:</b> If you invoke the Contract Brokerage Details screen for operations like delete, change, authorize, liquidate and detailed view, this screen will only display brokerage details. You can change brokerage details for a deal only if you have clicked the Modify option from the Actions Menu.</p> <p>Click 'Exit' button to delete the details and return to the Securities Deal details screen.</p>

## 22.9 Upload the Deals for Amendment

From an external system, you can upload Securities Deals that require amendment in Oracle Banking Treasury Management. The system will distinguish between the new and the deals that require amendment based on the action code of the uploaded record. For a contract requiring amendment, the action code will be 'AMND'. If the action code is 'AMND', Oracle Banking Treasury Management will first check whether the deal exists in the system or not. If it does not exist in the system, an error message will be displayed to notify that the deal cannot be amended. The Reference Number provided by the external system has to same if it is a new deal or if it is an amendment to an existing deal. When you upload a new deal, the Reference Number will be displayed in the User Reference Number field for that deal. The User Reference Number will be the basis for checking whether the deal exists or not. The upload for the contract amendment will trigger the 'AMND' event. The same event is triggered even when the amendment is done in the 'Securities Deal Input' screen. The fields that can be amended for a Securities Deal are as follows:

- Deliver Free Pay
- Original DSTL Date

- Receive Free Pay

Upload a securities deal using Gateway. A Module upload procedure is introduced to validate the following data at the time of creating a deal:

- Product Code
- Security Code
- Deal Quantity

It is mandatory to specify a value for the above fields. If the value for any of the above fields is missing, the system will stop any further processing of the message. Subsequently, the system will send an appropriate error message. Once the validation is complete for all fields, the errors/overrides generated will be scanned to identify the type of error. Using the Module upload process, you can also amend financial details for a Securities deal. This upload process will accept 2 sets of upload record type variables. They are:

Set 1 – Combination of base data and request message data

Set 2 – Base data of the deal to be modified

Each field value that needs to be changed will be compared to Set 1 and Set2. Any difference in the field value will trigger a business logic validation. If the validation fails, the system will return a fault message. When a financial amendment is done, the existing contract is reversed and a new contract with the modified value is created. The new contract will contain the reference number of the reversed contract against the field 'Reversed Contract ref no'.

**Figure 22.16: Additional**

For cancellations of securities deal on existing transactions, a new upload process is created in Oracle Banking Treasury Management. This upload process will trigger reversal of an existing deal.

## 22.10 Liquidating a Deal

Details about liquidating a deal are explained below.

### 22.10.1 Money Settlement

Money settlement for security deals can be either automatic or manual. While processing a deal you can indicate the manner in which the deal should be settled. Check against the option 'automatic money settlement' from the Securities Deal Main screen to indicate the automatic mode of settlement. Leave it unchecked to indicate a manual settlement. If you specify the automatic mode of money settlement, the deal will be automatically settled on the settlement date that you specify when the beginning of day operations are run. If you specify a manual money settle-

ment, you will need to give specific instructions for a money settlement. You can liquidate a deal by choosing 'Liquidate' from the Processing submenu of the Actions Menu, on the day you want to settle a deal.

## 22.10.2 Security Settlement

The settlement of securities in Oracle Banking Treasury Management is automatic. While processing a deal, you can indicate the date on which the traded securities should settle. On the security settlement date that you specify for the deal, the settlement will take place automatically. If the settlement date falls on a holiday If the money or security settlement date of a deal falls on a holiday, the settlement will take place based on your specifications in the Branch Parameters screen.

## 22.11 Reassigning a Deal to another User

Only the user who entered a deal can delete it. If a deal has to be deleted and the user who entered it is not around to do it, you can reassign the deal to another user so that the other user can delete it. Typically, this situation may arise during end-of-day operations when a deal that is not authorized has to be deleted and the user who entered the deal has left the office for the day. You can reassign a deal through the Reassign User screen. You can invoke this screen from the Application Browser.

### Procedure:

To reassign a deal to another user, you need to:

- Step 1 -- You first need to indicate the product associated with the deal. You can select a product code from the picklist, which contains a list of the products that you have created.
- Step 2 -- After you have selected the product, indicate the contract reference number of the bill you wish to reassign to another user. You can select a reference number from the picklist, which contains a list of all the unauthorized active deals.
- Step 3 -- Select the User Id of the user to whom you are assigning the deal.

**NOTE:** This user to whom you reassign a deal should have access rights to enter securities deals in Oracle Banking Treasury Management.

Your User Id will be defaulted from the login screen. Click 'Exit' button if you do not want to save the details that you entered. In either case you will be returned to the Application Browser.

## 22.12 List of Glossaries - Process Security Deal

### SEDSDLNL

Security Deal Input - [22.2.1 Process Securities Data Input Screen](#) (p. 293)

### SESDDLNL

Securities Deal Summary - [22.2.2 Process Securities Deals](#) (p. 298)

### SESXSKBL

Safe Keeping Location Balances Summary - [22.2.6 Process Safe Keeping Location Balances](#) (p. 318)

## 23. Process A Block Securities Deal

### 23.1 Introduction

A block deal is one in which either the buy or the sell legs of the deal are associated with more than one portfolio. For example, in a block securities deal, securities can be bought from portfolios PF01, PF02, PF03 and sold to Portfolio PF04. To recall, in the Securities Deal Details screen you can enter deals that involve only two parties, the selling, and the buying party. The Block Securities Deal screen allows you to execute a securities deal in the market and allocate the same to several portfolios. Block deals are processed differently for the fund and non-fund branches. In the case of a fund branch, you can trade only with bank portfolios. For non-fund branches, block deals can involve customer portfolios.

This topic contains following sub-topics:

- 1) [Block Deal](#)
- 2) [Upload the Details of a Block Deal](#)

### 23.2 Block Deal

This topic contains the following sub-topics:

- 1) [Features of a Block Deal in Oracle Banking Treasury Management](#)
- 2) [Process Block Securities Deal Screen](#)

#### 23.2.1 Features of a Block Deal in Oracle Banking Treasury Management

This topic describes the overview of block deal features in oracle Banking Treasury Management.

The following are the features of a Block deal:

- A block deal can have multiple parties associated with either the buy or sell leg
- Portfolios of different costing methods can be involved in the multi-leg of the block deal
- Details that you specify for a Block Deal will need to be uploaded. The Upload process will automatically create individual sub deals for each of the portfolios involved in the multiple leg of the deal.
- Specify details like the certificate numbers, details of the brokerage, tax, charge etc, applicable to the sub deals in the Securities Deal Online screen.
- You will not be allowed to perform any operation on a sub deal directly. It will have to be done only through the Block deal. Should you need to amend the main details of a sub deal (details that affect accounting entries), you will have to delete the block deal, which eventually deletes all the sub deals. To amend other details of a sub deal like the certificate numbers, you should:
  - Unlock the block deal
  - Go to the relevant sub deal
  - Unlock the sub deal
  - Make the required changes

- Save both the sub deal and the block deal

## 23.3 Process Block Securities Deal Screen

### CONTEXT:

You can invoke the Block Securities Deal Input screen from the Application Browser. To enter the details of a new deal, click the new icon from the toolbar. If you are calling a block deal that has already been created, choose the Block Deal Summary option. The details of all the block deals that you entered earlier will be displayed in a tabular form. From the summary screen, you can open an existing deal by double-clicking it.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXBOLD** in the text box, and click next arrow.

STEP RESULT: **Security Bulk Deal Input** screen is displayed.

**Figure 23.1: Security Bulk Deal Input**

2. On **Security Bulk Deal** screen, specify the fields.

In the **Securities Block Deal** screen, you can enter details of the multiple parties (portfolios or customers) involved in a deal. Oracle Banking Treasury Management will automatically create separate deals for each portfolio involved in the deal. These individual deals are in turn linked to the Block deal. You can view or edit the details of a sub deal by double-clicking the party concerned in the Securities Block Deal Detail screen.

Through the Securities Block Deal input screen, you can process deals that involve multiple parties either in the buy or sell legs. You should compulsorily use a securities combination product to process a block deal. After you have specified all the details of the buy and sell legs; you should upload the block deal. The upload function will automatically create sub deals for each of the parties involved in the multi party leg of the transaction. Refer to the title 'Uploading the details of a block deal' in this chapter for more details.

The securities deal input screen as it appears contains a header and a footer containing fields that are specific to the deal you are entering. Besides these, you will also notice two tabs along the lines of which you can enter the details of a block securities deal. The two tabs are:

**Table 23.1: Tabs**

<b>Term</b>	<b>Definition</b>
<b>Main</b>	Click this tab to enter the essential terms of a block deal. This screen, along with its fields has been detailed under the head 'Entering the details of a block deal'.
<b>Additional</b>	In the screen that corresponds to this tab, you can specify price, currency, and trade details that are required to process the deal. The features of this screen have been detailed under the head 'Entering additional details of a block deal'.

**Table 23.2: Securities Bulk Deal Input - Field Description**

Field	Description
<b>Product</b>	You should necessarily use a product or a product combination that has already been created to enter the details of a block deal. Based on the nature of the deal you are entering, you can select a product combination from the picklist available at the 'Product' field. A block deal will inherit all the attributes defined for the preferred leg of the product combination to which it is associated. You can further add to or change the details that are defaulted from the product to suit the deal you are processing.
<b>Deal Reference No</b>	In Oracle Banking Treasury Management, identification references are generated automatically and sequentially. This unique number tag is used to identify the block deal you are entering, it is also used in all the accounting entries, and transactions related to the deal. The deal reference is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number. The Julian Date has the following format: "YYDDD" Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/ have elapsed in the year. For example, January 31, 1998 translates into the Julian date: 98031. Similarly, February 5, 1998 becomes 98136 in the Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).
<b>User Reference</b>	You can enter an identification reference number for the deal. A deal will be identified by this reference in addition to the 'Deal Reference' generated by Oracle Banking Treasury Management. This reference should be unique and cannot be used to identify any other deal. By default, the Deal Reference generated by Oracle Banking Treasury Management is taken as the User Reference No.
<b>Indicating the security that is traded</b>	While entering the details of a deal, you should indicate the securities that are traded in the deal and the market in which it is traded.
<b>Security Code</b>	Select a security code from the picklist. The picklist will contain a list of all the securities that you maintained in the Securities Definition screen. As you have already maintained details of the security, all the features of the security like its price, the quotation method, the corporate actions that it involves and several other details of the security will be processed based on these details.  <b>NOTE:</b> Trading in the security should be allowed for the portfolios involved in the block deal.



Field	Description
<b>Market Code</b>	After you indicate the securities that are being traded in the deal, you should indicate the market in which they are traded. The market in which a security is traded is defaulted from the Security Definition screen. You can change the default and select a market code from the picklist available. The list will contain valid market codes maintained in the Market Definition screen.
<b>Transaction Date</b>	The transaction date is the date on which you entered the deal into Oracle Banking Treasury Management. The system defaults the transaction date to today's date. Normally, the transaction date would be the same as the trade date of the deal. It would differ from the trade date if you enter a back valued deal.
<b>Deal Type</b>	Securities that are traded can be quoted in terms of: <ul style="list-style-type: none"> <li>• Units (100 units of a security)</li> <li>• As a Nominal (securities worth USD 5000)</li> </ul> <p><b>NOTE:</b> The block deal quantity that you specify should be expressed in the security quotation method.</p>
<b>Quote By</b>	The Interest Quotation Method for interest bearing instruments can be: <ul style="list-style-type: none"> <li>• Flat</li> <li>• Plus Accrued</li> </ul> <p>Indicate whether the deal price that you specified includes the purchased interest or the same has to be accrued separately. Indicate flat if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'. Indicate plus accrued to indicate that the price at which the security is quoted excludes accrued interest. This price is also referred to as the 'Clean Price'.</p> <p><b>NOTE:</b> Specify an interest quotation method only if the deal involves the buying or selling of interest bearing bonds.</p>
<b>Indicating Deal Details</b>	After you have indicated the securities that are traded and the market in which they are traded, you can indicate details of the security that are specific to the deal you are processing.
<b>Indicating the deal type</b>	Using the Securities module of Oracle Banking Treasury Management, you can enter spot or forward deals. A spot deal is one that settles on the spot date of the market. A forward deal is one that settles on a date after the spot date of the deal. You have the option to change the settlement date even for spot deals. It is mandatory for you to specify the spot price for forward deals. The deal will settle at spot price and the difference between the deal price and the spot price is take to be the forward profit or loss.

Field	Description
<b>Deal Quantity</b>	Indicate the quantity of the security that is traded. The quantity that you specify depends on the method in which the security is quoted (units or nominal). If the security is quoted in units, you should indicate the number of units of the security that was traded. If it is quoted as Nominal, indicate the sum of the face value for which it is purchased. For example, suppose that you have bought 100 units of a security of face value USD 100. If the security quotation method is units, then, while indicating the deal quantity you should indicate 100. If the quotation method is nominal, you should indicate USD 10000 (USD 100 x 100 Units) at the deal quantity prompt.
<b>Trade Date</b>	The trade date is the date on which the deal is transacted. It is also referred to as the deal date. The date that you enter can be either today's date or a date earlier than today. The trade date should be earlier than the maturity date of the security as specified in the Securities Definition screen. For a series with a redemption record, the trade date should be earlier than the redemption date.
<b>Price Quote</b>	The method in which price is quoted is a feature of the market where the security is traded. Each market may use a particular price quotation method. The price of a security can be quoted as:
<b>Price</b>	<p>in this case the security is quoted on the basis of the price at which it is traded. You have already maintained the face value of the security in the Security Definition screen. The premium that you paid or discount at which you purchased the security is calculated against the face value of the traded security. The price can be expressed as:</p> <p>(Face Value <math>\pm</math> Premium or Discount) + Accrued Interest (if the interest quotation method is 'Flat')</p> <p>% <b>Price</b> — the price is quoted on the basis of the percentage of the price.</p> <p>% <b>Price</b> = (Market price / Face value) x 100</p> <p>% <b>Discount</b> - in this case, the price is quoted based on the discount percentage at which the deal was bought or sold.</p> <p>% <b>Premium</b> - in this case, the price is quoted based on the premium percentage at which the deal was bought or sold.</p>
<b>Premium</b>	Here the price is quoted based on the premium at which the security was bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.
<b>Discount</b>	The price is quoted based on the discount at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

Field	Description
<b>YTM</b>	<p>the price is quoted based on its yield to maturity. This price quotation method is applicable only for Zero coupon bonds. The yield on discounted instruments is measured by the yield to maturity (YTM), which is the return on a security bought at current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price increases above the straight discounted price YTM would decrease and vice versa. The price using this quotation method is calculated thus:</p> $YTM = \frac{(\text{Face Value} - \text{Purchase price}) * \text{Days in a Year}}{\text{Price} * \text{Days to maturity}}$ <p>Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same.</p>
<b>Absolute Price</b>	<p>This is the price at which the block deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method specified for the security that is traded. You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million. The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued. For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal.</p> <p><b>NOTE:</b> The price that you enter is taken to be in the currency of the security that is traded.</p>
<b>Delivery Settlement date (DSTL date)</b>	<p>The delivery settlement date is the date on which settlement of the traded securities should take place. Depending on the type of deal (spot or forward) you are processing, you can indicate the security settlement date. In the subsequent fields you can indicate the locations from which and to which the security should be delivered.</p>
<b>Indicating the Mode of Settlement</b>	<p>Specify instructions to the safe keeping location as to when the traded securities should be delivered or released.</p>

Field	Description
<b>Delivery</b>	<p>The options available for the delivery of the traded securities:</p> <ul style="list-style-type: none"> <li>• Deliver against payment</li> <li>• Deliver free</li> </ul> <p>The deliver against payment option has no risk involved, as securities will be handed to the buyer only on payment. Choose the deliver free option to indicate that the delivery of securities is to be independent of payment. As there is a risk involved in choosing the deliver free option, while specifying limit details for the deal, you can also indicate the undelivered credit line under which your liability to the deal should be tracked.</p>
<b>Receive</b>	<p>The receive instructions that you can specify to the SKL are:</p> <ul style="list-style-type: none"> <li>• Receive against payment</li> <li>• Receive free</li> </ul>
<b>Int Date</b>	<p>If you are entering the details of a buy or sell deal, you can indicate the date from which purchased or sold interest for interest bearing bonds should be calculated.</p> <p>For securities whose issue market has trade based accounting:</p>
<b>Interest value date = Trade date</b>	<p>For securities whose issue market has settlement date based accounting, the settlement date is defaulted to the settlement date. You have the option to change the defaulted date. However, the interest value date that you enter in this case should be in the same coupon period as the settlement date. Interest computations will be performed on-line from the last coupon date (including) to interest value date (excluding) in the case of deals where settlement date is before ex-date. In case the settlement date is past the ex-date the computation will be from interest value date (including) to the next coupon date (excluding). The interest might need to be received or paid depending on whether the deal is a buy or a sell.</p>
<b>Yield</b>	<p>Enter the equivalent yield of the bond for the price that you input.</p> <p>It is important to note that no processing is done based on the yield that you enter. It is only for reporting purposes.</p>

Field	Description
<b>Input Price</b>	<p>Enter the price at which the deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method that you specified earlier. You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million. The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued. For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal.</p> <p><b>NOTE:</b> The price that you enter is taken to be in the currency of the security that is traded.</p> <ul style="list-style-type: none"> <li>The entries made in this field can be amended before the deal is authorized. However, if amendment is required after authorization, you should reverse the deal and enter it again.</li> </ul>
<b>Interest</b>	<p>Indicate whether the price at which the security is quoted includes accrued interest. You can specify an interest quotation method only if the deal you are processing involves the buying or selling of interest bearing bonds. Select an interest quotation method from the option list. It could be:</p> <ul style="list-style-type: none"> <li>Flat</li> <li>Plus accrued</li> </ul> <p>Indicate 'flat' if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'. Indicate 'plus accrued' to indicate that the price at which the security is quoted excludes accrued interest. This price is also referred to as the 'Clean Price'.</p>
<b>Specifying Details of the Single and Multiple Legs of a Deal</b>	<p>While entering the details of a block deal, you can indicate which leg (buy or sell) of the deal involves multiple parties. Depending on this, products associated with the combination product will be made applicable to the appropriate legs of the deal. If your branch is a fund branch, then customer portfolios cannot be involved in either the buy or sell legs of the Block deal.</p>
<b>Specifying Details of the Single Leg of the Deal</b>	<p>Specify the following details for the single leg of the deal:</p> <ul style="list-style-type: none"> <li>The Portfolio involved with the leg of the transaction</li> <li>The counterparty (the holder of the portfolio from which you are buying/selling securities)</li> <li>The safe keeping location and account from or to which securities need to be collected or lodged</li> <li>The broker that brokered the deal</li> <li>The money settlement date</li> </ul>

Field	Description
<b>A note on the settlement date</b>	The money settlement indicates the date by which the buyer should pay for the securities bought. The settlement date should be later than or the same as the Trade date and earlier than the maturity date of the security. For forward deals, the settlement date should be later than the default Spot date. For spot deals in the primary or secondary market, the settlement date should not be a holiday in any of the payment currencies. An override will be sought if the money settlement date is a holiday in any of the currencies involved in the deal.
<b>Specifying Details of the Multiple Leg of the Deal</b>	<p>In this section we will discuss the details that you should specify for the leg that involves multiple parties. For each portfolio involved in the multiple leg of the deal, you can specify the following details:</p> <ul style="list-style-type: none"> <li>• The Portfolio from which you are buying/selling securities</li> <li>• The counterparty (the holder of the portfolios into which you are buying/selling securities)</li> <li>• The safe keeping location to which securities need to be delivered</li> <li>• The account at the safe keeping location, to which the traded securities are to be transferred</li> <li>• The quantity of securities that has been bought or sold from the portfolio</li> <li>• Pay account branch</li> <li>• Pay account</li> <li>• The Broker involved in the deal</li> <li>• Yield</li> <li>• MSTL Date</li> </ul>

3. On **Security Bulk Detail** screen, click **Additional**.

STEP RESULT: **Additional** screen is displayed.

**Figure 23.2: Securities Bulk Deal Input screen**

4. On **Additional** screen, specify the fields.

For forward deals you should also indicate spot price details. The spot price details that you specify will determine the calculation of forward profit that you have made or the loss that you have incurred in a forward deal.

**Table 23.3: Additional Tab- Field Description**

Field	Description
<b>Spot Price</b>	<p>The spot price refers to the price at which the security is currently quoted in the market. This price is compared with the deal price to determine the forward profit or loss. The market price of the security as maintained in the price code maintenance screen is defaulted. You have an option to change the default. The forward profit or loss is the difference between the deal price and the spot price and is calculated from the spot date of the deal to its settlement date.</p> <p><b>NOTE:</b> In case of forward deals the spot price is defaulted from the market price maintenance and the price cannot be changed.</p>
<b>Payment CCY</b>	<p>If the currency of the security is different from the settlement currency, you should indicate the currency in which payment is made. All the components of the deal like the deal amount, the charges and tax that is levied will be settled in this currency. By default the security currency is taken to be the payment currency. If you indicate the settlement currency to be different from the security currency you should also indicate the exchange rate to be used for the conversion. SCY You can indicate the format of the securities that are traded. It could be:</p>
<b>Rate</b>	<p>This is the exchange rate applicable in case the Payment Currency and Security Currency are different. This rate is defaulted from the deal product type.</p>
<b>Settlement SKL</b>	<p>Indicate the SK location in which the deal settlement takes place.</p>

Field	Description
<b>Format</b>	You can select whether the security format is <ul style="list-style-type: none"> <li>• Scrip Based</li> <li>• Dematerialized</li> <li>• Immobilized</li> <li>• Combination</li> </ul>
<b>Deal Type</b>	Select the Deal type from the drop down list. The Deal Type can be <ul style="list-style-type: none"> <li>• Primary</li> <li>• Secondary</li> </ul>
<b>Priority</b>	Indicate the priority of the deal you are processing. You can select a value from the drop down list: <ul style="list-style-type: none"> <li>• High</li> <li>• Normal</li> <li>• Low</li> </ul>
<b>Conforms to ISMA</b>	This is an indicator to denote whether the deal has been made as per ISMA (International Securities Market Association) requirements. This indicator is displayed during deal confirmation.
<b>Dealer</b>	Capture details of the dealer at your bank that handled the leg of the deal.
<b>Remarks</b>	Enter additional information about the product.

Table 23.4: Security Format table

Option	Description
Scrip-based	Issued in a paper format
Dematerialized	In an electronic format
Immobilized	Securities in lieu of which proxies are traded
Combination	Issued in one or more of the above formats

## 23.4 Upload the Details of a Block Deal

After you have specified all the details of the buy and sell legs; you should upload the block deal. Click on 'Upload' from the Securities Block Deal Main screen to upload the details of a deal. The upload session will automatically create sub deals for each of the parties involved in the multi-party leg of the transaction of the block deal. Dematerialized In an electronic format Immobilized Securities instead of which proxies are traded Combination Issued in one or more of the above formats 23-12 You can navigate to the individual sub deals by double clicking the party



concerned on the block deal screen. You can specify details like the certificate numbers, details of the brokerage, tax, charge, etc applicable to the sub deals in the Securities Deal Online screen.

## 23.5 List of Glossaries - Process a Block Securities Deal

### SEDXBLDL

Security Bulk Deal Input - [23.3 Process Block Securities Deal Screen](#) (p. 336)

## 24. Securities Transfer Across Locations

### 24.1 Securities Transfer Across Locations

Depending on customer specification you may need to withdraw a specified quantity of securities, from one particular safe keeping location and lodge them in another location. To transfer securities from one SK location to another you need to specify certain essential details. They can include details such as the quantity of securities to be transferred, the date on which the settlement is to take place, the codes assigned to the SK locations involved in the transfer and SK account numbers. In addition to transferring securities from one SK location to another, you can also transfer securities from one account to another, within the same SK location.

### 24.2 Transfer Securities Across Locations

This topic describes the systematic instruction to transfer securities across locations.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. From Homescreeen, specify **SEDXSKNL** in the text box, and click next arrow.

STEP RESULT: **Transfer Across Safe keeping Location** or Forums screen is displayed.

**Figure 24.1: Transfer Across Safe keeping Location**

2. On **Transfer Across Safe keeping Location** screen, specify the fields.  
For more information on fields, refer to field description table.

**Table 24.1: Transfer Across Safe keeping Location - Field Description**

Field	Description
<b>Product Code</b>	In Oracle Banking Treasury Management each product created is identified by a unique four-character code called a product code. You can follow your own convention for devising this code, however one of the characters of the code should necessarily be a letter of the English alphabet. The product codes maintained in the Deal Product Definition screen are picked up and displayed in the picklist available.
<b>Deal Reference</b>	This is a system generated deal reference number. This number is generated using the Branch Code, Product Code, Julian date and running serial number combination. The number cannot be changed.
<b>User Reference</b>	You can enter a reference number for the securities transfer. The securities transfer will be identified by this number, in addition to the Deal Reference No., generated by the system. This number should be unique. By default, the Deal Reference Number generated by the system, will be taken as the User Reference Number.
<b>Security Code</b>	Indicate the code of the security involving the product, for which SK location change details are being defined. If it is security of bond type with series, you are required to indicate the series for which the transfer is being initiated. Once you specify the security code, the description of the code will be picked up and displayed in the adjacent field
<b>Security Series</b>	If it is security of bond type with series you are required to indicate the series for which the transfer is being initiated. Click the adjoining option list and select the series for which the transfer is being initiated.
<b>Quote By</b>	After the security code is specified, the manner in which the security is quoted (whether Units or Nominal) is picked up and displayed in the Quote By field. Depending on the quotation method used, you can specify the quantity of securities to be transferred. If the manner in which the security is quoted is units, enter the number of units to be transferred. If the quotation method used is Nominal enter the amount of securities to be transferred.
<b>Transaction Date</b>	This by default is the System Date / Current date on which the transaction is being entered and cannot be changed. By default action date and the trade date will be the same.
<b>Quantity</b>	If the manner in which the security is quoted is Units enter the number of units to be transferred. If the quotation method used is Nominal enter the amount of securities to be transferred.
<b>Trade Date</b>	This by default is the System Date / Current Date but can be changed as applicable. This will be the date on which the trade is input.

Field	Description
<b>Settlement Date</b>	Enter the date on which the securities transfer is to take place. This date can either be today's date or a date in the future.
<b>Portfolio</b>	Every portfolio that you define in the Portfolio Definition screen would involve a product that you have already defined. You can specify the portfolio associated with the particular product. Once you specify the product portfolio, the counterparty details are picked up by the system and displayed in the adjacent fields.
<b>Counter Party</b>	The counterparty name or details is displayed based on the Portfolio Id selected.

### 24.2.1 Specify the SK locations and accounts

As part of the general maintenance for the Securities module of Oracle Banking Treasury Management, you can define various SK locations. The securities can be lodged or withdrawn or bought into or sold from the SK locations as and when they are traded with. In addition to maintaining SK locations, you need to define SK accounts for each of the locations maintained. 24-4 The codes assigned to SK locations and SK account in the SK Location Maintenance screen, are picked up and displayed in this screen. Therefore while transferring a specified quantity of securities from one SK location to another, you have to indicate the SK location code from which securities are to be withdrawn and the location where they are to be lodged. In addition, you are also required to indicate the accounts from and to which securities are to be transferred. You can do this by entering details in the Transfer From and Transfer To fields. You can transfer a specified quantity of securities from one account to another within an SK location. Indicate the SK location code in the Transfer From field and specify the account from and to which the securities are to be transferred.

#### Form Type

When you change the form type of a security, from Immobilized to Dematerialized, you can initiate a securities transfer. The transfer of securities can either be across SK locations, it can be from one account to another in the same SK location, or it can be from one form to another.

## 24.3 Move on to the Other Screens

In the Transfer across SK, locations screen are displayed a vertical array of icons. By invoking these icons you will be able to define the other attributes of the Securities transfer you are initiating. To select a screen, click on an icon from the group of icons displayed. For instance, if you want to define leg events accounting entries and overrides, click the 'Events' button. The corresponding screen will be displayed. The icons together with a brief description of the functions they perform are detailed below:

**Table 24.2: Icons**

Icons	Description
<b>Settlement</b>	Click on this button to enter the settlement message details. You can specify details such as: The accounts to be debited for charges. The method in which the transfer is to be settled whether it is an instrument ( as in a check or a demand draft) or a message (as in SWIFT or mail message). Details about the parties involved in the transfer.

Icons	Description
<b>MIS</b>	Click on this button to enter the transaction MIS details.
<b>Advices</b>	Click on this button to enter the leg advices. You can view, suppress and priorities the advices that are to be generated for each leg of the deal.
<b>ICCF</b>	Click on this button to view the charge details associated with the product. You are allowed to amend the charge amount and if necessary waive the application.
<b>Tax</b>	Click on this button to view the transaction tax details. In addition to changing the tax amount you can also waive the application.
<b>Parties</b>	Click on this button to enter details of parties and party narratives.

## 24.4 List of Glossary - Security Transfer Across Locations

### SEDXSKNL

Transfer across safe locations or Forms - [24.2 Transfer Securities Across Locations](#) (p. 348)

## 25. Maintain Block Security Details

### Introduction

A specified quantity of securities can be stopped from being traded in the market. This is done by specifying details of the securities to be blocked, in the Securities Deal Input – Block Securities screen.

### 25.1 Process Securities Block/Release Block Input

This topic describes the systematic instructions to process securities block and release block input

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXBLNL** in the text-box, and click next arrow.

STEP RESULT: **Securities Block/Release Block Input** screen is displayed.

**Figure 25.1: Securities Block/Release Block Input**

2. On **Securities Block/Release Block Input** screen, specify the fields.  
Click a new icon from the toolbar. The screen will be displayed with no value in the fields. To view details of records previously maintained, call on the Summary View screen. The details of all the records maintained will be displayed in a tabular format. Highlight the record of your choice and double click it.  
On specifying the security code of the product for which securities are being blocked, the manner in which the security is quoted, is displayed in the Quote By field. Based on the manner in which the security is quoted, you can indicate the quantity of (whether units or amount) securities to be blocked.

**Table 25.1: Securities Block/Release Block Input**

Field	Description
<b>Product Code</b>	This is the generic product which has been defined as a Deal product in the Securities Products menu. It is selected from the pick list and used for blocking the securities.
<b>Deal Reference No</b>	This is a system generated number. This number is generated using the Branch Code, Product Code, Julian date and running serial number combination. The number cannot be changed.
<b>User Reference</b>	Enter a unique reference number to identify the deal. The deal will be identified by this reference in addition to the reference number generated by Oracle Banking Treasury Management. By default, the Deal Reference Number generated by the system will be taken as the User Reference No. You can choose to change it and indicate a reference of your own. You can query information on the portfolio by using any of the reference IDs.
<b>Security Code</b>	Indicate the code of the security involving the product which you want to stop from trading. Click the adjoining option list for a list of valid security codes. The security codes maintained in the Security Definition screen are picked up and displayed in the picklist available for this screen. Once you specify the security code the description of the code will be picked up and displayed in the adjacent field.
<b>Description</b>	This is the description of the security code selected. This is defaulted from the instrument definition.
<b>Form Type</b>	Securities that have to be stopped from being traded can be either of the following: <ul style="list-style-type: none"> <li>• Script based</li> <li>• Immobilized</li> <li>• Dematerialized</li> </ul> Indicate the form type of the security, for which trading has to be stopped for a specified period.
<b>Security Series</b>	If it is security of bond type with series you are required to indicate the series for which trading is to be stopped for a specified period. Click the adjoining option list and select the series for which trading is to be stopped.
<b>Block Date</b>	This is the date, with effect from which securities should be blocked. The system defaults the Block date and the Trade Date and the dates cannot be changed.

Field	Description
<b>Release Date</b>	This is the date, on which the blocked securities will be released and will be available for further trading or transfer. On entering the product code, the System date will be defaulted as the Transaction and Block dates respectively. You cannot change these dates. However you can indicate the date on which the blocked securities can be re-traded in the market. Specifying the release date does this In addition, you can also indicate whether the entire quantity of securities is to be released, as of the release date or whether securities have to be released in parts. If you allow partial release, then the quantity to be released partially can be indicated through the Release Securities screen. Highlight Processing and Liquidate option in the Actions Menu or click liquidate icon from the toolbar. The Release Securities screen is displayed.
<b>Partial Release Allow</b>	Indicate whether the entire quantity of securities is to be released as of the release date or only a part of the quantity has to be released for re-trading. Check this box to indicate that only a part of the specified quantity is to be released as of the release date.
<b>Auto Release Allow</b>	Specify that securities have to be auto liquidated then the system will automatically liquidate the specified quantity as of the release date. If auto liquidation is not specified, you have to manually liquidate the securities through the Release Securities screen.
<b>Portfolio</b>	Indicate the portfolio from which you are blocking securities. Click the adjoining option list and select the portfolio code from the picklist. Once you specify the portfolio Id the counterparty details are defaulted in the adjacent fields.
<b>Description</b>	View the description of the Portfolio, which is automatically updated once the Portfolio Id is selected.
<b>SK Location and the SK Account</b>	Indicate the code assigned to the SK location, where the securities have been lodged and the account to which they belong.
<b>Description</b>	view the description of SK Location based on the SK Location Id selected.
<b>Quantity</b>	If the manner in which the security is quoted is Units enter the number of units to be blocked. If the quotation method used is Nominal enter the amount of securities to be blocked.
<b>Counter Party</b>	Based on the Portfolio Id selected, the counterparty details will be automatically updated.
<b>Description</b>	You can view a brief description of the counter party based on the Portfolio Id selected.
<b>Block Reference and Block Type</b>	Securities can be blocked when they are used as collateral for other transactions processed in Oracle Banking Treasury Management. You can track the securities that are blocked as collateral for Money Market Placements. In the Blocked Securities Deal screen, the reference number of the MM placement for which securities are blocked is displayed. Securities blocked for other reasons will not bear any such details.



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## List of Glossaries - Maintain Block Security Details

### SEDXBLNL

Securities Block Or Release Block Input - [25.1 Process Securities Block/Release Block Input](#) (p. 352)

## 26. Batch Process

### 26.1 Introduction

The End of Cycle process constitutes a set of programs that mark the logical beginning or end of a cycle of events. You are required to execute many routine functions everyday as part of the End of Cycle process. These functions can be classified as:

The various BOD and EOD functions that are processed by the system are documented in this chapter. This chapter contains the following sections

- 1) [Beginning of Day Processing](#)
- 2) [Process Triggering Securities MSTL Batch](#)

### 26.2 Beginning of Day Processing

Before you start entering deals in the system, you must perform the Beginning of Day operations. The Beginning of Day operations that you must perform include daily processing of events for:

- Settlements (Money as well as Security settlements)
- Bonds
  - Coupon payment
  - Redemption (both series and quantity)
  - Maturities
  - Calls
  - End of Trading
- Equities
  - Dividend payment (both cash and stock)
  - Bonus
  - Rights (Tear-Off, Expiry)
  - Warrants (Detachment, Expiry)

### 26.3 Process Daily Events

The daily events processing program is run as a mandatory program at the beginning of each working day and can be run only once during the day. This program selects the events that have to be processed at BOD for all the branches. As part of daily events, the following will be selected and processed:

- All coupons, which have the next coupon, date within ex-days from today
- All confirmed calls, final maturities, series or quantity redemption activities, which are within, spot days from today
- Primary to secondary conversions for securities with primary date less than or equal to today

- Primary to secondary conversions for securities with primary date less than or equal to today
- Bonus/rights tear-off for securities for which the bonus tear-off date is less than or equal to today
- Warrants detachment for securities, for which the warrants detachment date is less than or equal to today
- Cash dividends for securities with dividend detachment date less than or equal to today
- End of trading is defined for securities, which are due for redemption or maturity

Deals, which were posted on the previous day with today's date as the settlement date, will also be processed and settled. For all such deals the contingent entries are reversed and the money settlement, asset and liability, profit and loss booking is done.

## 26.4 Process Automatic Daily Program

This topic describes the systematic instructions to process automatic daily program.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **AEDEODST** in the text box, and click next arrow.

STEP RESULT: **End of Day Batch Process** screen is displayed.

**Figure 26.1: Login Page**

2. On **Login** screen, specify the fields.  
The system picks up the batch in accordance with the mandatory batch program maintenance. Click the OK, button to run the batch. To exit the screen without running the batch, click on the Exit button.  
Once you have run the batch, the system will prompt you to verify the status of the activity from the monitor screen. The screen displays the details as shown.

Figure 26.2: Summary

### 26.4.1 Process Triggering Securities MSTL Batch

This topic describes the systematic instructions to process triggering securities MSTL batch.

#### CONTEXT:

In the case of authorized security deals, Oracle Banking Treasury Management automatically initiates MSTL (money settlement of securities deal) during BOD operation. If the MSTL event fails during BOD, you can manually process the event during the day using the 'Securities MSTL Batch' screen. For example, if the customer bank account does not have sufficient balance for settlement on the MSTL date and the bank account does not offer an overdraft facility, the MSTL event fails during BOD operations. In that case, the system will again attempt it during EOD operations. If sufficient balance is available in the account during EOD operations, the MSTL event will be triggered, thus debiting the settlement amount against the buy transaction. If the account has sufficient balance during the day, you can manually process MSTL using the 'Securities MSTL Batch' screen.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, Specify **SEDINTBT** in the text box, and click next arrow.

STEP RESULT: **Securities MSTL Batch** screen is displayed.

**Figure 26.3: Securities MSTL Batch**

2. On **MSTL Securities Batch** screen, specify the fields.  
For more information on fields, refer to field description table.

**Table 26.1: Securities MSTL Batch - Field Description**

Field	Description
<b>MSTL Date</b>	Filter the search results based on the MSTL date, specify the date here. The system will show all the transactions which are not processed till this date.
<b>Customer</b>	Filter the search results based on the customers, specify customer number whose details will be displayed. The system will show all the transactions of a respective customer for those MTSL that failed.
<b>Portfolio</b>	Choose to search the deals of a particular portfolio. Specify the portfolio ID.
<b>Security ID</b>	Choose to search the deals of a security code and process the code of MSTL based on this.
<b>Deal Reference</b>	Choose to search the deals based on deal reference number and process the MSTL for a single deal. Once you click 'Search' button, the system displays the list of deals that match the selection criteria. Click 'Process MSTL' button to manually process MSTL for the selected deals. You can process the records based on the filter criteria. However you cannot process selective records.

## 26.4.2 Unrealized Revaluation for Unsettled Buy and Sell Deals

If the revaluation method for unrealized revaluation is set to 'MTM-EIM', the unrealized revaluation for the unsettled buy and sell deals will be done as of the revaluation date. The revaluation date is actually the Processing Date + Spot Days (this is arrived on the basis of the market for revaluation defined in the Security Online screen). Revaluation profit/loss is found out per unit of security and scaled up to find out the profit/loss for the deal quantity. The coupon cash flows and the forward price between the revaluation date and the deal settlement date is discounted to the revaluation date. The YTM with effective date of the deal settlement date is used to compute the net present

value. The interest accrued for the period between the coupon date or the security start date and the revaluation date is excluded from the NPV obtained and the clean price is obtained. The NPV is computed on the basis of the following formula:

Case 1 – Revaluation Date <= Deal Settlement Date

$$NPV = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\tau_d}{P}\right)}} \right] + \left[ \frac{P_0}{(1 + \%y_0)^{\left(\frac{\tau_d}{P}\right)}} \right] - AI$$

Where,

**Table 26.2: Values**

Term	Definition
N	Total number of Coupon cash flows between the deal settlement date and the revaluation date.
C <sub>i</sub>	ith coupon
y <sub>0</sub>	Periodic Deal YTM
τ <sub>d</sub>	Coupon Date – Revaluation Date
p <sub>i</sub>	Reinvestment Period
C <sub>i</sub>	Forward Flat Purchase Price
C <sub>i</sub>	Deal Settlement Date – Revaluation Date
C <sub>i</sub>	Accrued Interest as of the revaluation date

Case 2 – CUM Deal or Revaluation date and settlement date are in different coupon periods

**Table 26.3: Case 2 tables**

NPV	Net Present Value of the deal
N	Total number of Coupons between the revaluation date and the Redemption date excluding the first cash flow from the deal settlement date.
C <sub>i</sub>	with coupon
y <sub>0</sub>	Periodic Deal YTM
τ <sub>d</sub>	Coupon Date – Revaluation Date
P	Reinvestment Period
RP	Redemption Price
τ <sub>dn</sub>	Redemption Date – Revaluation Date
AI	Accrued Interest as of the revaluation date

The Periodic Deal YTM is computed from the annual deal YTM based on the annualizing method specified in the security definition screen.

If the Annualizing method selected is Simple, the formula used for computing the periodic YTM for the deal is:

$$y_0 = \left[ Y_0 \left( \frac{P}{A} \right) \right]$$

If you select Compound as the annualizing method the formula used for computing the annual YTM for the deal will be:

$$y_0 = \left[ (1 + Y_0)^{\frac{P}{A}} - 1 \right]$$

**Table 26.4: Annualizing Compound**

Term	Description
y0	Periodic Deal YTM
Y0	Annual Deal YTM
P	Reinvestment Period
A	Day count Denominator Method specified at the security definition

The computed NPV is marked against the market price and the revaluation profit /revaluation loss is also booked. The revaluation profit /loss is computed using the formula mentioned below.

#### Settled Deals

If Quantity Quotation Method is 'Units' the formula used for computing the Revaluation profit / loss is:

$$R_n = (MP_n * N) - NPV_n$$

If Quantity Quotation Method is 'Nominal' the formula used to compute the Revaluation profit / loss is:

$$R_n = (MP_n * \frac{N}{FV}) - NPV_n$$

Where

**Table 26.5: Annualizing Compound**

Term	Description
Rn	Revaluation Profit or Loss on the revaluation date
MPn	Market Price (Clean) on the revaluation date
N	Deal Quantity
NPVn	Net Present Value of the deal on the revaluation date

The following examples illustrates the computation of revaluation profit / loss using the formula mentioned above.

### 26.4.3 Illustrations

The following set of parameters will be considered in the examples given below:

**Table 26.6: Annualizing Compound**

Term	Description
Security Code	XXXX-BOND-01
Face Value	USD 100
Quantity Quotation Method	Unit
Redemption Date	01-July-2003
Redemption Price	USD 105
Numerator Day count method	Actual
Denominator Day count method	365 Days
Annualizing Method	Simple
Coupon Rate	5%
Coupon frequency	Monthly

The coupon cash flows for a single bond are:

**Table 26.7: Cash Flow table**

Coupon Event Date	Coupon
01-Jan-2003	USD 0.42
01-Feb-2003	USD 0.42
01-Mar-2003	USD 0.38
01-Apr-2003	USD 0.42
01-May-2003	USD 0.41
01-Jun-2003	USD 0.42
01-Jul-2003	USD 0.41

## 26.5 Unsettled EX Buy Deal - Revaluation date prior to Deal settlement Date

This topic describes the unsettled ex buy deal revaluation dater prior deal settlement deal date.



**Table 26.8: Unsettled buy Deal**

Term	Definition
Deal Settlement Date	27-Feb-2003
Record Date	25-Feb-2003
Revaluation Date	15-Jan-2003
Deal Quantity	100
Deal Price	USD 99.95
Annual YTM	21.351%
Periodic YTM	21.351%
Accrued Interest as of Revaluation date from previous coupon date (01-Jan-2003 to 15-Jan-2003)	USD 19.18
Market Price as of Revaluation Date	USD 102

During revaluation of unsettled forward deals all the coupons between the revaluation date and the deal settlement date are discounted to the revaluation date.

So the effective coupon cash flow that are considered during revaluation for the deal will be:

**Table 26.9: Coupon Event**

Coupon Event Date	Coupon
01-Feb-2003	USD 42.47

The computation of net present value for the deal is done in the following manner:

**Table 26.10: Net Present Value**

Date	Ci	Nd	1+ y0	Nd/P	$(1 + \frac{y0}{Nd/P})$	Disc. Ci
01-Feb-03	42.47	17	1.21351	0.046575	1.009054	42.09
27-Feb-03	9995	43	1.21351	0.117808	1.023060	9769.71
						9811.80

The accrued interest as of the revaluation date is excluded from the NPV computed and the Flat NPV as of revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} - \text{AI} = 9811.80 - 19.18 = 9792.62$$

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price. Using the formula mentioned above the Revaluation Profit / Loss =  $(102 * 100) - 9792.62 = 407.38$ .

Revaluation Profit = USD 407.38.

**Table 26.11: Unsettled CUM Sell Deal – Revaluation Date after Deal Settlement Date**

Term	Date
Deal Settlement Date	15-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	20-Mar-2003
Deal Quantity	100
Deal Price	USD 100.25
Annual YTM	15.54504%
Periodic YTM	15.54504%

Accrued Interest as of Revaluation date from previous coupon date (01-Mar-2003 to 20-Mar-2003) – USD 26.03.

Market Price as of Revaluation Date – USD 102

During revaluation of past unsettled cum deals all the coupons between the deal settlement date and the revaluation date are discounted to the revaluation date. Therefore, the effective coupon cash flow that are considered during revaluation for the deal will be:

**Table 26.12: Effective Coupon**

Term	Definition
Coupon Event Date	Coupon
01-Feb-2003	USD 42.47
01-Mar-2003	USD 38.36

The computation of net present value for the deal is as illustrated below:

**Table 26.13: Present Value - Field**

Date	Ci	$\tilde{N}d$	$1 + y_0$	$\tilde{N}d/P$	$(1 + y_0)^{(\tilde{N}d/P)}$	Disc. Ci
01-Feb-03	-42.47	-47	1.15545	-0.128767	0.981566	-43.26
01-Mar-03	-38.36	-19	1.15545	-0.052055	0.992507	-38.65
15-Jan-03	10025	-64	1.15545	-0.175342	0.974983	10282.23
						10200.32

**The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of revaluation date is derived.**

Flat NPV = NPV – AI = 10200.32 – 26.03 = 10174.29

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

Revaluation Profit /Loss = 10174.29 - (102 \* 100) = - 25.71

Revaluation Loss = USD 25.71

### 26.5.0.1 Unsettled EX Sell Deal – Revaluation Date after Deal Settlement Date

**Table 26.14: Field Description table**

Field	Description
Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	20-Mar-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Accrued Interest as of Revaluation date from previous coupon date (01-Mar-2003 to 20-Mar-2003)	USD 26.03
Market Price as of Revaluation Date	USD 102

During revaluation of past unsettled cum deals all the coupons between the deal settlement date and the revaluation date (first coupon from settlement date are ignored while constructing the cash flows) are discounted to the revaluation date.

Therefore, the effective coupon cash flow, considered during revaluation for the deal are:

**Table 26.15: Cash Flow**

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36

The computation of the net present value for the deal is done as shown in the table below:

**Table 26.16: Computation Value**

Date	Ci	Ñd	1+ y0	Ñd/P	$(1+y_0)^{(\tilde{N}d/P)}$	Disc. Ci
01-Mar-03	-38.36	-19	1.19729	-0.052055	0.990671	-38.72
27-Jan-03	9930	-52	1.19729	-0.142466	0.974673	10188.03

The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of the revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} - \text{AI} = 10149.31 - 26.03 = 10123.29$$

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

$$\text{Revaluation Profit / Loss} = 10123.29 - (102 * 100) = 76.71$$

$$\text{Revaluation Loss} = \text{USD} - 76.71$$

**Table 26.17: Settled CUM Deal – Revaluation Date in the same Coupon Period as of the Settlement Date**

Field	Description
Deal Settlement Date	15-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	26-Jan-2003
Deal Quantity	100
Deal Price	USD 100.25
Annual YTM	15.54504%
Periodic YTM	15.54504%
Accrued Interest as of Revaluation date from previous coupon date (01-Jan-2003 to 26-Jan-2003)	USD 34.25
Market Price as of Revaluation Date	USD 102

During revaluation of settled cum deals all the coupons between the revaluation date and the redemption date are discounted to the revaluation date.

Therefore, the effective coupon cash flow considered during revaluation for the deal is

**Table 26.18: Coupon table**

Coupon Event Date	Coupon
01-Feb-2003	USD 42.47
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of net present value for the deal is done as shown in the table below:

Date	Ci	$\tilde{N}d$	$1 + y_0$	$\tilde{N}d/P$	$(1 + \frac{y_0}{\tilde{N}d/P})$	Disc. Ci
01-Feb-03	42.47	6	1.15545	0.016438	1.002378	42.37
01-Mar-03	38.36	34	1.15545	0.093151	1.013550	37.84
01-Apr-03	42.47	65	1.15545	0.178082	1.026065	41.39
01-May-03	41.10	95	1.15545	0.260274	1.038323	39.58
01-Jun-03	42.47	126	1.15545	0.688525	1.051144	40.40
01-Jul-03	41.10	156	1.15545	0.852459	1.063701	38.63

---

Date	Ci	$\tilde{N}d$	$1 + y_0$	$\tilde{N}d/P$	$(1 + y_0)^{\tilde{N}d/P}$	Disc. Ci
01-Jul-03	10500	156	1.15545	0.852459	1.063701	9871.19
						10111.40

The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of revaluation date is derived.

Flat NPV = NPV – AI = 10111.40 – 34.25 = 10077.15

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

Revaluation Profit / Loss = (102 \* 100) - 10077.15 = 122.85

Revaluation Profit = USD 122.85

## 26.5.0.2 Settled EX Deal – Revaluation Date and Settlement Date are in Different Periods

**Table 26.19: Field Description**

Field	Description
Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	10-Feb-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Accrued Interest as of Revaluation date from previous coupon date (01-Feb-2003 to 10-Feb-2003)	USD 12.33
Market Price as of Revaluation Date	USD 102

During revaluation of settled ex deals (revaluation date and settlement date are from different coupon periods) all the coupons between the revaluation date and the redemption date are discounted to the revaluation date. Therefore, the effective coupon cash flow that considered during revaluation for the deal is as follows:

**Table 26.20: Coupon**

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of the NPV for the deal is done as shown in the table below:

Date	Ci	$\tilde{N}d$	$1 + y_0$	$\tilde{N}d/P$	$(1 + y_0)^{\tilde{N}d/P}$	Disc. Ci
01-Mar-03	38.36	19	1.19729	0.052055	1.009417	38.00
01-Apr-03	42.47	50	1.19729	0.136986	1.024973	41.43
01-May-03	41.10	80	1.19729	0.219178	1.040255	39.51
01-Jun-03	42.47	111	1.19729	0.304110	1.056286	40.20
01-Jul-03	41.10	141	1.19729	0.386301	1.072036	38.33
01-Jul-03	10500	141	1.19729	0.386301	1.072036	9794.45
						9991.92

The accrued interest as of the revaluation date is excluded from the NPV computed and the Flat NPV as of revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} - \text{AI} = 9991.92 - 12.33 = 9979.59$$

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above

$$\text{Revaluation Profit / Loss} = (102 * 100) - 9979.59 = 224.41$$

$$\text{Revaluation Profit} = \text{USD } 220.41$$

### 26.5.1 Settled EX Deal – Revaluation date and settlement date in the same period

**Table 26.21: Settlement**

<b>Deal Settlement Date</b>	<b>27-Jan-2003</b>
Record Date	25-Jan-2003
Revaluation Date	29-Jan-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Pending Interest Received in Advance as of Revaluation Date (29-Jan-2003 to 01-Feb-2003)	USD 4.11
Market Price as of Revaluation Date	USD 102

During revaluation of settled ex deals (revaluation date and settlement date are in the same coupon periods) all the coupons between the revaluation date and the redemption date are discounted to the revaluation date excluding the

first coupon cash flow from the settlement date. Therefore, the effective coupon cash flow that considered during revaluation for the deal will be as follows:

**Table 26.22: Coupon**

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of net present value for the deal is done as shown in the table below:

Date	Ci	Nd	1+ y0	Nd/P	(1+ y0) ^(Nd/P)	Disc. Ci
01-Mar-03	38.36	19	1.19729	0.084932	1.015411	37.77
01-Apr-03	42.47	62	1.19729	0.169863	1.031059	41.19
01-May-03	41.10	92	1.19729	0.252055	1.046432	39.27
01-Jun-03	42.47	123	1.19729	0.36986	1.062558	39.97
01-Jul-03	41.10	153	1.19729	0.419178	1.078401	38.11
01-Jul-03	10500	153	1.19729	0.419178	1.078401	9736.34
						9932.95

The pending interest amount received in advance as of the revaluation date is included to the NPV computed and Flat NPV as of revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} + \text{RIA} = 9932.95 + 4.11 = 9937.06$$

The Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

$$\text{Revaluation Profit / Loss} = (102 * 100) - 9937.06 = 262.94$$

$$\text{Revaluation Profit} = \text{USD } 262.94$$

## 26.6 List of Glossary - Batch Process

### AEDEODST

End Of Day Batch Process Screen- [26.4 Process Automatic Daily Program](#) (p. 357)

### SEDINTBT

Securities MSTL Branch - [26.4.1 Process Triggering Securities MSTL Batch](#) (p. 358)



---

## 27. RFR

This topic contains the following subtopics:

- 1) [Introduction](#)

### 27.1 Introduction

Provision to consume SOFR or any other index rate daily from a published source is provided. The system integrates product processor with centralized interest calculation engine. The Product Processor sends appropriate parameters to the Interest Calculation Engine per deal and receives the interest rate and computed interest amount.

SOFR supports interest rate calculation on both simple average method and the compounding method, where the accrued interest is added to the principal. The system maintains the daily interest amount and daily rate for each contract.

The required accruals are posted on currency working days only and are reconciled for payouts at the end of the interest period.

SOFR supports both the back and future value date bookings with proper interest application.

Arrears and hybrid SOFR methods:

- Payment delay
- lookback
- Lockout
- Plain
- Interest Rollover

are supported only for bearing products and advance methods, that are last reset and last recent to be supported only for discounted products.

### 27.2 Define Rate codes for Risk Free rates

This topic provides the instructions to define the rate codes for risk free rates.

CONTEXT:

RFR codes is maintained at the Rate Code Definition screen.

1. On the Homepage, type **CFDFRTCD** in the text box, and click the next arrow.

STEP RESULT: **Rate Code Definition** screen is displayed.

Figure 27.1: Rate Code Definition

Rate Code Definition

New

Enter Query

Rate Code \*

Description

Maker

Checker

Date Time:

Date Time:

Mod No

Record Status

Authorization Status

Exit

27.3 Risk Free Rates

This topic provides the instructions to capture the Risk Free Rates.

CONTEXT:

Selected Overnight Risk Free rates is maintained in this screen.

- 1. On the Homepage, type **CFDRFRRT** in the text box, and click the next arrow.

STEP RESULT: **RFR Rate Input** screen is displayed.

**Figure 27.2: RFR Rate Input**

**RFR Rate Input**

New Enter Query

Rate Code \*  
Rate Description

Type ☐ Rate ☐ Index Value

**Currency Details**

1 Of 1 Go

Currency Code *	Currency Name
-----------------	---------------

**Rate Details**

1 Of 1 Go

Rate Received Date *	Effective Date *	Rate / Index Value *	Rate Applicable Days	1st Percentile	25th Percentile	75th P
----------------------	------------------	----------------------	----------------------	----------------	-----------------	--------

**Fields**

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

Exit

- On the RFR Rate Input screen, specify the details as required.  
For information on fields refer to:

**Table 27.1: RFR Rate Input - Field Description**

Field	Description
<b>Rate Code</b>	Identifies the Risk Free Reference Rate Code
<b>Rate Description</b>	Defines the RFR rate code
<b>Type</b>	Choose the type of Maintenance: <ul style="list-style-type: none"> <li>Rate</li> <li>Index</li> </ul>
<b>Currency Code</b>	Identifies the currency mapped to RFR code
<b>Rate Received Date</b>	The date on which our system received the RFR rate
<b>Effective date</b>	Applicable RFR effective date
<b>Interest rate</b>	RFR on the respective effective date

---

Field	Description
Rate Applicable days	Number of days the RFR is applicable for
Percentile	Percentile of RFR defined as 1st, 25th,75th and 99th
Volume in Billions	Identifies the RFR volume in count of billions

## 27.4 Treasury Interest Class Definition

This topic provides the instructions to capture the Treasury Interest Class Definition details.

CONTEXT:

Treasury Interest Class Definition supports RFR methods and computation preferences.

1. On the Homepage, type **CFDTRINC** in the text box, and click the next arrow.

STEP RESULT: **Treasury Interest Class Definition** screen is displayed.

Figure 27.3: Treasury Interest Class Definition

Treasury Interest Class Definition

NewEnter Query

Class Code \*

Rule

Module \*

Event

Class Description

Rule Description

Event Description

Basis

Amount Type

Settlement Currency

Category

Accruals

Bulk Amount

Allow Amendment

Stop Application

Grace Period

Pre Payment Method

Main Component

Link Contract as Rate Code

Propagation Required

Consider as Discount

Negative Interest Allowed

Negative Class Code

Alternative Risk-Free Rate

Alternative Risk-Free Rate Preferences

Lookback

Payment delay

Lockout

Interest Rollover

Last reset

Last recent

Plain

Lookback Days

Payment delay Days

Lockout Days

Base Computation Method

Spread/Margin Computation Method

Spread Adj Computation Method

Rate Compounding

Interest

Rate Type

Rate Code

Code Usage

Reset Tenor

Borrow Lend Indicator

Rate Calculation Type

Margin Application

Margin Basis

Pricing Details

External Pricing

Limits

1 Of 1

Go

	Currency	Rate Fixing Days	Fixing Date Movement	Default Rate	Minimum Rate	Maximum Rate
--	----------	------------------	----------------------	--------------	--------------	--------------

Maker

Checker

Date Time:

Date Time:

Mod No

Record Status

Authorization Status

Exit

2. On the Treasury Interest Class Definition screen, specify the details as required.

For information on fields refer to: [Table 27.2: Treasury Interest Class Definition - Field Description](#)

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**Table 27.2: Treasury Interest Class Definition - Field Description**

Field	Description
<b>Alternative Risk Free Rate</b>	Identifies if the interest class is enabled for RFR
<b>Alternative Risk Free Rate Preferences</b>	<p>User will have the option to select any one of the below RFR calculation methods</p> <ul style="list-style-type: none"> <li>• Lookback</li> <li>• Payment Delay</li> <li>• Lockout</li> <li>• Interest Rollover</li> <li>• Last Reset</li> <li>• Last Recent</li> <li>• Plain</li> </ul>
<b>Look Back Days</b>	This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lookback. The observation period for the interest rate calculation starts and ends a certain number of days prior to the interest period. As a result, the interest payment can be calculated prior to the end of the interest period. This field will contain the number of days by which the system will look back to derive the relevant RFR.
<b>Lockout Days</b>	This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lockout. Lockout means that the RFR is frozen for a certain number of days prior to the end of an interest period (lockout period). During this time, the RFR of lockout period days is applied for the remaining days of the interest period. As a result, the averaged RFR can be calculated a couple of days before the end of the interest period.
<b>Payment Delay Days</b>	This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Payment delay. Number of days by which the interest (or installment) payments are delayed by a certain number of days and are thus due a few days after the end of an interest period.
<b>Interest Rollover</b>	<p>Interest Rollover method can be used as a combined method along with one each of In-arrears &amp; In-advance methods.</p> <p>Payments are set in advance and any missed interest relative to in arrears is rolled over into the next payment period.</p> <p>This option combines a first payment (installment payment) known at the beginning of the interest period with an adjustment payment known at the end. The adjustment payment can be made a few days later or at the end of the next accrual period.</p>
<b>Plain</b>	This field will only be relevant if <b>Rate Method</b> is <b>In-Arrears</b> or bearing and RFR method is Plain. System uses averaged SOFR over current interest period, paid on first day of next interest period.

Field	Description
<b>Last Reset</b>	This field will only be relevant if 'Rate Method' is 'In-Advance' and 'Rate Convention' is Last reset. In this option, interest payments are determined on the basis of the averaged RFR of the previous period.
<b>Last Recent</b>	This field will only be relevant if 'Rate Method' is 'In-Advance' and 'Rate Convention' is Last recent. In this option, a single RFR or an averaged RFR for a short number of days, are applied for the entire interest period
<b>Base Computation Method</b>	It is either simple or compounded
<b>Spread\ Margin Computation Method</b>	Spread\ Margin computation method can be maintained as either Simple or compounded.
<b>Spread Adjustment Method</b>	Spread adjustment method is either as either Simple or compounded
<b>Rate Compounding</b>	User can select the rate compounding to be applied for each calculation period. When enabled, system opts for rate compounding instead of amount compounding, the amount difference comes into effect only if any pre-payment is done.

3. On the **Treasury Interest Class Definition** screen, specify the details as required.

The following steps are followed:

- Rate code Field will fetch all the rate codes maintained at CFDFLTRI (floating rate code) and CFDRFRRT(RFR codes).
- If the RFR flag is checked, the rate code selected is maintained in CFDRFRRT(RFR codes) screen. Selecting the rate code is mandatory when RFR flag is checked.
- If the RFR flag is unchecked, select a rate code maintained in CFDFLTRI (floating rate code).
- Under limits multi-block, the system allows the saving of record for RFR mapped rate code currency only. Example for RFR code: SOFR, only USD currency record is permitted. If in case any other currency is maintained, the system validates accordingly throws an error.
- For an RFR rate code currency, entering min and max rate is allowed.
- There are no restrictions on the interest basis selection for RFR rate codes.
- RFR usage is allowed only for the Main Interest component.
- The system allows multiple Interest class records for same RFR code and currency but with different preferences.
- After the Interest class maintenance is saved and authorized, the system allows you to unlock the RFR details and modify it based on the requirement.

---

## 27.5 Securities Repo Product

This topic provides the instructions to capture the SOFR details in Security Repo Product.

### CONTEXT:

The **Securities Repo Product** screen, Interest call form is enhanced to have similar new fields introduced in **Treasury Interest Class Definition** (CFDTRINC) screen.

### PREREQUISITE:

Login to the homepage and navigate to the **Securities Repo Product** screen.

1. On the **Securities Repo Product** Screen, click **Interest**.

STEP RESULT: **ICCF details** screen is displayed.



Figure 27.4: ICCF details

ICCF Details

Product Code  Product Description

**Basis**

Amount Type

Pre Payment Method

☐ Stop Application  
☐ Propagation Required  
☐ Accrual Required  
☐ Allow Amendment  
☐ Consider as Discount

Collection Type ☒ Advance ☐ Arrear

Category

Settlement Currency

Level Number

☐ Main Component  
☐ Negative Interest Allowed  
☐ Bulk Amount  
☐ Link Contract As Rate Code

Units

Grace Period

Negative Class Code

☐ Alternative Risk-Free Rate

**Alternative Risk-Free Rate Preferences**

☐ Lookback  
☐ Payment delay  
☐ Lockout  
☐ Interest Rollover  
☐ Last reset  
☐ Last recent  
☐ Plain

Lookback Days

Payment delay Days

Lockout Days

Base Computation Method

Spread/Margin Computation Method

Spread Adj Computation Method

☐ Rate Compounding

**Profit**

Rate Type

Rate Code

Borrow Lend Indicator

Rate Cycle Type

Event

Rule

Component \*

Code Usage

Reset Tenor

Margin Basis

Margin Application

Event Description

Rule Description

Description

**Pricing Details**

☐ External Pricing

1 Of 1

**Product Limits**

1 Of 1 Go

<input type="checkbox"/> Currency *	Default Rate	Minimum Rate	Maximum Rate	Default Spread	Minimum Spread	M

Ok Exit

- On the ICCF details, specify the details as required.  
During the creation and unlock after the authorization, user can change below preferences after they are defaulted from interest class:

- 
- RFR Preference
  - Look back Days
  - Payment delay days
  - Lockout days
  - Basis computation method
  - Spread/ margin Computation method
  - Spread Adj Computation Method
  - Rate Compounding

During check and uncheck of RFR flag, the respective Rate code mapping is done.

System allows mapping of only one RFR interest class as the main component.

**NOTE:** Once contract is saved and authorized, the RFR preferences cannot be changed.

## 27.6 Securities Repo Contract

This topic provides the instructions to capture the RFR details in Security Repo Contract.

### CONTEXT:

Interest call form of the **Security Repo Contract** screen is enhanced to have similar new fields introduced in Treasury Interest Class Definition (CFDTRINC) screen.

### PREREQUISITE:

Login to the homepage and navigate to the **Security Repo Contract** screen.

1. On the **Security Repo Contract** Screen, click **Interest**.

STEP RESULT: **ICCF** screen is displayed.

Figure 27.5: ICCF

2. On the ICCF details, specify the details as required.
- During the contract creation, user can change below preferences after they are defaulted from product level.
- RFR Preference
  - Look back Days
  - Payment delay days
  - Lockout days
  - Basis computation method
  - Spread/ margin Computation method
  - Spread Adj Computation Method
  - Spread Adjustment
  - Rate compounding
  - Customer Margin

---

- Rate Fixing Days

When you check or uncheck the RFR flag, map the respective rate code mapping.

Existing customer margin field is used for RFR spread/margin value.

Spread Adjustment field is enabled and used only for RFR component. Existing spread field is disabled and nullified for RFR component.

The system allows mapping of only one RFR interest class as the main component for a contract. The system uses the Existing Rate Fixing Days as lookback days for all RFR methods except lookback method.

**NOTE:** Once contract is saved and authorized, the RFR preferences cannot be changed.

3. On the **Securities Repo Contract Online** screen, navigate to the **Schedules** tab and click **Explode**. Interest rate details are added to schedules explode to display details of interest calculated by system.

STEP RESULT: **Payment Schedule Details** screen is displayed.

**Figure 27.6: Payment Schedule Details**

Payment Schedule Details

Schedule Summary

1 Of 1

Go

<input type="checkbox"/>	Due date	Pay Receive	Currency	Total amount Due	Total Amount Settled	Total Amount Adjusted	Subsidy Amount
--------------------------	----------	-------------	----------	------------------	----------------------	-----------------------	----------------

Schedule Details

1 Of 1

Go

<input type="checkbox"/>	Component	Pay Receive	Amount Due	Amount Settled	Adjusted Amount	Subsidy Amount
--------------------------	-----------	-------------	------------	----------------	-----------------	----------------

Interest Rate Details

1 Of 1

Go

<input type="checkbox"/>	Calculation Date	Rate Type	Rate Code	Principal Basis	Base Rate	Base Index Rate
--------------------------	------------------	-----------	-----------	-----------------	-----------	-----------------

Amount Settled

1 Of 1

Go

<input type="checkbox"/>	Input Date	Value Date	Amount Settled	LCY Equivalent Settled
--------------------------	------------	------------	----------------	------------------------

Schedule Dates

Exit

- Refer to the provided payment schedule breakup.  
The following details are available:

**Table 27.3: Schedule Breakup**

Field	Description
<b>Interest Rate Details</b>	<ul style="list-style-type: none"> <li>• Calculation Date</li> <li>• Rate Type</li> <li>• Rate Code</li> <li>• Principal Basis</li> <li>• Base Rate</li> <li>• Base Index Rate</li> <li>• Spread/Margin</li> <li>• Spread Adjustment</li> <li>• No. of Days</li> <li>• Compound Interest</li> <li>• Simple Interest</li> <li>• Total Interest</li> <li>• Cumulative Interest</li> <li>• Rate Pickup Date</li> </ul>

5. Effective interest rate is displayed as per the below calculation as an example. Consider a contract with Look-back RFR calculation method with below details:

- Trade date= 04 March 2020
- Value date= 04 March 2020
- Maturity date= 16 March 2020
- System date= 16 March 2020
- Principal= USD 95000
- Lookback days= 1
- Customer margin=0
- Spread adjustment= 0
- Base amount calc method= Lookback compounded
- Interest basis= Actual/Actual

Below is the calculation for accruals (based on SOFR rates taken as an example)

Calender Date	Effective Date	Rate	Principal	Accrual
4-Mar	3-Mar	1.01%	95000	2.621585
5-Mar	4-Mar	1.02%	95002.62	2.647614
6-Mar	5-Mar	1.03%	95005.27	8.020937
9-Mar	7-Mar	1.04%	95013.29	2.699831
10-Mar	9-Mar	1.05%	95015.99	2.725869
11-Mar	10-Mar	1.06%	95018.72	2.751908
12-Mar	11-Mar	1.07%	95021.47	2.77795
13-Mar	12-Mar	1.08%	95024.25	8.411982
16-Mar	14-Mar	1.09%	95032.66	2.877378

Taking the final accrual as 32.63 USD with a simple interest calculation method for nominal of USD 95000 for a period from 04 March to 16 March 2020, the effective rate is calculated to be:

$$\text{Effective rate} = 1 + (32.63 \times 365) / (95000 \times 13) = 1.00938947$$

## 27.7 Securities Repo Value Dated changes

This topic provides the instructions to capture the RFR details in Securities Repo Value dated changes.

### CONTEXT:

The Securities Repo Value Amendment screen, Interest call form is enhanced to have similar new fields introduced in Treasury Interest Class Definition (CFDTRINC) screen.

### PREREQUISITE:

Login to the homepage and navigate to the **Securities Repo Value Amendment** screen.

1. On the **Securities Repo Value Amendment** Screen, click **Interest**.

STEP RESULT: **ICCF** screen is displayed.

2. On the **ICCF** screen, below fields are editable during VAMI
  - Customer Margin
  - Spread Adjustment

No change is allowed for a RFR contract with payment delay method in between the schedule actual due date and the payment date calculated after adding payment delay days.

## Securities Repo Payment Input

1. On the Homepage, type **SRDPAMIN** in the text box, and click the next arrow.

STEP RESULT: **Securities Repo Payment Input** screen is displayed.

2. On the **Securities Repo Payment Input** screen, specify the details as required.

For RFR contract on payment delay method, no penalty is charged for payment after actual due date and within payment delay days.

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## 27.8 Lifecycle process Impact

### Swift Messaging

MT320 SWIFT message generated during BOOK, LIQD & ROLL events, should have proper field values for below tags for SR contracts with RFR component:

- 32H Amount to be Settled
- 34E Currency and Interest Amount
- 37G Interest Rate

MT350 SWIFT message generated during interest payouts should have proper field values for below tags for SR contracts with RFR component:

- 34B Currency and Interest Amount
- 37J Interest Rate

### Contract Advices

Confirmation and rollover advices maintained for SR module should have proper interest rate and amount for SR contracts with RFR component.

### Intraday Deals

Booking and liquidation of SR intraday deals is supported for the SR contracts with the RFR component.

### Back dated and Future dated Contract Booking

RFR contracts supports both back and future dated booking.

In case of future dated contract, the deal is uninitiated on BOOK date, and the same is processed on the value date during EOD.

When the deal is initiated, the system derives the interest rate and amount.

### Liquidate back date schedules

When you book a Back dated SR contract having the check for Liquidate backdated schedules and if there is back dated interim payment schedule, interest amount for the schedule is derived and settled on save.

### Interest Accrual

For bearing payment method,

- Daily Interest accrual happens on outstanding principal + Accumulated Interest basis.

For discounted methods,

- Interest accrual happens on outstanding principal - accumulated interest.



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## Interest Liquidation

During interest liquidation, cumulative accrued interest amount is paid. RFR supports both Manual and Auto Liquidation of schedules.

## Back dated and future dated Value dated amendments

SR Contract with the RFR component supports the Back Dated and Value Dated amendments and respective adjustments are posted.

## Prepayments and withdrawals

In case of partial payments, interest calculation considers the outstanding principal amount.

## Negative Interest rates

RFR does not support negative interest rate calculations for SR Module.

## Roll Over

When roll preference is set as the principal only, cumulative interest accrued is liquidated on value date of contract. Else, both principal and interest are rolled over to child contract.

Rate pickup of child contract must happen based on the value date and other RFR preferences selected.

## List of Glossary - SOFR

### CFDFRTCD

Rate Code Definition - [27.2 Define Rate codes for Risk Free rates](#)

### CFDRFRRT

RFR Rate Input - [27.3 Risk Free Rates](#)

### CFDTRINC

Treasury Interest Class Definition - [27.4 Treasury Interest Class Definition](#)

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## 28. Customers Correspondence

### 28.1 Introduction

This chapter explains the advices generated at each stage for the Securities module.

Once the event is authorized you can generate various types of advices. You can specify the media through which these advices can be sent. The options available are:

- Mail
- Swify

The advices generated in the Securities module can be classified as:

- Deal Related Advices
- Corporate Action Related Advices
- Statement Related Advices

To generate an advice, go to the Outgoing Messages Browser screen of the Messaging module. Select the advice you want to generate and click on Generate.

The format and contents of the mail advices can be configured for your requirements. However, the default advice formats are available when Oracle Banking Treasury Management is shipped to you. For all the advices discussed in this chapter the samples are provided below.

This chapter contains the following sub-topics:

- 1) [\*Deal Related Advices\*](#)
- 2) [\*Sample of all Advices\*](#)

## 28.2 Deal Related Advices

Table 28.1: Deal Advices

Term	Description
Trade Confirmation	When you receive affirmation of a trade confirmation, you can generate and send a trade confirmation affirmation message to your customer.
<b>Market side securities trade confirmation</b>	At the securities deal level you can specify whether a trade confirmation message for the trade counterparty is required or not. If you indicate that the trade confirmation message is required, then it will be generated for all securities deals where your bank is one of the trade parties (either as the principal or on behalf of one of your customers).
<b>Receive free</b>	When you input a securities deal, where either your bank your custody customer is the trade counterparty and the receipt of securities is free of payment, a receive free message is generated. You can also send this message when your bank has been instructed to receive a specified amount of securities from a specified party (free of payment) on behalf of your customer.
<b>Receive against payment</b>	When you input a securities deal where either your bank or your custody customer is the trade counterparty. The receipt of securities is done against payment of funds and a receive price message is generated. You can send this message to your customer when your bank has been instructed to receive a specified amount of securities from a specified party (against payment of funds), on behalf of your customer.
<b>Deliver fee</b>	When you input a securities deal, where either your bank or the custody customer of your bank is the trade counterparty and the delivery of specified securities is done free of payment. A delivery free message is generated. You can also send this message when your bank has been instructed to deliver a specified amount of securities to a specified party (free of payment) on behalf of your customer.
<b>Deliver against payment</b>	When you input a securities deal where either your bank or your custody customer is the trade counterparty and the delivery of specified securities is done against payment of funds. A delivery against payment message is generated. You can also send this message when your bank has been instructed to deliver a specified amount of securities to a specified party (against payment of funds) on behalf of your customer.
<b>Confirmation of receipt free</b>	The SK location sends you a receipt, for having received a specified quantity of securities to a specified party, without any payment. You can generate and send a confirmation of receipt free message after the delivery of securities is confirmed, for a securities deal involving the custody customer.

Term	Description
<b>Confirmation of receipt against payment</b>	The SK location sends you a receipt for having received a specified quantity of securities sent to a specified party against payment of a specific amount. You can generate and send a confirmation of receipt against payment, after the delivery of securities confirmed for a securities deal involving the custody customer.
Confirmation of free delivery	You can send this advice to a custody customer to confirm the delivery of a specified quantity of securities (physically or by book entry) without any payment to a specified party.
Confirmation of delivery against payment	Your custody customer may instruct you to deliver a specified quantity of securities against payment, to a specified party. You can generate this advice confirming the delivery of securities against payment.
Advice of Cancellation	<p>In Oracle Banking Treasury Management, when you buy or sell securities either for yourself or on behalf of a customer, an appropriate SWIFT message is generated. The SWIFT message that is generated depends on the type of deal processed.</p> <p>When a buy or sell securities deal is canceled, an MT 592 can be generated to the same party to whom the earlier SWIFT message was sent. The MT 592 will contain the following details:</p> <ul style="list-style-type: none"> <li>• The Reference Number (of the reversed deal)</li> <li>• The date on which the deal was transacted</li> <li>• The original message type and</li> <li>• The text of the original SWIFT message</li> </ul> <p><b>NOTE:</b> An MT 592 will be generated when a deal is reversed only if you have associated the advice tag REVSUFT to the reversal event.</p>

This topic contains following sub-topics:

- 1) [Corporate Action Related Advices](#)
- 2) [Statement Related Advices](#)

## 28.2.1 Corporate Action Related Advices

**Table 28.2: Corporate Action**

Term	Description
Notice of rights	You can send a notice of the rights event, whenever you maintain and confirm a Rights event involving a security.
Notice of event	You can generate an advice to notify a custody customer, when you maintain details of a new corporate event, affecting a security. This advice can be sent before confirmation of the event.

Term	Description
Advice of money income	You can generate this advice to notify a custody customer, when the coupon amount, the security redemption amount or any other money amount is disbursed.
Advice of income in the form of securities	You can generate this advice to inform your custody customers, about the income generated from additional securities, in the customer portfolio. Additional securities may be derived from securities held in custody, securities being traded in, securities that have been traded in or securities in which trading is yet to take place. In the Securities module of Oracle Banking Treasury Management, this advice is generated when the Rights event record is processed for each customer portfolio and when the Rights securities have been lodged, for each portfolio.
Advice of redemption	After redemption of a security has been completed and the money has been settled and credited, as per the instructions of the customer portfolio, you can generate this advice. You can also generate this advice to send the custody customer, details of a forthcoming redemption.

## 28.2.2 Statement Related Advices

**Table 28.3: Statement**

Term	Definition
Request for statements	You can generate a statement of holdings, in a particular portfolio either for yourself or on behalf of your custody customer.
Statement of holdings	For a specific period you can generate this advice to notify the customer about the quantity and identification of securities, for each of the customer portfolios.
Statement of transactions	To inform your customers about the increase or decrease of holdings in the customer portfolio for a specific period, you can generate the statement of transactions. The advice can be generated for all or selected securities in all or selected SK location accounts.
Statement of pending transactions	You can inform the customer about the pending transaction in the Customer portfolio for a specific period. The advice can be generated for all or selected securities in all or selected SK location, accounts.

## 28.3 Sample of all Advices

This section contains the following sub-topics:

- 1) [Security Trade Confirmation Affirmation message](#)
- 2) [Securities market Side Trade Confirmation](#)
- 3) [Securities Receive Free Instruction](#)
- 4) [Securities Receive Against Payment Instruction](#)

- 5) *Securities Deliver Free Instruction*
- 6) *Securities Deliver Against Payment Instruction*
- 7) *Securities Receipt Free Confirmation*
- 8) *Securities Receipt Against Payment Confirmation*
- 9) *Securities Deliver Free Confirmation*
- 10) *Securities Delivery Against Payment Confirmation*
- 11) *Securities Notice of Rights Message*
- 12) *Securities Notice of Event Message*
- 13) *Securities Advice of Money Income*
- 14) *Securities Advice of Income in the Form of Securities*
- 15) *Securities Advice of Redemption*
- 16) *Securities Request for Statement Message*
- 17) *Securities Statement of Holdings*
- 18) *Securities Statement of Transactions*
- 19) *Securities Statement of Pending Transactions*

### 28.3.1 Security Trade Confirmation Affirmation message

GS-1268403-APR-1998,

Goldman Sachs, Amsterdam.

# 602, South End Towers,

JFK Avenue,

New York,

U.S.A.

ZIP-897-643-260

Subject: Securities Trade Confirmation Affirmation.

Kind Attention: Ms. Andy Ryan,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby affirm the Securities Deal confirmation sent by you, with details as listed below:

**Table 28.4: Header Details**

Header	Details
Our Reference	000SSPT980070021
Confirmation Preparation Date & Time	02-APR-1998 10:30:20 HRS
Financial Instrument Attributes	
Identification of Financial Instrument	ISIN DE0007236002 Siemens AG 7.5 PCT Bonds
Financial Instrument Currency	DEM
Method of Interest Computation	Actual/Actual
Next Coupon Date	01-JUL-1998
Maturity Date	01-JAN-2001
Current Interest Rate	7.5 Percent Per Annum
Next Coupon Number	05
Financial Instrument Narrative	Siemens Semi Annual Interest Bearing Five Year Bonds
Confirmation Details	
Trade Date	01-MAR-1998
Place of Trade	New York Stock Exchange
Settlement Date	05-APR-1998
Deal Price	102.5 PCT
Number of Days Accrued	59

Header	Details
Settlement Amount	1,032,750.00 DEM
Quantity of Financial Instrument Confirmed	1,000,000.00 Face Amount
Trade Priority Indicator	Normal
Trade Transaction Type	Cum Coupon
Payment Mode	Against Payment
Trade Settlement conditions	Unexposed Delivery
	Partial Settlement of Securities is not allowed
Confirmation Parties	
Buyer	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,
	New York,
	U.S.A.
Seller	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Step-in Broker	
Name	Brown Brothers Harridan
Address	Sheraton House,
	Jefferson Avenue,
	New York,
	USA.
Settlement Parties	
Buyer (Receiver)	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,



Header	Details
	New York,
	U.S.A.
Safekeeping Account	4820-2180
Cash Account	728412
Seller (Deliverer)	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Safekeeping Account	90568-32
Cash Account	386098-24
Receiver's Custodian	
Name	Dresdner Bank AG, Frankfurt.
Address	DRESDEFF
Deliverer's Custodian	
Name	Deutsche Bank AB, Frankfurt
Address	DEUTDEFF

Other Information:

In case of any discrepancies, please revert back to us immediately.

Please always quote Our Reference in all further correspondence with respect to above securities market-side trade confirmation affirmation.

Thanking you,

For Goldman Sachs. & Company,

New York,

USA.

### 28.3.2 Securities market Side Trade Confirmation

PHP-250802, 02-APR-1998

Pierson, Heldring en Pierson, New York

# 45/28, Hanover House,

Coopers Avenue,

Amsterdam,

Holland.

ZIP 5907-2502.

Subject: Securities Trade Confirmation

Kind Attention: Mr. William Richards,

Securities Trade Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm the Securities Deal Transaction that we have entered into with yourselves, with details as listed below:

**Table 28.5: Header**

Header	Details
Our Reference	000SSPT980070021
Confirmation Preparation Date & Time	02-APR-1998 10:30:20 HRS
Financial Instrument Attributes	
Identification of Financial Instrument	ISIN DE0007236002 Siemens AG 7.5 PCT Bonds
Financial Instrument Currency	DEM
Method of Interest Computation	Actual/Actual
Next Coupon Date	01-JUL-1998
Maturity Date	01-JAN-2001
Current Interest Rate	7.5 Percent Per Annum
Next Coupon Number	05

Header	Details
Financial Instrument Narrative	Siemens Semi Annual Interest Bearing Five Year Bonds
Confirmation Details	
Trade Date	01-MAR-1998
Place of Trade	New York Stock Exchange
Settlement Date	05-APR-1998
Deal Price	102.5 PCT
Number of Days Accrued	59
Settlement Amount	1,032,750.00 DEM
Quantity of Financial Instrument Confirmed	1,000,000.00 Face Amount
Trade Priority Indicator	Normal
Trade Transaction Type	Cum Coupon
Payment Mode	Against Payment
Trade Settlement conditions	Unexposed Delivery
	Partial Settlement of Securities is not allowed
Confirmation Parties	
Buyer	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,
	New York,
	U.S.A.
Seller	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Step-in Broker	
Name	Brown Brothers Harriman
Brown Brothers Harriman	Brown Brothers Harriman

Header	Details
Address	Sheraton House,
	Jefferson Avenue,
	New York,
	USA.
Settlement Parties	
Buyer (Receiver)	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,
	New York,
	U.S.A.
Safekeeping Account	4820-2180
Cash Account	728412
Seller (Deliverer)	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Safekeeping Account	90568-32
Cash Account	386098-24
Receiver's Custodian	
Name	Dresdner Bank AG, Frankfurt.
Address	DRESDEFF
Deliverer's Custodian	
Name	Deutsche Bank AB, Frankfurt
Address	DEUTDEFF

## Other Information:

Please acknowledge the receipt of this Trade Confirmation Message and affirm the above trade confirmation. In case of any discrepancies, please revert back to us immediately.

Please always quote Our Reference in all further correspondence with respect to above securities market-side trade confirmation.

Thanking you,

For Goldman Sachs. & Company,

New York,

USA.

### 28.3.3 Securities Receive Free Instruction

ANZ-70562, 07-Jan-1998,

ANZ Banking Group Ltd., New York, USA.

# 882, Meikel Towers,

9th Avenue, Park Street,

Melbourne,

Australia.

Sub: Our Instruction to Receive Securities Free of Payment.

Kind Attention: Mr. Gerry Smith,

Custodial Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to receive the securities free of payment as per our instructions shown below:

**Table 28.6: Header**

Header	Details
Our Reference	000SSPT980070021
Securities Identification	ISIN AUDBONDWAG02
	Western Australia Gold Mining Bonds
Trade Date	02-JAN-1998
Place of Trade	Sydney Stock Exchange
Delivery Date	12-JAN-1998
Next Coupon Due Date	31-JAN-1998
Securities Book Value	**1,500,000.00 AUD
Quantity of Securities	**1,500,000 Face Amount
Safekeeping Account (to be Deposited)	USSB7434 540
Securities Certificate Numbers	AE 10001 to AE 10015 – 15 x 100,000 AUD worth Bond Certificates

Header	Details
Deliverer of Securities	Elders Finance Group, Sydney
Securities Deliverer's Reference	RYZ843
Beneficiary of Securities	Fidelity Trust Limited, New York
Securities Registration Details	Securities received have to be registered in the name of the Fidelity Trust Limited, New York.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered should match with the numbers as shown above and the Certificates should be in a good condition.

**Other Information:**

Please confirm the receipt and registration of above securities to us by mail, at the earliest and revert to us if the Securities are not received in 2 weeks time, after the scheduled delivery date.

Please intimate us about your transaction charges if any, for the above instruction. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Salmon Brothers Inc.,

New York, USA.

**28.3.4 Securities Receive Against Payment Instruction**

CITI-5001, 15-Feb-1998,

Citibank N.A, New York, USA.

# 58, Ivory Towers,

Victoria Avenue,

Toronto,

Canada.

ZIP 6789-908.

Sub: Our Instruction to Receive Securities Against Payment.

Kind Attention Mr. Richard Stevens,

Custodial Officer, Securities Department.

Dear Sir/Madam,

Please arrange to receive securities against payment as per our instructions shown below:

**Table 28.7: Header**

Header	Details
Our Reference	000SE01980380054
Securities Identification	ISIN CADBONDNWC01
	North Woods Canadian Minerals Ltd. Bonds
Trade Date	07-FEB-1998
Place of Trade	Toronto Stock Exchange
Delivery Date	20-FEB-1998
Next Coupon Due Date	30-JUN-1998
Securities Book Value	**5,000,000.00 CAD
Quantity of Securities	**5,000,000 Face Amount
Safekeeping Account (to be Deposited)	CAGS-BZ6782
Securities Certificate Numbers	NWB 52011 to NWB 52060 – 50 x 100,000 CAD worth Bond Certificates

Header	Details
Deliverer of Securities	Rosedale Brokers Group, Toronto
Securities Deliverer's Reference	56243
Beneficiary of Securities	Zerus Dynamic Fund Corporation
Securities Registration Details	Securities received have to be registered in the name of the Zerus Dynamic Fund Corporation.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered should match with the numbers as shown above and the Certificates should be in a good condition.
Account for Payment	643-982
Securities Deal Price	104 PCT – 104 Percent of Face Value
Securities Deal Amount	**5,200,000.00 CAD
Accrued Interest Amount	250,000.00 CAD
Accrued Interest Days	51 Days
Taxes Added	*85,000.00 CAD
Taxes Description	Stock Exchange Tax on Bonds Purchased.
Broker's Commission	*12,500.00 CAD
Other Charges/Fees	**2,500.00 CAD
Securities Deal Settlement Amount	**5,550,000.00 CAD



**Other Information:**

Please confirm the receipt and registration of above securities to us, by mail, at the earliest and revert to us if the Securities are not received in 2 weeks time, after the scheduled delivery date. Please intimate us about your transaction charges if any, for the above instruction.

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Goldman Sachs,

New York, USA.

**28.3.5 Securities Deliver Free Instruction**

BNZ-15342, 04-JAN-1998,

Bank of New Zealand, New York, USA.

# 92, Lotus Towers,

Pacific Avenue,

Wellington,

New Zealand.

Sub: Our Instruction to Deliver Securities Free of Payment.

Kind Attention Mr. Micheal Burgess,

Custody Services Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to deliver the securities free of payment as per our instructions shown below:

**Table 28.8: Header**

Header	Details
Our Reference	000SEB7980040002
Securities Identification	ISIN NZDBONDWRP04
	Wellington Railway 1 Jan 1993 Bonds
Trade Date	02-JAN-1998
Place of Trade	Wellington Bonds Market
Delivery Date	08-JAN-1998
Next Coupon Number	021
Next Coupon Due Date	01-APR-1998
Securities Book Value	**1,000,000.00 NZD
Instructing Party	Charles S. Taylor
Quantity of Securities	**1,000,000.00 Face Amount

Header	Details
Safekeeping Account (Delivered from)	94763 88
Securities Certificate Numbers	NW 25401 to NW 25410 – 10 x 100,000 NZD worth Bond Certificates
Receiver of Securities	Westpac Banking Corporation, Wellington
Beneficiary of Securities	Magnus P. Taylor
Beneficiary's Safekeeping Account (with Receiver of Securities)	284564
Securities Registration Details	Securities Delivered are to be registered in favour of Magnus P. Taylor
Securities Receipt Declaration Details	Bond Certificates with numbers as shown above are to be delivered physically to the Receiver of Securities.

**Other Information:**

Please confirm the delivery and registration of above securities to us, by mail, at the earliest and revert to us if the Securities have not been delivered in 1 weeks time, after the scheduled delivery date.

Please intimate us about your transaction charges if any, for the above instruction. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Merrill Lynch,

New York, USA.

**28.3.6 Securities Deliver Against Payment Instruction**

HSB-85652, 25-MAR-1998,

Hang Seng Bank, London, U.K.

# 765, Copper Arch,

Charles Avenue,

Hong Kong,

ZIP 7890-542-02.

Sub: Our Instruction to Deliver Securities Against Payment.

Kind Attention Ms. Cheng Wen Lee,

Custody Services Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to deliver the securities against payment as per our instructions shown below:

**Table 28.9: Header Details**

Header	Details
Our Reference	000SES1980840007
Securities Identification	ISIN HK0043762191
	/HKD/1, SWIRE Properties Ordinary Registered.
Trade Date	20-MAR-1998
Place of Trade	Honk Kong Stock Market
Delivery Date	28-MAR-1998
Securities Book Value	500,000.00 HKD
Instructing Party	ABC Investments
Quantity of Securities	50,000 Shares
Safekeeping Account (Delivered from)	106789
Securities Certificate Numbers	SSE 120011 – SSE 120060 – 50 x 100 Share Certificates.

Header	Details
Receiver of Securities	W. I. Carr, Hong Kong
Beneficiary of Securities	Eastern Securities, Hong Kong
Beneficiary's Safekeeping Account (with Receiver of Securities)	987056
Securities Registration Details	Securities delivered are to be registered in favour of Eastern Securities, Hong Kong.
Securities Receipt Declaration Details	Share Certificates with numbers as shown above are to be delivered physically to the Receiver of Securities.
Account for Payment	9056-3428
Securities Deal Price	12 HKD
Securities Deal Amount	600,000.00 HKD
Other Charges/Fees	650 HKD
Securities Settlement Amount	599,350.00 HKD

## Other Information:

Please confirm the delivery and receipt of payment for above securities to us, by mail, at the earliest and revert to us if the Securities have not been delivered in 1 weeks time after the scheduled delivery date. Please intimate us about your transaction charges if any, for the above instruction.

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,  
For Merrill Lynch,  
New York, USA.

**28.3.7 Securities Receipt Free Confirmation**

SABR-4598, 25-JAN-1998,  
Salomon Brothers Inc., Melbourne  
# 45/2, Grand Strand, Australia.  
Wall Street,  
New York,  
USA.

Sub: Confirmation of Securities Receipt, Free of Payment.

Kind Attention Mr. Paul Adams,  
Settlements Officer,  
Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions, we have received the following securities free of payment as per the details shown below:

**Table 28.10: Header**

Header	Details
Our Reference	T7658
Your Reference	000SSPT980070021
Securities Identification	ISIN AUSBONDWAG02
	Western Australia Gold Mining Bonds
Trade Date	02-JAN-1998
Place of Trade	Sydney Stock Exchange
Delivery Date	15-JAN-1998
Next Coupon Due Date	31-JAN-1998
Securities Book Value	**1,500,000.00 AUD
Safekeeping Account (Deposited)	USSB7434 540

Header		Details
Securities Numbers	Certificate	AE 10001 to AE 10015 15 x 100,000 AUD worth Bond Certificates
Deliverer of Securities		Elders Finance Group, Sydney
Securities Reference	Deliverer's	RYZ843
Beneficiary of Securities		Fidelity Trust Limited, New York
Securities Registration Details		Securities received have been registered in the name of the Fidelity Trust Limited, New York.
Securities Declaration Details	Receipt	Certificate Numbers of Bonds have been delivered and match with the numbers mentioned in your instruction and the Certificates are in a good condition.

Other Information:

Please always quote Our Reference in all further correspondence regarding the above confirmation.

Thanking you,

For ANZ Banking Corporation Ltd.,

Australia.

## 28.4 Securities Receipt Against Payment Confirmation

GS-12684, 22-FEB-1998,

Goldman Sachs, Toronto, CANADA

# 602, South End Towers,

JFK Avenue,

New York,

U.S.A.

ZIP-897-643-260

Sub: Confirmation of Receipt of Securities Against Payment.

Kind Attention: Ms. Andy Ryan,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions to us, we have received the following securities against payment as per the details shown below:

**Table 28.11: Header**

Header	Details
Your Reference	16832
Our Reference	000SE01980380054
Securities Identification	ISIN CADBONDNWC01
	North Woods Canadian Minerals Ltd. Bonds
Trade Date	07-FEB-1998
Place of Trade	Toronto Stock Exchange
Delivery Date	22-FEB-1998
Next Coupon Due Date	30-JUN-1998
Securities Book Value	**5,000,000.00 CAD
Quantity of Securities	**5,000,000 Face Amount
Safekeeping Account (Deposited)	CAGS-BZ6782

Header		Details
Securities Numbers	Certificate	NWB 52011 to NWB 52060 50 x 100,000 CAD worth Bond Certificates
Deliverer of Securities		Rosedale Brokers Group, Toronto
Securities Reference	Deliverer's	56243
Beneficiary of Securities		Zerus Dynamic Fund Corporation
Securities Registration Details		Securities that have been received, are registered in the name of the Zerus Dynamic Fund Corporation.
Securities Declaration Details	Receipt	Certificate Numbers of Bonds delivered match with the numbers as indicated in your Instruction and the Certificates are in a good condition.
Account for Payment		643-982
Securities Deal Price		104 PCT – 104 Percent of Face Value
Securities Deal Amount		**5,200,000.00 CAD
Accrued Interest Amount		250,000.00 CAD
Accrued Interest Days		51 Days
Taxes Added		*85,000.00 CAD
Taxes Description		Stock Exchange Tax on Bonds Purchased.
Broker's Commission		*12,500.00 CAD
Other Charges/Fees		**2,500.00 CAD
Securities Deal Settlement Amount		**5,550,000.00 CAD
Own Charges		500 CAD
Net Proceeds		**5,550,500.00 CAD
Value Date of Payment		22-FEB-1998



## Other Information:

Our Charges for the above transaction carried out as per your earlier instruction is 500 CAD and has been debited to your payment account with us, value 22-FEB-98. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,  
For Citibank N.A.,  
Toronto, Canada.

**28.4.1 Securities Deliver Free Confirmation**

ML-450822, 10-JAN-1998,  
Merrill Lynch, Wellington,  
# 842/32, Barton Towers, NEW ZEALAND.  
Wall Street,  
New York,  
U.S.A.

Sub:Confirmation of Securities Delivered Free of Payment

Kind Attention:Mr. Hugh Stevens

Settlements Officer,  
Securities Department.

Dear Sir/Madam,

**Table 28.12: Header**

Header	Details
Your Reference	432765
Our Reference	000SEB7980040002
Securities Identification	ISIN NZDBONDWRP04
	Wellington Railway 1 Jan 1993 Bonds
Trade Date	02-JAN-1998
Place of Trade	Wellington Bonds Market
Delivery Date	10-JAN-1998
Next Coupon Number	021
Next Coupon Due Date	01-APR-1998
Securities Book Value	**1,000,000.00 NZD
Instructing Party	Charles S. Taylor
Quantity of Securities	**1,000,000.00 Face Amount
Safekeeping Account (Delivered from)	94763 88

Header	Details
Securities Certificate Numbers	NW 25401 to NW 25410 10 x 100,000 NZD worth Bond Certificates
Receiver of Securities	Westpac Banking Corporation, Wellington
Beneficiary of Securities	Magnus P. Taylor
Beneficiary's Safekeeping Account (with Receiver of Securities)	284564
Securities Registration Details	Securities Delivered have been registered in favour of Magnus P. Taylor
Securities Receipt Declaration Details	Bond Certificates with numbers as per your instruction have been delivered physically to the Receiver of Securities.

Other Information:

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Bank of New Zealand,

Wellington, NEW ZEALAND.

## 28.5 Securities Delivery Against Payment Confirmation

ML-450822,28-MAR-1998,

Merrill Lynch,Hong Kong

# 842/32, Barton Towers,

Wall Street,

New York,

U.S.A.

Sub: Confirmation of Securities Delivered Against Payment.

Kind Attention Mr. Hugh Stevens,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions to us, we have delivered the following securities against of payment as per the details shown below

**Table 28.13: Header**

Header	Details
Your Reference	689560-324
Our Reference	000SES1980840007
Securities Identification	ISIN HK0043762191
	/HKD/1, SWIRE Properties Ordinary Registered.
Trade Date	20-MAR-1998
Place of Trade	Honk Kong Stock Market
Delivery Date	28-MAR-1998
Securities Book Value	500,000.00 HKD
Instructing Party	ABC Investments
Quantity of Securities	50,000 Shares
Safekeeping Account (Delivered from)	106789
Securities Certificate Numbers	SSE 120011 – SSE 120060 50 x 100 Share Certificates.

Header	Details
Receiver of Securities	W. I. Carr, Hong Kong
Beneficiary of Securities	Eastern Securities, Hong Kong
Beneficiary's Safekeeping Account (with Receiver of Securities)	987056
Securities Registration Details	Securities delivered have been registered in favor of Eastern Securities, Hong Kong.
Securities Receipt Declaration Details	Share Certificates with numbers as indicated in your instruction to us, have been delivered physically to the Receiver of Securities.
Account for Payment	9056-3428
Securities Deal Price	12 HKD
Securities Deal Amount	600,000.00 HKD
Other Charges/Fees	650 HKD
Securities Settlement Amount	599,350.00 HKD
Our Charges	**1,250.00 HKD
Net Proceeds	600,600.00 HKD
Value Date of Payment	28-MAR-1998

## Other Information:

Our charges for the above transaction is 1,250.00 HKD and has been debited to the payment account, value 28-MAR-1998. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Hang Seng Bank,

Hong Kong.

### 28.5.1 Securities Notice of Rights Message

WARBURG-02424-JAN-1998

Warburg Securities, Sydney,

# 892, Trafalgar Square, Australia

Oxford Street,

London,

U.K.

ZIP- 6780-265

Sub: Notice of Rights declared.

Kind Attention Mr. William Smith,

Operations Head,

Securities Department.

Dear Sir/Madam,

Please be advised that Rights have been announced for the following Security with details as shown below:

**Table 28.14: Header**

Header	Details
Our Reference	000SE01980240004
Safekeeping Account	8745 762
Rights announced for Security	ISIN AU0000172510 Greater Perth Energy Generation Ltd.
Quantity of Security Eligible for Rights	8500 Shares
Right Expiry Date	20-FEB-1998
Rights Ex Date	01-FEB-1998
Your Response Deadline	18-FEB-1998, 1700 HRS GMT
Rights Exercise Payable Date	20-FEB-1998
Rights Record Date	19-FEB-1998
Identification of Rights	Greater Perth Energy Generation Ltd. Common Rights
Quantity of Rights Eligible	8500 Rights

---

Header	Details
Rights Subscription Ratio	1 Shares for every 5 Rights
Rights Subscription Price	40 AUD
Type of Rights	Saleable
Indicative Market Price for Rights	25 AUD
Pari Passu Date of Securities Exercised through Rights	15-MAR-1998

Other Information:

We are holding the above rights at your disposal and await your instructions. Please ensure that your instructions reach us before the response deadline as stated above.

Please quote Our Reference in all further correspondence relating to above Rights announcement.

Thanking You,

For National Australia Bank,

Sydney.

## 28.5.2 Securities Notice of Event Message

Chemical Bank,25-MAR-98,

# 890, Pearl Towers,New York

Lotus Avenue,

Tokyo,

Japan.

Sub: Notice of Securities Event

Kind Attention Mr. Nomura Shikara,

Operations Head,

Securities Department.

Dear Sir/Madam,

Please be advised and informed about the securities event with details as shown below:

**Table 28.15: Header**

Header	Details
Our Reference	000SE01980840021
Type of Event	Coupon Interest Rate Revision
Identification of Securities affected	ISIN USFRNICI0007 IC Industries Finance Corporation Guaranteed FRN 1996
Quantity of Securities	2,000,000.00 Face Amount
Event Narrative	Interest Rate for the Period 01-OCT-97 to 31-MAR-1998 has been fixed at 8%. Coupon Number 4 to be paid on 01-APR-1998 will be USD 44.55

Other Information:

We shall confirm the final coupon amount as soon as we receive the same.

Please quote Our Reference in all further correspondence relating to above announcement.

Thanking You,

For Chemical Bank,

New York,

USA

## 28.6 Securities Advice of Money Income

Chemical Bank,05-APR-98,  
# 890, Pearl Towers,New York  
Lotus Avenue,  
Tokyo,  
Japan.

Sub: Advice of Money Income from Securities -

Coupon Payment

Kind Attention Mr. Nomura Shikara,  
Operations Head,  
Securities Department.

Dear Sir/Madam,

Please be advised that the Coupon for Security with details as shown below has been paid:

**Table 28.16: Header**

Header	Details
Our Reference	000SE01980940021
Identification of Securities for which Coupon has been Paid	ISIN USFRNICI0007 IC Industries Finance Corporation Guaranteed FRN 1996
Securities Safekeeping Account	2938451
Quantity of Securities for which Coupon has been paid	2,000,000.00 Face Amount
Coupon Number Collected	004
Coupon Due Date	01-APR-1998
Coupon Interest Rate	8.00 Percent Per Coupon
Gross Amount	*89,100.00 USD
Our Charges	20.00 USD
Net Coupon Amount Proceeds	*89,080.00 USD
Value Date of Payment	01-APR-1998
Account Paid	218521

Other Information:

We have debited Our Income collection charges as indicated above. Please quote Our Reference in all further correspondence relating to above coupon payment.

Thanking You,

For Chemical Bank,



New York,  
USA

## 28.7 Securities Advice of Income in the Form of Securities

Credit Commercial de France, 15-APR-1998,

# 24, Kiosk Arcade, London.

Charles de Gualle Avenue,

Paris,

FRANCE.

ZIP-5690 456

Sub: Advice of Income in the Form of Securities - Bonus Issued.

Kind Attention Mr. Richard Gere,

Chief Dealer,

Securities Department

Dear Sir/Madam,

Please be advised about the Income in the form of Securities due to Bonus Securities issued with details as shown below:

**Table 28.17: Header**

Header	Details
Our Reference	000SE01981050024
Identification of Bonus Securities	Governor and Company, Ordinary Shares
Securities Safekeeping Account deposited	1792471
Quantity of Securities eligible for Bonus	4,000 Shares
Terms of Bonus	1 New Share for Every 2 Shares held
Bonus Record Date	12-APR-1998
Quantity of Bonus Securities Deposited	2000 Shares

Other Information:

Bonus Securities have been deposited in the Safekeeping account as indicated above. Please quote Our Reference in all future correspondence related to above Bonus Issue.

Thanking you,

For Royal Bank of Scotland,

London,

UK.

## Securities Advice of Redemption

Banque Paribas, 02-APR-1998

# 18, Band Strand, London.

Pisa Avenue,

Paris,

France

ZIP 654-420-08

Subject: Advice of Securities Redemption.

Kind Attention Mr. Charles Dalton,

Settlements Officer,

Securities Department.

Dear Sir/Madam,

Please be advised of Securities Redemption with details as shown below:

**Table 28.18: Header**

Header	Details
Our Reference	000SES8981050320
Identification of Securities being redeemed	UK Treasury Bonds 7 ¾ Percent 1993/1998
Securities Safekeeping Account	BP-SK-45678-3890
Quantity of Securities being Redeemed	1,000,000.00 Face Amount
Redemption Due Date	01-APR-1998
Redemption Terms	At PAR, Normal Redemption
Redemption Amount	1,000,000.00 GBP
Our Charges for Redemption Transaction	250.00 GBP
Net Amount	999,750.00 GBP
Account for Payment	BP-CA-45678-2468
Value Date of Payment	01-APR-1998

### Other Information:

We have credited your account with us as per the details shown above. Please quote Our Reference in all further correspondence in relation to the above redemption.

Thanking you,

For Midland Bank,

London,

UK.

## 28.8 Securities Request for Statement Message

CC-298402,05-APR-1998,

Credit Commercial de Paris,London.

# 56A, Tuxedo Towers,

Governor Avenue,

Paris,

France.

ZIP-348-598-02

Subject: Request for Securities Statement.

Kind Attention Ms. Paula Felletti,

Custody Accounts Officer,

Securities Safekeeping Department.

Dear Sir/Madam,

We hereby request you to send us a Securities Statement as per the details shown below:

**Table 28.19: Header**

Header	Details
Our Reference	000SES8981050320
Securities Safekeeping Account for which Statement is being requested	40596832
Identification of Securities for which Statement is requested	ISIN FR0000771617 ELF AQUITAINE Shares
Securities Statement Type Requested	Statement of Transactions
Securities Statement Period Requested	01-JAN-1998 to 31-MAR-1998
Securities Statement Media	By Mail

Other Information:

Please inform us about transaction charges if any, for the above securities statement request.

Please quote Our Reference in all further correspondence in relation to the above message.

Thanking you,

For Royal Bank of Scotland,

London,

UK.

## 28.9 Securities Statement of Holdings

PB-20987002-APR-1998,  
 Prudential Bache Securities International, Singapore  
 # 280, Symphony Towers,  
 Sunrise Avenue,  
 New York,  
 USA.  
 ZIP 4650-248-07.

Subject: Securities Statement of Holdings

Kind Attention Mr. Jonathan Smith,  
 Senior Treasury Officer,  
 Portfolio Management Services.

Dear Sir/Madam,

Please find attached herewith the Securities Statement of Holdings of your Safekeeping Account with us

**Table 28.20: Header**

Header	Details
Our Reference	000SE01980610002
Safekeeping Account	35746-978
Securities Statement as of Date	02-APR-1998
Statement Preparation Date	02-APR-1998
Statement Reference Currency	USD
Securities Statement Number	24

**Table 28.21: Securities**

<b>Identification of Securities</b>	<b>Security Type</b>	<b>Market Price per Unit</b>	<b>Value in Security Currency</b>	<b>Exchange Rate</b>	<b>Value in Statement Reference Currency</b>
ISIN SG0000682341 Plastic Fabrication and Molding Corporation	Shares	67.25 SGD	403,500.00 SGD	1.75	706,125.00 USD
ISIN SG0000764341 Tribeca Device Assembler Corporation Limited	Shares	6.375 SGD	98,493.75 SGD	1.75	172364.06 USD
ISIN SG0000988721 Singapore Precision Computing Inc.	Shares	22.50 SGD	225,000.00 SGD	1.75	393,750.00 USD
ISIN SG0000698791 Tawdry Textiles and Fashion Corporation Limited.	Shares	10.25 SGD	12,300.00 SGD	1.75	21,525.00 USD
Total Value of Securities			739,293.75 SGD		1,293,764.06 USD

**Other Information:**

Please revert back to us within 15 days from statement date, in case of any discrepancies in the above Securities Statement of Holdings. Please always quote Our Reference in all further correspondence with respect to above Securities Statement of Holdings.

Thanking you,

For DBS Bank Ltd.,  
Singapore.

## 28.10 Securities Statement of Transactions

RBC-9823508-APR-1998,  
Royal Bank of Scotland, Paris  
Nestor House,  
Playhouse Yard  
London,  
UK  
ZIP 2850-2465

Subject: Securities Statement of Transactions.

Kind Attention Mr. Raymond Sinclair,  
Treasury Officer,  
Securities Settlements Department.

Dear Sir/Madam,

Please find enclosed herewith the Securities Statement of Transactions for your safekeeping account with us.

**Table 28.22: Statement of Transactions**

Our Reference	000SEBN98			
Safekeeping Account	40596832			
Statement Period Start	01-JAN-1998			
Statement Period End	31-MAR-1998			
Statement Preparation Date	08-APR-1998			
Identification of Securities	ISIN FR0000771617 ELF AQUITAINE Shares			
Security Currency	FFR			
Security Denomination	Units			

Posting Date	Securities Transaction Type	Securities Movement	Your Reference	Our Reference	Quantity	Balance
01-JAN-1998	Opening Balance					20,000
02-JAN-1998	Regular Buy	IN	43598T	000SE0198 0020021	2,000	22,000
07-JAN-1998	Regular Sell	OUT	3475FL	000SE0198 0080007	3,000	19,000
15-JAN-1998	Regular Sell	OUT	P94860	000SE0198 0150002	1,500	17,500
28-JAN-1998	Regular Buy	IN	484820	000SE0198 0280024	5,000	22,500
05-FEB-1998	Regular Buy	IN	B84759	000SE0498 0360032	3,570	26,070
24-FEB-1998	Regular Buy	IN	TT94857	000SE0598 0550021	4,000	30,070
09-MAR-1998	Regular Buy	IN	K93529	000SE0798 0680050	15,000	45,070
16-MAR-1998	Regular Sell	OUT	180239	000SE0598 0750022	8,000	37,070
28-MAR-1998	Regular Buy	IN	134811	000SE0898 0870009	7,500	44,570
31-MAR-1998	Closing Balance					44,570

## Other Information:

Please revert back within 15 days of statement date in case of any discrepancies found in the above Securities Statement of Transactions. In the absence of any queries from your side, we shall assume that the above information shown is correct and is a true representation of transactions processed for the safekeeping account.

Please quote Our Reference in all further correspondence in relation to above Securities Statement of Transactions.

Thanking you,

For Credit Commercial de France,

Paris,

France

### 28.10.1 Securities Statement of Pending Transactions

PB-20987008-APR-1998,

Prudential Bache Securities International, Singapore.

# 280, Symphony Towers,

Sunrise Avenue,

New York,

USA.

ZIP 4650-248-07.

Subject: Securities Statement of Pending Transactions.

Kind Attention: Mr. Jonathan Smith,

Senior Treasury Officer,

Portfolio Management Services.

Dear Sir/Madam,

In response to your request, please find attached herewith the Securities Statement of Pending Transactions of your Safekeeping Account with us.

**Table 28.23: Security Statement**

<b>Our Reference</b>	<b>000SEBN980980018</b>			
Safekeeping Account	35746-978			
Statement as of Date	31-MAR-1998			
Statement Preparation Date	08-APR-1998			



Identificati on of Securities	Reason for Pending Status	Your Reference Our Reference	Counterpar ty	Quantity of Securities	Settleme nt Date	Settlem ent Amount
ISIN SG0000768 661 Poinsetta Start Shipping Ltd. Common Shares.	Settlement Date is in the Future.	74365 000SE059807 50001	Merill Lynch International Bank, Singapore.	5,000	15-MAY-19 98	64,123.5 0 SGD
ISIN SG0000572 321 Singapore Internationa l Trading Corporation Shares.	Instructions does not match Counterparty Instructions	879732 000SE089804 50008	Royal Bank of Canada, Singapore	2,500	25-MAR-1 998	32,500.0 0 SGD
ISIN SG0000572 321 Singapore Internationa l Trading Corporation Shares.	Deliver Against Payment Instructions Failed as Funds were not delivered	234328 000SE099805 10024	Society General, Singapore.	3,600	28-MAR-1 998	52,750.0 0 SGD

## 28.10.2 Other Information

Please revert back to us in case of any discrepancies in the above securities statement of pending transactions.

Please quote Our Reference in all future correspondence in relation to the above securities statement of pending transactions.

Thanking You,

For Development Bank of Singapore,  
Singapore.

---

## 29. Making Queries

### 29.1 Introduction

In the Securities module of Oracle Banking Treasury Management you can query information on:

- SK security movements
- SK location balances
- Portfolio security movements
- Portfolio balances

Whenever you are in the Summary View screen, you can query to see specific information. The Query screen is displayed. Specify the criteria based on which information is to be displayed. For instance, you may want to know whether a specific external customer, has any accounts in a particular SK location and what is the exposure line. Specify the criteria in the query screen according to the procedure mentioned. This has been described in a later section of this chapter.

### 29.2 Details of Securities Safe Keeping Movements

This topic contains following sub-topics:

- 1) [Process Securities Safe keeping Movements](#)
- 2) [The Other Query Screens](#)
- 3) [Ordering](#)

#### 29.2.1 Process Securities Safe keeping Movements

This topic describes the systematic instructions to process securities safe keeping movements.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SESXSKMV** in the text box, and click next arrow.

STEP RESULT: **Securities Safe Keeping Movements Summary** screen is displayed.

**Figure 29.1: Securities Safe Keeping Movements Summary**

2. On **Securities Safe keeping Movements Summary** screen, specify the fields.

Query on the details of security movements from one SK location to another. You can do so, through the Securities Safe Keeping Movements Summary screen.

To view the movement of securities (from one SK location to another) based on more than one criterion, specify all the relevant criteria. For example, you may want to view details of movement for all securities with the security currency USD, having a Value date 31-JAN- 2000, for the SK account ACBNK4. To make such a query, choose SCY under Fields, Equal To under Operator and USD under Value. Click the 'Accept' button. Then click on the 'Add' button. Repeat the procedure with the criteria value date and SK account number clicking on the 'Accept' button and 'And' button after specifying the value date and account number respectively. The query will be displayed in the Query screen. To query for more than one SK account (the other two criteria being the same) click the 'Or' button and specify the next account number.

Check it for correctness and click 'Ok' button. The SK Movements Summary screen will display only those securities in USD for the account ACBNK4 with a Value date equal to 31- JAN-2000. To view the details of a particular SK location highlight the SK location code and double click on the selected record. The details of securities lodged/withdrawn in that particular location will be displayed. If you want to view the latest details click 'Refresh' button.

## 29.2.2 The Other Query Screens

Similarly you can query on the following:

- The balances in a particular SK location.
  - Current position
  - Current holding
  - Opening position
  - Opening holding

- The movement of securities within portfolios:
  - Opening balance
  - Closing balance
  - Movements as of
- The balance in a particular portfolio:
  - Current position
  - Current holding
  - Opening position
  - Opening holding

### 29.2.3 Ordering

To view a display of the fields in the Summary View, in the ascending or descending order. Suppose in the Portfolio Balances Summary screen you want to see the Security ID for all the portfolios in a descending order. Highlight the field Security ID from the Fields list and click on it. In the Operator option list, choose Order By. The Value list contains the options:

- Ascending
- Descending

Click the option of your choice, say, Descending. Click the 'Accept' button. The following is displayed in the Ordering screen: SECURITY\_ID Desc Click 'Ok' button. The details of securities in their respective portfolios will be displayed in the descending order, in the Portfolio Movements Summary screen. If you decide to cancel the ordering you have specified, click 'Clear Order By' button. The screen clears and you can specify a new order.

## 29.3 Process Portfolio Security Movements

This topic describes the systematic instruction to process portfolio security movements.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. From Homescreeen, specify **SESXPFMV** in the text box, and click next arrow.

STEP RESULT: **Portfolio Securities Movements Summary** screen is displayed.

**Figure 29.2: Portfolio Securities Movements Summary screen**

2. On **Portfolio Securities Movements Summary** screen, specify the fields.

In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Value Date
- Portfolio Id
- Portfolio Reference

Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

- Branch Code
- Portfolio Id
- Portfolio Description
- Portfolio Type
- Security Id
- Security Description
- Security Currency
- Value Date
- Portfolio reference

- 
- Opening Balance
  - Closing Sec Balance
  - Movements As Of Today

**NOTE:** For more information on the Query option please refer to the chapter on queries in the Common Procedures manual of Oracle Banking Treasury Management.

## 29.4 List of Glossaries - Making Queries

### **SESXSKMV**

Securities Safe Keeping Movements Summary screen - [29.2.1 Process Securities Safe keeping Movements](#) (p. 428)

### **SESXPFMV**

Portfolio Securities Movements Summary - [29.3 Process Portfolio Security Movements](#) (p. 430)

## 30. Handle Repos

### 30.1 Introduction

Securities repurchase agreements (referred to as Repos) are entered into to raise money, or meet your Central Bank statutes. To invest short-term surplus funds, at minimal risk, reverse Repo transactions are entered into. The Repo and reverse Repo transactions are similar to money market transactions. In Oracle Banking Treasury Management, they are handled in the same manner as the money market placement and borrowing transactions. The setup, maintenance, and processing functions discussed in the Money Market user manual also apply to Repos. However, you would have to maintain a few additional details in Oracle Banking Treasury Management to handle Repo transactions. In this chapter, we shall discuss only those additional details that need to be maintained. Refer to the Money Market user manual for a detailed discussion of the other set up, maintenance, and processing functions. This chapter contains the following sections:

This topic contains the following Sub-topics:

- 1) [Products](#)
- 2) [Capture Details of Repo Contract](#)
- 3) [Upload Deals of Amendment](#)
- 4) [Maintain Asset - Liability Linkage](#)

### 30.2 Products

This topic contains following sub-topics:

- 1) [Maintain Product](#)
- 2) [Process Securities Repo Production Definition Details](#)
- 3) [Process Interest Details](#)

#### 30.2.1 Maintain Product

A Repo Product is a category or a type of Repo transaction. For instance, you can classify Repo transactions involving short-term zero-coupon bonds, as a Repo product in Oracle Banking Treasury Management. Similarly, you can classify reverse Repo transactions, involving customer portfolios at your bank, as a reverse Repo product. A product, thus, serves to classify the Repo transactions that you enter into. You can define certain attributes for a product that you create. Attributes are qualities that you define for a product. The following are some of the attributes that can be defined for a product:

- The product type (whether a Repo or a Reverse Repo product)
- The interest and charges that you would like to levy on Repo deals involving the product
- The tax (es) that apply on the deals involving the product
- The type of accounts and the GL/SLs to which the accounting entries have to be posted
- The advices to be generated at different points in the life cycle of deals involving the product

- The Management Information System (MIS) details

The attributes that you define for a Repo product, will be inherited by all Repo transactions involving the product. However, when entering a specific transaction, you can change its attributes.

### 30.2.2 Process Securities Repo Production Definition Details

This topic describes the systematic instructions to process securities Repo product definition screen.

1. On Homescreen, specify **SRDPRMNT** in the text box, and click next arrow.

STEP RESULT: **Securiy Repo Product Definition** screen is displayed.

**Figure 30.1: Securities Repo Product Definition**

2. On **Security Product Definition** screen, specify the fields.

For more information on fields, refer [Table 30.1: Securities Repo Product Definition - Field Description](#)

In the Product Definition screen, enter the basic information about a product like the Product Code, the Description, etc. Information relating to specific attributes of a product can be defined in subsequent screens. For further information on the generic attributes that you can define for a product, please refer the following Oracle Banking Treasury Management User Manuals under Modularity:

- Product Definition
- Tax



**Table 30.1: Securities Repo Product Definition - Field Description**

Field	Description
Product	A product that you are defining can belong to either of the following types: <ul style="list-style-type: none"> <li>• Repo</li> <li>• Reverse Repo</li> </ul>

3. On **Securities Repo Product** Screen, click **Discount**.

STEP RESULT: Discount Accrual preference Association screen is displayed.

**Figure 30.2: Discount Accrual Preference**

4. On **Discount Accrual preference** Screen, specify the fields.

Specify the fields.

Select the denominator method from the adjoining drop-down list. This list displays the following values:

- 360
- 365
- 364

5. On **Securities Repo Product Definition** screen, click **Preferences**.

STEP RESULT: **Preferences** screen is displayed.

**Figure 30.3: Preferences**

**Preference**

**Preferences**

Payments

- ☐ Allow Brokerage
- ☐ Pay Past Schedules
- ☐ Prepayment Penalty
- ☐ Track Accrued Interest
- ☐ Forward Dating Allowed
- ☐ Tax Applicable
- ☐ Allow Rollover
- ☐ Automatic Liquidation
- ☐ Intra-day Deal
- ☐ Verify Funds For Principal
- ☐ Verify Funds for Interest
- ☐ Verify Funds For Penalty Amount

Product Code

**Accrual**

Frequency \*

Start Month

Start Date

**Tenor**

Minimum

Default

Maximum

Unit

**Rate Variance**

Normal Rate Variance

Maximum Rate Variance

Rollover Details | Schedules | Liquidation Order | Grace Days

Ok Exit

6. On the Preferences screen, specify the details as required.  
For information on fields, see the below table

Table 30.2: Preferences - field Description

Field	Description
<b>Payments</b>	<p>Specify whether the payment method for the main interest (specified while defining attributes for the interest, commission, charge or fee) components is to be bearing, discounted or true discount. This cannot be changed at the time of processing a deal.</p> <p><b>Bearing:</b> The interest is liquidated on the scheduled payment date(s). For example, you have made a placement USD 100,000 for Greenville Global Bank at 20% interest for a month. Now, under the bearing type of interest payment method, the placement of USD 100,000 is advanced to Greenville Global Bank, and the interest on it is collected over the one month which is the tenor of the placement.</p> <p><b>Discounted:</b> In this interest payment method, the interest is deducted from the principal at the time of initiating the deal. Carrying forward the example of the placement for Greenville Global Bank of USD 100,000 at 20% interest for a month, under the discounted type of interest payment, the total interest calculated for the tenor of the deal, that is one month, USD 1,666.67 is deducted from the principal (USD 100,000) and only USD 98,333.33 is advanced.</p> <p><b>True discounted:</b> In this interest payment method, the interest is calculated on the principal in a manner differing slightly from the 'Discounted' method. The interest rate is applied to the Principal instead of Nominal, as it is done in the 'Discounted' method. For example, in the case of Greenville Global Bank's placement of USD100,000 at 20% interest for a month, under the true discounted type of interest payment, the interest calculated on the principal, USD 98,333.5, (arrived at after deducting 20% interest on the nominal) is deducted from the nominal (USD 100,000) and USD 98,360.66 is advanced. This forms the actual principal of the deal.</p>

Field	Description
Frequency	<p>This is a Mandatory Field. Define the frequency at which you would like to accrue the components. The frequency is one of the following:</p> <ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half-yearly</li> <li>• Yearly</li> </ul> <p>When you run the Automatic Contract Update function at the end of the day, the system carries out the accruals according to the frequency that you specified. However, if the accrual date falls on a holiday, then the accruals are done as per your holiday handling specifications in the Branch parameters screen. That is:</p> <ul style="list-style-type: none"> <li>• If you have specified that automatic events are to be processed for a holiday(s) on a working day before the holiday, the accruals falling due on holiday (s) are processed during end-of-day processing on the last working day before the holiday.</li> <li>• If you have specified that the automatic events are to be processed for a holiday(s) on a working day following the holiday, the automatic events falling due on holiday (s) are processed on the next working day, during the beginning of day processing.</li> </ul>
Local Holiday	Select this check box, to execute the local holiday validation of the date and movement of schedules.
Currency Holiday	Select this check box, to execute the currency holiday calendar validation of the dates and movement of schedules.
Financial Center Holiday	Select this check box, to execute the financial center holiday calendar validation of the dates and movement of schedules.

### 30.3 Capture Details of Repo Contract

This topic describes the systematic instruction to capture details of Repo Contract.

#### CONTEXT:

When you enter into a repo (or reverse repo) deal, you must associate it with a product that you have maintained. By default, a deal inherits all the attributes of the product with which it is associated. Most deal details are captured for the product the deal involves. These details default to the deal. You can capture the details of repo deals in the Securities Repo – Online screen.

1. On Homescreen, specify **SRDTRONL** in the text box, and click next arrow.

**STEP RESULT:** **Securities Repo Contract Online** screen is displayed.

**Figure 30.4: Securities Repo Contract Online**

Securities Repo Contract Online

New Enter Query

Product Code \* \_\_\_\_\_ Version Number ◀ \_\_\_\_\_ Of ▶ \_\_\_\_\_

Product Description \_\_\_\_\_

Source \_\_\_\_\_

Dealer \_\_\_\_\_

Broker \_\_\_\_\_

Deal Input Time \_\_\_\_\_

Reject Reason \_\_\_\_\_

Contract Reference Number \* \_\_\_\_\_

User Reference Number \_\_\_\_\_

External Reference Number \_\_\_\_\_

Reversal reference Number \_\_\_\_\_

Outstanding Amount \_\_\_\_\_

**Contract** Schedules Rollover Preferences

Customer Number \* \_\_\_\_\_

Customer Name \_\_\_\_\_

Currency \* \_\_\_\_\_

Amount \* \_\_\_\_\_

Local Currency Amount \_\_\_\_\_

Line \_\_\_\_\_

Interest Period Basis Include From Date

Payment Method

Schedule Type

Tax Scheme

Contract Derived Status

Remarks

**Settlement Details**

Debit Branch \_\_\_\_\_

Debit Account \_\_\_\_\_

Debit account Description \_\_\_\_\_

Credit Branch \_\_\_\_\_

Credit Account \_\_\_\_\_

Credit Account Description \_\_\_\_\_

Liquidation ☒ Auto ☐ Manual

Rollover Allowed ☒ Yes ☐ No

**Dates and Maturity**

Original Start Date YYYY-MM-DD

Booking Date YYYY-MM-DD

Value Date \* YYYY-MM-DD

User Maturity Date YYYY-MM-DD

Maturity Date YYYY-MM-DD

Notice Days \_\_\_\_\_

Intra Day YYYY-MM-DD

Tenor \_\_\_\_\_

Maturity Type ☒ Fixed ☐ Notice ☐ Call

**Rounding Details**

☐ Rounding Required

Rounding Rule Truncate

Decimals \_\_\_\_\_

Units \_\_\_\_\_

**Reporting Details**

Currency \_\_\_\_\_

Amount \_\_\_\_\_

Outstanding Amount \_\_\_\_\_

Holiday Currency | Events | Brokerage | Effective Interest Rate | Accrual | Linked Entities | Change Log | Revision Details | Repo |

Reverse Repo | Settlement | Split | Messages | Interest | Charges | Tax | MIS | Fields | Holiday Preferences

Input By \_\_\_\_\_ Checker \_\_\_\_\_

Date Time \_\_\_\_\_ Date Time \_\_\_\_\_

Exit

---

2. On **Securities Repo Contract** screen, specify the fields.

At the time of saving a Securities Repo contract, the system will pass certain information about the Securities Repo contract to the FATCA accounts and obligations maintenance for the customer. This will be done if the beneficiary account's customer has a reportable FATCA classification and if the Securities Repo product used to book the contract is present in the FATCA Products, account class, and Instruments maintenance. If the SR contract is closed or liquidated completely, then the corresponding row in FATCA accounts and obligations maintenance will be archived. If you delete the SR contract before authorization, then you should also delete corresponding entry in FATCA accounts and obligations maintenance. In this screen, you should specify the following details:

- The Portfolio ID in which you would like to block securities (this specification is not mandatory for a reverse repo deal that involves a walk-in customer)
- The Security ID(s) that you would like to block
- The SK Location and the SK Account where the security to be blocked is held
- The format of each security (scrip-based, dematerialized, immobilized, etc.)
- The Number of Units of each security that you are blocking
- If the underlying security is defined with a series redemption, the series
- Settlement details like the credit/debit branch, booking date, value date, original start date, user input maturity date and liquidation mode. In an outgoing MT518 message, this maturity date is captured in field 98a. Field 98a is sequence B is generated with only option A.

**Table 30.3: Security Repo Contract - Field Description**

Field	Description
<b>Source</b>	Indicate the source from which contracts have to be uploaded. If this value is left null, then you will not be able to amend the contract. Amendment for the contract can be uploaded only through the same source as that used for creation.
<b>Deal Input Time</b>	This field captures the deal execution time at the time of deal booking received from front office. Format: YYYY-MM-DD HH:MM:SS:SSS (Default). Here SSS is milliseconds. <b>NOTE:</b> The above date format can be changed in the user setting option based on requirement. System throws an error when you give the wrong date or time format on modification.
<b>Reject Reason</b>	Specify the Reject reason Code for payment reversal message. The option list displays all valid code maintained in the system. Choose the appropriate one.
<b>External reference Number</b>	If the transaction is being uploaded from an external source, you can specify the identification for the transaction in the external source, as the external reference number. You cannot amend this value post contract save.
<b>Reversed FCC Ref</b>	The reference number of the contract that is being reversed and rebooked is displayed here. To enable amendment of SR Contract details Oracle Banking Treasury Management will reverse the old contract and rebook a new contract with the old user reference number and external reference number. The old contract is reversed and a new contract is booked with Reversed FCC ref as the parent contract.

Field	Description
<b>Interest Basis</b>	<p>The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. You can choose to change it. The following are the options available:</p> <ul style="list-style-type: none"> <li>• 30(Euro)/360</li> <li>• 30(US)/ 360</li> <li>• Actual/360</li> <li>• 30(Euro)/365</li> <li>• 30(US)/365</li> <li>• Actual/365</li> <li>• 30(Euro)/Actual</li> <li>• 30(US)/Actual</li> <li>• Actual/Actual</li> <li>• 30(Euro)/364</li> <li>• 30(US)/ 364</li> <li>• Actual/364</li> </ul> <p>The value of interest basis maintained here is used for calculating interest for repo contract.</p>

3. On **Security Repo Contract Online** screen, click **Interest**.

STEP RESULT: **Interest** screen is displayed.



Figure 30.5: Interest

ICCF

Contract Reference

Main View Details

1 Of 1

Component

Currency

Event

Rate Type

Maximum Rate

Minimum

Grace Period

No Interest/Profit

Rate

Rate Code

Spread Adjustment

Waived

Discount

Amount

Component Description

Accrued Amount

Event Description

Accrual Required

Spread

Denominator Basis

Basis 366

Minimum Spread

Maximum Spread

Customer Margin

Effective Interest Rate

Negative Interest Allowed

External Pricing

**Floating Rate Details**

Interest/Profit Basis

Reset Tenor

Indicator

Fixing Date Movement

Rate Calculation Type

Code Usage

Rate Fixing Days

Alternative Risk-Free Rate

**Alternative Risk-Free Rate Preferences**

Lookback

Payment Delay

Lockout

Interest Rollover

Last Reset

Last Recent

Plain

Lookback Days

Payment Delay Days

Lockout Days

Base Computation Method

Spread/Margin Computation Method

Spread Adj Computation Method

Rate Compounding

Ok Exit

4. On **Interest Details** screen, specify the fields.

**Interest Details - Field Description**

Field	Description
<b>Interest Basis</b>	<p>The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. You can choose to change it. The following are the options available:</p> <ul style="list-style-type: none"> <li>• 30(Euro)/360</li> <li>• 30(US)/ 360</li> <li>• Actual/360</li> <li>• 30(Euro)/365</li> <li>• 30(US)/365</li> <li>• Actual/365</li> <li>• 30(Euro)/Actual</li> <li>• 30(US)/Actual</li> <li>• Actual/Actual</li> <li>• 30(Euro)/364</li> <li>• 30(US)/ 364</li> <li>• Actual/364</li> </ul> <p>For further information refer the section 'Specifying Interest Details' in the 'Capturing Details of Deposit' chapter in the 'Deposits' User Manual.</p>

5. On the **Securities Repo Contract Online** screen, click **Split**.

STEP RESULT: **Split Settlement** Screen is displayed.

**Figure 30.6: Split Settlement**

The screenshot shows the 'Split Settlement' window. At the top, there is a 'Contract Reference' field. Below it, the 'Split Settlement' section contains a table with columns: Amount Tag, Currency, and Basis Amount. The table is currently empty. Below this, the 'Split Settlement Details' section contains a table with columns: Sequence Number, Branch, Customer, Account Currency, and Account. This table is also empty. At the bottom right, there are 'Ok' and 'Exit' buttons.

6. On the **Split Settlement** screen, select a contract.
7. On the **Split Settlement** screen, under the Split Settlement Details, click the Plus symbol.

STEP RESULT: A new row is added under Split Settlement Details as shown in below.

**Figure 30.7: Split Settlement with a new row added**

The screenshot shows the 'Split Settlement' window with the 'Contract Reference' field populated with 'MM5APM1210911001'. In the 'Split Settlement Details' section, a new row has been added to the table. The row contains the following data: Sequence Number (checked), Branch (MM5), Customer (013510), Account Currency (blank), and Account (blank). A red box highlights the Plus symbol (+) in the top right corner of the table, indicating where the new row was added. At the bottom right, there are 'Ok' and 'Cancel' buttons.

**NOTE:** This process of splitting the settlements for a contract is allowed on the principal, Interest (Anticipated Interest for new contracts), and charges.

8. Choose the Account Currency, Account, and other necessary details, to create a split.
  - For every Settlement contract the system allows a maximum of twelve splits.

- In case of auto-liquidation, you must unlock the contract and register the split, upfront, that is prior to auto-liquidation. The provision to update, 'split settlement' for interest component, is available only after save and first authorization. SGEN is generated for each split amount. System will suffix the reference number in field 21 of MT202 and MT202COV with a hyphen followed by a running sequence number for each SGEN.
- Only if split settlement details are available, system will process the transaction accordingly, else the payment/settlement is treated as a single payment transaction
- If you are splitting the contract during the rollover, the application considers the latest available split details and process the liquidation amount, if any. If split settlement details are not available, the transaction (partial (liquidation as part of rollover) is treated as normal/regular/non-split liquidation. The split is allowed in manual rollover as well.
- For a single component, you can split the settlement amount and use the same settlement account more than once. There is no restriction on the repetition of split settlement amount for the same NOSTRO/settlement account.
- Cross currency split settlement is supported. The 'Amount' field/column in the 'Split' tab is, by default, in the contract currency (though not evident in the User Interface). The currency of the settlement account can be in a different currency. The converted amount has to be viewed in the accounting entries as part of Events tab only.
- Appropriate Amount tags, for each component like principal, interest and charges, are made available at the relevant event(s) for enriching the split settlement details.

FOR EXAMPLE:

<b>Contract Booking</b>									
Master Component		Basis amount							
MMINTCLS_LIQD		100							
Split Component		Split Amount							
MMINTCLS_LIQD_S01		60							
MMINTCLS_LIQD_S02		30							
MMINTCLS_LIQD_S03		10							
<b>Test Case 1</b>									
During LIQD Calculated Interest Liquidation = 110									
(i.e) actual calculated amount is greater than amount given on booking $110 - 100 = 10$									
Accounting entry posting									
MMINTCLS_LIQD_S01		60							
MMINTCLS_LIQD_S02		30							
MMINTCLS_LIQD_S03		$10 + 10 = 20$							
When the difference amount is greater it will be added to last account always									
<b>Test Case 2</b>									
During LIQD Calculated Interest Liquidation = 95									
(i.e) actual calculated amount is lesser than amount given on booking $95 - 100 = -5$									
Accounting entry posting									
MMINTCLS_LIQD_S01		60							
MMINTCLS_LIQD_S02		30							
MMINTCLS_LIQD_S03		$10 - 5 = 5$							
When the difference amount is lesser it will be subtracted to last account									
<b>Test Case 3</b>									
During LIQD Calculated Interest Liquidation = 70									
(i.e) actual calculated amount is lesser than amount given on booking $70 - 100 = -30$									
Accounting entry posting									
MMINTCLS_LIQD_S01		60							
MMINTCLS_LIQD_S02		$30 - 20 = 10$							
MMINTCLS_LIQD_S03		$10 - 10 = 0$						Will not be posted in accounting entry	
When the difference amount is lesser it will be subtracted from last account in descending order									

## 30.4 Holiday Preference

CONTEXT:

Financial center holidays are validated during contract input for SR deals. Users should modify the dates appropriately during deal input.

Financial center holidays are validated during contract input for transactions received through interface. Appropriate validation message(s) are returned to the interface.

1. On the **Securities Repo Contract Online** screen, click **Holiday Preference**.

STEP RESULT: **Holiday Preference** screen is displayed

**Figure 30.8: Holiday Preference**

2. On the **Holiday Preference** screen, specify the details as required.

For more information on Holiday Preference, see the section: [19.13 Holiday Preference](#)

## 30.5 Process Details of Repo Contract

This topic describes about the systematic instruction to process details of Repo Contract

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SESTRONL** in the text box, and click next arrow.

STEP RESULT: **Securities Instrument Definition Summary** screen is displayed.

**Figure 30.9: Securities Instrument Definition Summary**

2. Click **Search** to view all the pending functions. However, you can to filter your search based on any of the following criteria:

#### Recommended Fields

- Authorization Status
- Status
- User reference
- Product
- Customer
- Currency
- Booking Date
- Maturity date
- Related reference

When you click 'Search' button the records matching the specified search criteria are displayed. For each record fetched by the system based on your query criteria, the following details are displayed:

- Authorization Status
- Record Status
- Internal Security Id
- ISIN Identifier
- Product
- Security Reference
- Security Type
- Interest Type
- Market of Issue

- 
- Issuer Code
  - Registered/Bearer
  - Form Type
  - Quantity Quotation
  - Price Quotation
  - Interest Quotation
  - Renouncable
  - Security Currency
  - Payment Currency
  - Security Description
  - Issue Date
  - Start of Trading Date
  - Redemption Date
  - Maker Id
  - Checker Id

## 30.6 Upload Deals of Amendment

From an external system, you can upload Securities Deals that require amendment in Oracle Banking Treasury Management. The system will distinguish between the new and the deals that require amendment based on the action code of the uploaded record. For a contract requiring amendment, the action code will be 'AMND'. If the action code is 'AMND', Oracle Banking Treasury Management will first check whether the deal exists in the system or not. If it does not exist in the system, an error message will be displayed to notify that the deal cannot be amended. The Reference Number provided by the external system has to same if it is a new deal or if it is an amendment to an existing deal. When you upload a new deal, the Reference Number will be displayed in the User Reference Number field for that deal. The User Reference Number will be the basis for checking whether the deal exists or not. The upload for contract amendment will trigger the 'AMND' event. The same event is triggered even when the amendment is done in the 'Contract Online' screen.

The fields that can be amended for a Securities Repo Deal are as follows:

- Verify Funds For Principal
- Verify Funds For Interest
- Verify Funds For Penalty Amount
- Verify Funds
- Holiday Currency
- Holiday Months
- Move Forward
- Move Payment Schedules
- Move Revision Schedules
- Move Disbursement schedules

- 
- Receivable Tracking Parameters
  - Liquidation – Auto/Manual
  - Status Control – Auto/Manual
  - Exposure Category
  - Risk Free Exposure Amount.
  - Internal Remarks
  - Demand Basis
  - Schedule Details
  - Settlement Details
  - The amendments through upload of the following fields are considered as financial amendment:
  - Currency
  - Counterparty
  - Amount
  - Booking Date
  - Value Date
  - Cr/Dr Branch Code
  - Cr/Dr Account Number
  - Holiday Currency
  - Commitment (Revolving/ Non- revolving)
  - Maturity Type
  - User Input Maturity Date

**NOTE:**

- If the request received has settlement details, then the values sent as part of the upload should be uploaded.
- If Settlement Details are not sent and are maintained in the list of amendable fields, then the details corresponding to the parent contract is copied to the child contract.
- In case the request is a financial amendment, then the contract is reversed and rebooked. If it is non-financial amendment, then the normal amendment procedure is followed.
- In case of financial amendment, Settlement Instructions requires a special handling.



- The financial amendment can be done only through upload and not through frontend.

However, if the SGEN message is already generated then financial amendment upload is not allowed.

For amending a contract, if the source is null, it indicates that the contract is created in Oracle Banking Treasury Management and you are not allowed to amend. If the value is not null, then you are allowed to amend a contract.

## 30.7 Security Repo VAMI

This topic provides the instructions to capture the Security Repo Vami details.

1. On Homescreen, specify **SRDXVMND** in the text box, and click the next arrow.

STEP RESULT: **Security Repo Vami** screen is displayed.

**Figure 30.10: Security Repo Vami**

2. On the Security Repo VAMI screen, specify the details as required.

### 30.7.1 Split Settlements

This topic describes the systematic instruction to capture the split settlements details.

1. On the **Security Repo VAMI** screen, click Split Settlement.

STEP RESULT: **Split Settlement** Screen is displayed.

**Figure 30.11: Split Settlement**

The screenshot shows a software window titled "Split Settlement". At the top, there is a "Contract Reference" field. Below it, the "Split Settlement" section contains a table with columns: Amount Tag, Currency, and Basis Amount. The table has a "Go" button and a "1 Of 1" indicator. Below this, the "Split Settlement Details" section contains a table with columns: Sequence Number, Branch, Customer, Account Currency, and Account. This table also has a "Go" button and a "1 Of 1" indicator. At the bottom right of the window are "Ok" and "Exit" buttons.

2. On the Split Settlement screen, specify the details as required.  
For More information on Split Settlements see the section [Capture Details of Repo Contract](#)

### 30.7.2 Process Interest Details

This topic describes the systematic instruction to process Interest Details.

1. On **Security Repo VAMI** screen click **CIF Breakup**.  
STEP RESULT: **CIF Breakup** screen is displayed.

**Figure 30.12: CIF Breakup**

The screenshot shows a window titled "CIF Breakup". At the top, there are two radio buttons: "Payment Type" with "Amount" selected and "Percentage" unselected. Below this is a section labeled "Refinance Amount" containing a table with navigation controls (back, forward, 1 Of 1, Go) and a table with four columns: "Customer Number", "Principal", "Principal Change", and "Percentage". The "Customer Number" column has a red asterisk next to it. The table is currently empty. At the bottom right of the window is an "Exit" button.

2. On **ICCF** screen, specify the fields. For more information on fields, refer field description table.

**Table 30.4: ICCF - Field Description**

Field	Description
<b>Interest Basis</b>	<p>The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. You can choose to change it. The following are the options available:</p> <ul style="list-style-type: none"> <li>• 30(Euro)/360</li> <li>• 30(US)/ 360</li> <li>• Actual/360</li> <li>• 30(Euro)/365</li> <li>• 30(US)/365</li> <li>• Actual/365</li> <li>• 30(Euro)/Actual</li> <li>• 30(US)/Actual</li> <li>• Actual/Actual</li> <li>• 30(Euro)/364</li> <li>• 30(US)/ 364</li> <li>• Actual/364</li> </ul> <p>For further information refer the section 'Specifying Interest Details' in the 'Capturing Details of Deposit' chapter in the 'Deposits' User Manual.</p>

## 30.8 Maintain Asset - Liability Linkage

This topic describes about the systematic instruction to maintain asset.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

From Homescreeen, enter **Repo block** screen.

1. Click report in the Repo Block.

You can also click on the P button positioned next to the Deal Reference Number to view details of messages (MKTTRADECONF / DLVRSECFREE / RECVSECFREE) that have been associated with the Block Security product.

**NOTE:** These messages will not be sent if the security block contract is amended and the quantity or price changed.

**STEP RESULT:** Repo Block screen is displayed.

**Figure 30.13: Repo Block**

Contract Reference

**Repo Details**

1 Of 1

Portfolio Id *	Security Id *	SK Location *	SK Account *	Security Form *	Quantity *	Units/Currency	Input Price	Contract
----------------	---------------	---------------	--------------	-----------------	------------	----------------	-------------	----------

Ok Exit

- On Repo screen, specify the fields.  
Oracle Banking Treasury Management handles a repo contract in much the same manner as a Money Market deal. Please refer the Money Market user manual for details.

## 30.9 List of Glossaries - Handle Repos

### SRDPRMNT

Securities Repo product Definition - [30.2.2 Process Securities Repo Production Definition Details](#) (p. 434)

### SRDTRONL

Securities Repo Contract Online - [30.5 Process Details of Repo Contract](#) (p. 447)

### SESTRONL

Securities Instrument Definition Summary - [30.5 Process Details of Repo Contract](#) (p. 447)

## 31. Printing Subsidiary General Ledger Form- Repo and Reverse Repo Deals

### 31.1 Introduction

At the time of defining a security, you can specify a form type for the security. If the form is of type SGL, the system automatically generates a corresponding SGL advice. An SGL advice is generated for security, repo and reverse repo deals when the following events occur:

- On authorization of a securities deal
- On initiation of a repo deal
- On liquidation of a reverse repo deal

This chapter contains the following sections:

- 1) [Process SGL Maintenance](#)
- 2) [Process Security Repo Payment Input](#)

### 31.2 Process SGL Maintenance

This topic describes the systematic instruction to process SGL maintenance.

CONTEXT:

An SGL advice is printed on formatted stationery. Every SGL advice triggered by the system is tracked by a unique form number (serial number). You can maintain the form numbers in the SGL Maintenance screen.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEDXGLMT** in the text box, and click next arrow.

STEP RESULT: **SGL Maintenance** screen is displayed.

**Figure 31.1: SGL Maintenance**

**SGL Maintenance**

New Enter Query

Form Number \*

Status N

Deal Reference

Trade Date

Transaction Date

Security Id

Fields

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

Exit

2. On **SGL Maintenance** screen, specify the fields,  
In this screen, you can specify the form numbers either as a range or choose to enter the numbers manually. Click on new icon in the tool bar to specify a new form number. At any point of time the status of a form number will either be:
- U (used)
  - N (Not Used)
  - Cancelled

**NOTE:** By default, the status of a form number is 'N' (Not Used).

The form numbers will be available for use only after you save and authorize the record.

**Table 31.1: SGL maintenance**

Field	Description
<b>Assigning a form number to an SGL advice</b>	Whenever a deal involving a security with form type SGL is being processed, the system automatically assigns the next available unused form number to the deal. After a number is assigned to a deal, the system displays the following information corresponding to the form number, in the SGL Maintenance screen:
<b>Status</b>	The status will be updated to U (Used).
<b>Deal Reference Number</b>	The reference number of the deal to which the form number is linked.
<b>Trade Date</b>	The Value Date of the deal.
<b>Transaction Date</b>	The actual date when the deal was captured in the system.

Field	Description
<b>Security Id</b>	<p>The security (the Security Code specified at the time of capturing a deal) involved in the deal.</p> <p><b>NOTE:</b> You are not allowed to close or delete a record with status 'Used' or 'Cancelled'. However, you can to delete an unused form number before authorization.</p> <p>If you reverse a deal for which an SGL advice has been generated, the system displays an over-ride saying that the SGL advice for the deal has already been generated. If you say 'Yes' to the over-ride, the system updates the status of the form number to C (Cancelled) in the SGL Maintenance screen.</p> <p><b>NOTE:</b> After a form number is assigned to a deal, you cannot reuse the number even on reversal of the deal associated with it.</p>

### 31.3 Process Security Repo Payment Input

This topic describes the systematic instructions to process security Repo Payment Input.

1. On Homescreen, specify **SRDPAMIN** in the text box, and click next arrow.  
STEP RESULT: **Security Repo payment Input** screen is displayed.



**Figure 31.2: Security Repo payment Input**

Security Repo Payment Input

Enter Query

Contract Reference Number \*

Syndication Reference Number

Counterparty

Counterparty Name

Status

Reject Reason

Previous

Of

Next

Outstanding Amount Currency

Outstanding Principal Amount

Outstanding Amount Repayment

Effective From

Date and Amounts for Population of Components Due

Value Date

Limit Date

Limit Amount

Local Currency Equivalent

Allocation of Amounts Paid

Total Paid

Local Currency Equivalent

Total Pre-paid

Local Currency Equivalent

Other Details

Liquidated Nominal

Local Currency Equivalent

Discount Rate

Payment Breakup

1 Of 1

Go

<input type="checkbox"/>	Component *	Amount Due	Overdue	Amount Paid	Interest Prepaid	Tax

Prepayment Penalty Rate

Adjustment Amount

Payment Remarks

Penalty Amount

Additional Adjustment Amount

Events | Breakup | Settlement | Split | Advice | Charges | Tax | MIS | Fields

Maker Id

Authorized By

Contract Status

Date Time

Date Time

Authorized

Exit

2. On **Security Repo Payment** screen specify the fields.

**Table 31.2: Security Repo Payment Input**

Field	Description
<b>Contract Reference</b>	Specify the contract reference number.
<b>Outstanding Amount</b>	Specify the outstanding balance amount.
<b>Outstanding Amount Repayment</b>	Specify the outstanding amount repayment.
<b>Counterparty</b>	Specify the counterparty details.
<b>Currency</b>	Specify the currency.
<b>Syndication Reference Number</b>	Specify the syndication reference number.
<b>Status</b>	Specify the status of payment.
<b>Reject Reason</b>	Specify the Reject reason Code for payment reversal message. The option list displays all valid code maintained in the system. Choose the appropriate one.
<b>Effective From</b>	Enter the date for which the rate should become applicable. Each rate that is defined for a Rate Code and Currency combination should have an Effective Date associated with it. This is the date on which the rate comes into effect. Once a rate comes into effect, it will be applicable till a rate with another Effective Date is given for the same Rate Code and Currency combination
<b>Counterparty Name</b>	Specify the name of the counterparty.
<b>Re computation Basis</b>	Choose the re computation basis for prepayment of amortized loan. The options available are Recalculated Tenor or Change EMI. Choose the relevant basis from the list for re computation basis.
<b>Old Maturity Date</b>	If you opt for a prepayment with a change in the loan tenor, the system will display the maturity date of the loan prior to the prepayment.
<b>New Maturity Date</b>	Specify the new maturity date.
<b>Prepayment Effective from</b>	Choose the date on which the prepayment becomes effective. You can start the prepayment on the Value Date or Next Installment.
<b>Value Date</b>	Specify the value date.
<b>Limit Date</b>	Enter here the Limit Date for prepayments. If you have given a payment limit date, the system shows all the components, which are due till the limit date. If you have given the amount limit in the Amount field, it shows all the schedules for the limit amount.
<b>Discount Rate</b>	Enter the discount rate. If the discount rate basis is Direct Input then you have to enter the rate at which interest is to be discounted in this field.

Field	Description
<b>Amount Paid</b>	Enter the amount being paid for a particular component. This must be less than or equal to the total amount due for the component.
<b>LCY Equivalent</b>	Specify the local currency equivalent for the total paid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.
<b>Amount Prepaid</b>	Specify the prepaid amount.
<b>LCY Equivalent</b>	Specify the local currency equivalent for the total prepaid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.
<b>Limit Amount</b>	For a liability code and revolving credit line combination, you can define limit schedules and indicate the limit that is applicable for the period. You can enter a negative limit amount. The limits maintained for a tenor are for information purposes. The limit does not become automatically effective to the line - liability combination when the tenor begins.
<b>LCY Equivalent</b>	Specify the local currency equivalent for the limit amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.
<b>Liquidated Nominal</b>	Specify the Liquidated Nominal amount which is the amount that you would receive when you redeem a T-Bill on the maturity date. This is also known as the face value of the T-Bill. The discount rate is used to calculate the Net Present Value (NPV) of a T-Bill when it is liquidated before the liquidation date i.e. the actual value obtained on the T-Bill when you redeem it prior to the maturity date.
<b>LCY Equivalent</b>	Specify the local currency equivalent for the liquidated nominal value of the amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.
<b>Component</b>	Specify the component that has to be maintained.
<b>Amount Due</b>	Enter the details of the amount due for repayment in this field.
<b>Overdue</b>	Specify the balance that is overdue.
<b>Amount Paid</b>	Specify the paid amount.
<b>Interest Prepaid</b>	Specify the profit prepaid for the component.
<b>Tax</b>	Specify the amount paid in tax.

3. On the **Security Repo Payment Input** screen, click **Split**.

STEP RESULT: Split Settlement screen is displayed

Contract Reference \_\_\_\_\_

**Split Settlement**

1 Of 1 Go

Amount Tag	Currency	Basis Amount
------------	----------	--------------

**Split Settlement Details**

1 Of 1 Go

Sequence Number	Branch	Customer	Account Currency	Account
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Ok Exit

4. On the **Split Settlement** screen, specify the details as required.  
For More information on Split Settlements see the section [30.3 Capture Details of Repo Contract](#)

## 31.4 List of Glossaries - Printing Subsidiary General Ledger Form - Repo and Reverse Repo Details

### SEDXGLMT

SGL Maintenance - [31.2 Process SGL Maintenance](#) (p. 456)

### SRDPAMIN

Security Repo Payment Input - [31.3 Process Security Repo Payment Input](#) (p. 458)

## 32. Error Codes and Message for Securities

This topic contains following sub-topics:

- 1) [Error Codes and Messages](#)
- 2) [Error Codes and Messages for Securities](#)
- 3) [Error Codes and Messages for Batches](#)
- 4) [Error Codes and Messages for Deal Input](#)
- 5) [Error Codes and Messages for Non-Securities](#)
- 6) [Error Codes and Messages for Portfolio Online](#)
- 7) [Error Codes and Messages for Others](#)

### 32.1 Error Codes and Messages

This topic describes Error codes and Messages.

**Table 32.1: Error Codes and Messages**

Error Code	Message
SE-MA0001	New user and current user must be different
SE-MA0002	Contract reassigned
SE-MA0003	New user id cannot be null
SE-MA0004	Product code cannot be null
SE-MA0005	Contract reference number cannot be null
SE-MA0006	The Portfolio Contract Reference Number is not valid for the Product Code selected
SE-MA0007	Contract \$1 has been reassigned from User "\$2" to User "\$3" by User "\$4"
SE-MA0008	Security to be disallowed must be specified
SE-MA0009	Security to be allowed must be specified
SE-MA0010	Duplicate values encountered for this combination of CLASS CODE and MODULE
SE-MA0011	Duplicate values encountered for this class code
SE-MA0012	For WAC costing method, the Accrue Premium flag and the accrue discount flag should have the same value.
SE-MA0013	The accounting role record has been not been entered properly

Error Code	Message
SE-MA0014	Enter the class code
SE-MA0015	Enter the class description
SE-MA0016	Record deleted successfully
SE-MA0017	Enter the module
SE-MA0021	The Record is already closed
SE-MA0022	The Record is already open
SE-MA0023	A Market Code of this name already exists.
SE-MA0024	Some element/elements in the string entered is not a part of the Swift Character set. Do you wish to continue?
SE-MA0025	The Market Code, From Date and To Date combination should be unique.
SE-MA0026	The Class Code entered for this module already exists.
SE-MA0027	The system is not able to generate accounting roles and amount tags for this charge Class.
SE-MA0028	Do you wish to redefault to the class as maintained latest in the class definition?
SE-MA0029	Existing role to head mappings will be deleted and redefaulted from class. Wish to continue?
SE-MA0030	Sorry! Redefaulting cannot be done. Class maintenance has to be authorized first.
SE-MA0031	This rate code cannot be copied since it has been propagated to the present branch from head office.
SE-MA0032	This rate code cannot be closed since it has been propagated to the present branch from head office.
SE-MA0033	This rate code cannot be unlocked since it has been propagated to the present branch from head office.
SE-MA0034	Rate propagation has failed.
SE-MA0035	STANDARD rate type is mandatory for any rate code.
SE-MA0036	The rate code + tenor code + CCY code combination for this effective date is already existing in the database.
SE-MA0037	This rate code can only be maintained at the head office and only be propagated from there.
SE-MA0038	Duplicate Tenor Codes are not allowed.

Error Code	Message
SE-MA0039	Minimum rate cannot be greater than Maximum rate.
SE-MA0040	Default rate should lie between minimum and maximum rate.
SE-MA0041	Class Code and Module are mandatory fields.
SE-MA0042	This rate code already exists.
SE-MA0043	Basis Amount Tag, Event for Association, Application and Liquidation are mandatory fields
SE-MA0043	Basis amount tag and Event for Association are mandatory fields.
SE-MA0044	Basis amount tag and Event for Association are mandatory fields.
SE-MA0045	For Third Party as Charge Type, Third Party Type is mandatory
SE-MA0046	This class cannot be closed because it has been already attached to a product/products.
SE-MA0047	Swift Qualifier length cannot be less than four.
SE-MA0048	For Net Consideration as yes, net consideration type (add/subtract) is mandatory.
SE-MA0049	Duplicate values encountered during amount tag insertion.
SE-MA0068	Initial Face Value can not be zero.
SE-MA0069	Limits Maintenance will be deleted. Proceed?
SE-MA0070	Weekday mandatory for weekly schedules
SE-MA0071	Frequency is mandatory for periodic coupon/revision
SE-MA0072	Limits not maintained. Proceed?
SE-MA0073	Lot Size is mandatory
SE-MA0074	Interest quotation method is mandatory
SE-MA0075	Interest Rate Type is mandatory
SE-MA0076	The maximum tenor must be greater than minimum tenor
SE-MA0077	Price Code cannot be null if Renouncable is Yes
SE-MA0078	Tenor cannot be null if Redeemable is Yes.
SE-MA0079	Equity type is mandatory
SE-MA0080	Price Quotation method is mandatory
SE-MA0081	Face value or units is mandatory

Error Code	Message
SE-MA0082	Tenor details not input
SE-MA0083	Initial Face Value not input
SE-MA0084	Exception Limit should be greater than Override Limit
SE-MA0085	Number of Decimals Mandatory
SE-MA0086	Cannot Close. The record has already been processed
SE-MA0087	Cannot Reopen. Record date is past!
SE-MA0088	Cannot Unlock. The record not authorized atleast once
SE-MA0045	For Third Party as Charge Type, Third Party Type is mandatory
SE-MA0089	Announcement Date should not be greater than or equal to Exercise End Date
SE-MA0090	Record Date cannot be later then Event Date
SE-MA0091	For Redeemable securities Event Date should be less than Redemption or Expiry date
SE-MA0092	Event Date should be greater than Issue or Tear-off Date of the security
SE-MA0093	Either Dividend Amount or Dividend Rate is mandatory
SE-MA0094	Record Date Cannot be earlier than End of Exercise Date
SE-MA0095	Value for field Internal Security Id is mandatory
SE-MA0096	Value for field Event Date is mandatory
SE-MA0097	Value for field Record Date is mandatory
SE-MA0098	Value for field Issuer Payment CCY is mandatory
SE-MA0099	Value for field Resultant Security Id is mandatory if Cash to Stock Option is "Yes" or "Reinvest"
SE-MA0100	Exclusive Lock Acquired by Rajesh S from row 90 to 104
SE-MA0102	Event Date should not be less than the Issue or Tear-off Date of the security
SE-MA0103	For Redeemable securities Event Date should be less than Redemption or Expiry date
SE-MA0104	Record Date cannot be later then Event Date
SE-MA0105	Announcement Date should not be greater than Event Date
SE-MA0106	Announcement Date should not be greater than Record Date



Error Code	Message
SE-MA0107	Internal Security Id cannot be NULL
SE-MA0108	Event Date cannot be NULL
SE-MA0109	Record Date cannot be NULL
SE-MA0110	Resultant Security Id cannot be NULL
SE-MA0111	Resultant Ratio cannot be NULL
SE-MA0112	Stock To Cash Price cannot be NULL when stock to cash option is YES
SE-MA0113	Exercise Date cannot be NULL when stock to cash option is YES
SE-MA0114	Record Date for the event has elapsed -Record cannot be reopened
SE-MA0115	Event Date should be greater than Exercise end date when stock to cash option is YES
SE-MA0116	For Fixed Rate type Revision Rate has to be entered
SE-MA0117	Announcement Date has to be less than Event Date
SE-MA0118	End of Trading Date is mandatory
SE-MA0119	End of Trading Date has to be less than Event Date
SE-MA0120	Announcement Date cannot be null
SE-MA0121	Mandatory fields are missing
SE-MA0131	Cannot Retain.. Fractional Units not allowed for this security
SE-MA0132	Value for field Intmdt Security Id is mandatory
SE-MA0133	Non Zero Value for field Rights Ratio is mandatory
SE-MA0134	Value for field Exercise Start Date is mandatory
SE-MA0135	Value for field Exercise Price is mandatory
SE-MA0136	Value for field Exercise End Date is mandatory
SE-MA0137	Exercise Start Date cannot be less than Event Date
SE-MA0138	Exercise End Date cannot be greater than or equal to Expiry Date of intermediate security
SE-MA0139	Exercise End Date cannot be greater than or equal to Expiry Date of Resultant security
SE-MA0140	Value for field Resultant Security Id is mandatory
SE-MA0141	Non Zero Value for field Resultant Ratio is mandatory

Error Code	Message
SE-MA0142	Announcement Date should be less than exercise end date when stock cash option is YES
SE-MA0143	End Trading Date cannot be NULL
SE-MA0144	Call Indicator cannot be NULL
SE-MA0145	Redemption Type cannot be NULL
SE-MA0146	For Quantity Redemption dispose fraction cannot be NULL
SE-MA0147	Dispose Fraction should be NULL for Bullet or Series Redemption
SE-MA0148	For Quantity Redemption percentage cannot be NULL
SE-MA0149	Redemption Price cannot be NULL
SE-MA0150	Issuer Payment CCY cannot be NULL
SE-MA0151	Announcement date should not be greater than end trading date
SE-MA0152	End Trading Date cannot be greater than event date
SE-MA0153	Restart trading date cannot be less than event date
SE-MA0154	End Trading Date should not be greater than Record Date
SE-MA0155	For fractional units not allowed dispose fraction cannot be of Retain type
SE-MA0156	Security Redemption has to authorized atleast once for unlocking
SE-MA0157	Record already processed - cannot be unlocked
SE-MA0158	Delete option disallowed for system generated Redemption Event
SE-MA0159	Copy option disallowed for system generated Redemption Event
SE-MA0160	Close option disallowed for system generated Redemption Event
SE-MA0161	Reopen option disallowed for system generated Redemption Event
SE-MA0162	Series has to be defined for Redemption Type equal to Series
SE-MA0163	Record has to be authorized atleast once for unlocking
SE-MA0164	Units Nominal Current cannot be more than Current Holdings
SE-MA0165	Reinvested Bonus cannot be more than Initial Bonus Due

Error Code	Message
SE-MA0166	Reinvested Dividend cannot be more than Initial Dividend Amount Due
SE-MA0167	Block product Cannot be NULL for a Repo Product
SE-MA0169	Cannot Unlock. The record has already been processed
SE-MA0170	End of Exercise Date Cannot be less than Start of Exercise Date
SE-MA0171	Record date should be later than today
SE-MA0172	From Date Cannot be later than To Date
SE-MA0188	Duplicate values encountered during accounting role insertion.
SE-MA0189	Record is successfully saved.
SE-MA0190	Record has been successfully deleted.
SE-MA0191	Record has been successfully reopened.
SE-MA0192	Record has been successfully closed.
SE-MA0193	Accounting Role and Account head are not of the same type. Still wish to continue?
SE-MA0194	This safe keeping location Id already exists.
SE-MA0195	Scheme cannot be closed. Its already been attached to a product/products.
SE-MA0196	Deletion of component not possible since the scheme is already attached to a product/products.
SE-MA0197	Tax component cannot be null.
SE-MA0198	Module and scheme are mandatory fields
SE-MA0199	This Scheme already exists for the module.
SE-MA0200	This rate type is a mandatory one. So, it cannot be closed.
SE-MA0201	Duplicate Tenor Codes are not allowed.
SE-MA0202	Duplicate SK Accounts are not allowed.
SE-MA0203	Duplicate Tax Rate Codes are not allowed.
SE-MA0204	Duplicate Tax Rates are not allowed.
SE-MA0205	Duplicate Market Codes are not allowed.
SE-MA0206	For FIXED as the Spot Date Method, All days from 1st to 31st should be handled and spot dates mentioned against them.

Error Code	Message
SE-MA0207	For FIXED as the Ex Date method. All days from 1st to 31st should be handled and ex dates mentioned against them.
SE-MA0208	Duplicate Issuer Tax Rate Codes are not allowed.
SE-MA0209	This rate code can be maintained only at the head office. It will be propagated to the present branch from there.
SE-MA0210	This rate is propagated across branches and can be closed only at the head office.
SE-MA0211	This rate is propagated across branches and can be modified only at the head office.
SE-MA0212	This rate is propagated across branches and can be modified only at the head office.
SE-MA0213	Failed to propagate this rate.
SE-MA0214	For this rate, at least the STANDARD rate type has to be maintained
SE-MA0215	This combination of rate code, tenor code, currency code and effective date already exists for this branch.
SE-MA0216	Rates for propagated rate codes can be maintained only at the head office branch.
SE-MA0217	This rate code already exists.
SE-PRD001	For CURRENCY HOLIDAY as the holiday type, HOLIDAY CURRENCY is mandatory.
SE-MA0209	Input to Product Description is Mandatory (cannot be NULL)
SE-MA0210	Record is Unauthorized. Closure Not Allowed
SE-MA0211	Are you sure you want to Close the record?
SE-MA0212	Record Successfully Saved
SE-MA0213	A combination product with this product as a leg is open. Closure NOT Allowed
SE-MA0214	Override Limit CANNOT be greater than Stop Limit
SE-MA0215	Are you sure this is a Back Valued Product?
SE-MA0215	Product Start Date CANNOT be greater than Product End Date
SE-MA0215	Product end Date CANNOT be before Today
SE-MA0215	Are you sure you want to redefault the Class?

Error Code	Message
SE-MA0215	Deal Product Copy Failed
SE-MA0215	Deal Product Delete Failed
SE-MA0215	Security Product Copy Failed
SE-MA0215	Security Product Delete Failed
SE-MA0215	Charges have not been defined for the Product
SE-MA0215	Security Restrictions have not been defined for the Product
SE-MA0215	Portfolio Restrictions have not been defined for the Product
SE-MA0216	This rate code already exists.
SE-MA0217	For CURRENCY HOLIDAY as the holiday type, HOLIDAY CURRENCY is mandatory.
SE-PRD001	Input to Product Description is Mandatory (cannot be NULL)
SE-PRD001	Record is Unauthorized. Closure Not Allowed
SE-PRD002	Are you sure you want to Close the record?
SE-PRD003	Record Successfully Saved
SE-PRD004	A combination product with this product as a leg is open. Closure NOT Allowed
SE-PRD005	Override Limit CANNOT be greater than Stop Limit
SE-PRD006	Are you sure this is a Back Valued Product?
SE-PRD007	Product Start Date CANNOT be greater than Product End Date
SE-PRD008	Product end Date CANNOT be before Today
SE-PRD009	Are you sure you want to redefault the Class?
SE-PRD010	Deal Product Copy Failed
SE-PRD011	Deal Product Delete Failed
SE-PRD012	Security Product Copy Failed
SE-PRD013	Security Product Delete Failed
SE-PRD014	Charges have not been defined for the Product
SE-PRD015	Security Restrictions have not been defined for the Product
SE-PRD016	Portfolio Restrictions have not been defined for the Product
SE-PRD017	Tax Components have not been defined for the Product
SE-PRD018	Interest Components have not been defined for the Product
SE-PRD019	Input to Product Start Date is Mandatory (cannot be NULL).

Error Code	Message
SE-PRD020	Input to Product Description is Mandatory (cannot be NULL).
SE-PRD021	Input to Product Group is Mandatory (cannot be NULL).
SE-PRD022	Input to Exchange Rate Override Limit Variance is Mandatory (cannot be NULL).
SE-PRD023	Input to Exchange Rate Stop Limit Variance is Mandatory (cannot be NULL).
SE-PRD024	Input to buy Product/Sell Product Mandatory (cannot be NULL).
SE-COMBP01	Rekey Values for the Buy and Sell Products Differ
SE-COMBP02	Values for \$1 for the Buy and Sell Products Differ
SE-COMBP03	Start Date \$1 of the Combination Product is lesser than Start Date \$2 of Product \$3
SECOMBP04	End Date \$1 of the Combination Product is greater than End Date \$2 of Product \$3
ECOMBP06	The Maximum Rate Variance of the Buy and Sell Products Differ
SECOMBP07	Counter Product is Mandatory if Rights Exercise is applicable
SECOMBP08	Product \$1 is Closed. Reopening of Combination Product NOT Allowed
CS-PRD008	Product Code is NOT Unique
SEREAS-01	New User and Current User must be different
SEREAS-02	Contract \$1 has been reassigned from User "\$2" to User "\$3" by User "\$4"
SEREAS-03	New user ID cannot be NULL
SEREAS-04	Product code cannot be NULL
SEREAS-05	Contract reference number cannot be NULL
SEREAS-06	No Unauthorized Contracts exist for Reassignment for Product "\$1"
SEREAS-07	The Deal Reference Number is not valid for the Product Code selected
SEREAS-08	FAILED in reassigning the deal to the new user.
SE-MA0220	Changing the Leg type will redefault the Preferences. OK to Proceed?

Error Code	Message
SE-MA0221	Partial Release is not allowed for Bank Buy or Sell
SE-MA0222	Partial Release and Brokerage are not allowed for Customer Buy or Sell
SE-MA0223	Partial Release, Brokerage and Forward Deals are not allowed for Withdrawal or Lodgement
SE-MA0224	Partial Release, Brokerage, Forward Deals, Automatic Money Settlement and Rekey of Money Settlement Date are not allowed for SK to SK Transfer
SE-MA0225	Brokerage, Forward Deals, Automatic Money Settlement and Rekey of Money Settlement Date are not allowed for Block Securities
SE-MA0226	Input to Exchange Rate type field is Mandatory
SE-MA0227	Block deals not defined
SE-MA0228	Function Securities Repo Specific Returns False
SE-MA0229	No Positions maintained for this record
SE-MA0230	Bombed in Positions Check Function for Repo Block Deals
SE-MA0231	Failed to validate the Repo Exposure
SE-MA0232	Failed to generate the Action Id
SE-MA0247	Spot Days Count Basis and Spot Days are mandatory fields.
SE-MA0248	For Weekday of Spot day being mentioned, holiday treatment becomes mandatory.
SE-MA0249	Ex Days Count Basis and Ex Days are mandatory fields
SE-MA0250	For Weekday of Ex day being mentioned, holiday treatment becomes mandatory
SE-MA0251	From Day, To day, Month Indicator, Spot Date and Holiday Treatment are mandatory fields
SE-MA0252	To Day cannot be earlier than From Day
SE-MA0253	For Month Indicator as FUTURE, future months becomes mandatory
SE-MA0254	For Month Indicator as PREVIOUS, previous months becomes mandatory
SE-MA0255	Both Include To Dates should be same, either YES or NO.
SE-MA0256	Both Liquidation and Accrual Denominator Basis Should have the same value

Error Code	Message
SE-MA0257	Market Code as well as Market Description is mandatory before invoking TAX maintenance
SE-MA0258	For Holiday Treatment being mentioned, Weekday of Spotday becomes mandatory
SE-MA0259	For Holiday Treatment being mentioned, Weekday of Ex day becomes mandatory
SE-MA0260	For Months Indicator as CURRENT, Spot Day has to be greater than To Day
SE-MA0261	For Months Indicator as CURRENT, Ex Day has to be less than or equal to From Day
SE-MA0262	Application Date should be less than the Previous Coupon Date for UNLOCK action to happen.
SE-MA0263	Issuer Reference cannot be null
SE-MA0264	Record Date should lie between Previous Coupon Date and Event Date.
SE-MA0265	This Security Code already exists in this branch.
SE-MA0266	Price Code, Price Quotation, Market Value Date and Price are mandatory fields.
SE-MA0267	For Price Quotation Method as YIELD TO MATURITY, Interest Quotation Method has to be null
SE-MA0268	For a BOND, Interest Quotation Method is mandatory.
SE-MA0269	Market Value Date has to be greater than/equal to security Tearoff Date (\$1).
SE-MA0270	Market Value Date has to be less than/equal to Redemption Date of the Security (\$1).
SE-MA0271	Record/Records once authorised cannot be deleted, but it/they can be modified.
SE-MA0273	This \$1 cannot be unlocked as Record Date is already past.
SE-MA0274	Parent Security Id, Intermediate Security Id and Resultant Security Id are mandatory fields.
SE-MA0275	Announcement Date cannot be later than the Record Date itself.
SE-MA0276	Record Date cannot be later than the Event Date.



Error Code	Message
SE-MA0277	Record Date cannot be later than Today or Today itself.
SE-MA0278	Exercise End Date has to be earlier than the Expiry date of the Intermediate Security (\$1).
SE-MA0279	End of Trading Date has to be today or beyond.
SE-MA0280	End of Trading Date cannot be greater than Event Date.
SE-MA0281	For Spot Days Count Basis as WORKING DAYS, holiday treatment becomes mandatory.
SE-MA0282	For Ex Days Count Basis as WORKING DAYS, holiday treatment becomes mandatory.
SE-MA0291	Exchange rate fixing date has to be provided.
SE-MA0292	Exchange rate has to be provided.
SE-MA0293	Issuer payment CCY has to be provided.
SE-MA0294	Announcement Date should not be greater than today.
SE-MA0295	Confirmed Date should not be greater than today.
SE-MA0296	Exchange Rate Fixing Date should not be greater than today.
SE-MA0297	Confirmed Date has to be provided.
SE-MA0298	Value for Dispose Fraction is mandatory.
SE-MA0299	Value for Resultant Ratio Num should not be less than or equal to zero.
SE-MA0307	Value for Resultant Ratio Denom should not be less than or equal to zero.
SE-MA0308	Value for Dividend Type has to be provided.
SE-MA0309	Only confirmed records can be closed.
SE-MA0310	Only confirmed records can be reopened.
SE-MA0311	Do you really want to confirm the record?
SE-MA0312	End of Trading Date has to be greater than today.
SE-MA0313	Restart Trading Date has to be greater than End of Trading Date
SE-MA0314	This Event Date cannot be maintained for the Security
SE-MA0350	Value for field Announcement Date is mandatory.
SE-MA0351	Announcement Date should be on or before today.
SE-MA0352	Announcement Date should be less than Event Date and Record Date.

Error Code	Message
SE-MA0353	Rights Exercise End Date should be after Rights Exercise Start Date
SE-MA0354	Value for the field Minimum Rights Exercise Quantity is mandatory.
SE-MA0355	Value for the field Rights Exercise Price is mandatory.
SE-MA0356	Rights Exercise End Date should be later than today.
SE-MA0357	Value for the field Confirmed Date is mandatory
SE-MA0358	Do you really want to confirm?
SE-MA0359	Confirmed Date should be on or before today.
SE-MA0360	Cannot Close. The record has already been confirmed!!
SE-MA0361	Cannot Reopen. The record has already been confirmed!!
SE-MA0362	Mandatory Field (\$1) is null.
SE-MA0363	Warrants Exercise End Date should be after Warrants Exercise Start Date.
SE-MA0364	Value for the field Minimum Warrants Exercise Quantity is mandatory.
SE-MA0365	Value for the field Warrants Exercise Price is mandatory.
SE-MA0366	Warrants Exercise End Date should be later than today.
SE-MA0367	Cannot delete a once authorized record.
SE-MA0368	Unauthorized records can be deleted but cannot be closed.
SE-MA0369	Event Date is past -- Cannot reopen the record.
SE-MA0370	Event Date is past -- Cannot close the record.
SE-MA0371	Mandatory Field Security Id is null.
SE-MA0372	Mandatory Field Portfolio Id is null.
SE-MA0373	Position Reference No. for this combination of Branch Code, Portfolio Id and Security Id does not exist.
SE-MA0374	Mandatory Field SK Location Id is null.
SE-MA0375	Mandatory Field SK Location Account is null.
SE-MA0376	Mandatory Field Security Form Code is null.
SE-MA0377	Mandatory Field To Series is null.

Error Code	Message
SE-MA0378	Current Holding \ Unauthorized Holding values not available for this Position Ref. No. and To Series at this SK location Id and Account.
SE-MA0379	Quantity moved should be less than or equal to the available quantity in the series.
SE-MA0380	Mandatory Field Quantity Moved is null.
SE-MA0381	The quantity available in this series is null.
SE-MA0382	The Effective Date does not lie in the coupon period of the Security.
SE-MA0383	Cannot unlock -- the record is already confirmed.
SE-MA0384	Record can be inserted only if the interest revision is manual.
SE-MA0385	Event Date is before the interest start date of the security.
SE-MA0386	Event Date should be before the redemption date of the security.
SE-MA0387	No data found for Security Interest Start Date \ Redemption or Expiry Date
SE-MA0388	This combination of Security Id, Interest Component and Event Date already exists.
SE-MA0389	Value for Event Date is mandatory.
SE-MA0390	This combination of Security Id, Interest Component and Effective Date already exists.
SE-MA0391	Value for Effective Date is mandatory.
SE-MA0392	System generated records cannot be modified.
SE-MA0393	Cannot Unlock. The record not authorized atleast once
SE-MA0394	Announcement Date should be less than Event Date and Effective Date.
SE-MA0395	Value for field Interest Component is mandatory.
SE-MA0396	Value for field Revision Rate is mandatory.
SE-MA0397	The Event Date does not lie in the coupon period of the Security.
SE-MA0398	The Record Date and the Event Date cannot be earlier than or equal to Today
SE-MA0399	Record for this Component and Currency already exists.
SE-MA0400	Redemption Adjustment could not be done.

Error Code	Message
SE-MA0401	The Total percentage for this security exceeds 100
SE-MA0402	Redemption Price must be greater than or equal to equivalent percentage of the initial face value
SE-MA0410	Bonus Encashed can not be more than the Initial Bonus Due
SE-MA0411	Bonus Encashed Quantity should be an Integer
SE-MA0412	Record Date is Mandatory
SE-MA0413	Event Date is Mandatory
SE-MA0414	Record Date has to be later than Today
SE-MA0415	Event Date has to be later than Today
SE-MA0416	Event Date can not be earlier than Record Date
SE-MA0425	Failed to Unlock the record
SE-MA0426	Initiation can not be done as Initiation Processing Date is later than Today
SE-MA0427	Collection can not be done as Collection Processing Date is later than Today
SE-MA0428	Liquidation can not be done as Liquidation Processing Date is later than Today
SE-MA0429	Do you want process Initiation?
SE-MA0430	Do you want process Collection?
SE-MA0431	Do you want process Liquidation?
SE-MA0432	Failed to process Initiation
SE-MA0433	Failed to process Collection
SE-MA0434	Failed to process Liquidation
SE-MA0435	Initiation processed Successfully
SE-MA0436	Collection processed Successfully
SE-MA0437	Liquidation processed Successfully
SE-MA0438	Do you want to reverse the event \$1?
SE-MA0439	Failed to process the event
SE-MA0440	Failed to apply Charges
SE-MA0441	Failed to apply Tax
SE-MA0442	Failed to pickup Settlements
SE-MA0443	Event can not be processed. Security Quantity is zero

Error Code	Message
SE-MA0444	Event can not be processed. Security Quantity is Negative
SE-MA0445	Event can not be processed. Rights due is zero
SE-MA0446	Event can not be processed. Rights due is Negative
SE-MA0447	Event can not be processed. Warrants due is zero
SE-MA0448	Event can not be processed. Warrants due is Negative
SE-MA0449	Event can not be processed. Residual Bonus Due is zero
SE-MA0450	Event can not be processed. Residual Bonus Due is Negative
SE-MA0451	Event can not be processed. Redemption Due is zero
SE-MA0452	Event can not be processed. Redemption Due is Negative
SE-MA0453	There are no Interest Components associated with the Security
SE-MA0454	There are no Issuer Tax Components associated with the Security
SE-MA0455	Failed to Reverse the Event
SE-MA0456	Event Successfully Reversed
SE-MA0460	Select the Portfolio Id to start Printing from.
SE-MA0461	Select the to Portfolio Id to Print.
SE-MA0462	The From Portfolio Id should be less than the To Portfolio Id
SE-MA0463	Select the From Customer Id
SE-MA0464	Select the To Customer Id
SE-MA0465	The From Customer should be less than the To Customer.
SE-MA0466	The Processing Date cannot be null
SE-MA0467	Select the From Security Id
SE-MA0468	Select the To Security Id
SE-MA0469	The From Security Id should be less than the To Security Id
SE-MA0470	The redemption type does not match with the redemption type of Security Definition
SE-MA0471	An open bullet redemption record already exists. Cannot have another record
SE-MA0472	Active Deals exist that are due to settle on or after the record date of redemption. Cannot save.
SE-MA0473	Active Deals exist using this series that are due to settle on or after the record date of redemption. Cannot save.

Error Code	Message
SE-MA0474	Start Date cannot be greater than Branch Date
SE-MA0475	There must be at least one open record on the redemption date for series redemption. Cannot close this record
SE-MA0476	End Date cannot be greater than Branch Date
SE-MA0477	End date cannot be less than Start Date
SE-MA0478	Open Coupon record(s) exist after the redemption event date. Cannot save.
SE-MA0479	Open Interest Revision record(s) exist after the redemption event date. Cannot save.
SE-MA0480	There must be atleast some percentage left on the final redemption date.
SE-MA0481	Redemption Price must be greater than or equal to Initial Face Value \$1
SE-MA0482	Open Bullet redemption record not correctly maintained for security \$1
SE-MA0483	Only One open Bullet Redemption record should be maintained for security \$1
SE-MA0484	Atleast one open redemption record should be maintained for security \$1 on the maturity date \$2
SE-MA0485	Sum of all the open redemption records is not 100 for \$1
SE-MA0486	The trading date is later than the end of trading date maintained in the redemption record
SE-MA0487	Deal Trade date lies in a non trading period.
SE-MA0488	Deal Settlement date is after the security maturity date
SE-MA0489	Redemption Validations for this security failed
SE-MA0490	Select the From Event Date
SE-MA0491	Select the To Event Date.
SE-MA0492	The From Date cannot be greater than the To date
SE-MA0493	Failed in populating security details for the new branch
SE-MA0494	Effective Date should be later than today

## 32.2 Error Codes and Messages for Securities

**Table 32.2: Error Codes and Messages for Securities Online**

Error Code	Message
SE-SO0001	Internal Security ID must be Unique
SE-SO0002	ISIN Identifier must be Unique
SE-SO0003	Market of Issue cannot be cleared after having been populated once.
SE-SO0004	Security Currency cannot be cleared after having been populated once.
SE-SO0005	Initial Face Value would be cleared. Proceed?
SE-SO0006	Issue Price would be cleared. Proceed?
SE-SO0007	Redemption Price would be cleared. Proceed?
SE-SO0011	By SWIFT Standards, valid day count indicators are A001, A002, A003, A004, A005, A006 and A007
SE-SO0031	By SWIFT Standards, there needs to be necessarily \$1 characters
SE-SO0032	By SWIFT Standards, valid characters are [A - Z] , [0 - 9]
SE-SO0033	By SWIFT Standards, some characters are invalid. Proceed with appropriate substitution?
SE-SO0051	Internal Security ID is Mandatory
SE-SO0052	Product is Mandatory
SE-SO0053	Market of Issue is Mandatory
SE-SO0054	Issuer ID is Mandatory
SE-SO0055	Registered / Bearer is Mandatory
SE-SO0056	Form Type is Mandatory
SE-SO0057	Quantity Quotation is Mandatory
SE-SO0058	Interest Quotation is Mandatory
SE-SO0059	Unit Decimals is Mandatory
SE-SO0060	Lot Size is not populated. Proceed?
SE-SO0061	Redemption Type is Mandatory
SE-SO0062	Security Currency is Mandatory
SE-SO0063	Payment Currency is Mandatory
SE-SO0064	Issue /Tearoff Date is Mandatory
SE-SO0065	Start of Interest Date is Mandatory
SE-SO0066	Start of Trading Date is Mandatory

Error Code	Message
SE-SO0067	Redemption / Expiry Date is Mandatory
SE-SO0068	Start of Interest Date is earlier than Issue /Tearoff Date. Proceed?
SE-SO0069	Start of Trading Date must be later than Start of Interest Date
SE-SO0070	Redemption / Expiry Date must be later than Issue / Tearoff Date
SE-SO0071	Redemption / Expiry Date must be later than Start of Interest Date
SE-SO0072	Redemption / Expiry Date must be later than Start of Trading Date
SE-SO0073	Initial Face Value is Mandatory
SE-SO0074	Issue Price is Mandatory
SE-SO0075	Redemption Price is Mandatory
SE-SO0076	Issue Price must be lesser than Initial Face Value
SE-SO0077	Redemption Price must be greater than or equal to Initial Face Value
SE-SO0078	Quantity Quotation must be "UNITS"
SE-SO0079	Lot Size must be a multiple of Initial Face Value
SE-SO0080	Coupon Frequency is Mandatory
SE-SO0081	Coupon Weekday is Mandatory
SE-SO0101	Revision Frequency is Mandatory
SE-SO0102	Revision Weekday is Mandatory
SE-SO0103	Rounding Basis is Mandatory
SE-SO0104	Rate Basis is Mandatory
SE-SO0105	Rounding Basis is Mandatory
SE-SO0106	Rate Basis is Mandatory
SE-SO0107	Accrual Numerator Method is Mandatory
SE-SO0108	Accrual Denominator Method is Mandatory
SE-SO0109	Accrual Denominator Basis is Mandatory
SE-SO0110	Liquidation Numerator Method is Mandatory
SE-SO0111	Liquidation Denominator Method is Mandatory
SE-SO0112	Liquidation Denominator Basis is Mandatory
SE-SO0113	Accrual Denominator Basis and Liquidation Denominator Basis must be identical
SE-SO0114	Accrual Include To Day and Liquidation Include To Day must be identical



Error Code	Message
SE-SO0115	If Rate Basis and Accrual / Liquidation Denominator Basis are not identical then it must be Periodic Coupon
SE-SO0116	If Rate Basis and Accrual / Liquidation Denominator Basis are not identical then it must not be Weekly Coupon
SE-SO0131	Collateral Type is Mandatory
SE-SO0132	Dividend Basis is Mandatory
SE-SO0133	Warrant Basis is Mandatory
SE-SO0134	Rights Basis is Mandatory
SE-SO0151	Coupon Schedules have not been maintained. Proceed?
SE-SO0181	Series must be Unique
SE-SO0182	Redemption of this Series has already been defined
SE-SO0183	Series is Mandatory
SE-SO0201	Base Start Date must be Unique
SE-SO0202	Base Start Date must later than Start of Interest Date
SE-SO0203	Base Start Date must be earlier than Redemption/Expiry Date
SE-SO0204	Base End Date must be later than Start of Interest Date
SE-SO0205	Base End Date must be earlier than or equal to Redemption/Expiry Date
SE-SO0206	Base Start Date is Mandatory
SE-SO0207	Base End Date must be later than Base Start Date
SE-SO0208	Base Frequency is Mandatory
SE-SO0209	Week Day is Mandatory
SE-SO0210	Base Start Date must be on specified the Weekday
SE-SO0231	First Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0232	First Previous Virtual Coupon Date must be later than Previous Coupon Date
SE-SO0233	Second Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0234	First Next Virtual Coupon Date must be later than Next Coupon Date
SE-SO0235	First Next Virtual Coupon Date must be earlier than Next Coupon Date
SE-SO0236	Second Next Virtual Coupon Date must be later than Next Coupon Date

Error Code	Message
SE-SO0237	First Previous Virtual Coupon Date is Mandatory
SE-SO0238	Second Previous Virtual Coupon Date is Mandatory
SE-SO0239	SO0239 First Next Virtual Coupon Date is Mandatory
SE-SO0240	Second Next Virtual Coupon Date is Mandatory
SE-SO0261	Effective Date must later than Start of Interest Date
SE-SO0262	Effective Date must be earlier than Redemption/Expiry Date
SE-SO0263	Effective Date is Mandatory
SE-SO0281	Event Date must be Unique
SE-SO0282	Event Date must be later than Issue/Tearoff Date
SE-SO0283	Event Date must be earlier than Redemption/Expiry Date
SE-SO0284	Cumulative % To Be Redeemed must be lesser than 100%
SE-SO0285	Redemption Price must be greater than equal to Initial Face Value
SE-SO0286	Event Date is Mandatory
SE-SO0287	% To Be Redeemed is Mandatory
SE-SO0288	Redemption Price is Mandatory
SE-SO0289	Disposition of Fractions is Mandatory
SE-SO0290	Redemption Price must be greater than equal to Face Value being Redeemed
SE-SO0291	Series is Mandatory
SE-SO0401	Attributes defaulted from Market of Issue would be redefaulted. Proceed?
SE-SO0402	Coupon Schedules would be deleted. Proceed?
SE-SO0403	Revision Schedules would be deleted. Proceed?
SE-SO0404	Redemption Schedules would be deleted. Proceed?
SE-SO0405	Interest Component/s would need to be associated afresh. Proceed?
SE-SO0406	Tax Component/s would need to be associated afresh. Proceed?
SE-SO0407	MIS would need to be associated afresh. Proceed?
SE-SO0501	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0502	Unhandled Exception in Security Definition Function
SE-SO0503	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0504	Unhandled Exception in Security Definition Function

Error Code	Message
SE-SO0505	Unable to Update Current Block Items in Security Definition Function
SE-SO0506	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0507	Unhandled Exception in Security Definition Function
SE-SO0508	Unhandled Exception in Security Definition Function
SE-SO0509	Unable to Commit in Security Definition Function
SE-SO0510	Security Definition Saved Successfully
SE-SO0511	Unhandled Exception in Security Definition Function
SE-SO0512	Unable to Commit in Security Definition Function
SE-SO0513	Security Definition Deleted Successfully
SE-SO0514	Unhandled Exception in Security Definition Function
SE-SO0515	Unable to Commit in Security Definition Function
SE-SO0516	Unhandled Exception in Security Definition Function
SE-SO0517	Security Definition is not yet Authorized Once
SE-SO0518	Deals have already been struck for the Security
SE-SO0519	Unable to Post in Security Definition Function
SE-SO0520	Unable to Commit in Security Definition Function
SE-SO0521	Security Definition Closed Successfully
SE-SO0522	Unhandled Exception in Security Definition Function
SE-SO0523	Security Definition is Open Already
SE-SO0524	Unable to Post in Security Definition Function
SE-SO0525	Unable to Commit in Security Definition Function
SE-SO0526	Security Definition Reopened Successfully
SE-SO0527	Unhandled Exception in Security Definition Function
SE-SO0528	Product is Unavailable in the Current List
SE-SO0551	Product is Unavailable in the Current List
SE-SO0552	Market of Issue is Unavailable in the Current List
SE-SO0553	Issuer ID is Unavailable in the Current List
SE-SO0554	Security Currency is Unavailable in the Current List
SE-SO0555	Payment Currency is Unavailable in the Current List
SE-SO0556	Collateral Type is Unavailable in the Current List
SE-SO0557	Revaluation Price Code is Unavailable in the Current List

Error Code	Message
SE-SO0601	Unhandled Exception in Security Definition Function
SE-SO0602	Unhandled Exception in Security Definition Function
SE-SO0603	Unhandled Exception in Security Definition Function
SE-SO0604	Unhandled Exception in Security Definition Function
SE-SO0605	Unhandled Exception in Security Definition Function
SE-SO0606	Unhandled Exception in Security Definition Function
SE-SO0607	Unhandled Exception in Security Definition Function
SE-SO0608	Unhandled Exception in Security Definition Function
SE-SO0609	Unhandled Exception in Security Definition Function
SE-SO0610	Unhandled Exception in Security Definition Function
SE-SO0611	Unhandled Exception in Security Definition Function
SE-SO0612	Unhandled Exception in Security Definition Function
SE-SO0613	Unhandled Exception in Security Definition Function
SE-SO0614	Unhandled Exception in Security Definition Function
SE-SO0615	Unhandled Exception in Security Definition Function
SE-SO0616	Unhandled Exception in Security Definition Function
SE-SO0617	Unhandled Exception in Security Definition Function
SE-SO0618	Unhandled Exception in Security Definition Function
SE-SO0619	Unhandled Exception in Security Definition Function
SE-SO0620	Unhandled Exception in Security Definition Function
SE-SO0621	Unhandled Exception in Security Definition Function
SE-SO0622	Unhandled Exception in Security Definition Function
SE-SO0623	Unhandled Exception in Security Definition Function
SE-SO0624	Unhandled Exception in Security Definition Function
SE-SO0625	Unhandled Exception in Security Definition Function
SE-SO0626	Unhandled Exception in Security Definition Function
SE-SO0627	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0651	Coupon Schedule Definition resulted in convergent Coupon Dates
SE-SO0652	The Tenor of the Security does not conform to the Tenor Variance specified at the Product Level

Error Code	Message
SE-SO0653	Coupon Date missing on Redemption Date \$1
SE-SO0654	No Series has been defined for Redemption on Event Date \$1
SE-SO0655	Revision Schedule Definition resulted in convergent Revision Dates
SE-SO0656	Effective Date of Revision on Event Date \$1 does not lie within the same Coupon Period as the Event Date
SE-SO0657	Interest Rate not populated for Interest Component \$1
SE-SO0658	All Interest Components have been Waived
SE-SO0659	Tax Rate Code not populated for Tax Component \$1
SE-SO0660	The Issue date should be later than the product start date
SE-SO0661	The Redemption or Expiry date cannot be later than the product end date
SE-SO0662	The Redemption Price is lesser than the Initial Face Value. Continue?

## 32.3 Error Codes and Messages for Batches

**Table 32.3: Error Codes and Messages for Batches**

Error Code	Message
SE-AC001	Failed to Lock SE Leg Reference No. \$1 for \$2 event
SE-AC002	Failed to get End Of Input for the current branch
SE-AC003	This is an End of Day process
SE-AC004	First run the predecessor programs before Event Selection and ALPL program
SE-AC005	Process Till Date is Mandatory
SE-AC006	Process Till Date cannot be greater than 365 days from today
SE-AC007	Are you sure you want to start Event Selection and ALPL?
SE-AC008	Event Selection and Processing and ALPL process Failed.
SE-AC009	Event Selection and Processing and ALPL process successfully completed
SE-BA0001	Unhandled Exception in Sepkss_repo.fn_populate_work_table
SE-BA0002	Unhandled Exception in Sepkss_repo.fn_repo_block_deals
SE-BA0003	Unhandled Exception in fn_create_block_deals
SE-BA0004	Unhandled Exception in fn_ammend_block_deals
SE-BA0005	Unhandled Exception in fn_delete_block_deals
SE-BA0006	Insert to setbs_deal_master bombed

Error Code	Message
SE-BA0007	Insert to setbs_deal_detail bombed
SE-BA0008	Insert to cstbs_contract bombed
SE-BA0009	Insert to setbs_mm_repo_linkage bombed
SE-BA0010	Updation of cstbs_contract bombed
SE-BA0011	Insert to setws_repo_rrepo_blocks bombed
SE-BA0012	Unhandled Exception in Sepkss_repo.fn_delete_action
SE-BA0013	Security Value \$1 should not be less than Loan Amount \$2
SE-BA0014	Unhandled Exception in fn_calculate_security_val
SE-BA0015	Unhandled Exception in Sepkss_repo.fn_repo_release_block
SE-BA0016	Unhandled Exception in sepkss_repo.fn_repo_authorize
SE-BA0017	Old Deal Reference cannot be Null
SE-BA0018	Copy Flag should be either V or N
SE-BA0019	Select from Cstb Contract failed
SE-BA0020	Select from setbs_deal_master failed
SE-BA0021	Unhandled exception in fn_project_balance
SE-BA0022	Unhandled exception in fn_get_pfolio_balance
SE-BA0023	Unhandled exception in fn_get_balances
SE-BA0024	Unable to insert into setb_pfolio_vdated_movmnts
SE-BA0025	Unable to insert into setb_pfolio_skacbalances
SE-BA0026	Unable to get record from setb_pfolio_skacbalances
SE-BA0027	Unhandled exception in fn_upd_vbal_opening
SE-BA0028	Failed to get the commit frequency
SE-BA0005	Unable to get record from sevw_pfolio_skacbalances
SE-BA0006	Cannot settle Sell deal \$1;Deal quantity (\$2) is greater than Available balance (\$3)
SE-BA0007	Unable to get record from sevw_pfolio_skacbalances
SE-BA0008	Failed to get the Next Processing Date
SE-BA0009	Unable to insert record into setb_event_log
SE-BA0010	Unable to lock record \$1
SE-BA0011	Failed to insert into \$1
SE-BA0012	Unable to read from setb_event_log

Error Code	Message
SE-BA0013	Unhandled exception in fn_rights_RXLL
SE-BA0014	Unhandled exception in fn_build_event_advice
SE-BA0015	Unhandled exception in fn_populate_vdbals
SE-BA0016	Failed to do FPL accrual for \$1
SE-BA0017	No data found in setm_security_master
SE-BA0018	No data found in setm_cash_dividend
SE-BA0019	Select from Cstb Contract failed
SE-BA0020	Select from setbs_deal_master failed
SE-BA0021	Unhandled exception in fn_project_balance
SE-BA0022	Unhandled exception in fn_get_pfolio_balance
SE-BA0023	Unhandled exception in fn_get_balances
SE-BA0024	Unable to insert into setb_pfolio_vdated_movmnts
SE-BA0025	Unable to insert into setb_pfolio_skacbalances
SE-BA0026	Unable to get record from setb_pfolio_skacbalances
SE-BA0027	Unhandled exception in fn_upd_vbal_opening
SE-BA0028	Failed to get the commit frequency
SE-BA0029	Unable to get record from sevw_pfolio_skacbalances
SE-BA0030	Cannot settle Sell deal \$1;Deal quantity (\$2) is greater than Available balance (\$3)
SE-BA0031	Unable to get record from sevw_pfolio_skacbalances
SE-BA0032	Failed to get the Next Processing Date
SE-BA0033	Unable to insert record into setb_event_log
SE-BA0034	Unable to lock record \$1
SE-BA0035	Unable to read from setb_event_log
SE-BA0036	Unhandled exception in fn_rights_RXLL
SE-BA0037	Unhandled exception in fn_build_event_advice
SE-BA0038	Unhandled exception in fn_populate_vdbals
SE-BA0039	Failed to do FPL accrual for \$1
SE-BA0040	Failed to do FPL accrual for \$1
SE-BA0041	No data found in setm_security_master
SE-BA0042	No data found in setm_cash_dividend

Error Code	Message
SE-BA0043	No data found in setm_portfolio_master No data found in setm_sk_location
SE-BA0044	Error while updating setm_corp_actions_due
SE-BA0045	Error while updating setm_corp_actions_due
SE-BA0046	When Others of fn_cash_dvnd_population
SE-BA0047	Error while rounding Rights fraction
SE-BA0048	When Others of fn_bonus_population
SE-BA0050	No data found in setm_rights
SE-BA0051	When Others of fn_rights_population
SE-BA0052	No data found in setm_warrants
SE-BA0053	When Others of fn_warrant_population
SE-BA0054	No data found in setm_redemption
SE-BA0055	When Others of fn_redemption_population
SE-BA0056	Unhandled exception in fn_redemption series
SE-BA0057	No data found in setm_coupon
SE-BA0058	When Others of fn_coupon_population
SE-BA0059	Unhandled exception in fn_get_sk_for_buysell
SE-BA0060	Select from SE Master and Detail to Populate Work Table Failed
SE-BA0061	Security Ccy not maintained for Internal Security Id
SE-BA0062	Latest ESN not maintained for Contract Reference
SE-BA0063	Updation of setbs_deal_master bombed
SE-BA0064	Updation of setbs_deal_detail bombed
SE-BA0065	Select from setbs_mm_repo_linkage failed
SE-BA0066	Insert to setws_tmp_repo_exposure bombed
SE-BA0067	Unhandled Exception in fn_calculate_repo_exposure
SE-BA0068	Unhandled Exception in sepkss_copy.fn_secopy_adeal
SE-BA0069	Insert to Cstb Contract Failed
SE-BA0070	Unhandled Exception in fn_cstb_contract_insert
SE-BA0071	Updation Of Cstb Contract Failed
SE-BA0072	Unhandled Exception in fn_cstb_contract_update
SE-BA0073	Insert to setbs_deal_master Failed



Error Code	Message
SE-BA0074	Unhandled Exception in fn_deal_master_insert
SE-BA0075	Insert to setbs_deal_detail Failed
SE-BA0076	Unhandled Exception in fn_deal_detail_insert
SE-BA0077	Insert to setbs_deal_parties Failed
SE-BA0078	Unhandled Exception in fn_deal_parties_insert
SE-BA0079	Insert to setbs_deal_parties_narrative Failed
SE-BA0080	Unhandled Exception in fn_deal_narrative_insert
SE-BA0081	Inserting into exception for reference number \$1 failed
SE-BA0082	Unhandled exception in getting all legs to be processed for MSTL
SE-BA0083	Insert into event log bombed for leg \$1
SE-BA0084	Unhandled exception in fn process leg for MSTL for leg \$1
SE-BA0085	Failed to Lock SE Leg reference no. \$1 for \$2 event
SE-BA0086	Portfolio ID does not exist for position reference \$1
SE-BA0087	Corporate action notice details could not be got for \$1
SE-BA0088	Failed to update corporate actions due table for \$1
SE-BA0089	Failed in identifying if processing is required
SE-BA0090	Failed in inserting into contract event advice table for \$1
SE-BA0091	Unhandled exception in fn_periodic_accrual for Forward P/L
SE-BA0092	Failed to do product level FPL accruals for \$1
SE-BA0093	Unhandled exception in fn_pass_product_entries for Forward P/L
SE-BA0094	Unable to lock cstb_contract for \$1
SE-BA0095	Unhandled exception in fn_accrue_for_aleg
SE-BA0096	Unhandled exception in fn_reverse_for_a_leg
SE-BA0097	Unhandled exception in fn_complete_fpl_accrual
SE-BA0098	Failed to insert into setb_event_log for \$1
SE-BA0099	Unhandled exception in function fn_right_tearoff_RGLL
SE-BA0100	Unhandled exception in function fn_pass_product_entries
SE-BA0101	Unable to do product level accruals for portfolio \$1 and ccy \$2
SE-BA0102	Unable to update the setb_fwdpnl_master for portfolio \$1 and ccy \$2
SE-BA0103	Unhandled exception in function fn_update_opening_bal
SE-BA0106	Unhandled exception in function fn_msg_handoff

Error Code	Message
SE-BA0107	Next process date \$1 > Process till date \$2 for product \$3
SE-BA0108	Unable to get record from \$1 for record \$2
SE-BA0109	Unable to lock record from \$1 for record \$2
SE-BA0110	Unhandled exception in function fn_settlements
SE-BA0111	Error updating processed flag in setbs_caevent_log to W(work in progress) for Action ID --> \$1
SE-BA0112	Collection cannot be processed before initiation for internal Action ID \$1 and position reference \$2
SE-BA0113	Liquidation cannot be processed before initiation/collection for internal Action ID \$1 and position reference \$2
SE-BA0114	Unhandled exception - when others for internal Action ID \$1 and position reference \$2
SE-BA0115	Error updating processed flag in setbs_caevent_log to Y(Processed) for Action ID --> \$1
SE-BA0116	Unhandled exception – when others in function fn_dividend_auto.
SE-BA0117	Error selecting corporate actions record for internal Action ID \$1 and position reference \$2
SE-BA0118	Unhandled exception - when others in function fn_dividend_manual
SE-BA0119	Unable to lock record in setbms_corp_actions_due for internal Action ID \$1 and position reference \$2
SE-BA0120	Error selecting corporate actions record for update
SE-BA0121	Error selecting portfolio product and Portfolio Ref No for Portfolio ID --> \$1
SE-BA0122	Unhandled exception in function fn_process_event.
SE-BA0123	Function sepkss_utils.fn_lock_cstb_contract returned false for position reference \$1
SE-BA0124	Failed to lock cstbs_contract for position reference \$1
SE-BA0125	Unhandled exception - when others of function fn_coupon_auto
SE-BA0126	Coupon amount due is zero for component \$1
SE-BA0127	Unhandled exception - when others of function fn_process_interest_due
SE-BA0128	Unhandled exception in function fn_get_locks
SE-BA0131	Unhandled exception in function fn_SPLP_for_aleg
SE-BA0132	Unhandled exception in function fn_SPSP_for_aleg
SE-BA0133	Unhandled exception in function fn_SSLP_for_aleg

Error Code	Message
SE-BA0134	Unhandled exception in function fn_SSSP_for_aleg
SE-BA0135	Failed to insert into setbs_dstl_details for \$1
SE-BA0136	Failed to update setbs_dstl_master for \$1
SE-BA0137	Failed while rounding amount tag \$1 for amount \$2
SE-BA0138	Unhandled exception in fn_memo_fpl_accrual
SE-BA0139	Failed to get the ESN for Memo accrual
SE-BA0140	Cannot settle \$1 as it is not fully matched
SE-BA0141	Unhandled exception in fn_complete_DSTL
SE-BA0142	Failed to get current_holding
SE-BA0143	Failed to do DSTL for \$1 as position goes +ve for Issuer Portfolio \$2.
SE-BA0144	Failed to do DSTL for \$1 as position goes -ve for Non-Issuer Portfolio \$2.
SE-BA0145	Unable to select from setb_deal_detail for \$1
SE-BA0146	Unable to select from setb_deal_master for \$1
SE-BA0147	Unable to select from setb_portfolio_master for \$1
SE-BA0148	Unable to update setb_caevent_tearoff_log
SE-BA0149	Unable to select from setm_security_master for \$1
SE-BA0150	Unable to select from setb_dstl_master for \$1 and \$2
SE-BA0151	This program can be run only as part of End of Day or Beginning of Day processing.
SE-BA0152	Select from setms_security_master failed
SE-BA0153	Select from setms_price_detail failed
SE-BA0154	Select from ldtbs_contract_master failed
SE-BA0155	Select from ldtbs_contract_iccf_details failed
SE-BA0156	Select from ldtbs_contract_balance failed
SE-BA0157	Unhandled exception in fn_calculate_mm_amount
SE-BA0158	Unhandled exception in Sepkss_repo.fn_reverse_block_deals
SE-BA0159	Unhandled exception in Sepkss_repo.fn_roll_block_deals
SE-BA0160	Select from setms_security_master failed
SE-BA0161	Security expires before Contract Maturity
SE-BA0162	Select from setms_portfolio_master failed
SE-BA0163	Select from ldtms_product_master failed

Error Code	Message
SE-BA0164	Unhandled exception in fn_roll_each_block_deal
SE-BA0165	Failed to update cstbs_contract_event_log
SE-BA0166	Block Product not maintained for this product
SE-BA0167	Unhandled exception in fn_reverese_each_block_deal
SE-BA0168	Failed to delete from setbs_caevent_tearoff_log
SE-BA0169	Confirmed Date should not be more than Today
SE-BA0170	Improper Internal Action ID
SE-BA0171	Insert to setbs_caevent_tearoff_log failed
SE-BA0172	Unhandled exception in sepks_utils.fn_populate_caevent_tear_log
SE-BA0173	Unhandled exception in sepks_utils.fn_delete_caevent_tear_log
SE-BA0174	Insert to setbs_caevent_expiry_log failed
SE-BA0175	Securities with only Quantity type of redemption can be processed for rebuild
SE-BA0176	Insert to setbs_secuirty_face_value failed
SE-BA0177	Redeemed Value of Security cannot be less than Zero
SE-BA0178	Select from setms_redemption failed
SE-BA0179	Failed to round the redemption value
SE-BA0180	Unhandled exception in sepks_security_rebuild.fn_rebuild_for_a_security
SE-BA0181	Position goes negative for \$1
SE-BA0182	Position goes positive for \$1
SE-BA0183	Amount round failed for \$1
SE-BA0184	Unhandled exception in \$1
SE-BA0185	Failed to read deal for \$1
SE-BA0186	Failed to insert into cstb_contract_exception
SE-BA0187	Unhandled exception in fn_rebuild_slabs.
SE-BA0188	Unable to select from setms_portfolio_master
SE-BA0189	Unable to select from setb_dprp_accr_calc
SE-BA0190	Unable to lock position \$1
SE-BA0191	Unable to select from setm_redemption
SE-BA0192	Unable to select from setm_security_master
SE-BA0193	Unable to update setb_bep
SE-BA0194	Unable to insert/update setb_dprp_accr_calc

Error Code	Message
SE-BA0195	Unhandled exception in fn_process_calc_table
SE-BA0196	Unable to calculate the tenor
SE-BA0197	Unable to calculate the no. of days
SE-BA0198	Unhandled exception in fn_constant_yld_dp
SE-BA0199	Unhandled exception in fn_constant_yld_rp
SE-BA0200	Unable to select from setm_branch_parameters
SE-BA0201	Next process date \$1 > Process till date \$2 for product \$3
SE-BA0202	Unable to select from setb_dprp_accr_master
SE-BA0203	Unable to update setb_dprp_accr_master
SE-BA0204	Unhandled exception in fn_dprp_batch_accr
SE-BA0205	Unhandled exception in fn_pass_product_entries
SE-BA0206	Unable to update setb_dprp_accr_log
SE-BA0207	Unable to update accrual_entry_flag in setb_dprp_accr_log
SE-BA0208	Unhandled exception in fn_dprp_memo_accr
SE-BA0209	Unhandled exception in fn_dprp_reversals
SE-BA0210	Unhandled exception in fn_accrue
SE-BA0211	Unable to select from setb_bep
SE-BA0212	Unhandled exception in fn_accrue_during_settle
SE-BA0213	Unhandled exception in fn_acc_entry
SE-BA0214	Component code not correctly set
SE-BA0215	Unable to insert into setb_dprp_accr_log
SE-BA0216	Unhandled exception in fn_update_accr_log
SE-BA0217	Unhandled exception in fn_dprp_poswac
SE-BA0218	Unhandled exception in fn_dprp_negwac
SE-BA0219	Unhandled exception in fn_dprp_dmwac
SE-BA0220	Unhandled exception in fn_dprp_wac_noaccr
SE-BA0221	Unable to check future holding
SE-BA0222	Unable to select from setb_unrel_unmatch for \$1
SE-BA0223	Unhandled exception in fn_rights_settlements
SE-BA0224	Unhandled exception in fn_warrants_settlements
SE-BA0225	Unhandled exception in fn_bonus_settlements

Error Code	Message
SE-BA0226	Unable to get current holding for position \$1
SE-BA0227	Unable to select from setb_matched_deal for sell leg \$1
SE-BA0228	Unable to update setb_event_log
SE-BA0229	Failed in function fn_find_cum_ex
SE-BA0230	Unable to break the match for \$1
SE-BA0231	Unable to get Buy deal for position \$1
SE-BA0232	Unable to insert into setb_matched_deal for sell leg \$1
SE-BA0233	Unable to update setb_unrel_unmatch
SE-BA0234	Unhandled exception in fn_drive_alpl
SE-BA0235	Unhandled exception in fn_drive_dprp_accr
SE-BA0236	Unhandled exception in fn_drive_fpl_accr
SE-BA0237	Unhandled exception in fn_drive_fpl_memo_accr
SE-BA0238	Unhandled exception in fn_drive_dprp_memo_accr
SE-BA0239	Unable to update setb_dstl_master for \$1 and dstl date \$2
SE-BA0240	Unhandled exception in fn_reverse_alpl
SE-BA0241	Unhandled exception in fn_mark_dstl_master
SE-BA0242	Unable to get the Rights intrinsic value
SE-BA0243	Unable to select from setb_position_ref
SE-BA0244	Failed in function fn_build_event_advice
SE-BA0245	Unable to get the deal details for \$1
SE-BA0246	Unhandled exception in fn_rights_exercise_RELL
SE-BA0247	Error while calculating P&L for Rights exercise
SE-BA0248	Unable to insert into setb_event_log
SE-BA0249	Unable to insert into setb_dstl_details
SE-BA0250	Unable to insert into cstb_contract_event_advice
SE-BA0251	Failed in function fn_msg_handoff
SE-BA0252	Error while calculating P&L for Rights expiry
SE-BA0253	Unhandled exception in fn_rights_expiry_RXLL
SE-BA0254	Failed in function fn_build_event_advice
SE-BA0255	Unhandled exception in fn_bonus_settlements
SE-BA0256	ALPL is already running in the current branch

Error Code	Message
SE-BA0257	Unhandled exception in Event Selection and Processing and ALPL function
SE-BA0258	Unhandled exception in fn_SSSP_settlements
SE-BA0259	Unhandled exception in fn_do_matching
SE-BA0260	Closing sec balance not equal to settled quantity
SE-BA0261	Insert to setbs_interest rate failed
SE-BA0262	Unhandled exception in sepkss_security_rebuild.fn_rebuild_interest
SE-BA0263	Security being traded has already expired
SE-BA0264	Updation of setws_repo_rrepo_blocks failed
SE-BA0265	Select from setws_repo_rrepo_blocks failed
SE-BA0266	Unhandled Exception in sepkss_repo_addon.fn_calculate_repo_face_value
SE-BA0271	Unhandled exception in function sepkss_corpaction_msg.fn_process_notice
SE-BA0272	Unhandled exception in function sepkss_corpaction_msg.fn_check_advice
SE-BA0273	Unhandled exception in function sepkss_corpaction_msg.fn_handoff
SE-BA0274	Error updating advice_generated field to Y
SE-BA0275	Error updating advice_generated field to P
SE-BA0276	Error updating internal_action_id in setbs_event_log
SE-BA0277	Unable to handoff to mstbs_msg_handoff. Function sepkss_advice_utils.fn_insert_msg_handoff returned false
SE-BA0278	Error updating statement date/number fields in setms_portfolio_master
SE-BA0279	Unhandled exception in function fn_statements_handoff
SE-BA0280	Matched buy deals have not settled. DSTL will not be done for \$1
CS-CF0001	Unhandled exception in fn_create_cash_flow - version 1
CS-CF0002	Cstbs_event_due_dates not populated
CS-CF0003	Unhandled exception in fn_create_cash_flow - version 2
CS-CF0004	Unhandled exception in fn_restore_cash_flow
CS-CF0005	Unhandled exception in fn_authorize_cash_flow
CS-CF0006	Unhandled exception in fn_settle_cash_flow
CS-CF0007	Unhandled exception in fn_process_charges
CS-CF0008	Unhandled exception in fn_tax_charges
CS-CF0009	Unhandled exception in fn_is_referral
CS-CF0010	Unhandled exception in fn_process_settlements_lists

Error Code	Message
CS-CF0011	Unhandled exception in fn_upd_amt_due
CS-CF0012	Unhandled exception in fn_upd_amt_paid
CS-CF0013	Unhandled exception in fn_backup_cash_flow
SE-CF0001	Unhandled exception in fn_cash_flow_redemption
SE-CF0002	Unhandled exception in fn_cash_flow_dividends
SE-CF0003	Unhandled exception in fn_cash_flow_coupons
SE-CF0004	Unhandled exception in fn_populate_amt_due
SE-CF0005	Unhandled exception in fn_get_sett_acc
SE-BOD001	Unhandled exception in function sepkss_security_batch.fn_process_security_batch while processing security \$1
SE-BOD002	Unhandled exception in function sepkss_security_batch.fn_process_security_batch
SE-BOD003	Unhandled exception in function fn_update of sepkss_security_batch
SE-BOD040	Failed to update setb_caevent_tearoff_log
SE-BOD041	Failed to lock cstb_contract
SE-BOD042	Failed to update setm_corp_actions_due with auto deal reference
SE-BOD043	When Others of fn_right_tearoff
SE-BOD044	Error while selecting product for building auto deal
SE-BOD045	When Others of fn_right_pfolio_processing
SE-BOD046	No data found in setm_combination_product
SE-BOD047	Failed to insert into setb_unrel_unmatch
SE-BOD048	Unhandled exception in fn_deal_detail
SE-BOD049	Unhandled exception in fn_deal_master
SE-BOD050	Failed to update setb_caevent_expiry_log
SE-BOD051	Unhandled exception in fn_rights_expiry
SE-BOD052	Are you sure you want start Corp Action Batch processing?
SE-BOD053	Unhandled exception encountered while running Batch program
SE-BOD074	When Others of fn_populate_coupon_eod
SE-BOD075	When Others of fn_populate_cash_dvnd_eod



## 32.4 Error Codes and Messages for Deal Input

**Table 32.4: Error Codes and Messages**

Error Code	Message
SE-DO0000	For Securities Deal On-line error code format is SE-DONNNN, where NNNN is a running four-digit number with left padded zeros. Please insert the Error Codes you want and reserve it. The Error Message cannot be greater than 255 characters. Please do not use SE-DO0000 as a Error Code.
SE-DO0001	Product code should be entered
SE-DO0002	Unable to generate reference number
SE-DO0003	Trade date cannot be after today
SE-DO0004	Trade date cannot be after interest date
SE-DO0005	Interest date cannot be after delivery settlement date
SE-DO0006	Delivery settlement date cannot be before trade date
SE-DO0007	Security code should be entered
SE-DO0008	Market code should be entered
SE-DO0009	Deal quantity should be entered
SE-DO0010	Input price should be entered
SE-DO0011	Trade date should be entered
SE-DO0012	Delivery settlement date should be entered
SE-DO0013	Interest date should be entered
SE-DO0014	Trade date should be entered
SE-DO0015	Broker code should be entered
SE-DO0016	Security series should be entered
SE-DO0017	Payment date should be entered
SE-DO0018	Spot date should be entered
SE-DO0019	Spot price should be entered
SE-DO0020	Payment Currency should be entered
SE-DO0021	Interest days should be entered
SE-DO0022	Counterparty should be entered
SE-DO0023	SK location should be entered
SE-DO0024	Portfolio should be entered
SE-DO0025	User reference should be entered

Error Code	Message
SE-DO0026	Dealer code should be entered
SE-DO0027	Money settlement date should be entered
SE-DO0028	SK Account should be entered
SE-DO0029	Actual money settlement date should be entered
SE-DO0030	Overrides need to be confirmed for Authorization
SE-DO0031	Do you want to undo the changes you have made?
SE-DO0032	Do you want to delete the contract?
SE-DO0033	Do you want to undo the last unauthorized changes?
SE-DO0034	Authorized contract can not be deleted
SE-DO0035	Contract successfully deleted
SE-DO0036	User Reference Number should be unique
SE-DO0037	Liquidate Failed
SE-DO0038	Rollover Failed
SE-DO0039	Failed to generate new version, Reversal of contract Failed
SE-DO0040	Failed to copy the contract
SE-DO0041	Failed to delete the contract
SE-DO0042	Contract successfully deleted
SE-DO0043	Do you want to close the contract?
SE-DO0044	Contract successfully closed
SE-DO0045	Failed to CLOSE the contract
SE-DO0046	Unauthorized contract can not be modified
SE-DO0048	Contract will be put on hold
SE-DO0053	Failed in contract event log processing
SE-DO0054	Failed to unlock the contract
SE-DO0055	User Id should be same as the maker Id
SE-DO0056	unauthorized record can not be processed
SE-DO0057	DSTL date should be entered
SE-DO0058	New DSTL date should not be before the existing DSTL date
SE-DO0059	Rollover completed successfully
SE-DO0060	Failed to process the deal leg records

Error Code	Message
SE-DO0061	Security ID does not match, Please reenter the security ID
SE-DO0062	Input price does not match, please reenter the input price
SE-DO0063	Trade date does not match, please re enter the trade date
SE-DO0064	deal settlement date does not match, please re enter the deal settlement date
SE-DO0065	Deal units are not matching, please reenter the deal units
SE-DO0066	Portfolio Ids do not match, Please reenter the portfolio ID
SE-DO0067	Money settlement date does not match, please reenter the money settlement date
SE-DO0068	Failed to validate the dates
SE-DO0069	\$1, \$2 \$3 is \$4 holiday. Continue?
SE-DO0070	Trade date is earlier than product start date
SE-DO0071	Deal Settlement date is earlier than product start date
SE-DO0072	Money Settlement date is earlier than product start date
SE-DO0073	Trade date should not be after product end date
SE-DO0074	Deal Settlement date should not be after product end date
SE-DO0075	Money Settlement date should not be after product end date
SE-DO0076	Trade Date cannot be after Today's System Date
SE-DO0077	Trade Date cannot be after the Deal Settlement Date
SE-DO0078	Trade Date is same as The Settlement Date
SE-DO0079	Money Settlement Date cannot be earlier than the Trade Date
SE-DO0080	Money Settlement Date cannot be later than Settlement Date
SE-DO0081	Actual Settlement Date cannot be earlier than Money Settlement Date
SE-DO0082	Actual Settlement Date cannot be earlier than the Deal Settlement Date
SE-DO0083	Interest Value Date cannot be earlier than Trade Date
SE-DO0084	Interest Value Date cannot be after the Settlement Date
SE-DO0085	Trade Date is earlier than Today's System Date
SE-DO0086	Settlement Date is earlier than Today's System Date
SE-DO0087	Deal input price exceeds market price by \$1, Continue?

Error Code	Message
SE-DO0088	Deal input price exceeds market price by \$1%, variance Exception limit exceeded.
SE-DO0089	Deal is already settled. Settlement date can not be extended.
SE-DO0090	Portfolio Id for Buy leg and that for sell leg should not be same.
SE-DO0091	Counterparty for Buy leg and that for sell leg should not be same.
SE-DO0092	Money Settlement for \$ is already completed
SE-DO0093	Failed in event processing, \$1 failed
SE-DO0094	Checker ID can not be same as the Maker ID
SE-DO0095	Contract saved as TEMPLATE
SE-DO0096	Contract saved
SE-DO0097	Matched units can not be null
SE-DO0098	Contract already liquidated
SE-DO0100	Deal Successfully Saved
SE-DO0131	Failed to get the price components
SE-DO0132	Spot date can not be earlier than Trade date
SE-DO0133	Money settlement is already done
SE-DO0134	Deal settlement is already done
SE-DO0135	Could not retrieve spot price for the given face value, please input spot price
SE-DO0136	Limits are not maintained
SE-DO0137	Combination of the entered details is not valid
SE-DO0138	Please enter the mandatory fields
SE-DO0139	Money Settlement date is earlier than today
SE-DO0140	New Deal Settlement Date is greater than one of the sell leg Deal Settlement Dates matched to \$1
SE-DO0141	New Deal Settlement Date is earlier than one of the buy leg Deal Settlement Dates matched to \$1
SE-DO0142	Failed to compare Deal settlement dates for matched deals
SE-DO0143	Failed in \$1 pickup
SE-DO0144	Please enter the narrative type
SE-DO0145	Failed to generate Position Reference Number

Error Code	Message
SE-DO0146	Contract reversed.
SE-DO0147	Do you want to reverse the contract?
SE-DO0148	Failed to select the record
SE-DO0149	Selected record has changed, please reselect
SE-DO0150	Do you want to re-pickup the subsystems?
SE-DO0151	Number of units entered is not in multiples of minimum tradable security units
SE-DO0152	DSTL date is earlier than start of trading date for the security
SE-DO0153	DSTL date is not earlier than the security redemption date
SE-DO0154	Settlement SKL is mandatory
SE-DO0155	Payment Currency - Security Currency ratio is mandatory
SE-DO0156	Failed to authorize the contract
SE-DO0157	Failed to validate the rekey fields
SE-DO0158	input quantity has exceeded maximum limit
SE-DO0159	Failed to default the product details
SE-DO0160	Spot date should be less than Deal Settlement date
SE-DO0161	Failed to default price components
SE-DO0162	Deal is already settled. Can not continue!
SE-DO0163	Failed to save the contract
SE-DO0164	Failed to reserve record for liquidation
SE-DO0165	Zero units are available for release
SE-DO0166	Failed to maintain the template
SE-DO0167	Contract reference number can not be null, Please contact support
SE-DO0168	Failed to get the counter product details for deal product
SE-DO0169	Please input rights exercise details, before proceeding further
SE-DO0170	Please enter the Parties details for leg with reference number \$1
SE-DO0171	Failed to initialize the parameters
SE-DO0172	Failed in Holiday checks
SE-DO0173	Failed to get the resultant security code
SE-DO0174	Deal quantity can not exceed the maximum allowed quantity for exercise

Error Code	Message
SE-DO0175	Trade Date validations failed
SE-DO0176	Trade date is not between start of exercise date and the end of exercise date
SE-DO0177	Deal settlement date can not be greater than the redemption date/expiry date of security
SE-DO0178	Failed to validate the DSTL date
SE-DO0179	Failed to update rows for the deal
SE-DO0180	Failed in rights exercise processing
SE-DO0181	Deal quantity should be greater than 0
SE-DO0182	From leg position can not be same as the to leg position
SE-DO0183	This position has \$1 balance
SE-DO0184	Failed to validate the deal
SE-DO0185	Error codes could not be retrieved correctly
SE-DO0186	\$1, \$2 \$3 is \$4 holiday. Continue?
SE-DO0187	Failed to duplicate the overrides
SE-DO0188	Reversed contract can not be unlocked
SE-DO0189	Money Settlement can not be done for bank leg
SE-DO0190	Interest Value Date should be between \$1 and \$2
SE-DO0191	Variance is not maintained for the security product in security currency
SE-DO0192	MIS maintenance is not done for security/portfolio
SE-DO0193	Failed to get security trading dates
SE-DO0194	Incorrect format for SWIFT address
SE-DO0195	First line of address is mandatory
SE-DO0196	Medium is mandatory for walk-in customer
SE-DO0197	Deal quantity should be greater than the minimum allowed quantity for exercise
SE-DO0198	Counterparty confirmation is not allowed for this deal.
SE-CALC01	Divide by zero condition. Cannot calculate yield.
SE-CALC02	Unhandled exception in function sepkss_calc.fn_tbill_pricetoyield.
SE-CALC03	Divide by zero condition. Cannot calculate price.
SE-CALC04	Unhandled exception in function sepkss_calc.fn_tbill_yieldtoprice.

Error Code	Message
SE-CALC05	Error condition while calculating Present Value of cash flow(s).
SE-CALC06	Unhandled exception in function sepkss_calc.fn_bond_pricetoyield.
SE-CALC07	Unhandled exception in function sepkss_calc.fn_bond_yieldtoprice
SE-CALC08	Unhandled exception in function sepkss_calc.fn_tbill_calc
SE-CALC09	Function(fn_tbill_calc) does not understand mode \$1
SE-CALC10	Function(fn_tbill_calc) cannot determine which is to be calculated (Yield or Price)
SE-ONL100	Error during Netcons Processing
SE-ONL101	Error processing Parties
SE-ONL102	Error processing of Advices
SE-ONL103	Error processing Subsystems
SE-ONL104	Error updating of Exchange Rates in Settlements
SE-ONL105	Error retrieving Deal Amount Tags
SE-ONL106	Error creating Deal Amount Tag list
SE-ONL107	Error retrieving Deal Detail
SE-ONL108	Error retrieving Deal Master
SE-ONL109	Settlement CCY for a Netcons component different from Payment CCY
SE-ONL110	Error Processing Module Components during Settlements pickup
SE-ONL111	Error Processing Module Components for Net consideration
SE-ONL112	Error Processing Interest Components for Net consideration
SE-ONL113	Error Processing Tax Components under Net consideration
SE-ONL114	Error processing Parties. CIF record missing
SE-ONL115	Error inserting into Unrel - Unmatch Table
SE-ONL116	Error processing exposures
SE-ONL117	Error processing clean risk
SE-ONL118	Error inserting into Securities Event Log
SE-ONL119	Error inserting Core Contract control table
SE-ONL120	Error updating Core Contract control table
SE-ONL121	Error inserting Core Contract event log table

Error Code	Message
SE-ONL122	Error retrieving Spot Price
SE-ONL123	Error processing event - \$1
SE-ONL124	Error authorizing event - \$1
SE-ONL125	Error retrieving data from Core Contract control table
SE-ONL126	Error Deleting contract
SE-ONL127	Error inserting Deal Master
SE-ONL128	Error inserting Deal Detail
SE-ONL129	Error inserting into Deal Matching tables
SE-ONL130	Error copying contract
SE-ONL131	Error splitting price
SE-ONL132	Error retrieving Face Value
SE-ONL133	Error retrieving Market Price
SE-ONL134	Error handing off messages
SE-ONL135	Error retrieving DCN
SE-ONL136	DEAL_NOMINALAMT not defined in product accounting entry
SE-ONL137	Active or Unauthorized Reversed/Cancelled Sell Legs are linked to this buy leg. Only completely unmatched buy legs or buy legs linked to authorised reversed/cancelled sell legs can be reversed
SE-ONL138	Error during updation of blocked balances
SE-ONL139	Portfolio cannot go short. Current position insufficient
SE-ONL140	Holdings insufficient to be blocked
SE-ONL141	Error verifying available balance for Portfolio
SE-ONL142	MSTL possible for only Customer - Buy/Sell legs
SE-ONL143	Failed in Cash flow processing
SE-ONL144	Failed to populate the amount due records in cash flow
SE-ONL145	Failed in creating cash flow
SE-ONL146	
SD-LM-00001	The Issuer Limits details are incomplete. Complete/Delete the Issuer Limits details.
SD-LM-00002	The Line Code is not a Limits Template
SD-LM-00003	The Line Code is not entered
SD-LM-00004	The Liability is not entered



Error Code	Message
SD-LM-00005	The Line Start Date cannot be later than the Line Expiry Date
SD-LM-00006	The Last Available Date cannot be later than the Line Expiry Date
SD-LM-00007	The Line Currency is not entered
SD-LM-00008	This Tenor has been maintained for the Limit
SD-LM-00009	The Tenor details are incomplete. Complete/Delete the Tenor details
SD-LM-00010	The Products Allowed details are incomplete. Complete/Delete the Products Allowed details
SD-LM-00011	The Branches Allowed details are incomplete. Complete/Delete the Branches Allowed details
SD-LM-00012	The Last Available Date cannot be less than the Line Start Date
SD-LM-00013	The Customers Allowed details are incomplete. Complete/Delete the Customers Allowed details
SD-LM-00014	The Tenor Limit Amount exceeds the Line Limit Amount
SD-LM-00015	The Sub Line Tenor Limit Amount cannot be greater than the next higher Main Line Tenor Limit Amount. \$1 - \$2
SD-LM-00016	The Sub Line Tenor cannot be greater than Maximum Main Line Tenor. \$1 Days
SD-LM-00017	There are no Tenors specified for the Main Line
SD-LM-00018	The Line Code is Limits Template. Details will be copied from template. Continue?
SD-LM-00019	The Sub Line Limit cannot exceed the Main Line Limit. \$1-\$2
SD-LM-00020	The Main Line Limit cannot be less than any of its Sub Line Limit. \$1-\$2
SD-LM-00021	The Main Line Tenor cannot be Less than the Minimum Tenor of any Sub Lines reporting to it. - \$1 Days
SD-LM-00022	The Main Line Tenor Limit Amount cannot be less than the next lower Sub Line Tenor Limit Amount. \$1 - \$2
SD-LM-00023	The Limits Copy could not be completed.
SD-LM-00024	Blank spaces cannot be a part of this field
SD-LM-00025	The Line Code should have a nine characters
SD-LM-00026	The Tenor Mnemonic is not entered.
SD-LM-00027	The Limit is not entered.

Error Code	Message
SD-LM-00028	The Collateral Start Date cannot be later than the Collateral Expiry Date
SD-LM-00029	The Margin computed is not between 0 and 100.
SD-LM-00030	The Collateral Currency is not entered.
SD-LM-00031	The Collateral Type is not entered.
SD-LM-00032	The Collateral Review Date cannot be later than the Collateral Expiry Date
SD-LM-00033	The Collateral Review Date cannot be earlier than Collateral Start Date
SD-LM-00034	The Expiry Date cannot be earlier than Start Date.
SD-LM-00035	The Security Code is not entered.
SD-LM-00036	The Security Type is not entered.
SD-LM-00037	The Currency is not entered.
SD-LM-00038	The Market Price Details are incomplete. Complete / Delete the Market Price Details
SD-LM-00039	The Line Code is not entered.
SD-LM-00040	The computed exposure is not between 1 and 100.
SD-LM-00041	There are Active Sub Lines reporting to this Main Line. Main Line cannot be closed.
SD-LM-00042	The Last Price Change Date cannot be greater than Branch Date
SD-LM-00043	The Security Code is not entered for the MVBC
SD-LM-00044	The Price Code is not entered for the MVBC
SD-LM-00045	The Number Of Units is not entered for the MVBC
SD-LM-00046	The Collateral Ccy is not entered for the Collateral
SD-LM-00047	Security Code has not been entered
SD-LM-00048	The Issuer Exposure Details are incomplete. Complete / Delete the Issuer Exposure Details
SD-LM-00049	The Start Date cannot be greater than the Branch Date
SD-LM-00050	The Last Price Change Date cannot be earlier than Start Date
SD-LM-00051	The Expiry Date cannot be earlier than Branch Date.
SD-LM-00052	The Last Price Change Date cannot later than Expiry Date
SD-LM-00053	The Description is not entered.
SD-LM-00054	The Face Value is not entered.

Error Code	Message
SD-LM-00055	The Limit Contribution cannot be greater than the Cap Amount.
SD-LM-00056	Report date should be greater than the date today
SD-LM-00057	The Total Issuer Exposure should be greater than 100 %.
SD-LM-00058	Collateral exists with the Issuer Code. Record cannot be closed.
SD-LM-00059	Securities exist with the Issuer Code. Record cannot be closed.
SD-LM-00060	There are Collateral linked to this Limit. Record cannot be closed.
SD-LM-00061	There are Collateral linked to this Security. Record cannot be closed.
SD-LM-00062	There are Collateral linked to this Price Code. Record cannot be closed.
SD-LM-00063	There are Collateral linked to this Collateral Type. Record cannot be deleted
SD-LM-00064	This Facility is not available at this Branch
SD-LM-00065	No Details exist for the Reference Number.
SD-LM-00066	Customer Clean Risk Limit cannot be greater than Liability Clean Risk Limit
SD-LM-00067	Customer Clean Risk Limit cannot be greater than Overall Limit
SD-LM-00068	Liability Clean Risk Limit cannot be greater than Overall Limit
SD-LM-00069	Limit Currency is not Entered
SD-LM-00070	Overall Limit is not Entered
SD-LM-00071	Liability Clean Risk Limit is not Entered
SD-LM-00100	Line Not Authorised
SD-LM-00101	Line Closed
SD-LM-00102	Line Not Found
SD-LM-00103	Invalid Customer ID
SD-LM-00104	Liability ID. Not Specified
SD-LM-00105	Account ID. Not specified
SD-LM-00106	Reference Id not specified
SD-LM-00107	Amount tag not specified
SD-LM-00108	Amount not specified
SD-LM-00109	Currency not specified
SD-LM-00110	Branch not specified

Error Code	Message
SD-LM-00111	Line \$1 - Amount exceeds Limit for specified tenor by \$2
SD-LM-00112	Line \$1 - Amount exceeds all available tenor limits by \$2
SD-LM-00113	Line \$1 - Amount exceeds line limit. Limit = \$3 \$2. Utilisation = \$4 \$2. Overdraft = \$5 \$2
SD-LM-00114	Main Line \$1 - Amount exceeds Main line limit amount. Limit = \$3 \$2. Utilisation = \$4 \$2. Overdraft = \$5 \$2
SD-LM-00115	Line has matured
SD-LM-00116	Line not available
SD-LM-00117	Amount exceeds limit for liability \$1. Limit = \$3 \$2 Utilisation = \$4 \$2 Overdraft = \$5 \$2
SD-LM-00200	Clean risk limit exceeded for Customer \$1 On \$2. Limit = \$4 \$3 , Utilisation = \$5 \$3, Excess = \$6 \$3
SD-LM-00201	Clean risk limit exceeded for Liability \$1 On \$2. Limit = \$4 \$3 , Utilisation = \$5 \$3, Excess = \$6 \$3
SD-LM-00202	Date input is a holiday. Do you want to continue?
SD-LM-00203	Customer clean risk exceeds for customer \$1 for date \$2 for currency \$3. The limit is \$4. The actual amount is \$5 and the difference is \$6
SD-LM-00204	Liability clean risk exceeds for customer \$1 for date \$2 for currency \$3. The limit is \$4. The actual amount is \$5 and the difference is \$6
SD-LM-99998	Limits: Node \$1 Unavailable. Utilization will be updated later.
SD-LM-99999	Limits Service - Unexpected Error - \$1

## 32.5 Error Codes and Messages for Non-Securities

**Table 32.5: Error Codes and Messages**

Error Code	Messages
TA-CL002	A class named \$1 is already maintained
TA-CL003	Class details Saved
TA-CL004	Record successfully deleted
TA-CL005	The Record is already closed
TA-CL006	Cannot maintain amount tags for this component. Cannot authorize
TA-CL007	Do you want to delink the Tax Component?
CS-CL1001	This class code already exists

Error Code	Messages
CS-CL1002	Please enter the class code
CS-CL1003	Do you want to print accounting entries class details for all modules?
CS-CL1004	Module ID does not match with the Class Code
CS-CL1005	Duplicate Class Code encountered. Please enter the class code again
CF-CL0001	Currency or rate missing
CF-CL0002	Max. values should be lesser or equal to Min. values
CF-CL0003	For Fixed interest rate, Default rate is mandatory and Spread should not be input
CF-CL0004	For Floating interest rate, Spread is mandatory and Default Rate should be null
CF-CL0005	Default Rate Code and Default Tenor mandatory if Rate type is Floating rate
CF-CO0001	Component is of floating rate type. Tenor code must be entered
CF-CO0002	Interest Calculation method must be entered
CF-CO0003	Effective Rate cannot be null
CF-CL0006	Changing the Rate type will delete all the rate maintenance. Do you want to go ahead?
CF-CL0007	There must be at least one component or relevant type
CF-CL0008	The component is linked to a product. Cannot modify or close the record
CF-CL0009	This component has been authorized. Only redefault is allowed.
CS-PR0001	There are no authorized class codes
CS-PR0002	There are no more accounting roles
CS-PR0003	Mandatory field (Class Code) is null
CS-PR0004	Mandatory fields (Accounting Role/Account head) are null
CS-PR0005	There are no more events
CS-PR0006	Mandatory fields (Accounting Role/Amount Tag/Txn code) are null
CS-PR0007	Mandatory field (Advice Name) is null
CS-PR0008	There are no more advices
CS-PR0009	This is not the right button for moving the selected records
CS-PR0010	Cannot move out of the block as some records are selected

Error Code	Messages
CS-PR0011	Already in the last record
CS-PR0012	Already in the first record
CS-PR0013	Cannot create a new component as all the authorized class codes have already been used
CS-PR0014	All the other authorized class codes have already been used
CS-PR0015	Mandatory field (Scheme) is null
CS-PR0016	Mandatory field (Component) is null
CS-PR0017	There are no authorized tax schemes
CS-PR0018	Product Preferences will have to be redefined. Proceed?
CS-PR0019	Mandatory field (Rate Type) is null
CS-PR0020	Format is not correct. The correct format is...
CS-PR0021	Customer ID must be specified
CS-PR0022	Security ID must be specified
CS-PR0023	Portfolio ID must be specified
CS-PR0024	The Scheme has been authorized. Only redefault is allowed.
CS-PR0025	Mandatory Field (Default Rate Code) is null
CS-PR0026	Mandatory Field (Default Rule) is null
CS-PR0027	Mandatory Fields (Rule/Settlement Ccy) are null
CS-PR0028	The Amount Tag \$1 does not have corresponding components defined
CS-PR0029	There are no details to be maintained for Customer Portfolio
CS-PR0030	Mandatory Field (\$1) is null
CS-PR0031	Mandatory Field ( Product Code ) is null
CF-CL0010	Default Rate should be within the Maximum and Minimum Rate specified
CF-CL0011	Floating rate type cannot be null when rate type is Floating
CF-CL0012	This class is linked to a product. Cannot close the class.
CF-CL0013	No rates maintained for this class code. Proceed?
CF-CL0014	Event for association, Basis Amount tag and Amount Category are mandatory
CF-CL0015	For module SS, Basis amount category should be Normal

Error Code	Messages
CF-CL0016	For module other than SS, Basis amount category should be either 'Expected' or 'Overdue'
CF-CO0004	The value entered must be in the format \$1
CF-CO0005	Spread cannot be zero
CF-CO0006	Rate cannot be zero
CF-CO0007	Floor cannot be zero
CF-CO0008	Ceiling cannot be zero

## 32.6 Error Codes and Messages for Portfolio Online

**Table 32.6: Error Codes and Messages**

Error Code	Message
SE-PO0010	Reference Number could not be generated
SE-PO0001	Authorizer cannot be the same as the Maker
SE-PO0002	Contract Reference Number does not match
SE-PO0003	Customer ID does not match
SE-PO0004	Currency Code does not match
SE-PO0005	Overrides not confirmed
SE-PO0010	Reference Number could not be generated
SE-PO0011	Failed while \$1 into Change Log table
SE-PO0012	Safe Keeping Location to Account mapping already exists
SE-PO0014	Failed to copy the contract
SE-PO0016	Security 'Allowed' flag can't be changed if Security ID is null
SE-PO0017	Contract was input by \$1. Cannot be deleted
SE-PO0018	Cannot delete a once authorised record
SE-PO0019	Record successfully deleted
SE-PO0020	Are you sure you want to close the contract?
SE-PO0021	User Reference Number already exists
SE-PO0023	Input Counterparty
SE-PO0024	Input Currency
SE-PO0025	Enter the Product Code
SE-PO0026	Safe Keeping Location to Account mapping not maintained for this portfolio

Error Code	Message
SE-PO0027	Contract Reference Number does not exist for this portfolio
SE-PO0029	Contract shall be put on HOLD status
SE-PO0032	Pickup failed
SE-PO0033	Unauthorized record cannot be unlocked
SE-PO0034	Unauthorized record cannot be closed
SE-PO0035	Failed to copy the portfolio - security restrictions
SE-PO0036	Referral Failed
SE-PO0037	Unauthorized record cannot be reopened
SE-PO0038	Contract put on hold successfully
SE-PO0041	For Bank Portfolio and WAC costing method, 'Accrue Premium' flag should have the same value as that of 'Accrue Discount' flag
SE-PO0050	Mandatory Field (\$1) is null
SE-PO0051	Location ID cannot be deleted as it is in use
SE-PO0052	For WAC Costing Method, Redemption Premium is not allowed
SE-PO0053	For Non Accrual or Cash Asset Accounting Basis, Premium Accrual and Discount Accrual is not allowed
SE-PO0054	For Accrual Asset Accounting Basis, Premium Accrual or Discount Accrual must be chosen
SE-PO0055	Safe Keeping Locations are not defined. Proceed?
SE-PO0056	Security Restrictions screen is not visited. Proceed?
SE-PO0057	Role to Head mapping is not defined. Proceed?
SE-PO0058	Portfolio ID is not unique
SE-PO0059	Revaluation of unsettled positions is not allowed without the revaluation of settled positions
SE-PO0060	Withholding Tax Accrual is not without Interest Accrual
SE-PO0061	Record successfully Closed
SE-PO0062	Record successfully Reopened
SE-PO0063	Mandatory Fields (Security Product/Role To Head Class) are null
SE-PO0064	Mandatory Fields (Security ID/Role To Head Class) are null
SE-PO0065	Mandatory Fields (SK Location/SK Location Account) are null
SE-PO0066	Customer Account needs to be reselected. Proceed?



Error Code	Message
SE-PO0067	Customer Branch and Customer Account need to be reselected. Proceed?
SE-PO0068	Closure not allowed as live contracts are present
SE-PO0069	Failed to open a new record
SE-PO0070	Failed to copy the record
SE-PO0071	Failed to delete the record
SE-PO0072	Failed to close the record
SE-PO0073	Failed to unlock the record
SE-PO0074	Failed to reopen the record
SE-PO0075	Failed to authorize the record
SE-PO0076	Failed to copy the Product Details
SE-PO0078	Record cannot be Modified after the Event Date
SE-PO0079	Record cannot be Closed after the Event Date
SE-PO0080	Record cannot be Reopened after the Event Date
SE-PO0081	Failed to Save the Record

## 32.7 Error Codes and Messages for Others

**Table 32.7: Error Codes and Messages**

Error Code	Message
SE-BTCH-002	Failed in building array for a function
SE-BTCH-003	Failed in population of branch batch queue
SE-BTCH-004	Failed in batch processing for a day
SE-BTCH-005	Failed in processing task
SE-BTCH-006	Failed in unmarking end of transaction input
SE-CFLP-001	Cannot process Coupon Flipping
SE-CFLP-002	Cannot process Position
SE-CFLP-003	Cannot populate Securities Movements
SE-CPOP-001	Failed to populate Coupon for branches
SE-CPOP-002	Failed to populate Coupon
SE-CPOP-003	SK Account Currency different from Issuer payment Currency
SE-CPOP-004	Failed in processing tax due

Error Code	Message
SE-CPOP-005	Failed in charge processing
SE-CPOP-006	Failed in processing transaction level tax
SE-CPOP-007	Failed in processing Settlements
SE-CPOP-008	Failed in inserting coupon due record
SE-CPOP-009	Failed in logging exception when populating coupon
SE-CPOP-010	Failed in populating coupon for branches
SE-CPOP-021	Next working date cannot be null
SE-CPOP-022	not confirmed
SE-CPOP-023	Incorrect number of records returned during coupon population
SE-CPOP-024	Receive Account could not be got
SE-CPOP-025	Pay Account could not be got
SE-CPOP-026	Account currency is not the same as Issuer payment currency
SE-CPOP-027	Portfolio Account details could not be got
SE-CPOP-028	
SE-CPRC-001	Could not process coupon for branches
SE-CPRC-002	Could not process Coupon event
SE-CPRC-003	Could not get sub system flags during coupon processing
SE-CPRC-004	Error while processing coupon
SE-CPRC-005	Failed while processing Tax
SE-CPRC-006	Failed while processing charge
SE-CPRC-007	Failed while processing Transaction level tax
SE-CPRC-008	Failed in Settlements processing
SE-DATE-001	Failed in computing day count
SE-DATE-002	Failed in getting denominator
SE-DATE-003	Failed in computing the number of days
SE-DATE-004	Failed to get next leap date
SE-DATE-005	Failed to get next periodic date
SE-DATE-006	Failed in add months function
SE-DATE-007	Failed in add months function
SE-DATE-008	Failed in calculating the months between two dates
SE-DATE-051	Failed in getting the date in the correct format

Error Code	Message
SE-DATE-052	Could not convert the date to the correct format
SE-DATE-053	Failed in check for leap year
SE-DATE-054	Failed in getting the date in the correct format
SE-DATE-055	Could not convert the date to the correct format
SE-DATE-056	Failed in check for leap year
SE-DATE-057	Failed in getting the date in the correct format
SE-DATE-058	Could not convert the date to the correct format
SE-DPOP-001	Failed in populating Dividend for branches
SE-DPOP-002	Failed in inserting Dividend record
SE-DPOP-003	Account currency is not the same as Issuer payment currency
SE-DPOP-004	Failed in Tax processing for dividend
SE-DPOP-005	Failed in Charge processing for dividend
SE-DPOP-006	Failed in Transaction Tax processing for dividend
SE-DPOP-007	Failed in Settlements processing for dividend
SE-DPOP-008	Failed in insert of dividend record
SE-DPOP-009	Failed in logging exception when populating dividend
SE-DPOP-010	Failed in populating Dividend for branches
SE-DPOP-021	Failed to get next working date when dividend population
SE-DPOP-022	
SE-DPOP-023	Incorrect number of records returned during dividend population
SE-DPOP-024	Receive Account could not be got when populating dividend
SE-DPOP-025	Pay Account could not be got when populating dividend
SE-DPOP-026	Account currency is not the same as Issuer payment currency
SE-DPOP-027	Pay Account could not be got when populating dividend
SE-DPOP-028	
SE-DPRC-001	Failed in processing dividend for branches
SE-DPRC-002	Failed in processing dividend event
SE-DPRC-003	Failed to set subsystem flags during dividend processing
SE-DPRC-004	Failed in processing amount due during dividend processing
SE-DPRC-005	Failed in Tax processing for dividend
SE-DPRC-006	Failed in Charge processing for dividend

Error Code	Message
SE-DPRC-007	Failed in Transaction Tax processing for dividend
SE-DPRC-008	Failed in Settlements processing for dividend
SE-DSRV-001	
SE-IAC0-001	Could not build queue array during interest accrual
SE-IAC0-002	Failed to get periodic accrual date
SE-IAC0-003	Failed in adjustment of accrual
SE-IAC0-004	Failed in period accrual function
SE-IAC0-005	Failed in coupon date accrual
SE-IAC0-006	Failed in deleting accrual queues
SE-IAC1-001	Failed in accrual for a position
SE-IAC1-002	Failed in computing quantity for accrual
SE-IAC1-003	Failed in computing interest balances
SE-IAC1-004	Failed in obtaining interest history
SE-IAC1-005	Failed in computing interest amounts
SE-IAC1-006	Failed in computing tax balances
SE-IAC1-007	Failed in obtaining tax history
SE-IAC1-008	Failed in computing tax amounts
SE-IAC1-009	Failed in passing portfolio entries during interest accrual
SE-IAC2-001	Failed in obtaining previous interest amounts
SE-IAC2-002	Failed in obtaining previous tax amounts
SE-IAC2-003	Failed in computing net interest amounts during accrual
SE-IAC2-004	Failed in computing net tax amounts during interest accrual
SE-IAC2-005	Failed in building interest entry lists
SE-IAC2-006	Failed in building tax entry lists
SE-IAC2-007	Failed in processing amount tag during interest accrual
SE-IAC2-008	Failed in populating interest accrual details
SE-IAC2-009	Failed in populating tax accrual details
SE-IAC2-010	
SE-IAC2-011	
SE-IAC2-012	Failed in populating accrual period
SE-IAC2-013	Failed in populating accrual details for a position

Error Code	Message
SE-IAC2-014	Failed in populating accrual details for a portfolio
SE-IAC2-015	Failed in logging exception during interest accrual
SE-ICLC-001	Failed in computing interest for cum period
SE-ICLC-002	Failed in computing interest for ex period
SE-ICLC-003	Failed in computing interest amount
SE-ICLC-004	Failed in building period table for interest
SE-ICLC-005	Failed in building interest rate table
SE-IMV1-001	Failed in populating period accrual
SE-IMV1-002	Failed in populating interest quantity movement
SE-IMV1-003	Failed in populating purchased and sold interest
SE-IMV1-004	Failed in populating purchased and sold tax
SE-IMV1-005	Failed in building daily queue for interest rebuild
SE-IMV1-006	Failed in building daily queue for interest accrual
SE-IMV1-007	Failed in interest period adjustment
SE-IMV1-008	Failed in tax period adjustment
SE-IMV1-009	Failed in populating interest adjustment details
SE-IMV1-010	Failed in populating tax adjustment details
SE-ISRVS-001	Failed in obtaining interest value date variance
SE-ISRVS-002	Failed in building deal array
SE-ISRVS-003	Failed in building cash flow array
SE-MRKT-001	Failed in computing market spot date
SE-MRKT-002	Failed in computing market Ex date
SE-MRKT-051	Failed to get market details while computing spot date
SE-MRKT-052	Market Record is not authorized
SE-MRKT-053	Failed to get the next working day while computing spot date
SE-MRKT-054	Failed in holiday check while computing spot date
SE-MRKT-055	Failed in holiday check while computing spot date
SE-MRKT-056	
SE-MRKT-057	
SE-MRKT-058	No record found for market spot date
SE-MRKT-059	Error during getting market spot date

Error Code	Message
SE-MRKT-060	Zero days got when computing the days in a month
SE-MRKT-061	Failed in setting the date to the correct format while computing spot date
SE-MRKT-062	Failed to set the date to the correct format
SE-MRKT-063	Failed in holiday check while computing spot date
SE-MRKT-064	Failed in holiday check while computing spot date
SE-MRKT-065	Failed to get next working date while computing spot date
SE-MRKT-066	Failed to get spot date
SE-MRKT-067	Failed to get market details while computing ex date
SE-MRKT-068	Market Record is not authorized
SE-MRKT-069	Could not get Ex date
SE-MRKT-070	Error in holiday check while computing ex date
SE-MRKT-071	Failed in holiday check while computing ex date
SE-MRKT-072	Failed in getting next working day when computing ex date
SE-MRKT-073	Failed to get next working day when computing ex date
SE-MRKT-074	Market Ex date details not maintained
SE-MRKT-075	Market Ex date details not correctly maintained
SE-MRKT-076	Failed in getting the number of days in the month
SE-MRKT-077	Error while setting the format for the date while computing ex date
SE-MRKT-078	Could not set the ex date to the correct format
SE-MRKT-079	Failed in holiday check while computing ex date
SE-MRKT-080	Failed in holiday check while computing ex date
SE-MRKT-081	Failed in getting next working day when computing ex date
SE-MRKT-082	Failed to get next working day when computing ex date
SE-NONE	
SE-ONLXXX	
SE-RVL0-001	Failed to build array queue in revaluation
SE-RVL0-002	Failed in getting periodic revaluation date
SE-RVL0-003	Failed in periodic revaluation
SE-RVL0-004	Failed in getting market price for revaluation
SE-RVL0-005	Failed in reversal of revaluation

Error Code	Message
SE-RVL0-051	Price record could not be obtained for revaluation
SE-RVL0-052	Price record is not authorized for revaluation
SE-RVL0-053	Price record is not open for revaluation
SE-RVL1-001	Failed in revaluation for a position
SE-RVL1-002	Failed in getting position balance for revaluation
SE-RVL1-003	Failed in processing for unsettled legs for revaluation
SE-RVL1-004	Failed in mark to market revaluation
SE-RVL1-005	Failed in computing amount tags for revaluation
SE-RVL1-006	Failed in population of revaluation details
SE-RVL1-007	Failed in population of revaluation details for a position
SE-RVL1-008	Failed in passing portfolio level accounting entries
SE-RVL1-009	Failed in computing amount tags for revaluation
SE-RVL1-010	Failed in populating portfolio level entries
SE-RVL1-011	Failed in building account entry list during revaluation
SE-RVL1-012	Failed in processing amount tags during revaluation
SE-RVL1-013	Failed in population of portfolio revaluation details
SE-RVL1-014	Failed in reversal of revaluation for a portfolio
SE-RVL1-015	Failed in logging exception during revaluation
SE-RVL1-051	Unauthorized unsettled legs exist
SE-SBRN-001	Failed in populating security details for other branches
SE-SBRN-002	Failed to delete security details for other branches
SE-SBRN-003	Failed to authorize security details for other branches
SE-SKEV-001	Failed to register the event for the position
SE-SO0008	Duplicate records during coupon population
SE-SO0013	Failed to get security details during schedule population
SE-SO0014	Interest revision sequence number does not exist
SE-SO0015	Failed to delete security details
SE-SO00610	
SE-SPOP-024	Failed to get SK settlement account
SE-SPOP-026	Issuer payment currency is not the same as the SK account currency

Error Code	Message
SE-SPOP-027	Failed to get Portfolio Settlement currency
SE-SPRC-001	Failed in stock to cash processing for branches
SE-SPRC-002	Failed in stock to cash event processing
SE-SPRC-003	Failed to get subsystems flags in stock to cash processing
SE-SPRC-004	Failed in processing stock to cash amount due
SE-SPRC-005	Failed in processing stock to cash tax amount due
SE-SPRC-006	Failed in processing charge for stock to cash conversion
SE-SPRC-007	Failed in processing transaction tax during stock to cash conversion
SE-SPRC-008	Failed in processing settlements during stock to cash processing
SE-SSRV-001	
SE-SUTL-001	Failed to get security face value period
SE-SUTL-002	Failed to get coupon period
SE-SUTL-051	Failed to get the security face value for the date
SE-SUTL-052	Face value for security not maintained correctly
SE-SUTL-053	Face value for security not maintained correctly
SE-SUTL-054	Failed to get the coupon period for this date
SE-SUTL-055	Coupon period records not correct
SE-ACCT-001	Failed to pass leg accounting entry
SE-ACCT-002	Failed to pass position entry
SE-ACCT-003	Failed to pass portfolio level entry
SE-ACCT-004	Failed to lookup product accounting entries
SE-ACCT-005	Failed to lookup position accounting entries
SE-ACCT-006	Failed to fetch accounting head
SE-ACCT-007	Failed to delete for an event
SE-ACCT-008	Failed to authorize for the event
SE-ACCT-009	Failed to reverse all the leg entries
SE-ACCT-010	Failed to reverse all the position entries
SE-ACCT-011	Failed to reverse entry for an event
SE-ACCT-051	Class is not open
SE-ACCT-052	Class is not authorized



Error Code	Message
SE-ACCT-053	GL record status is not open
SE-ACCT-054	GL is not authorized
SE-ACCT-055	Class is not open
SE-ACCT-056	Class is not authorized
SE-ACCT-057	GL record status is not open
SE-ACCT-058	GL is not authorized
SE-ACCT-059	Class is not open
SE-ACCT-060	Class is not authorized
SE-ACCT-061	GL record status is not open
SE-ACCT-062	GL is not authorized
SE-ACCT-063	GL is not open
SE-ACCT-064	GL is not authorized
SE-ACCT-065	Failed to get accounting head

## 33. Annexure A - Accounting Entries

This section contains details of the suggested accounting entries that can be set up for the Securities module of Oracle Banking Treasury Management. The details of the suggested accounting entries are listed event-wise.

This topic contains following sub-topics:

- 1) [Security Events](#)
- 2) [Amount Tags](#)
- 3) [Accounting Roles](#)

### 33.1 Security Events

The following is an exhaustive list of events for portfolio type and customer buy/sell type of securities products.

**Table 33.1: Portfolio Type of Products**

Event Code	Event Description	Remarks
SPLP	Sec. Purchase Long Position	All types
SSLP	Sec. from Long Position	All types
ACRD	Accrual Sec. Discount Earned	All types
ACRP	Accrual of . Premium Paid	All types
ACRR	Accrual of Premium Earned	All types
FACR	Sec. Forward Deal P&L Accrual	All types
DVIN	Securities Dividend Initiation	All types
DVCD	Securities Dividend Collection	All types
DVLQ	Securities Dividend Liquidation	All types
BRVL	Securities Revaluation of Positions/Deals	All types
SSKC	Safe Keeping/Custodial Chargess	All types
WRLL	Warrants Sec.Tear -Off Processing	All types
WROL	Warrant Detachment from Parent Sec	All types
WELL	Warrants Sec. Exercise Processing	All types
WXLL	Expiry of Un- Exercised Warrants	All types
RGLL	Rights Security Tear-Off Processing	All types
RGOL	Rights Detachment from Parent Sec	All types
RELL	Exercise of Rights for New Equity	All types

Event Code	Event Description	Remarks
RXLL	Expiry Un-Exercised Rights	All types
CANG	Corporate Action Notice Generation	All types
IACR	Securities Coupon Interest Accrual	All types
CPCD	Coupon Collection	All types
CPIN	Coupon Initiation	All types
CPLQ	Coupon Liquidation	All types
SCIN	Securities Stock to Cash Initiation	All types
SCCD	Securities Stock to Cash Collection	All types
SCLQ	Securities Stock to Cash LIQD	All types
YACR	Yield Accruals for deals	All types

**Table 33.2: Customer Buy/Sell Type of Products**

Event Code	Event Description	Remarks
Book	Booking of Securities Deal	All types
AMND	Amendment of Securities Deal	All types
CANC	Cancellation of Securities Deal	All types
CCON	Counterparty confirmation	All types
DACF	Deliver versus payment confirmation	All types
DFCF	Deliver Free Confirmation	All types
DSTL	Settlement of Securities Deal	All types
EXTN	Extension of Deal Settlement Date	All types
MSTL	Money Settlement of Securities Deal	All types

**NOTE:** In the subsequent paragraph, we shall examine the accounting entries and advices for each of the events listed above.

## 33.2 Amount Tags

The amount tags listed below are hard-coded in Oracle Banking Treasury Management.

**Table 33.3: Event Tables**

Field	Description
CURR_FV	Current Face Value
SEC_DEAL_AMOUNT	Securities Deal Amount
DEAL_DISCNT_AMT	Securities Deal Discount Amount

Field	Description
DEAL_NOMINALAMT	Securities Deal Nominal Amount
DEAL_PREMIUMAMT	Securities Deal Premium Amount
FWD_DEAL_LOSS	Securities Forward Loss
FWD_DEAL_PROFIT	Securities Forward Profit
SEC_ADJDEAL_AMT	Securities Adjusted Deal Amount
SEC_DEAL_AMOUNT	Securities Deal Amount
TBD_WHT_SELL	T Bill Discount Tax - Sell
ACCRUED_RDPREM	Accrued Redemption Premium Amount
CSH_DVDEND	Cash Dividend Amount
CSH_DVDEND_EDIS	Cash Dividend Expense for DIBR
CSH_DVDEND_EINI	Cash Dividend Expense for INIT
CSH_DVDEND_ELIQ	Cash Dividend Expense for LIQD
CSH_DVDEND_ICOL	Cash Dividend Income for COLL
CSH_DVDEND_IINI	Cash Dividend Income for INIT
CSH_DVDEND_ILIQ	Cash Dividend Income for LIQD
DEAL_DISCNT_AMT	Securities Deal Discount Amount
DEAL_NOMINALAMT	Securities Deal Nominal Amount
DEAL_PREMIUMAMT	Securities Deal Premium Amount
FWD_DEALEXP_ACR	Sec. Forward Deal Expense Accr Amt
FWD_DEALINC_ACR	Sec. Forward Deal Income Accr Amt
FWD_DEAL_LOSS	Securities Forward Deal Loss Amount
FWD_DEAL_PROFIT	Securities Forward Deal Profit Amt
HLDG_LO_MTM_EXP	Sec. Long Holdings MTM Reval Expense
HLDG_LO_MTM_INC	Sec. Long Holdings MTM Reval Income
HLDG_MTM_EXP	Sec. Net Holdings MTM Reval Expense
HLDG_MTM_INC	Sec. Net Holdings MTM Reval Income
HLDG_RL_MTM_EXP	Sec. Long Holdings MTM Realized Reval Expense
HLDG_RL_MTM_INC	Sec. Long Holdings MTM Realized Reval Income
HLDG_RS_MTM_EXP	Sec. Short Holdings MTM Realized Reval Expense
HLDG_RS_MTM_INC	Sec. Short Holdings MTM Realized Reval Income
HLDG_R_MTM_EXP	Sec. Net Holdings MTM Realized Reval Expense

Field	Description
HLDG_R_MTM_INC	Sec. Net Holdings MTM Realized Reval Income
HLDG_SH_MTM_EXP	Sec. Short Holdings MTM Reval Expense
HLDG_SH_MTM_INC	Sec. Short Holdings MTM Reval Income
LOCOM_REVAL_EXP	Sec. Positions LOCOM Reval Expense
LOCOM_RREVL_EXP	Sec. Positions LOCOM Realized Reval Expense
LOCOM_REVAL_INC	Profit on LOCOM revaluation if LOCOM basis is 'Acquisition Cost'
MTM_EXP	Sec. Positions MTM Reval Expense
MTM_INC	Sec. Positions MTM Reval Income
RDMPTN_PREM_AMT	Redemption Premium Amount
REALIZED_LOSS	Securities Realized Trading Loss
REALIZED_PROFIT	Securities Realized Trading Profit
REAL_MTM_EXP	Sec. Positions MTM Realized Reval Expense
REAL_MTM_INC	Sec. Positions MTM Realized Reval Income
RGHT_INTR_VALUE	Rights Intrinsic Value
SEC_ADJDEAL_AMT	Securities Adjusted Deal Amount
SEC_CASH_DIVDND	Securities Cash Dividend Amount
SEC_COST_AMOUNT	Sec. True Asset Cost Amount
SEC_DEAL_AMOUNT	Securities Deal Amount
SEC_DISC_ACCR	Sec. Discount Earned Accrual Amount
SEC_PREM_ACCR	Sec. Premium Paid Accrual Amount
SEC_RDPREM_ACCR	Sec. Redemption Premium Accrual Amt
SEC_REVL_LOSS	Securities Revaluation Loss Amount
SEC_REVL_PROFIT	Securities Revaluation Profit Amt
SEC_RRVL_LOSS	Sec. Revaluation Reversal Loss Amt
SEC_RRVL_PROFIT	Sec. Revaluation Profit Reversal Amt
STK_TO_CSH	Stock To Cash Amount
STK_TO_CSH_EDIS	Stock To Cash Expense for DIBR
STK_TO_CSH_EINI	Stock To Cash Expense for INIT
STK_TO_CSH_ELIQ	Stock To Cash Expense for LIQD
STK_TO_CSH_ICOL	Stock To Cash Income for COLL
STK_TO_CSH_IINI	Stock To Cash Income for INIT

Field	Description
STK_TO_CSH_ILIQ	Stock To Cash Income for LIQD
TBD_WHT_ACCRA	T Bill Discount Tax - Arrears Accrued
TBD_WHT_ACCRD	T Bill Discount Tax - Advance Accrued
TBD_WHT_ADV	T Bill Discount Tax - Paid in Advance
TBD_WHT_PAY	T Bill Discount Tax - Payable
TBD_WHT_SELL	T Bill Discount Tax - Sell
TBD_WHT_UNACCRB	T Bill Disc. Tax-Unaccrued-Sell Disc > Buy Disc
TBD_WHT_UNACCRS	T Bill Disc. Tax-Unaccrued-Sell Disc <= Buy Disc
UNACCRD_DISCNT	Unaccrued Discount Amount
UNACCRD_PREMIUM	Unaccrued Premium Amount
UNSD_BY_MTM_EXP	Unstld Buy Deals MTM Reval Expense
UNSD_BY_MTM_INC	Unstld Buy Deals MTM Reval Income
UNSD_MTM_EXP	Securities Un utilized Deals MTM Revaluation Expense
UNSD_MTM_INC	Securities Unutilized Deals MTM Revaluation Income
UNSD_R_MTM_EXP	Securities Un utilized Deals MTM Realized Reval Expense
UNSD_R_MTM_INC	Securities Un utilized Deals MTM Realized Reval Income
UNSD_SE_MTM_EXP	Un utilized Sell Deals MTM Revaluation Expense
UNSD_SE_MTM_INC	Un utilized Sell Deals MTM Revaluation Income
UNSR_BY_MTM_EXP	Un utilized Buy Deals MTM Realized Revaluation Expense
UNSR_BY_MTM_INC	Un utilized Buy Deals MTM Realized Revaluation Income
UNSR_SE_MTM_EXP	Un utilized Sell Deals MTM Realized Revaluation Expense
UNSR_SE_MTM_INC	Un utilized Sell Deals MTM Realized Revaluation Income
WARR_INTR_VALUE	Warrants Intrinsic Value
INTCOMP_PUCMA	This Amount tag represents the value of the Bought Interest if any (at the time of Purchase) for the sold securities. If there were more than one purchase, this tag will be a sum of all the bought interest in FIFO order. During sale these tags have value only if the sold units are bought in the current coupon period
TOTALINT_TIAC	This amount tag represents the total interest accrued for the eligible units (total interest - Bought interest).
SEC_PREM_TOTALACCR	This amount tag represents the total Premium accrued for the Sold units
SEC_DISC_TOTALACCR	This amount tag represents the total Discount accrued for the Sold units

Field	Description
SEC_BRIDGE_TFR	This amount tag can be used to move the balance between the bridge-buy and bridge-sell GL's, (if different GL's are used for Bridge-buy and bridge-sell). This amount tag will only be populated for the sell leg in the case of BBBS and CBCS kind of deals.
SEC_PREM_ACCR	Premium Paid Accrual Amount
SEC_INTADJ_ACCR	Interest Adjustment Accrual Amount
SEC_DISC_ACCR	Discount Earned Accrual Amount
ACCRUED_INT_ADJ	Accrued Interest Adjustment Amount
BROK_DISC	Brokerage Discount Amount
BROK_PREM	Brokerage Premium Amount
DR_CHG_DISC	Consolidated Debit charges for the deal
CR_CHG_PREM	Consolidated Credit charges for the deal

**NOTE:** When revaluation entries of the previous financial year are being reversed (at BOD on the first working day of the particular financial year) the following Amount Tags are used:

- HLDG\_LO\_MTM\_INC\_PY
- HLDG\_LO\_MTM\_EXP\_PY
- HLDG\_SH\_MTM\_INC\_PY
- HLDG\_SH\_MTM\_EXP\_PY
- HLDG\_MTM\_INC\_PY
- HLDG\_MTM\_EXP\_PY
- UNSD\_BY\_MTM\_INC\_PY
- UNSD\_BY\_MTM\_EXP\_PY
- UNSD\_SE\_MTM\_INC\_PY
- UNSD\_SE\_MTM\_EXP\_PY
- UNSD\_MTM\_INC\_PY
- UNSD\_MTM\_EXP\_PY
- MTM\_INC\_PY
- MTM\_EXP\_PY
- LOCOM\_REVAL\_EXP\_PY

The amount tags have already been explained in the table above except for the fact that they have the PY suffix.

### 33.3 Accounting Roles

In this section we have provided two separate lists of sample accounting roles. List I contains accounting roles that can be set up for a Portfolio type of product. List II contains samples of accounting roles that are applicable for a Customer buy/sell type of product.

**Table 33.4: List I – Acct Roles for a Portfolio Type of Product**

Accounting Role	Description
SEC DISC TBACRD	Security Deal Discount to be Accrued GL
SEC PREM TBACRD	Security Deal Premium to be Accrued GL
SEC FWDEXP OFST	Security Forward Deal Loss Offset GL
SEC FWDINC OFST	Security Forward Deal Profit Offset GL
SE_FL_INT_RCPY	SE_FL_INT-Receivable/Payable
SE_FL_INT_RAPA	SE_FL_INT- Recd in Adv/Paid in Adv
SEC ASSET GL	Securities Portfolio Asset GL
SEC BRIDGE GL	Securities Bridge GL - Settlement
SEC LIABILITY GL	Securities Portfolio Liability GL
SE_FX_INT_IC	SE_FX_INT - Income – Cum
SE_FX_INT_IX	SE_FX_INT - Income – Ex
SE_FX_INT_AJI	SE_FX_INT-Previous Period Adj Inc
SE_FX_INT_RCPY	SE_FX_INT - Receivable/Payable
SE_FX_INT_RAPA	SE_FX_INT- Recd in Adv/Paid in Adv
SEC RLZD LOSS	Security Trading Realized Loss GL
SEC RLZD PROFIT	Security Trading Realized Profit GL
SEC RDPREM RECV	Security Redemption Premium Receivable
SEC RDPREM ERND	Security Redemption Premium Earned GL
MTM_ASS	Security Positions MTM Reval Asset
MTM_LBY	Security Positions MTM Reval Liability
MTM_EXP	Security Positions MTM Reval Expense
MTM_INC	Security Positions MTM Reval Income
SEC COUPON RECV	Securities Coupon Receivable GL
SEC COUPON PAY	Securities Coupon Payable GL
SEC BRIDGE-S	Securities Bridge - Sale
SEC BRIDGE - PUR	Securities Bridge – Purchase
DEAL_PREMIUM	Deal Premium



Accounting Role	Description
DEAL_DISCOUNT	Deal Discount
DEAL INTEREST-BOUGHT	Deal interest bought
ACCRUAL OF PREM EXP – MEMO	Accrual of Premium Expense - Memo
ACCRUAL OF DISCT INC – MEMO	Accrual of Premium Income - Memo
ACCRUAL OF INT. INC - MEMO	Accrual of Interest Income - Memo
INTCOMP_OFF	Purchase Interest Offset GL, created for each interest component to indicate routing of purchase interest.
INTCOMP_PUADJ	Difference between Sold Interest and the Interest Accrued. In the first coupon after purchase, this tag will be equal to Purchase Interest. In subsequent coupons, this tag will have a value of 0, as the Sold Interest would be equal to Interest Accrued
LOCOM_REVAL_INC	Profit on LOCOM revaluation if LOCOM basis is 'Acquisition Cost'
LOCOM_REVAL_ASS	Corresponding asset for LOCOM revaluation on 'Acquisition Cost' basis
SEC PREM EARNED	Premium Earned
SEC PREM TBACRD	Premium to be Accrued
SEC INT ADJ	EIM Adjustment Receivable for Par deals
SEC BRIDGE GL	EIM Adjustment Income for Par deals
SEC DISC TBACRD	Discount to be Accrued
SEC DISC EARNED	Discount Earned

**NOTE:** You should not use the memo GLs if you accrue premium/discount directly into your income/ expense GLs. Similarly, you should not use DEAL\_PREMIUM, DEAL\_DISCOUNT and DEAL INTEREST-BOUGHT, GLs in a product, which is using SEC DISC TBACRD and SEC PREM TBACRD.

**Table 33.5: List 2 – Accounting Roles for a Customer Buy/Sell Type of Product**

Accounting Role	Description
CS_REG_INC	Chg Class For Customer Sell
CB_REG_INC	Charge Class For Cust Buy
SEC BRIDGE GL	Securities Bridge GL – Settlement
SEC BRIDGE-SELL	Securities Bridge - Sale
SEC BRIDGE - PUR	Securities Bridge – Purchase
SEC BRIDGE BUY	Securities Bridge – Buy

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Accounting Role	Description
INTCOMP_BOT	Deal interest bought.

**NOTE:** If you are using the Securities Bridge GL (SEC BRIDGE GL) for settlements you should not be associating the Bridge GLs (SEC BRIDGE-S, SEC BRIDGE – PUR) with the product. However, these roles cannot be made applicable on portfolios with Weighted Average as the Costing Method.

The suffixes stand for:

**Table 33.6: Customer Buy/Sell Type of Products**

RECV	Receivable
RIA	Received in advance
TBACRD	To be accrued
OFST	Offset GL
RCPY	Receivable/Payable
RAPA	Received in advance/Paid in advance
AJI	Adjustment Income
ERND	Earned
ASS	Asset
LBY	Liability

**Securities Advices****Table 33.7: Securities Advice table**

Advice Code	Advice Description	SWIFT Equivalent	Sender of Message	Receiver of Message
TRADE CONF AFFM	Trade Confirmation Affirmation	MT 517	Trade Instructing Party	Trade Executing Party
			Buyer	
			Buyer	Trade Counterparty
MKT TRADE CONF	Market-Side Trade Confirmation	MT 518	Trade Executing Party	Trade Counterparty
RECV SEC FREE	Receive Free	MT 520/MT540	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
DLVR SEC FREE	Deliver Free	MT 522/MT542	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
DLVR SEC APMT	Deliver Against Payment	MT 523/MT543	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location

Advice Code	Advice Description	SWIFT Equivalent	Sender of Message	Receiver of Message
RECV SEC APMT	Received against payment	MT 521/ MT 541	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
RECV FREE CONF	Receive Free Confirmation	MT 530	Safekeeping Location	Custodian
			Custodian	Custody/Portfolio Customer
RECV APMT CONF	Receive Against Payment Confirmation	MT 531	Safekeeping Location	Custodian
			Custodian	Custody/Portfolio Customer
DLVR FREE CONF	Deliver Free Confirmation	MT 532	Safekeeping Location	Custodian
			Custodian	Custody/Portfolio Customer
DLVR FREE APMT	Deliver Against Payment Confirmation	MT 533	Safekeeping Location	Custodian
			Custodian	Custody/Portfolio Customer
NOTICE OF RGHTS	Notice of Rights	MT 550	Custodian	Custody/Portfolio Customer
NOTICE OF EVENT	Notice of Event	MT 551	Custodian	Custody/Portfolio Customer
MONEY INCOME ADV	Advice of Money Income	MT 554	Custodian	Custody/Portfolio Customer
SEC INCOME ADV	Advice of Income in the Form of Securities	MT 555	Custodian	Custody/Portfolio Customer
SEC REDMPTN ADV	Advice of Redemption	MT 556	Custodian	Custody/Portfolio Customer
REQST FOR STMT	Request for Statement	MT 570	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
SEC HLD STATMNT	Statement of Holdings	MT 571	Custodian	Portfolio Customer

Advice Code	Advice Description	SWIFT Equivalent	Sender of Message	Receiver of Message
			Safekeeping Location	Custodian
SEC TXN STATMNT	Statement of Transactions	MT 572	Custodian	Portfolio Customer
			Safekeeping Location	Custodian
PNDING TXN STMT	Statement of Pending Transactions	MT 573	Custodian	Portfolio Customer
			Safekeeping Location	Custodian

In the subsequent sections we have defined suggested accounting entries and advices for each of the events in the life-cycle of an SS deal. Samples of accounting entries, advices, and events have been given for two different types of SS deals. They are:

- SS deal with a Portfolio type of product – Bank Portfolio
- SS deal with a Customer Buy/Sell type of products

### 33.3.1 SS Deal with a Portfolio Type Of Product: Bank Portfolio

The preferences set up for a Bank Portfolio type of products are as follows:

- The costing method used for this product is Weighted Average.
- The accounting basis is Non Accrual.
- Monthly accrual frequency has been used for components like premium, discount, forward profit or loss.
- The revaluation process used is MTM (Marked to Market).
- Market Price is used for limit tracking purposes.

### 33.3.2 SPLP: Security Purchase from Long Position

**Table 33.8: SPLP Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
SEC ASSET GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC FWDEXP OFST	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC FWDINC OFST	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	SE_FL_INT_PUCM	Credit
SE_FL_INT_RCPY	SE_FL_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_PUEX	Debit
SE_FL_INT_RAPA	SE_FL_INT_PUEX	Credit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_PUEX	Debit
SEC BRIDGE GL	SE_FX_INT_PUCM	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUCM	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_PUEX	Debit
SE_FX_INT_RAPA	SE_FX_INT_PUEX	Credit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_PUEX	Debit
SEC PREM TBACRD	BROK_PREM	Debit
SEC BRIDGE GL	BROK_PREM	Credit
SEC BRIDGE GL	DR_CHG_DISC	Debit
SEC DISC TBACRD	CR_CHG_PREM	Debit
SEC BRIDGE GL	CR_CHG_PREM	Credit

Given below are the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

**Table 33.9: Sample Accounting Entries**

Accounting Role	Standard/ Alternative	Amount Tags	Standard/ Alternative	Debit/Credit Indicator
Sec Asset GL	Standard	DEAL_NOMINAL AMT	Standard	Debit
Sec Bridge - Pur	Alternative	DEAL_NOMINAL AMT	Standard	Credit
Deal Premium	Alternative	DEAL_PREMIUM AMT	Standard	Debit
Sec Bridge - Pur	Alternative	DEAL_PREMIUM AMT	Standard	Credit
Sec Bridge - Pur	Alternative	DEAL_DISCNT_A MT	Standard	Debit
Deal Discount	Alternative	DEAL_DISCNT_A MT	Standard	Credit
Deal Interest-Bought	Alternative	INTCOMP_PUCM	Standard	Debit
Sec Bridge - Pur	Alternative	INTCOMP_PUCM	Standard	Credit

#### Advices

No Advices allowed for this event

### 33.3.3 SSLP: Security Sale from Long Position

**Table 33.10: SSLP Accounting Entries**

Accounting Entries	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	ACCRUED_RDPREM	Debit
SEC RDPREM RECV	ACCRUED_RDPREM	Credit
SEC ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC FWDEXP OFST	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC FWDINC OFST	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	REALIZED_LOSS	Credit
SEC RLZD LOSS	REALIZED_LOSS	Debit

Accounting Entries	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	REALIZED_PROFIT	Debit
SEC RLZD PROFIT	REALIZED_PROFIT	Credit
SEC ASSET GL	RGHT_INTR_VALUE	Debit
SEC BRIDGE GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FL_INT_SOCM	Debit
SE_FL_INT_RCPY	SE_FL_INT_SOCM	Credit
SEC BRIDGE GL	SE_FL_INT_N_SOCM	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FL_INT_SOEX	Credit
SE_FL_INT_RAPA	SE_FL_INT_SOEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_SOEX	Debit
SE_FL_INT_N_RAPA	SE_FL_INT_N_SOEX	Credit
SEC BRIDGE GL	SE_FX_INT_SOCM	Debit
SE_FX_INT_RCPY	SE_FX_INT_SOCM	Credit
SEC BRIDGE GL	SE_FX_INT_N_SOCM	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FX_INT_SOEX	Credit
SE_FX_INT_RAPA	SE_FX_INT_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_N_SOCM	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_SOCM	Debit
SEC BRIDGE GL	UNACCRD_DISCNT	Credit
SEC DISC TBACRD	UNACCRD_DISCNT	Debit
SEC BRIDGE GL	UNACCRD_PREMIUM	Debit
SEC PREM TBACRD	UNACCRD_PREMIUM	Credit
SEC ASSET GL	WARR_INTR_VALUE	Debit
SEC BRIDGE GL	WARR_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FX_INT_N_SOEX	Debit
SE_FX_INT_N_RAPA	SE_FX_INT_N_SOEX	Credit
SEC BRIDGE GL	ACCRUED_INT_ADJ	Debit
SEC INT ADJ	ACCRUED_INT_ADJ	Credit



Given below are the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

**Table 33.11: SSLP (Sale)**

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr. /Cr. Indicator
Premium Accrued	Standard	SEC_PREM_TOTA LACCR	Alternative	Debit
Deal Premium	Alternative	SEC_PREM_TOTA LACCR	Alternative	Credit
Sec Bridge-S	Alternative	UNACCRD_PREMI UM	Standard	Debit
Deal Premium	Alternative	UNACCRD_PREMI UM	Standard	Credit
Premium Expense	Standard	SEC_PREM_TOTA LACCR	Alternative	Debit
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_TOTA LACCR	Alternative	Credit
Deal Discount	Alternative	SEC_DISC_TOTAL ACCR	Alternative	Debit
Discount Accrued	Standard	SEC_DISC_TOTAL ACCR	Alternative	Credit
Deal Discount	Alternative	UNACCRD_DISCN T	Standard	Debit
Sec Bridge-S	Alternative	UNACCRD_DISCN T	Standard	Credit
Accrual of Disct Inc - Memo	Alternative	SEC_DISC_TOTAL ACCR	Alternative	Debit
Discount Income	Standard	SEC_DISC_TOTAL ACCR	Alternative	Credit

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr. /Cr. Indicator
Sec Bridge-S (SEC-BRIDGE-SEL )	Alternative	INTCOMP_PUCMA This amount tag represents the value of the Bought Interest if any (at the time of Purchase) for the sold securities	Alternative	Debit
Deal Interest-Bought (INTCOMP_BOT)	Alternative	INTCOMP_PUCMA	Alternative	Credit
Sec Bridge-S (SEC-BRIDGE-SEL )	Alternative	INTCOMP_TIAC This amount tag represents the interest accrual.	Alternative	Debit
Accrual of Int. Rec (RCPY) (INTCOMP_RCPY)	Standard	INTCOMP_TIAC	Alternative	Credit
Accrual of Int. Inc – Memo (INTCOMP_IMEM)	Alternative	INTCOMP_TIAC	Alternative	Debit
Interest Income (INTCOMP_I)	Standard	INTCOMP_TIAC	Alternative	Credit

Total Sold Interest = INT\_PUCMA + INTCOMP\_TIAC)

(INTCOMP\_PUCMA will have value only if the security is bought and sold in the same coupon period)

SPLP (Capitalized Bonds)

In addition to the normal accounting entries you will need to specify the entries to move the purchased interest into offset GL (Sale option) or the Bought Interest GL (Sale and coupon).

**Table 33.12: SSLP Redemption**

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
Premium Accrued	Standard	SEC_PREM_TOTAL LACCR	Alternative	Debit
Deal Premium	Alternative	SEC_PREM_TOTAL LACCR	Alternative	Credit
Premium Expense	Standard	SEC_PREM_TOTAL LACCR	Alternative	Debit
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_TOTAL LACCR	Alternative	Credit
Deal Discount	Alternative	SEC_DISC_TOTAL ACCR	Alternative	Debit
Discount Accrued	Standard	SEC_DISC_TOTAL ACCR	Alternative	Credit
Accrual of Disc Inc - Memo	Alternative	SEC_DISC_TOTAL ACCR	Alternative	Debit
Discount Income	Standard	SEC_DISC_TOTAL ACCR	Alternative	Credit

**NOTE:** If Interest / discount / premium has been accrued during the previous year, the entries will have the amount tags with suffix “\_PY” to indicate that they are passed against the Previous Year Adjustment GL. During accounting,

for the amount tags with suffix “\_PY”, accounting entries are passed against the Previous Year Adjustment GL, maintained in the Chart of Accounts.

**Table 33.13: Accounting Entries table**

Accounting Role	Amount Tag	Debit / Credit Indicator
For Interest		
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_PUCMA (Purchase Interest)	Debit
INTCOMP_BOT (Deal Purchase Interest)	INTCOMP_PUCMA (Purchase Interest)	Credit
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_RCPY (Interest Receivable / Payable)	INTCOMP_TIAC (Interest Accrued)	Credit
INTCOMP_IMEM (Interest Income – Memo)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_I (Interest Income)	INTCOMP_TIAC (Interest Accrued)	Credit
For Discount		
DEAL_DISCOUNT (Deal Discount GL)	UNACCRD_DISCNT	Debit
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_DISCNT (Unaccrued Discount Amount)	Credit
DEAL_DISCOUNT (Deal Discount GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Debit
SEC DISC TBACRD (Sec. Deal Discount To Be Accrued GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Credit
ACCR_DIS_IN_MEM (Accrual of Discount Income-Memo GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Debit
SEC DISC EARNED (Sec. Discount Earned Income GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Credit
For Premium		
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Debit
DEAL_PREMIUM (Deal Premium GL)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Credit

Accounting Role	Amount Tag	Debit / Credit Indicator
SEC PREM TBACRD (Sec. Deal Premium To Be Accrued GL)	<b>SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)</b>	Debit
DEAL_PREMIUM (Deal Premium GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Credit
SEC PREM PAID (Sec. Premium Paid Expense GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Debit
ACCR_PRM_XP_MEM (Accrual of Premium Expense-Memo GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Credit

When Wipe Deal Purchase Interest is set to Sale, the accounting entries pertaining to Purchase Interest are as follows:

**Table 33.14: Accounting Entries table**

Accounting Role and Description	Amount Tag and Description	Debit/Credit Indicator
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_PUCMA (Sold Interest – Interest Accrued)	Debit
INTCOMP_BOT (Deal Purchase Interest)	INTCOMP_PUCMA (also = Purchased Interest)	Credit
INTCOMP_TIAC (Interest Accrued)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_RCPY (Interest Receivable / Payable)	INTCOMP_TIAC (Interest Accrued)	Credit
INTCOMP_IMEM	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_I	INTCOMP_TIAC - Interest Accrued	Credit

#### Advices

No Advices allowed for this event.

#### 33.3.3.1 SPSP: Security Purchase from Short Position

**Table 33.15: SPSP Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC LIABILTY GL	DEAL_DISCNT_AMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC LIABILTY GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC LIABILTY GL	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC LIABILTY GL	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC LIABILTY GL	FWD_DEAL_PROFIT	Credit
SEC RLZD LOSS	REALIZED_LOSS	Debit
SEC BRIDGE GL	REALIZED_PROFIT	Debit

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC RLZD PROFIT	REALIZED_PROFIT	Credit
SEC BRIDGE GL	RGHT_INTR_VALUE	Debit
SEC LIABILTY GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FL_INT_PUCM	Credit
SE_FL_INT_RCPY	SE_FL_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUCM	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FL_INT_PUEX	Debit
SE_FL_INT_RAPA	SE_FL_INT_PUEX	Credit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_PUCM	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCM	Debit
SEC BRIDGE GL	SE_FX_INT_N_PUCM	Debit
SE_FX_INT_N_RCPY	SE_FX_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_PUEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_PUEX	Debit
SE_FX_INT_RAPA	SE_FX_INT_PUEX	Credit
SEC BRIDGE GL	UNACCRD_DISCNT	Debit
SEC LIABILTY GL	UNACCRD_DISCNT	Credit
SEC BRIDGE GL	UNACCRD_PREMIUM	Credit
SEC LIABILTY GL	UNACCRD_PREMIUM	Debit
SEC BRIDGE GL	WARR_INTR_VALUE	Debit
SEC LIABILTY GL	WARR_INTR_VALUE	Credit

**Advices**

No advices allowed for this event.

**33.3.4 SSSP: Security Sale from Short Position****Table 33.16: SSSP Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC LIABILTY GL	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC LIABILTY GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC LIABILTY GL	DEAL_PREMIUMAMT	Credit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC LIABILTY GL	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC LIABILTY GL	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	SE_FL_INT_SOCM	Debit
SE_FL_INT_RCPY	SE_FL_INT_SOCM	Credit
SEC BRIDGE GL	SE_FL_INT_N_SOCM	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FL_INT_SOEX	Credit
SE_FL_INT_RAPA	SE_FL_INT_SOEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_SOCM	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_SOCM	Debit
SE_FX_INT_RCPY	SE_FX_INT_SOCM	Credit
SEC BRIDGE GL	SE_FX_INT_N_SOCM	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FX_INT_SOEX	Credit
SE_FX_INT_RAPA	SE_FX_INT_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_N_SOEX	Debit
SE_FX_INT_N_RAPA	SE_FX_INT_N_SOEX	Credit
SEC DISC TBACRD	BROK_DISC	Debit



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Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	BROK_DISC	Credit
SEC BRIDGE GL	DR_CHG_DISC	Debit
SEC PREM TBACRD	DR_CHG_DISC	Credit
SEC DISC TBACRD	CR_CHG_PREM	Debit
SEC BRIDGE GL	CR_CHG_PREM	Credit

**Advices**

No advices allowed for this event.

**33.3.5 FACR: Security Forward Deal P & L Accrual****Table 33.17: FACR Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC FWD LOSS	FWD_DEALEXP_ACR	Debit
SEC FWDEXP OFST	FWD_DEALEXP_ACR	Credit
SEC FWD PROFIT	FWD_DEALINC_ACR	Credit
SEC FWDINC OFST	FWD_DEALINC_ACR	Debit

**Advices**

No advices allowed for this event.

**33.3.6 ACRD: Accrual of Security Discount Earned****Table 33.18: ACRD Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DISC EARNED	SEC_DISC_ACCR	Credit
SEC DISC TBACRD	SEC_DISC_ACCR	Debit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

**Table 33.19: Accounting Entries**

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
* Discount Accrued * (Discount TBACRD can be us	Standard	SEC_DISC_ACCR	Standard	Debit
Accrual of Disc Inc – Memo	Alternative	SEC_DISC_ACCR	Standard	Credit

**Advices**

No advices allowed for this event.

**33.3.7 ACRP: Accrual of Security Premium Paid**

**Table 33.20: ACRP Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM PAID	SEC_PREM_ACCR	Debit
SEC PREM TBACRD	SEC_PREM_ACCR	Credit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

**Table 33.21: Accounting Roles**

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_ACCR	Standard	Debit
* Premium Accrued * (Premium TBACRD can be used)	Standard	SEC_PREM_ACCR	Standard	Credit

**Advices**

No advices allowed for this event.

**33.3.8 ACRR: Accrual of Redemption Premium Earned****Table 33.22: ACRR Accounting Entries**

Accounting Role	Amount tag	Dr./Cr. Indicator
SEC RDPREM ERND	SEC_RDPREM_ACCR	Credit
SEC RDPREM RECV	SEC_RDPREM_ACCR	Debit

**Advices**

No advices allowed for this event.

**33.3.9 DVIN: Securities Dividend Initiation****Table 33.23: DVIN Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND PAY	SEC_CASH_DIVDND	Credit
SEC DIVDND RECV	SEC_CASH_DIVDND	Debit

**Advices**

Nil

**33.3.10 DVCD: Securities Dividend Collection**

**Table 34: DVCD Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND RECV	SEC_CASH_DIVDND	Credit
SEC SETTLEMENT	SEC_CASH_DIVDND	Debit

**Advices**

No advices allowed for this event.

**33.3.11 DVLQ: Securities Dividend Liquidation****Table 33.1: DVLQ Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND PAY	SEC_CASH_DIVDND	Debit
SEC SETTLEMENT	SEC_CASH_DIVDND	Credit

**Advices**

Nil

**33.3.12 RGLL: Rights Security Tear-Off Processing****Table 33.2: RGLL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
RIGHTS ASSET GL	RGHT_INTR_VALUE	Debit
SEC BRIDGE GL	RGHT_INTR_VALUE	Credit

**Advices**

No advices allowed for this event.

**33.3.13 RGOL: Rights Detachment from Parent Security****Table 33.3: Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC ASSET GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	RGHT_INTR_VALUE	Debit

**Advices**

No advices allowed for this event.

**33.3.14 REL: Exercise of Rights for New Equity**

**Table 33.4: RELL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	SEC BRIDGE GL	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
RIGHTS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RES SEC. ASSET	RGHT_INTR_VALUE	Debit
RIGHTS ASSET GL	RGHT_INTR_VALUE	Credit

**Advices**

No advices allowed for this event.

**33.3.15 RENL: Rights Security Exercise Processing****Table 33.5: RENL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
RES SEC. ASSET	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit

**Advices**

No advices allowed for this event.

**33.3.16 RXLL: Expiry of Un-Exercised Rights****Table 33.6: RXLL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
RIGHTS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit

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Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RIGHTS ASSET GL	RGHT_INTR_VALUE	Credit
SEC RLZD LOSS	RGHT_INTR_VALUE	Debit

**Advices**

No advices allowed for this event.

**33.3.17 WRL: Warrants Security Tear-Off Processing****Table 33.7: WRL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	WARR_INTR_VALUE	Credit
WARRS ASSET GL	WARR_INTR_VALUE	Debit

**Advices**

No advices allowed for this event.

**33.3.18 WROL: Warrant Detachment from Parent Security****Table 33.8: WROL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC ASSET GL	WARR_INTR_VALUE	Credit
SEC BRIDGE GL	WARR_INTR_VALUE	Debit

**Advices**

No advices allowed for this event.

**33.3.19 WELL: Warrants Security Exercise Processing****Table 33.9: WELL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
WARRS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RES SEC. ASSET	WARR_INTR_VALUE	Debit
WARRS ASSET GL	WARR_INTR_VALUE	Credit

**Advices**

No advices allowed for this event.

### 33.3.20 WENL: Exercise of Warrants for New Equity

**Table 33.10: WENL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
RES SEC. ASSET	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit

#### Advices

No advices allowed for this event.

### 33.3.21 WXLL: Expiry of Un-Exercised Warrants

**Table 33.11: WXLL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
WARRS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
SEC RLZD LOSS	WARR_INTR_VALUE	Debit
WARRS ASSET GL	WARRS ASSET GL	Credit

#### Advices

No advices allowed for this event.

### 33.3.22 IACR: Securities Coupon Interest Accrual

**Table 33.12: IACR Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SE_FL_INT_IC	SE_FL_INT_IAC	Credit
SE_FL_INT_RCPY	SE_FL_INT_IAC	Debit
SE_FL_INT_IX	SE_FL_INT_IAX	Credit



Accounting Role	Amount Tag	Dr./Cr. Indicator
SE_FL_INT_RAPA	SE_FL_INT_IAX	Debit
SE_FL_INT_N_E	SE_FL_INT_N_EA	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_EA	Credit
SE_FL_INT_N_EC	SE_FL_INT_N_EAC	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_EAC	Credit
SE_FL_INT_N_EX	SE_FL_INT_N_EAX	Debit
SE_FL_INT_N_RAPA	SE_FL_INT_N_EAX	Credit
SE_FL_INT_AJI	SE_FL_INT_JIA	Credit
SE_FL_INT_RCPY	SE_FL_INT_JIA	Debit
SE_FX_INT_IC	SE_FX_INT_IAC	Credit
SE_FX_INT_RCPY	SE_FX_INT_IAC	Debit
SE_FX_INT_IX	SE_FX_INT_IAX	Credit
SE_FX_INT_RAPA	SE_FX_INT_IAX	Debit
SE_FX_INT_AJI	SE_FX_INT_JIA	Credit
SE_FX_INT_RCPY	SE_FX_INT_JIA	Debit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

**Table 33.13: Accounting Entries**

Accounting Role	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
* Accrual of Int. Rec (RCPY) *(Intcomp_RCPY can be used)	Standard	INTCOMP_IA	Standard	Debit
Accrual of Int. Inc - Memo	Alternative	INTCOMP_IA	Standard	Credit

#### Advices

No advices allowed for this event.

### 33.3.23 CPIN: Coupon Initiation

**Table 33.14: CPIN Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FL_INT_IINI	Credit
SEC COUPON RECV	SE_FL_INT_IINI	Debit
SEC COUPON PAY	SE_FL_INT_N_IINI	Debit
SEC COUPON RECV	SE_FL_INT_N_IINI	Credit
SEC COUPON PAY	SE_FX_INT_IINI	Credit
SEC COUPON RECV	SE_FX_INT_IINI	Debit
SEC COUPON PAY	SE_FX_INT_N_IINI	Debit
SEC COUPON RECV	SE_FX_INT_N_IINI	Credit

#### Advices

No advices allowed for this event.

### 33.3.24 CPCD: Coupon Collection

**Table 33.15: CPCD Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON RECV	SE_FL_INT_ICOL	Credit
SEC SETTLEMENT	SE_FL_INT_ICOL	Debit
SEC COUPON RECV	SE_FL_INT_N_ICOL	Debit
SEC SETTLEMENT	SE_FL_INT_N_ICOL	Credit
SEC COUPON RECV	SE_FX_INT_ICOL	Credit

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Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC SETTLEMENT	SE_FX_INT_ICOL	Debit
SEC COUPON RECV	SE_FX_INT_N_ICOL	Debit
SEC SETTLEMENT	SE_FX_INT_N_ICOL	Credit

**Advices**

No advices allowed for this event.

### 33.3.25 CPLQ: Coupon Liquidation

**Table 33.16: CPLQ Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FL_INT_ILIQ	Debit
SE_FL_INT_RCPY	SE_FL_INT_ILIQ	Credit
SEC COUPON PAY	SE_FL_INT_N_ILIQ	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_ILIQ	Debit
SEC COUPON PAY	SE_FX_INT_ILIQ	Debit
SE_FX_INT_RCPY	SE_FX_INT_ILIQ	Credit
SEC COUPON PAY	SE_FX_INT_N_ILIQ	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_ILIQ	Debit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

**Table 33.17: Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FX_INT_ILIQ	Debit
SE_FX_INT_RCPY	SE_FX_INT_ILIQ	Credit
SE_FX_INT_IMEM	SE_FX_INT_TIAC	Debit
SE_FX_INT_I	SE_FX_INT_TIAC	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCMA	Debit
SE_FX_INT_BOT	SE_FX_INT_PUCMA	Credit

You will need to maintain the following accounting entry set-up when a securities contract is liquidated with previous year adjustment option.

**Table 33.18: Accounting Entries**

Debit/Credit Indicator	Accounting Role	Amount Tag
Debit	SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_PUCMA - Purchase Interest
Credit	INTCOMP_BOT - Deal Purchase Interest	INTCOMP_PUCMA - Purchase Interest
Debit	SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_TIAC - Interest Accrued
Credit	INTCOMP_RCPY - Interest Receivable / Payable.	INTCOMP_TIAC - Interest Accrued

Debit/Credit Indicator	Accounting Role	Amount Tag
Debit	INTCOMP_IMEM - Interest Income – Memo	INTCOMP_TIAC - Interest Accrued
Credit	INTCOMP_I - Interest Income	INTCOMP_TIAC - Interest Accrued

**NOTE:** If Interest / discount / premium has been accrued during the previous year, the entries will have the amount tags with suffix “\_PY” to indicate that they are passed against the Previous Year Adjustment GL. During accounting, for the amount tags with suffix “\_PY”, counting entries are passed against the Previous Year Adjustment GL, maintained in the Chart of Accounts. ac-

**Table 33.19: Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_PUCMA - Coupon Amount – Interest Accrued	Debit
INTCOMP_OFF- Purchase Interest Offset GL	INTCOMP_PUCMA - Coupon Amount – Interest Accrued	Credit
SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_TIAC - Interest Accrued	Debit
INTCOMP_RCPY - Interest Receivable / Payable	INTCOMP_TIAC - Interest Accrued	Credit
INTCOMP_IMEM - Interest Income – Memo GL	INTCOMP_TIAC_PY - Interest Accrued (Previous Year's contribution)	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC_PY - Interest Accrued (Previous Year's contribution)	Credit
INTCOMP_IMEM - Interest Income – Memo GL	INTCOMP_TIAC_CY - Interest Accrued (Current Year's contribution)	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC_CY - Interest Accrued (Current Year's contribution)	Credit

When Wipe Deal Purchase Interest is set to Sale, the accounting entries pertaining to Purchase Interest are as follows:

**Table 33.20: Accounting Entries**

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
SEC COUPON PAY - SE Coupon Payable GL	INTCOMP_PUCMA - Purchased Interest	Debit
INTCOMP_BOT - Deal Purchase Interest	INTCOMP_PUCMA	Credit
SEC COUPON PAY - SE Coupon Payable GL	INTCOMP_TIAC - Interest Accrued – Cum	Debit
INTCOMP_RCPY - Interest Receivable / Payable	INTCOMP_TIAC	Credit
INTCOMP_IMEM - Interest Income – Memo	INTCOMP_TIAC - Interest Accrued	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC	Credit

Advices

Nil

### 33.3.26 BRVL: Securities Revaluation of Positions/Deals

(For Realized Revaluation, the amount tags should be replaced with the equivalent tags for Realized Revaluation)

**Table 33.21: BRVL Accounting Entries**

Accounting Role	Amount Tag Description	Dr./Cr. Indicator
LOCOM_REVAL_EXP	LOCOM_REVAL_EXP	Debit
LOCOM_REVAL_LBY	LOCOM_REVAL_EXP	Credit
MTM_EXP	MTM_EXP	Debit
MTM_LBY	MTM_EXP	Credit
MTM_ASS	MTM_INC	Debit
MTM_INC	MTM_INC	Credit

If you have chosen Deal level revaluation the following entries are passed:

**Table 33.22: Accounting Entries**

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
MTM_EXP - Expense GL for Revaluation (MTM Method)	MTM_EXP - Revaluation Expense (MTM Method).	Debit

<b>Accounting Role and Description</b>	<b>Amount Tag Description</b>	<b>Dr./Cr. Indicator</b>
MTM_LBY - Liability GL for Revaluation (MTM Method).	MTM_EXP - Revaluation Expense (MTM Method).	Credit
MTM_ASS - Asset GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method).	Debit
MTM_INC - Income GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method).	Credit
LOCOM_REVAL_EXP - Expense GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method).	Debit
LOCOM_REVAL_LBY - Liability GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method).	Credit

**Advices**

No advices allowed for this event.

**33.3.27 RRVL: Reversal of Position and Deal level Revaluation**

These entries can be set up for any kind of portfolio costing method and they apply to both deal and position level revaluation.

**Table 33.23: RRVL Accounting Entries**

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
MTMINCOME	MTM_INC	Debit
SECURITYASSET	MTM_INC	Credit

These are the entries passed during reversal of revaluation at BOD on the next working day.

If the next working day happens to be the first working day of the new financial year the entries passed are:

**Table 33.24: Accounting Entries**

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
Prev year adj GL –1	MTM_INC_PY	Debit
SECURITYASSET	MTM_INC_PY	Credit

Where Prev year adj GL –1 is the previous year adjustment GL maintained in the Chart of Accounts for the GL head MTM\_INC.

**Table 33.25: YACR: Yield Accruals for all deals**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM EARNED	SEC_PREM_ACCR	Debit
SEC PREM TBACRD	SEC_PREM_ACCR	Credit
SEC INT ADJ REC	SEC_INTADJ_ACCR	Debit
SEC INT ADJ INC	SEC_INTADJ_ACCR	Credit
SEC DISC TBACRD	SEC_DISC_ACCR	Debit
SEC DISC EARNED	SEC_DISC_ACCR	Credit

**33.3.28 SS deal with a Customer Buy/Sell type of product**

The preferences set for this product are as follows:

- Standard rate type is used for this product
- Brokerage not allowed



- Mode of money settlement is automatic
- Extension allowed
- Forward deals allowed for this product

### 33.3.29 BOOK: Booking of securities deal

If brokerage is considered for Assets, the following accounting entries are passed:

**Table 33.26: BOOK Accounting Entries**

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
SEC BRIDGE GL	BROK_PREM	Debit
BROKPAY	BROK_PREM	Credit

If brokerage is considered for Liabilities, the following accounting entries are passed:

**Table 33.27: Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	BROK_DISC	Debit
BROKPAY	BROK_DISC	Credit

For Brokerage marked as 'Consider as Discount' and denominated in a brokerage currency other than the contract currency, the %DISC and %PREM amount tags will be posted into the Bridge Head in the contract currency.

If a particular charge component is considered for discount for Assets, the following accounting entries are passed:

**Table 33.28: Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC SETTLEMENT	<Charge Class>_DISC	Debit
SEC BRIDGE GL	<Charge Class>_DISC	Credit
SEC BRIDGE GL	<Charge Class>_PREM	Debit
SEC SETTLEMENT	<Charge Class>_PREM	Credit

For charge components marked as 'Consider as Discount' and denominated in a charge currency other than the contract currency, the %DISC and %PREM amount tags will be posted into the SEC BRIDGE GL head in the contract currency.

#### Advices

Nil

#### 33.3.29.1 AMND: Amendment of Securities Deal

**Table 33.29: AMND Accounting Entries**

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this event.

**33.3.29.2 CANC: Cancellation of Securities Deal****Table 33.30: CANC Accounting Entries**

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

**33.3.29.3 CCON: Counter party Confirmation****Table 33.31: Term Definition**

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event

**33.3.29.4 DACF: Deliver Versus Payment Confirmation****Table 33.32: DACF Accounting Entries**

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

**33.3.29.5 DFCF: Deliver Free Confirmation****Table 33.33: DFCF Accounting Entries**

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

**33.3.29.6 DSTL: Settlement of Securities Deal****Table 33.34: DSTL Accounting Entries**

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

**33.3.29.7 EXTN: Extension of Deal Settlement Date****Table 33.35: EXTN Accounting Entries**

Term	Definition
Accounting Entries	Nil

---

Term	Definition
Advices	No advices allowed for this Event..

**33.3.29.8 MSTL: Money Settlement of Securities Deal****Table 33.36: MSTL Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC SETTLEMENT	DEAL_DISCNT_AMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC SETTLEMENT	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC SETTLEMENT	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC SETTLEMENT	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC SETTLEMENT	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	INT_GS_PUCM	Credit
SEC SETTLEMENT	INT_GS_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUCM	Debit
SEC SETTLEMENT	SE_FL_INT_N_PUCM	Credit
SEC SETTLEMENT	INT_GS_PUEX	Credit
SEC BRIDGE GL	INT_GS_PUEX	Debit
SEC SETTLEMENT	SE_FL_INT_N_PUEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SEC BRIDGE GL	INT_IC_PUCM	Debit
SEC SETTLEMENT	INT_IC_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_N_PUCM	Credit
SEC SETTLEMENT	SE_FX_INT_N_PUCM	Debit
SEC SETTLEMENT	INT_IC_PUEX	Debit
SEC BRIDGE GL	INT_IC_PUEX	Credit
SEC SETTLEMENT	SE_FX_INT_N_PUEX	Credit
SEC BRIDGE GL	SE_FX_INT_N_PUEX	Debit
SEC SETTLEMENT	ISSUR_TAX_PUCM	Debit
SEC BRIDGE GL	ISSUR_TAX_PUCM	Credit
SEC SETTLEMENT	ISSUR_TAX_PUEX	Credit

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	ISSUR_TAX_PUEX	Debit

**Advices**

Nil.

**33.3.29.9 RACF: Receive Versus Payment Confirmation****Table 33.37: RACF Accounting Entries**

Term	Definition
Accounting Entries	No accounting entries are allowed for this event.
Advices	Nil

**33.3.29.10 RBLK: Release Block of Security Positions****Table 33.38: RBLK Accounting Entries**

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

**33.3.29.11 REAS: Reassignment of Securities Deal****Table 33.39: REAS Accounting Entries**

Term	Definition
Accounting Entries	No accounting entries allowed for this event.
Advices	Nil

**33.3.29.12 REVR: Reversal of Securities Deal****Table 33.40: RECR Accounting Entries**

Term	Definition
Accounting Entries	No accounting entries allowed for this event.
Advices	Nil

**33.3.29.13 RFCF: Receive Free Confirmation****Table 33.41: RFCF Accounting Entries**

Term	Definition
Accounting Entries	No accounting entries allowed for this event.
Advices	Nil

## 34. Reports

### 34.1 Introduction

All activities that are performed in the Securities module are recorded. The inputs you have made for different securities, portfolios and deals can be viewed in the form of meaningful reports as and when you may require them. The various report programs and reporting features available under the Securities module are explained in this chapter. You can generate the following reports for the Securities module:

- Corporate Action-Coupons Tracking (Ex Date) Report
- Coupon Flipping
- Corporate Action Tracking (Ex-Date) Report
- Corporate Action Pending
- Confirmed/Unconfirmed Report
- Disposition Report
- Deal Settlement Report
- Securities with Short Positions Report
- Portfolio to Portfolio Deals Report
- Forward Profit and Loss (PnL) Accrual Report
- Securities Maturity Report
- Securities Contracts Overrides Report
- Securities Activity Report
- Backdated Deals Report
- Securities Exception Report
- Matched/Unmatched Confirmation Message Report

The attributes that you define for a repo product, will be inherited by all repo transactions involving the product. However, when entering a specific transaction, you can change its attributes.

### 34.2 Process Corporate Action Tracking Coupon

This topic describes the systematic instructions to process Corporate Action Tracking Coupon.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERCPDUE** in the text box, and click next arrow.

**STEP RESULT:** **Corporate Action Tracking Coupon EXDATE** screen is displayed.

**Figure 34.1: Corporate Action Tracking (Coupon EXDATE)**

- On Corporate Action Tracking Coupon EXDATE screen, specify the fields.

#### **All Branches/Specific Branch**

You may set the following options for report generation in the above screen:

You can either choose to view in the report all corporate action records of the securities in all the branches or in a specific branch.

If you choose 'Specific Branch', specify the branch in the field below it.

#### **Report From and Report To Dates**

Specify here the from and to dates for the report. The report displays all the corporate action records of the securities between those dates.

## **34.3 Contents of the Report**

The contents of this report are discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch name, branch code, branch date, the Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

**Table 34.1: Body of the Report**

Field	Description
Branch Code	This shows the Branch Code of the branch for which the report is generated.
Portfolio ID	This is the Portfolio ID
Portfolio Description	A brief description of the portfolio
Security Id	This identifies the security involved
Security Description	A description of the security involved
Interest Component	Specifies the interest component involved



Field	Description
<b>Record Date</b>	Date of creation of the record
<b>Counterparty Details</b>	Specifies the details of the counterparty
<b>Issuer Currency Security Currency</b>	Currency of the issuer and of security
<b>Basis Quantity</b>	Specifies the basis quantity of the security involved
<b>Interest Rate</b>	Specifies the rate of interest charged
<b>No of Days</b>	Number of days
<b>Interest Amount</b>	Specifies the Interest Amount calculated
<b>Portfolio Total</b>	Specifies the total number of portfolios held

## 34.4 Process Coupon Flipping

This topic describes the systematic instruction to process coupon flipping.

CONTEXT:

The Coupon Flipping report gives the details of the previous coupon and the next coupon for a particular security.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERCPFLP** in the text box, and click next arrow

STEP RESULT: **Coupon Flipping** screen is displayed.

**Figure 34.2: Coupon Flipping**

2. On **Coupon Flipping** screen, specify the fields.

You may specify the Coupon Event Date in the above screen. Once this is set, the report will display the previous coupon details and next coupon details based on the event date.

### 34.4.1 Report Options

You may specify the following option before you generate the report:

- Event Date

## 34.5 Contents of the Report

The contents of this report are discussed under the following heads:

### Header

The Header carries the title of the report, information on the branch name, branch code, branch date, the Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

### Body of the Report

**Table 34.2: Body of the Report - Field Description**

Field	Description
<b>Internal Action ID</b>	Specifies the ID for internal action
<b>Security ID</b>	Specifies the Security ID
<b>Security Description</b>	Briefly describes the security involved
<b>Security Currency</b>	Specifies the currency of the security
<b>Previous Coupon</b>	Specify the fields.
<b>Prev Coupon Date</b>	Specifies the date of the previous coupon
<b>Next Coupon Date</b>	Specifies the date of the next coupon
<b>Period Type</b>	Specifies the period type of the coupon
<b>Next Coupon</b>	Specify the fields
<b>Prev Coupon Date</b>	Specifies the date of the previous coupon
<b>Next Coupon Date</b>	Specifies the date of the next coupon
<b>Period Type</b>	Specifies the period type of the coupon

## 34.6 Process Security Activity Report

This topic describes about systematic instruction to process security activity report.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERACTVT** in the text box, and click next arrow.

STEP RESULT: **Security Activities** report is displayed.

**Figure 34.3: Security Activities Report**

For field wise explanation of the 'Print Options' screen, please refer to the chapter 'Retrieving Information in Oracle Banking Treasury Management' in Reports user manual.

### 34.6.1 Contents of the Report

The contents of securities activity 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.

**Table 34.3: Body**

Field	Description
<b>Deal Reference</b>	The reference number of the deal
<b>Buy Leg Type</b>	The type of buy leg
<b>Version</b>	The version of the security activity
<b>Event</b>	Indicates the event code
<b>Account</b>	Indicates the account Number
<b>Currency</b>	Indicates the currency of transaction
<b>Amount Tag</b>	Indicates the amount tag
<b>Amount</b>	Indicates the amount
<b>Pay/Receive</b>	Indicates whether the transaction is pay or receive
<b>Sell Leg Type</b>	The type of sell leg
<b>Settlement Sk</b>	The settlement safe keeping
<b>Security Code</b>	The unique code that identifies the security

Field	Description
<b>Security Description</b>	A brief description of the security
<b>Market Code</b>	Market code for the security
<b>Deal Quantity</b>	The total quantity of the deal
<b>Trade Date</b>	The date of trade
<b>Dstl Date</b>	The deal settlement date

## 34.7 Process Backdated Deals Report

This topic describes the systematic instructions to process Backdated Deals and Reports

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERBKDDL** in the textbook, and click next arrow.

STEP RESULT: **Backdated Deals Report** is displayed.

**Figure 34.4: Backdated Deals Report**

2. On **Back Dated Deals Report**, specify the fields.  
For field wise explanation of the 'Print Options' screen, please refer to the chapter 'Retrieving Information in Oracle Banking Treasury Management' in Reports user manual.

### 34.7.1 Contents of Report

#### 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

**Table 34.4: Body**

Field	Description
<b>Deal Reference</b>	The reference number of each deal
<b>Version</b>	The version number
<b>Settlement Date</b>	The settlement date of the deal
<b>Trade Date</b>	The date as of which the trade would take place
<b>Transaction Date</b>	The date on which the transaction would take place
<b>Security Description</b>	The description of the security
<b>Security Ccy</b>	The currency attached to the security
<b>Security Code</b>	The unique code that identifies the security
<b>Deal Value</b>	The total value of the deal
<b>Deal Quantity</b>	The quantity of the deal
<b>Adjusted Deal Price</b>	The adjusted deal price

## 34.8 Process Corporate Action Tracking (Ex-Date) Report

This topic describes about the Corporate Action Tracking (Ex-Date) Report.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERCADUE** in the text box, and click next arrow.

**STEP RESULT:** **Corporate Action Tracking (Ex-Date) Report** screen is displayed.

**Figure 34.5: Corporate Action Tracking (Ex-Date) Report screen**

Corporate Action Tracking (Ex date) Report

Corporate Action Type: All Corp Actions

From Date \* : To Date \* :

Report Format: PDF Report Output: View

Select Branch: Printer At: Client Printer:

Ok Exit

- On **Corporate Action Tracking** screen, specify the fields.  
For information on fields, refer to field description table.

**Table 34.5: Corporate Action Tracking**

Field	Description
<b>Corporate Action Type</b>	Select the corporation action type from the drop-down list. The following are the options available: All Corp Actions Cash Dividend Stock Dividend Redemption Rights Warrants
<b>Selected Branch</b>	Select the branch for which you want to generate the report.
<b>Report From</b>	Specify the date from when you want to generate the report.
<b>Report To</b>	Specify the date to which you want to generate the report.

### 34.8.1 Contents of Report

The contents of corporate actions (Ex-Date) report have been discussed under the following heads:

#### Header

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

#### Body

The following details are displayed:

**Table 34.6: Body - Field Description**

Field	Description
Branch Code	The branch code
<b>Portfolio ID</b>	The portfolio ID
<b>Portfolio Description</b>	The description of the portfolio
<b>Security Type</b>	The type of security
<b>Security ID</b> <b>Security Description</b>	The security ID and description
<b>SK Location</b> <b>SK Account</b>	The SK location and SK account
<b>Issuer Currency</b> <b>Security Currency</b>	The issuer and security currency
<b>Basis Quantity</b>	The basic quantity
<b>Record Date</b> <b>Corporate Action Date</b>	The record date and the corporate action date
<b>Dividend Rate</b>	The rate of the dividend
<b>Dividend Amount</b> <b>Resultant Security</b>	The dividend amount

## 34.9 Corporate Action Pending

This topic describes the systematic instructions of Corporate Action pending.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERCAPEN** in the text box, and click next arrow.

**STEP RESULT:** **Corporate Action Pending** screen is displayed.

**Figure 34.6: Corporate Action Pending**

2. On **Corporate Action Pending** screen, specify the fields.

Corporate Action Pending

Field	Description
Select Event	<ul style="list-style-type: none"> <li>• Initiation</li> <li>• Collection</li> <li>• Liquidation</li> <li>• Any of the above</li> <li>• All of the above</li> </ul>
Corporate Action Type	Indicate the action type. The following options are available: <ul style="list-style-type: none"> <li>• Coupons</li> <li>• Others</li> </ul>
Report As On	The date on which the report is generated is displayed here.



### 34.9.1 Contents of Report

The contents of corporate action pending have been discussed under the following heads:

#### Header

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

#### Body

The following details are displayed:

**Table 34.7: Body - Field Description**

Field	Description
<b>Branch Code</b>	The branch code
<b>Portfolio ID</b>	The portfolio ID
<b>Portfolio Description</b>	The description of the portfolio
<b>Security Type</b>	The type of security
<b>Security ID</b>	The security ID and description
<b>Description</b>	The description
<b>Record Date</b>	The record date
<b>Counterparty Account</b>	The counterparty account
<b>Counterparty Location</b>	The counterparty location
<b>Issuer Currency</b>	The issuer currency
<b>Basis of Corporate Action</b>	The basis of corporate action
<b>Dividend Rate</b>	The dividend rate
<b>Rights/Warranty Ratio</b>	The Rights/Warranty Ratio
<b>Security Resultant</b>	The Security Resultant
<b>Security Currency</b>	The Security Currency
<b>Corporate Action Dues</b>	The Corporate Action Dues
<b>Initiation Status</b>	The initial status
<b>Collection Status</b>	The collection status
<b>Liquidation Status</b>	The liquidation status

## 34.10 Process Confirmed/Unconfirmed Report

This topic describes about the systematic instruction to process Confirmed/Unconfirmed Report.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERCUCDL** in the text box, and click next arrow.

STEP RESULT: **Confirmed/Unconfirmed Report** screen is displayed.

**Figure 34.7: Confirmed/Unconfirmed Report screen**

The screenshot shows a window titled "Securities Confirmed/Unconfirmed Deals Report". At the top, there are radio buttons for "Counterparty" (selected) and "Portfolio". Below this, there are two main sections. The "Counterparty" section has "From" and "To" text boxes. The "Portfolio" section also has "From" and "To" text boxes. At the bottom, there are two rows of controls. The first row has "Report Format" (set to PDF) and "Printer At" (set to Client). The second row has "Report Output" (set to View) and "Printer" (empty). There are "Ok" and "Exit" buttons at the bottom right.

2. On **Confirmed/Unconfirmed Report** screen, specify the fields.

**Table 34.8: Confirmed/Unconfirmed Report**

Field	Description
<b>Customer/Portfolio</b>	Indicate whether the reports should be generated for a single customer or for all customers in a portfolio.
<b>Counterparty</b>	Specify the details of the counterparty.
<b>From</b>	Specify the counterparty from which the transactions are initiated.
<b>To</b>	Specify the counterparty to which the transactions are targeted.
<b>Portfolio</b>	Specify the details for the portfolio.
<b>From</b>	Specify the portfolio from which the transactions are initiated.
<b>To</b>	Specify the portfolio to which the transactions are targeted.

### 34.10.1 Contents of Report

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

#### Header

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

#### Body

The following details are displayed:

**Table 34.9: Body - Field Description**

Field	Description
<b>Security ID</b> <b>Security Name</b> <b>Portfolio</b>	The security ID, Security name and portfolio to which the deal belongs to
<b>Deal Type</b> <b>Deal Price</b>	The type of deal and price of deal
<b>Customer</b>	Customer of the deal
<b>Security Currency</b>	Currency in which the security is issued
<b>Deal Reference</b>	Reference number of the deal
<b>Interest Amount</b>	Interest amount applicable on the deal
<b>Nominal</b>	The nominal
<b>Confirmation Indicator</b>	Whether the deal is confirmed or not

## 34.11 Process Security Disposition Report

This topic describes the systematic instruction to process security disposition report.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERDISRP** in the text box, and click next arrow.

**STEP RESULT:** Security Disposition Report screen is displayed.

**Figure 34.8: Security Disposition Report**

2. On **Security Disposition Report** screen, specify the fields.

**Table 34.10: Security Disposition Report**

Field	Description
Deal Settlement Date	Specify the settlement date for the deal from the adjoining calendar.

### 34.11.1 Contents of Report

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

#### Header

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

#### Body

The following details are displayed:

**Table 34.11: Body - Field Description**

Field	Description
<b>Deal Reference Number</b>	Reference number of the deal
<b>Leg Reference Number</b>	Reference number of the transaction leg
<b>Leg Type</b>	Type of transaction – buy or sell
<b>Security Code</b>	Security code
<b>Description</b>	Description of the security
<b>Portfolio ID</b>	The portfolio ID
<b>Deal Quantity</b>	Quantity of security traded

Field	Description
Face Value Per Unit	Face value of the traded unit of security
Settlement Details	Details of deal settlement
Tag Currency	This is tag currency
Account	The account used for deal settlement
Amount Tag	This indicates the amount tag for the account.

## 34.12 Process Deal Settlement Report

This topic describes the systematic procedure to Process Deal Settlement Report.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERDLSTL** in the text box, and click next arrow.

STEP RESULT: **Deal Settlement Report** is displayed.

**Figure 34.9: Deal Settlement Report**

2. On **Deal Settlement** screen, specify the fields.

**Table 34.12: Security Disposition Report**

Field	Description
Deal Settlement Date	Specify the settlement date for the deal from the adjoining calendar.

### 34.12.1 Contents of Report

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

#### Header

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

#### Body

The report is sorted by the deal reference number. The following details are displayed:

**Table 34.13: Body - Field Description**

Field	Description
<b>Deal Reference Number</b>	Reference number of the deal
<b>Security Id</b>	The security Id
<b>Interest Amount</b>	Interest applicable on the deal
<b>Face Value of Deal</b>	Face value of the deal
<b>Leg Reference Number</b>	Reference number of the transaction leg
<b>Leg Type</b>	Type of transaction – buy or sell
<b>Counterparty</b>	The deal counterparty
<b>Counterparty Name</b>	Name of the deal counterparty
<b>Portfolio Id</b>	The portfolio ID
<b>Portfolio Description</b>	Description of the portfolio
<b>Leg Reference Number</b>	Reference number of the transaction leg
<b>Leg Type</b>	Type of transaction – buy or sell
<b>Counterparty</b>	The deal counterparty
<b>Counterparty Name</b>	Name of the deal counterparty
<b>Portfolio Id</b>	The portfolio ID
<b>Portfolio Description</b>	Description of the portfolio

## 34.13 Process Securities with Short Positions Report

This topic describes the systematic instruction to Securities with Short Positions Report

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERSHSEC** in the text box, and click next arrow.

STEP RESULT: **Securities with Short Positions Report** screen is displayed.

2. On securities with **Short Positions Reports** , specify the fields.  
By indicating From and To security IDs, you can generate the securities with short positions report.

### 34.13.1 Contents of Report

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

**Table 34.14: Body - Field Description**

Field	Description
<b>Portfolio Id</b> <b>Portfolio Name</b>	This is the Internal Security Id for which Security Portfolio has been maintained. This is the name of the portfolio.
<b>Security Id</b> <b>Security Name</b>	This is the identification of the security. This is the name of security.
<b>Security Currency</b> <b>Deal Reference</b>	This is the currency of security. This is the reference number of deal.

Field	Description
<b>SK Location</b> <b>Deal Type</b>	Indicates SK location in which the deal settlement has taken place. This indicates the type of deal.
<b>Trade Date</b> <b>Settlement Date</b>	This is the date on which the deal is transacted. This indicates the date on which the money was settled.
<b>Nominal</b>	This indicates the net consideration of the deal.

## 34.14 Process Portfolio To Portfolio Deals Report

This topic describes the systematic instruction to process Portfolio To Portfolio Deals Report

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERTPDL** in the text box, and click next arrow.

STEP RESULT: **Portfolio To Portfolio Deals Report** screen is displayed.

Portfolio To Portfolio Deals Report

Report Format: PDF  
Report Output: View  
Printer At: Client  
Printer: \_\_\_\_\_

Ok Exit

2. On **Portfolio To Portfolio Deals Report**, specify the fields.  
Refer the Reports User Manual for details about fields on this screen



### 34.14.1 Contents of Report

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

**Table 34.15: Body - Field Description**

Field	Description
<b>Deal Reference</b>	This is the reference number of the deal.
<b>Version</b>	This is the latest version number.
<b>Security Code</b>	This is the security code.
<b>Security Description</b>	This is the description of Security Identification.
<b>Security Currency</b>	This is the currency of the security.
<b>Deal Quantity</b>	This indicates the quantity of security that is traded.
<b>Deal Value</b>	This is the total value of the deal.
<b>Trade Date</b>	This is the date on which the deal is transacted.
<b>Transaction Date</b>	This is the date on which the deal was first processed in the system.
<b>Settlement Date</b>	This is the date on which the various components associated with the deal get settled.
<b>Adjusted Deal Price</b>	This is the price of interest bearing instruments exclusive of the interest component.
Interest Amount	This is the amount of accrued interest to be paid or received.
<b>Reference Number</b>	This is the reference number.
<b>Buy Sell</b>	This is Buy/Sell.
<b>Portfolio Id</b>	This is portfolio Id.
<b>Portfolio Description</b>	This is portfolio description.

## 34.15 Process Matched/Unmatched Confirmation Message Report

This topic describes the systematic instruction to process Matched/Unmatched Confirmation Message Report

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERPMATCH** in the text box, and click next arrow.

STEP RESULT: **Matched/Unmatched Confirmation Message** screen is displayed.

2. On Matched/Unmatched Confirmation Message, specify the fields.

### Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.

#### Date

Select the date from the option list provided.

#### Matching Type

You can select any one of the following radio buttons:

- Matched
- Un-matched

#### Message Filter

You can filter the messages selecting any one of the following radio button:

- All Messages
- Selected messages

---

### 34.15.1 Contents of Report

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

**Table 34.16: Body - Field Description**

Field	Description
Swift Message Type	The swift message type
Leg Reference Number	The leg reference number
Deal Reference Number	The deal reference number
Message Reference	The message reference

## 34.16 Process Forward Profit and Loss (PnL) Accrual Report

This topic describes the systematic instruction to process Forward Profit and Loss (PnL) Accrual Report.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERFWPNL** in the text box, and click next arrow.

STEP RESULT: **Forward Profit and Loss (PnL) Accrual** screen is displayed.

Forward Profit & Loss Accrual Report

Memo/Accrual ☐ Memo Accrual

Accrual Processing Date

Report Format PDF

Report Output View

Printer At Client

Printer

Ok Exit

2. On Matched/Unmatched Confirmation Message, specify the fields.

### Selection Options

You may specify the following option before you generate the report:

#### Memo Accrual

Check this box to indicate the memo accrual should be used for the report

#### Accrual Processing Date

Select the accrual processing date.

#### Message Filter

You can filter the messages selecting any one of the following radio button:

### 34.16.1 Contents of Report

This topic describes about contents of report.

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

**Table 34.17: Body - Field Description**

Field	Description
<b>Portfolio</b>	The portfolio of the deal
<b>FPL Accrual Currency</b>	The currency of the forward profit and loss accrual
<b>Security</b>	The security involved in the deal
<b>Forward P&amp;L Accrued</b>	The total forward profit or loss accrued amount
<b>Deal Type</b> <b>Leg Reference</b> <b>FPL Accrued To date</b>	The type of the deal, reference number of transaction leg and interest accrual amount till date
<b>Security Quantity</b> <b>Accrual From Date</b>	The quantity involved in the security and the interest accrual from this date.
<b>Accrual To Date</b>	The forward profit or loss accrued up to this date
<b>Deal Price</b> <b>FPL Accrued</b>	The deal price of the security and forward Profit or loss accrued is the difference between deal price and the spot price. It is calculated from the spot date of the deal to its settlement date
<b>Fpl Accrued Till date</b>	Forward profit or loss till the system date
<b>Spot Price</b>	The spot price involved in the deal

## 34.17 Process Securities Maturity Report

This topic describes the systematic instruction to process Securities Maturity Report.

PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERMATRP** in the text box, and click next arrow.

STEP RESULT: **Securities Maturity Report** screen is displayed.

2. On Matched/Unmatched Confirmation Message, specify the fields.

### Selection Options

You can specify the Redemption/Expiry Date before you generate the report.

### 34.17.1 Contents of Report

This topic describes about contents of report.

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

**Table 34.18: Body - Field Description**

Field	Description
<b>Security Id</b>	The Security Id
<b>Security Description</b>	Brief description of the security involved
<b>Issue or Tear off Date</b>	The issue date

Field	Description
<b>Redemption Or Expiry Date</b>	The expiry date of the security
<b>Security Currency</b>	The currency attached to the security
<b>Current Position/Holdings as of</b>	
<b>Position Reference</b>	The reference number
<b>Portfolio Id</b>	The Portfolio Id
<b>SK Location Id</b>	The code that identifies the safekeeping location
<b>SK Location Account</b>	The account corresponding to the safekeeping location
<b>Current Position</b>	The position of the security as of the date
<b>Current Holding</b>	The holding of the security as of the date

## 34.18 Process Securities Contracts Overrides Report

This topic describes the systematic instruction to process Securities Maturity Report.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

- On Homescreeen, specify **SEROVDRP** in the text box, and click next arrow.

STEP RESULT: **Securities Contracts Overrides Report** screen is displayed.

**Figure 34.10: Securities Contracts Overrides Report**

The screenshot shows a software window titled "Securities Overrides Report". Inside the window, there are four main controls: "Report Format" with a dropdown menu showing "PDF", "Report Output" with a dropdown menu showing "View", "Printer At" with a dropdown menu showing "Client", and a "Printer" text input field. At the bottom right corner of the window, there are two buttons labeled "Ok" and "Exit".

- On **Securities Contracts Overrides Report**, specify the fields.  
Refer the Reports User Manual for details about fields on this screen

### 34.18.1 Contents of Report

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

**Table 34.19: Body - Field Description**

Field	Description
<b>Leg Reference Number</b>	The reference number of the transaction leg
<b>Security Code</b>	The security id
<b>Security Description</b>	Brief description of the security involved
<b>Message</b>	The message
<b>Parameters</b>	The parameters of the security
<b>Counterparty</b>	The counterparty involved in the security
<b>Portfolio Id</b>	The Portfolio Id
<b>Portfolio Description</b>	The description of the portfolio
<b>Maker Id</b>	The maker Id
<b>Checker Id</b>	The checker Id

## 34.19 Process Securities Contracts Overrides Report

This topic describes the systematic instruction to process Securities Maturity Report.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SEROVDRP** in the text box, and click next arrow.

**STEP RESULT:** **Securities Contracts Overrides Report** screen is displayed.



**Figure 34.11: Securities Contracts Overrides Report**

Securities Overrides Report

Report Format

Report Output

Printer At

Printer

2. On **Securities Contracts Overrides Report**, specify the fields.  
Refer the Reports User Manual for details about fields on this screen

## 34.20 Process Securities Exception Report

This topic describes the systematic instruction to process Securities Exception Report.

### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERXCPT** in the text box, and click next arrow.

STEP RESULT: **Securities Exception Report** screen is displayed.

Figure 34.12: Securities Exception Report

Securities Exception Print Form

Print From

From Date

Print To

To Date

Report Format

PDF

Report Output

View

Printer At

Client

Printer

Ok

Exit

2. On **Securities Exception Report**, specify the fields.

**Selection Options**

You can specify the Redemption/Expiry Date before you generate the report.

### 34.20.1 Contents of Report

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

#### 34.21 Body - Field Description

Field	Description
<b>Branch Date</b>	This is the branch date
<b>Contract Reference</b>	This is the reference number of the contract
<b>Module</b>	This is the module name.
<b>Event Code</b>	This is the event code.
<b>Error Code</b>	This is the error code.
<b>Message</b>	This is the message.
<b>Security Id</b>	This is the security identification code.
<b>Security Description</b>	This is the security description.
<b>Portfolio Id</b>	This is the portfolio id.
<b>Portfolio Description</b>	This is the portfolio description.

### 34.22 Process Securities Activity of the Report

This topic describes the systematic instruction to process Securities Activity of the Report.

#### PREREQUISITE:

Specify **User Id** and **Password**, and login to Homescreeen.

1. On Homescreeen, specify **SERACTVT** in the text box, and click next arrow.

STEP RESULT: **Securities Activity Report** screen is displayed.

**Figure 34.13: Securities Activity Report**

The screenshot shows a window titled "Security Activity Report" with a blue header bar. Inside the window, there are two columns of controls. The left column has "Report Format" with a dropdown menu showing "PDF" and "Report Output" with a dropdown menu showing "View". The right column has "Printer At" with a dropdown menu showing "Client" and a "Printer" label followed by a text input field. At the bottom right of the window, there are two buttons: "Ok" and "Exit".

2. On **Securities Activity Report**, specify the fields.

### 34.22.1 Contents of Report

The contents of the report are discussed under the following heads:

#### Header

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

#### Body

The report contains information on:

### 34.23 Body - Field Description

Field	Description
<b>Deal Reference</b>	This is the deal reference.
<b>Version</b>	This is the version.
<b>Buy Leg Type</b>	This is the buy leg type.
<b>Sell Leg Type</b>	This is the sell leg type.
<b>Settlement SK Location</b>	This is the settlement SK location.
<b>Security Code</b>	This is the security code.
<b>Security Description</b>	This is the security description.
<b>Market Code</b>	This is the market code.
<b>Deal Quantity</b>	This is the deal quantity.
<b>Trade Date</b>	This is the trade date.
<b>D STL Date</b>	This is the D STL date.
<b>Event</b>	This is the event.
<b>Account</b>	This is the account.
<b>Account Currency</b>	This is the account currency.
<b>Amount Tag</b>	This is the amount tag.
<b>Amount</b>	This is the amount.
<b>Pay/Receive</b>	This is the pay/receive.

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#### SERCPDUE

Corporate Action Tracking (Coupon EXDATE) Report - [34.8 Process Corporate Action Tracking \(Ex-Date\) Report](#) (p. 575)

#### SERCPFLP

Coupon Flipping - [34.4 Process Coupon Flipping](#) (p. 571)

#### SERBKDDL

Backdated Deals Report - [34.7 Process Backdated Deals Report](#) (p. 574)

**SERCADUE**

Corporate Action Tracking (Ex-Date) Report - [34.8 Process Corporate Action Tracking \(Ex-Date\) Report](#) (p. 575)

**SERCAPEN**

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**SERCUCDL**

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**SERDLSTL**

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**SERSHSEC**

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**SERTPDL**

Portfolio To Portfolio Deals Report - [34.14 Process Portfolio To Portfolio Deals Report](#) (p. 586)

**SERPMTCH**

Matched/Unmatched Confirmation Message - [34.15 Process Matched/Unmatched Confirmation Message Report](#) (p. 588)

**SERFWPNL**

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Securities Maturity Report - [34.17 Process Securities Maturity Report](#) (p. 592)

**SEROVDRP**

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**SERXCPT**

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## 35. Function ID - Glossary

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### **CSDCBRCL**

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[8.4 List of Glossaries - Build Branch and Currency Restriction Classes](#) (p. 89)

### **CSDRHCLM**

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### **SEDINTBT**

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### **SEDPFINR**

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