

Product Catalogue – Corporate Deposits

Oracle FLEXCUBE Universal Banking

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Product Catalogue – Corporate Deposits

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1 Overview and Objective

Corporate Deposits are the investments made in financial instruments for a particular period of time, called the maturity period. Large capital amount will be deposited in banks. After the end of the maturity period, a fixed sum on pre-described rates of interest is given to the customers. Corporate deposit can have fixed or floating interest.

- Corporate deposit module of FLEXCUBE supports processing of products like:
 - Normal deposits
 - Discounted deposits
- Options available to automate periodic processes such as:
 - Accrual of deposits
 - Liquidation of deposits based on the schedules defined
 - Generation of advices
- Different types of payment methods are supported like, Bearing normal, bearing capitalized and discounted.

2 Product Catalogue – Corporate Deposits

This chapter describes the various products of Corporate Deposits. The products are described in the following sections:

- [2.1 Bearing Normal Fixed Rate](#)
- [2.2 Discounted Deposit](#)
- [2.3 Bearing Capitalized Floating Rate](#)
- [2.4 True Discounted Deposit](#)
- [2.5 Normal Bearing Floating Rate](#)
- [2.6 Capitalized Bearing Fixed Rate](#)
- [2.7 Bearing Normal Fixed Rate with Override Future value dated rates](#)

2.1 Bearing Normal Fixed Rate

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

2.1.1 Business Scenario

Customers open a fixed rate term deposit account for a fixed period of time. On maturity, principal and interest will be paid to the customer based on the settlement instruction defined.

2.1.2 Synopsis

- Booking of deposit with fixed deposit amount at a fixed rate for a certain tenor
- Option available to amend the amount during the tenor
- Tax withholding on the interest amount liquidated
- Facility available to extend or shorten the maturity period of the contract
- Forward contracts are allowed

2.1.3 Detailed Coverage

- Bearing method of interest calculation
- Deposits opened under this product will, by default, have:
 - Tenor as 12 months
 - Fixed interest rate of 10%
 - Tax rate of 10% on interest earned based on the amount slab
- Rollover is allowed
- Rollover mechanism 'Spawn contract' is supported
- Daily accrual and monthly interest liquidation schedules
- Rate variance is supported up to maximum of 5
- Tax on interest will be deducted during maturity as well as on rollover

2.1.4 Product – CDP1

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

| Product Schedules | | | |
|--------------------------|--------------|------------------|--------------------|
| <i>Component</i> | <i>Refer</i> | <i>Frequency</i> | <i>Period Unit</i> |
| CDP1_INTR | Value Date | Monthly | Months |
| Principal | Value Date | Bullet | - |

| Tax | | | | | |
|-------------------|-----------------|----------------------|-------------------------|--------------|-----------------|
| <i>Tax scheme</i> | <i>Tax rule</i> | <i>Tax Component</i> | <i>Basis Amount Tag</i> | <i>Event</i> | <i>Tax Type</i> |
| WHT | WHTR | WHTR_AMT | CDP1_INTR_LIQD | LIQD | Withholding |
| WHT | WHTR1 | WHTR1_AMT | CDP1_INTR_ROLL | ROLL | Withholding |

2.1.5 Interest

| Interest Class Maintenance | |
|-----------------------------------|-------------|
| Class code | CDP1_INTR |
| Rule | INTR |
| Module | LD |
| Event | Book |
| Amount type | Principal |
| Category | Outstanding |
| Rate type | Fixed |

| Interest Class Maintenance | |
|----------------------------|-----|
| Main component | Yes |
| Accrual | Yes |

2.1.6 Tax Rule

| Tax rule maintenance | | |
|----------------------|---------------------|-------------|
| <i>Rule Codes</i> | <i>Basis amount</i> | <i>Rate</i> |
| WHTR | 10000 | 0 |
| WHTR | 99999999999 | 10 |
| WHTR1 | 10000 | 0 |
| WHTR1 | 99999999999 | 8 |

2.1.7 Additional Information

- INTR, ICCF rule is maintained and attached to interest class - CDP1_INTR
- Tax rule WHTR and WHTR1 are maintained and linked to tax scheme WHT

2.2 Discounted Deposit

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

2.2.1 Business Scenario

Customers open deposit accounts for a fixed period of time or term and collects the interest upfront, irrespective whether the contract will be active till the maturity date. This is followed by the financial institutions to address its short term financial needs.

2.2.2 Synopsis

- Forward contracts are allowed
- Discounted method of interest calculation
- Fixed interest rate
- Automatic liquidation

2.2.3 Detailed Coverage

- Re key option is not allowed during authorization
- Deposits opened under this product will, by default, have:
 - Tenor as 12 months
 - Fixed interest rate of 10%
 - Tax rate of 10% on interest earned based on the amount slab
- Rollover is not allowed
- Daily accrual and bullet interest liquidation schedules
- Branch holiday calendar is considered and schedules, if falling on holiday will be adjusted
- Tax on interest will be deducted during liquidation

2.2.4 Product – CDP2

| Product preferences | |
|----------------------------|------------|
| Payment method | Discounted |
| Schedule type | Normal |
| Accrual frequency | Daily |
| Auto liquidation | Yes |
| Settlement required | Yes |

| Product preferences | |
|----------------------------|-----|
| Prepayment penalty | Yes |
| Tax applicable | Yes |
| Allow rollover | No |
| Consider branch holiday | Yes |

| Product Schedules | | | |
|--------------------------|--------------|------------------|--------------------|
| <i>Component</i> | <i>Refer</i> | <i>Frequency</i> | <i>Period Unit</i> |
| CDP2_INTR | Value Date | Bullet | - |
| Principal | Value Date | Bullet | - |

| Tax | | | | | |
|-------------------|-----------------|----------------------|-------------------------|--------------|-----------------|
| <i>Tax scheme</i> | <i>Tax rule</i> | <i>Tax Component</i> | <i>Basis Amount Tag</i> | <i>Event</i> | <i>Tax Type</i> |
| WHT | WHTR | WHTR_AMT | CDP2_INTR_LIQD | INIT | Withholding |

2.2.5 Interest

| Interest Class Maintenance | |
|-----------------------------------|-----------|
| Class code | CDP2_INTR |
| Rule | INTR |

| Interest Class Maintenance | |
|----------------------------|-------------|
| Module | LD |
| Event | Book |
| Amount type | Principal |
| Category | Outstanding |
| Rate type | Fixed |
| Main component | Yes |
| Accrual | Yes |

2.2.6 Tax Rule

| Tax Rule Maintenance | | |
|----------------------|---------------------|-------------|
| <i>Rule Code</i> | <i>Basis amount</i> | <i>Rate</i> |
| WHTR | 10000 | 0 |
| WHTR | 99999999999 | 10 |

2.2.7 Additional Information

- INTR, ICCF rule is maintained and attached to interest class – CDP2_INTR
- Tax rule WHTR is maintained and linked to tax scheme WHT

2.3 Bearing Capitalized Floating Rate

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

2.3.1 Business Scenario

Customers open deposit accounts for a fixed period of time or term and enjoy variable interest rates. Interest liquidated on each schedule is capitalized and added to the principal.

2.3.2 Synopsis

- Forward contracts are allowed.
- Bearing Capitalized method of interest calculation.
- Floating interest rate.
- Tax will be deducted on interest liquidation and rollover.

2.3.3 Detailed Coverage

- Re key options for interest rate and counterparty are allowed during authorization
- Deposits opened under this product will, by default, have:
 - Tenor as 12 months
 - Variable interest based on amount slab, currency and tenor combination
 - Tax rate of 10% on interest earned based on the amount slab
- Rollover is allowed
- Monthly accrual and monthly interest liquidation schedules
- Branch holiday calendar is considered and schedules, if falling on holiday will be adjusted
- LDMM rate code, CDRATE is maintained and attached to interest class

2.3.4 Product – CDP3

| Product Preferences | |
|----------------------------|-------------|
| Payment method | Bearing |
| Schedule type | Capitalized |
| Accrual frequency | Monthly |
| Auto liquidation | Yes |
| Settlement required | Yes |
| Prepayment penalty | Yes |
| Forward dating allowed | Yes |
| Tax applicable | Yes |
| Certificate of deposit | Yes |
| Allow rollover | Yes |
| Consider branch holiday | Yes |
| Rollover | Auto |
| ICCF Rollover | Product |
| Rollover Mechanism | New Version |
| Apply Tax | Yes |

| Product Preferences | |
|----------------------------|-----|
| Rollover With Interest | Yes |
| Deduct Tax on Rollover | Yes |

| Product Schedules | | | |
|--------------------------|--------------|------------------|--------------------|
| <i>Component</i> | <i>Refer</i> | <i>Frequency</i> | <i>Period Unit</i> |
| CDP3_FLOAT | Value Date | Monthly | Months |
| Principal | Value Date | Bullet | - |

| Tax | | | | | |
|------------|----------|---------------|------------------|-------|-------------|
| Tax scheme | Tax rule | Tax Component | Basis Amount Tag | Event | Tax Type |
| WHT | WHTR | WHTR_AMT | CDP3_FLOAT_LIQD | LIQD | Withholding |
| WHT | WHTR1 | WHTR1_AMT | CDP3_FLOAT_ROLL | ROLL | Withholding |

2.3.5 Interest

| Interest Class maintenance | |
|-----------------------------------|-------------|
| Class code | CDP3_FLOAT |
| Rule | INTR |
| Module | LD |
| Event | Book |
| Amount type | Principal |
| Category | Outstanding |
| Rate type | Floating |
| Main component | Yes |
| Accrual | Yes |
| Rate code | CDRATE |

2.3.6 Tax Rule

| Tax Rule Maintenance | | |
|-----------------------------|---------------------|-------------|
| <i>Rule Codes</i> | <i>Basis amount</i> | <i>Rate</i> |
| WHTR | 10000 | 0 |
| WHTR | 99999999999 | 10 |
| WHTR1 | 10000 | 0 |
| WHTR1 | 99999999999 | 8 |

2.3.7 Additional Information

- INTR, ICCF rule is maintained and attached to interest class – CDP3_FLOAT
- Tax rule WHTR and WHTR1 are maintained and linked to tax scheme WHT

2.4 True Discounted Deposit

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

2.4.1 Business Scenario Covered

True Discounting Method of interest calculation is one of the rare scenarios where the interest is paid for the whole term at the time of booking of the contract, irrespective whether the contract will be active till the maturity date. This is followed by the financial institutions to address its short-term financial needs.

2.4.2 Synopsis

- Forward contracts are allowed
- True Discounted method of interest calculation
- Fixed interest rate
- Tax will be deducted on liquidation

2.4.3 Detailed Coverage

- Re key options for currency and interest rate are allowed during authorization
- Deposits opened under this product will, by default, have:
 - Tenor as 12 months
 - Fixed interest rate of 10%
 - Tax rate of 10% on interest earned based on the amount slab
- Rollover is not allowed
- Daily accrual and bullet interest liquidation schedules
- Branch holiday calendar is considered and schedules, if falling on holiday will be adjusted

2.4.4 Product – CDP4

| Product Preferences | |
|----------------------------|-----------------|
| Payment method | True discounted |
| Schedule type | Normal |
| Accrual frequency | Daily |
| Auto liquidation | Yes |
| Settlement required | Yes |
| Prepayment penalty | Yes |
| Forward dating allowed | Yes |
| Tax applicable | Yes |
| Certificate of deposit | No |

| Product Preferences | |
|----------------------------|-----|
| Allow rollover | No |
| Consider branch holiday | Yes |

| Product Schedules | | | |
|--------------------------|--------------|------------------|--------------------|
| <i>Component</i> | <i>Refer</i> | <i>Frequency</i> | <i>Period Unit</i> |
| CDP4_INTR | Value Date | Bullet | - |
| Principal | Value Date | Bullet | - |

| Tax | | | | | |
|-------------------|-----------------|----------------------|-------------------------|--------------|-----------------|
| <i>Tax scheme</i> | <i>Tax rule</i> | <i>Tax Component</i> | <i>Basis Amount Tag</i> | <i>Event</i> | <i>Tax Type</i> |
| WHT | WHTR | WHTR_AMT | CDP4_INTR_LIQD | INIT | Withholding |

2.4.5 Interest

| Interest Class Maintenance | |
|-----------------------------------|-----------|
| Class code | CDP4_INTR |
| Rule | INTR |
| Module | LD |
| Event | Book |

| Interest Class Maintenance | |
|-----------------------------------|-------------|
| Amount type | Principal |
| Category | Outstanding |
| Rate type | Fixed |
| Main component | Yes |
| Accrual | Yes |

2.4.6 Tax Rule

| Tax Rule Maintenance | | |
|-----------------------------|---------------------|-------------|
| <i>Rule Codes</i> | <i>Basis amount</i> | <i>Rate</i> |
| WHTR | 10000 | 0 |
| WHTR | 99999999999 | 10 |

2.4.7 Additional Information

- INTR, ICCF rule is maintained and attached to interest class – CDP4_INTR
- Tax rule WHTR is maintained and linked to tax scheme WHT

2.5 Normal Bearing Floating Rate

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

2.5.1 Business Scenario

Depositors would enjoy variable interest rates for fixed period of time.

2.5.2 Synopsis

- Forward contracts are allowed
- Bearing Normal method of interest calculation
- Floating interest rate

2.5.3 Detailed Coverage

- Re key options for currency is allowed during authorization
- Deposits opened under this product will, by default, have:
 - Tenor as 12 months
 - Variable interest based on amount slab, currency and tenor combination
 - Tax rate of 10% on interest earned based on the amount slab
- Rollover is allowed
- Monthly accrual and monthly interest liquidation schedules
- Branch holiday calendar is considered and schedules, if falling on holiday will be adjusted
- LDMM rate code, CDRATEGBP is maintained and attached to interest class

2.5.4 Product – CDP5

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

| Product Schedules | | | |
|--------------------------|--------------|------------------|--------------------|
| <i>Component</i> | <i>Refer</i> | <i>Frequency</i> | <i>Period Unit</i> |
| CDP5_INT1 | Value Date | Monthly | Monthly |
| Principal | Value Date | Bullet | - |

2.5.5 Interest

| Interest Class Maintenance | |
|-----------------------------------|-------------|
| Class code | CDP5_INT1 |
| Rule | INT1 |
| Module | LD |
| Event | Book |
| Amount type | Principal |
| Category | Outstanding |
| Rate type | Floating |
| Main component | Yes |
| Rate code | CDRATEGBP |
| Accrual | Yes |
| Negative Interest Allowed | Yes |

2.5.6 Additional Information

- INT1, ICCF rule is maintained and attached to interest class – CDP5_INT1
- Negative Class Code :CDP5_INT_N

2.6 Capitalized Bearing Fixed Rate

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

2.6.1 Business Scenario Covered

Customers open deposit accounts for a fixed period of time or term and fixed rate is paid on deposit. Interest liquidated on each schedule is capitalized and added to the principal.

2.6.2 Synopsis

- Forward contracts are not allowed
- Bearing capitalized method of interest calculation
- Fixed interest rate

2.6.3 Detailed Coverage

- Re key options for currency is allowed during authorization
- Deposits opened under this product will, by default, have:
 - Tenor as 12 months
 - Fixed interest rate of 10%
- Rollover is allowed
- Daily accrual and monthly interest liquidation schedules
- Branch holiday calendar is considered and schedules, if falling on holiday will be adjusted

2.6.4 Product – CPD6

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

| Product Schedules | | | |
|--------------------------|--------------|------------------|--------------------|
| <i>Component</i> | <i>Refer</i> | <i>Frequency</i> | <i>Period Unit</i> |
| CDP6_INT1 | Value Date | Monthly | Monthly |
| Principal | Value Date | Bullet | - |

2.6.5 Interest

| Interest Class Maintenance | |
|-----------------------------------|-------------|
| Class code | CDP6_INT1 |
| Rule | INT1 |
| Module | LD |
| Event | Book |
| Amount type | Principal |
| Category | Outstanding |
| Rate type | Fixed |
| Main component | Yes |
| Accrual | Yes |

2.6.6 Additional Information

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

2.7 Bearing Normal Fixed Rate with Override Future value dated rates

This Bearing normal interest product supports all basic features that are needed for a customer on a corporate deposit. It provides fixed interest, deducts tax on interest paid and penalty on pre-closure and overrides future value dated rates.

2.7.1 Business Scenario

Customers open a fixed rate term deposit account for a fixed period of time. On maturity, principal and interest will be paid to the customer based on the settlement instruction defined.

2.7.2 Synopsis

- Booking of deposit with fixed deposit amount at a fixed rate for a certain tenor
- Option available to amend the amount during the tenor
- Tax withholding on the interest amount liquidated
- Facility available to extend or shorten the maturity period of the contract
- Forward contracts are allowed

2.7.3 Detailed Coverage

- Bearing method of interest calculation
- Deposits opened under this product will, by default, have:
 - Tenor as 12 months
 - Fixed interest rate of 10%
 - Tax rate of 10% on interest earned based on the amount slab
- Rollover is allowed
- Rollover mechanism 'Spawn contract' is supported
- Daily accrual and monthly interest liquidation schedules
- Rate variance is supported up to maximum of 5
- Overrides future value dated rates
- Tax on interest will be deducted during maturity as well as on rollover

2.7.4 Product – CDP1

| Product preferences | |
|-----------------------------------|----------------|
| Payment method | Bearing |
| Schedule type | Normal |
| Accrual frequency | Daily |
| Auto liquidation | Yes |
| Settlement required | Yes |
| Prepayment penalty | Yes |
| Tax applicable | Yes |
| Allow rollover | Yes |
| Override Future Value dated rates | Yes |
| Consider branch holiday | Yes |
| Rollover | Auto |
| ICCF Rollover | Product |
| Rollover Mechanism | Spawn contract |
| Apply Tax | Yes |
| Rollover With Interest | No |
| Deduct Tax on Rollover | Yes |

| Product Schedules | | | |
|--------------------------|--------------|------------------|--------------------|
| <i>Component</i> | <i>Refer</i> | <i>Frequency</i> | <i>Period Unit</i> |
| CDP1_INTR | Value Date | Monthly | Months |
| Principal | Value Date | Bullet | - |

| Tax | | | | | |
|-------------------|-----------------|----------------------|-------------------------|--------------|-----------------|
| <i>Tax scheme</i> | <i>Tax rule</i> | <i>Tax Component</i> | <i>Basis Amount Tag</i> | <i>Event</i> | <i>Tax Type</i> |
| WHT | WHTR | WHTR_AMT | CDP1_INTR_LIQD | LIQD | Withholding |
| WHT | WHTR1 | WHTR1_AMT | CDP1_INTR_ROLL | ROLL | Withholding |

2.7.5 Interest

| Interest Class Maintenance | |
|-----------------------------------|-------------|
| Class code | CDP1_INTR |
| Rule | INTR |
| Module | LD |
| Event | Book |
| Amount type | Principal |
| Category | Outstanding |
| Rate type | Fixed |

| Interest Class Maintenance | |
|----------------------------|-----|
| Main component | Yes |
| Accrual | Yes |

2.7.6 Tax Rule

| Tax rule maintenance | | |
|----------------------|---------------------|-------------|
| <i>Rule Codes</i> | <i>Basis amount</i> | <i>Rate</i> |
| WHTR | 10000 | 0 |
| WHTR | 99999999999 | 10 |
| WHTR1 | 10000 | 0 |
| WHTR1 | 99999999999 | 8 |

2.7.7 Additional Information

- INTR, ICCF rule is maintained and attached to interest class - CDP1_INTR
- Tax rule WHTR and WHTR1 are maintained and linked to tax scheme WHT