

Class User Guide

# **Oracle Banking Treasury Management**

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# 1. Preface

## 1.1 Introduction

This manual is designed to help you get acquainted with the manner in which various classes can be set up in Oracle Banking Treasury Management.

You can further obtain information specific to a particular field by placing the cursor on the relevant field and striking <F1> on the keyboard.

## 1.2 Audience

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

| Role                                    | Function                                       |
|-----------------------------------------|------------------------------------------------|
| Back office clerk                       | Input functions for contracts                  |
| Back office managers/officers           | Authorization functions                        |
| Product Managers                        | Product definition and authorization           |
| End of day operators                    | Processing during end of day/ beginning of day |
| Financial Controller / Product Managers | Generation of reports                          |

## 1.3 Documentation Accessibility

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

## 1.4 Organization

| Chapter   | Description                                                                                                               |
|-----------|---------------------------------------------------------------------------------------------------------------------------|
| Chapter 1 | <i>About this Manual</i> gives a brief introduction to the module. It also lists the various chapters in the User Manual. |
| Chapter 2 | <i>Creating Classes</i> details the procedure to set up different classes in Oracle Banking Treasury Management.          |

## 1.5 Glossary of Icons

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

| Icons                                                                               | Function   |
|-------------------------------------------------------------------------------------|------------|
|  | Exit       |
|  | Add row    |
|  | Delete row |

| Icons                                                                             | Function    |
|-----------------------------------------------------------------------------------|-------------|
|  | Option List |

## 1.6 Related Documents

For further information on procedures discussed in the manual, refer to the Oracle Banking Treasury Management manuals on:

- Procedures

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## 2. Creating Classes

### 2.1 Introduction

You need to create a class and attach certain attributes to it. You can build a charge class, for instance, with the attributes of a specific type of charge, such as Charges for provision of services. Similarly, you can build an event class with the attributes of a specific type of events, such as a Booking a Transaction, Collecting Charges, Cancellation and so on.

Once you create classes, you can link them suitably to products thereby avoiding the need to specify the generic attributes available in the class.

In Oracle Banking Treasury Management, you can categorize these classes into Mandatory and Optional. Unless certain mandatory classes are maintained, you will not be able to process transactions.

The mandatory classes that you need to maintain are:

- Interest Class
- Interest Class (SE)
- Fee Class
- Charge Class
- Old Charges Class
- Tax Class

The optional classes that you can maintain are:

- Adhoc Fee Class
- Branch Currency Restriction Class
- Customer Restriction Class
- Discount Accrual Class
- Events Class
- Role to Head Mapping Class

This chapter contains the following sections:

- [Section 2.2, "Interest Class"](#)
- [Section 2.3, "Interest Class Maintenance"](#)
- [Section 2.4, "Accrual Fee Class Maintenance"](#)
- [Section 2.5, "Charge Class"](#)
- [Section 2.6, "Old Charges Class Maintenance"](#)
- [Section 2.7, "Tax Class Maintenance"](#)
- [Section 2.8, "Discount Accrual Class"](#)
- [Section 2.9, "Events Class Maintenance"](#)
- [Section 2.10, "Role to Head Mapping Class"](#)

### 2.2 Interest Class

This section contains the following topics:

- [Section 2.2.1, "Defining Interest Class"](#)

## 2.2.1 Defining Interest Class

You need to define the attributes of an interest class, in the 'Treasury Interest Class Definition' screen, invoked from the Application Browser. You can invoke the 'Treasury Interest Class Definition' screen by typing 'CFDTRINC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screenshot shows the 'Treasury Interest Class Definition' window. It has a top bar with 'New' and 'Enter Query' buttons. The main area is divided into several sections: 'Class Code' (with fields for Class Code, Rule, Module, and Event), 'Basis' (with fields for Amount Type, Settlement Currency, and Category), 'Alternative Risk-Free Rate Preferences' (with a list of preferences like Lookback, Payment Delay, Lockout, etc.), 'Interest' (with fields for Rate Type, Rate Code, Code Usage, and Reset Tenor), 'Pricing Details' (with a checkbox for External Pricing), 'Limits' (with a table for Currency, Rate Fixing Days, Fixing Date Movement, Default Rate, Minimum Rate, Maximum Rate, Default Spread, and Minimum Spread), and 'RFR Rounding Unit' (with fields for Borrow/Lend Indicator, Rate Calculation Type, Margin Application, and Margin Basis). The bottom bar contains fields for Maker, Checker, Date Time, Mod No, Record Status, and Authorization Status, along with an 'Exit' button.

You need to specify the following details:

### Class Code

Specify a unique code to identify the class.

### Class Description

Specify a brief description for the class.

### Rule Code

Specify the rule that should be linked to the class. The adjoining option list displays all valid rules maintained in the system. You can choose the appropriate one.

### Rule Description

The system displays the description based on the rule chosen.

### Event

Specify the event at which collection of the interest should be triggered. The adjoining option list displays all events available in the system for the module specified. You can choose the appropriate one.

### Module

Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.

### Basis

You can indicate the following details:

#### Amount Type

If the interest rate type is Fixed or Floating, specify the basis amount on which the interest rate has to be applied. For example, , for the MM module, it could be the MM Contract Amount and so on.

**Settlement Currency**

The Settlement Currency is the currency in which the interest amount will be calculated. The interest amount applicable for a contract will be calculated in this currency. The appropriate conversion rate (defined for the product as the applicable Rate Type) is applied to carry out a conversion if the repayment account is in a different currency.

**Category**

If the interest rate type is Fixed or Floating, specify the type of balance that has to be considered for interest application. It could be any one of the following:

- Expected
- Overdue
- Normal
- Outstanding

**Accruals**

Check this box to indicate that accruals have to be carried out for the accruable components.

**Bulk Amount**

When a contract gets rolled over, you may wish to split it into two contracts - one for the interest amount (I) and the other for the principal amount (P). If you want the floating rate pick-up for both the new contracts (tenor/amount) to be based on P+I of the original contract, check this box.

**Allow Amendment**

If you would like to allow amendment of the interest amount calculated by the system as per the charge rule, check this box.

**Stop Application**

Check this box to indicate that collection should stop for the interest component.

**Grace Period**

Specify the number of grace days, beyond the main interest due date, after which that interest component becomes applicable.

**Prepayment Method**

Select the method for actual prepayment penalty computation from the adjoining drop-down list. The options available are:

- Oracle Banking Treasury Management - This option is used where pre-payment has to be applied on the deposit contract for contract elapsed days.
- Custom - If the Prepayment Method is Custom, then the prepayment penalty in this case will be the minimum of prepayment penalty and Gross interest on the premature withdrawal amount. The system computes the interest amount to be liquidated due to prepayment of principal. You will not be allowed to specify the interest amount during the Payment input in such a case.

---

**Note**

Here, the system does not include the Acquired interest for processing.

---

Also, if you have chosen the prepayment method as Custom, you cannot prepay or manually liquidate either the interest or the principal component. This option is used where pre-payment has to be applied on the deposit contract for contract remaining days.

**Main Component**

Check this box to indicate that the component should be treated as the main interest component.

**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'.

The following fields under 'Limits' block allow negative input value, if you have checked the 'Negative Interest Allowed' checkbox for the class code:

- Minimum Rate
- Maximum Rate
- Default Rate
- Minimum Spread
- Maximum Spread
- Default Spread

**Negative Class Code**

The system displays the negative class code.

**Link Contract as Ratecode**

Check this box to indicate that a fixed rate contract may be linked to the floating rate component, instead of a rate code.

**Propagation Required**

Check this option to indicate that the charge collected from the borrower must be passed on to the participants of the contract.

**Consider as Discount**

Check this box to indicate that the fee component should be considered as part of discount accrual.

**Alternative Risk Free Rate**

Alternative Risk Free Rate Identifies if the interest class is enabled for RFR

**Alternative Risk Free Rate Preferences**

Select any one of the below RFR calculation methods:

- Lookback
- Payment delay
- Lockout
- Interest Rollover
- Last Reset
- Last Recent
- Plain
- Index Value

- Observation Shift
- Weighted Average

The user can also select any one of below combination methods:

- Lookback and Lockout
- Lookback and Payment Delay
- Lockout and Payment Delay
- Lookback, Lockout, and Payment delay

For more information on RFR calculation method for each type, refer to the [RFR Calculation Method](#).

### **Lookback**

The user can select **Lookback** as RFR preference if the Rate Method is **In-Arrears**. The observation period for the interest rate calculation starts and ends a certain number of days prior to the Interest period. As a result, you can choose the interest payment to be calculated prior to the end of the interest period.

### **Lookback Days**

This field is relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lookback.

### **Lockout**

The user can select **Lockout** as RFR preference if the Rate Method is **In-Arrears**.

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.

### **Lockout Days**

This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lockout.

### **Payment Delay Days**

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.

### **Interest Rollover**

Rollover method can be used as a combined method along with one each of In-arrears & In-advance methods. Payments are set in advance and any missed interest relative to in arrears is rolled over into the next payment period. This option combines a first payment (instalment payment) known at the beginning of the interest period with an adjustment payment known at the end. The difference between Principal Adjustment option and this option is that the adjustment payment is delayed. The adjustment payment can be made a few days later or at the end of the next accrual period.

### **Last Reset**

This field is relevant only 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.

### **Last Recent**

This field is relevant only 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.

### **Plain**

This field is relevant if **Rate Method** is **In-Arrears** or bearing and RFR method is Plain. System uses averaged RFR over current interest period, paid on first day of next interest period.

### **Rate Compounding**

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.

For more information on RFR Rate Compounding, refer to the attached refer to the attached [RFR Rate Compounding](#) calculation worksheet

### **Index Value**

Select the Index Value check box to use the RFR index rate.

The RFR Index measures the cumulative impact of compounding RFR on a unit of investment over time.

Index Value supports below RFR preferences:

#### **1. Arrear Method**

- Lookback
- Lockout
- Payment Delay
- Plain

#### **2. Advance Method**

- Last Reset
- Last Recent

For more information on RFR Index Value, refer to the [RFR Index Value](#) calculation worksheet.

### **Observation Shift**

Select the **Observation Shift** check box to apply observation Shift to RFR calculation.

The observation shift mechanism provides the rate to be calculated and weighted by reference to the Observation Period rather than the relevant interest period.

Observation Shift Currently supports below RFR Methods and combination.

- Lookback
- Lockout
- Lookback and Lockout combination

For more information on RFR Observation Shift, refer to the [RFR Observation Shift calculation worksheet](#).

### Weighted Average

Select this check box to use weighted average calculation (WAC) as the RFR calculation method.

The WAC here represent the simple average calculation and not compounded. The averaged RFR in this convention is the simple arithmetic mean of the daily RFRs. OBTR supports WAC to calculate base rate (BR), Credit Adjustment Spread (CAS), and Customer Margin.

The WAC formula to calculate simple interest is:

$$AvgRate = \left[ \sum_{i=1}^{d_b} \left( \frac{r_i \times n_i}{N} \right) \right] \times \frac{N}{d_c}$$
$$InterestAmt = Principal \times AvgRate \times \frac{d_c}{N}$$

Here,

db: the number of business days for the interest calculation period

dc: the number of calendar days for the interest calculation period

ri: reference rate for the day number i within the interest calculation period

ni: the number of calendar days for which rate ri applied (on most days, ni will be 1, but on a Friday it will generally be 3, and it will also be larger than 1 on the business day before a holiday)

N: the number of calendar days in one year (360 to 365)

For more information, refer to the [RFR WAC](#) sheet.

### Compounding Preferences

#### Computation Calendar

Select the Computation Calendar from the drop-down list, when RFR is selected for interest. The available options are:

- Currency
- Financial Center

### **Financial Center**

This field is mandatory if the Financial Center is selected as computation calendar.

Select the code of Financial Center from the displayed list of values.

### **Base Computation Method**

Select the Base Computation Method from the drop-down list. It is either simple or compounded.

### **Spread\Margin Computation**

Select the Spread\Margin computation method. It can be maintained as either Simple or compounded.

### **Spread Adjustment**

Select the Spread adjustment method and it is maintained as either Simple or compounded.

### **RFR Rounding Unit**

Specify the Rounding Units value to round daily index value to the nearest whole number and use it for interest calculation.

It is applicable only when RFR index value is used.

### **Interest**

Specify the following details:

#### **Rate Type**

Indicate whether the interest is a Fixed Rate, a Floating Rate or a Special amount. If the Rate Type is a Floating Rate, you should also specify the Rate Code.

#### **Rate Code**

Each Rate Code corresponds to a rate defined for a combination of Currency, Amount (if it is necessary) and an Effective Date. These details are maintained in the 'Floating Rates Input' screen. This rate will be applied to all contracts under products linked to the class.

Standard overnight RFR rate codes maintained from the core screen can also be mapped.

#### **Code Usage**

Specify the method in which the floating rates have to be applied. It could either be automatic application (meaning the rate has to be applied every time it changes), or periodic application (meaning the rate has to be applied at a regular frequency, defined for each contract involving the product linked to this class).

#### **Reset Tenor**

Floating interest rates are defined for specific amount slabs and tenor combinations. If you are defining a floating interest component or a fixed type with rate code attached, you can indicate the reset tenor for which floating rates need to be picked up.

The tenor that you specify for the component is defaulted to all contracts with which the floating interest component is associated.

### **Borrow Lend Indicator**

Indicate the nature of the floating rate that needs to be picked up for the interest component. The options available are:

- Borrow
- Lend
- Mid

### **Rate Calculation Type**

For floating type of interest components and fixed type with rate code attached, you can indicate the manner in which floating rates should be applied. The preference that you specify here is used when an interest component does not fit into any direct parameter defined for the floating rate code. The options available are:

- Up – Choose this option to indicate that the rate of the upper tenor slab should be used.
- Down - Choose this option to indicate that the rate of the lower tenor slab should be used.
- Interpolate - Choose this option to indicate that the rate should be interpolated between the rates of the upper and lower slabs.
- Round Off - Choose this option to indicate that the tenor of the component should be rounded off to the nearest whole number. The rate defined for the derived tenor will be applied to the component.

### **Margin Application**

Indicate the frequency of margin application by choosing one of the following options from the drop-down list.

### **Margin Basis**

Indicate the basis for the interest margin and the method for applying the interest margin on the selected interest component. The available options are:

- Facility – The system defaults the margin from the borrower facility contract with which the drawdown is linked.
- Tranche – The system defaults the margin from the borrower tranche contract with which the drawdown is associated.
- Drawdown – If this option is chosen, you must enter the applicable margin when the interest rate is fixed.
  - This component which you select is excluded from all the processing including liquidation and this calculation type is only used for margin application.
  - After defining this component, booked formula for main interest component needs to be modified by replacing INTEREST\_RATE with INTEREST\_RATE + MARGIN\_RATE. By doing this the interest gets calculated based on resolved interest rate (i.e. including floating rate and spread if applicable) and the margin.
- Customer – If this option is chosen, then the margin will be applicable to all drawdown contracts under the selected customer.

### **Limits**

Specify the following details:

#### **Currency**

Specify the currency of interest rate application. The adjoining option list displays all valid currency codes maintained in the system. You can choose the appropriate one. For a Risk Free Rate interest component systems allows saving of record for RFR mapped rate code currency only. The currency chosen for limits should be a RFR code currency. For Example for RFR code SOFR (Secured Overnight Financing Rate) only USD currency record should

be mapped. If in case any other currency is maintained, system validates accordingly upon save.

#### **Rate Fixing Days**

Specify the Rate fixing days as per the requirement. Rate fixing days can have the values from zero or greater. if no values are entered system defaults it to zero.

#### **Fixing Date Movement**

Specify the Movement as Forward, Backward or None as per the requirement from the effective revision date.

If rate fixing days is greater than zero, movement is selected either as forward or backward. If rate fixing days is zero, the Reset date movement will remain blank.

#### **Default Rate**

Specify the default rate that should be applied for on contracts under the products linked to this class. Default rate allows negative values if the negative interest is allowed for the class.

#### **Minimum Rate**

Specify the minimum interest rate that can be applied on contracts under the products linked to this class. Minimum rate allows negative values if the negative interest is allowed for the class.

#### **Maximum Rate**

Specify the maximum interest rate that can be applied on contracts under the products linked to this class. Maximum rate allows negative values if the negative interest is allowed for the class.

#### **Default Spread**

You are allowed to specify both positive and negative spread as default for the class you are maintaining. The system validates this spread against the maximum and minimum spread you have specified for the currency. Subsequently, the spread will be defaulted to the contract under the products linked to this class.

#### **Minimum Spread**

Specify the minimum spread that can be applied on the rate for the currency.

#### **Maximum Spread**

Specify the maximum spread that can be applied on the rate for the currency.

#### **Base Computation**

It is either simple or compounded.

#### **Spread\ Margin Computation**

Spread\ Margin computation method can be maintained as either Simple or compounded.

#### **Spread Adjustment**

Spread adjustment method is kept as either Simple or compounded

## **2.3 Interest Class Maintenance**

This section contains the following topics:

- [Section 2.3.1, "Invoking Interest Class Maintenance"](#)

## 2.3.1 Invoking Interest Class Maintenance

You need to maintain an Interest class specific to the Securities module. For instance, for a Security, you can build an interest class with the attributes of a specific type of coupon, the quarterly coupon paid on the current face value.

This section explains how interest classes are built and how attributes are defined for Securities and Derivatives products and contracts.

You can define the attributes of an interest class, in the 'Treasury Interest Class Maintenance' screen, invoked from the Application Browser. You can invoke the 'Treasury Interest Class Maintenance' screen by typing 'CFDTRINT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Before defining the attributes of an interest class, you should assign the class a unique identifier, called the Class Code and briefly describe the class. A description would help you easily identify a class.

### Module

An interest class is built for use in a specific module. This is because; an interest component would be applied on different basis amounts, in different modules.

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#### Note

The Basis Amount Tags available would depend on the module for which you build the class.

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### Interest Type

While building an Interest Class, you can define two kinds of interest:

- Primary Interest
- Coupon

### Events and the Basis Amount

The term Event can be explained with reference to 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 an interest is calculated is referred to as the Basis Amount. For instance, a coupon can be on the basis of the current face value of a security. When building an interest class, you have to specify the tag associated with the Basis Amount.

The attributes defined for an interest class, will default to all products with which you associate the class. When maintaining interest details for a product, you can change these default attributes. Contracts maintained under a product will acquire the attributes defined for the securities product.

### **Accrual Required**

You can choose to accrue the interests due on a contract. To accrue the interest payable on a contract, choose the 'Accrual Required' option.

The accrual details that you define for an interest class will default to all products with which you associate the class. When maintaining interest accrual details for a product, you can change these default details. Contracts maintained under a product will acquire the accrual details defined for the product. However, you can define unique accrual details for a contract.

### **Rate Type**

The interests paid on contracts can be at a Fixed Rate, or on the basis of a Floating Rate. If you indicate that interests should be calculated on the basis of 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.

### **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.

The details defined for an interest class will default to all products with which the class is associated. When maintaining interest details for a product, you can change this default information. Contracts maintained under a product will acquire the interest details defined for the contract product. However, you can define unique interest details specific to a contract.

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 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.

| Tenor Code | 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 with which you associate the class) will be calculated using the rate corresponding to the Rate Code and the Tenor Code.

### 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

### Negative Class Code

The system displays the negative class code.

When you save the record, the system updates the 'Negative Class Code' field with the name of the auto-generated Negative class code. If any interest class already exists with the same class code as the negative class code being auto-generated, then the system displays an appropriate error message on saving the main interest class code itself.

In such cases, specify the 'Negative Class Code' field manually and save the record.

Any operation on Negative class codes generated by system will be restricted.

### 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 indicate the negative rate must be allowed for DV and SR modules.

### Interpolation Method

Select the required interpolation method from the adjoining drop-down list. The list displays the following values:

- Not Applicable
- Linear

If the option **Linear** is selected, then the system uses Interpolation formula. Rounding Rule and Precision is mandatory in this case.

### **Rounding Rule**

Select the required rounding rule from the adjoining drop-down list. The list displays the following values:

- Blank
- Up
- Down
- Trunc
- Round Near

---

#### **Note**

**Rounding Rule** is applicable only when interpolation method is linear.

---

### **Rounding Units**

Specify the decimal value that must be used for interest rate calculation.

### **Rate Revision Preferences**

#### **Lookback Months**

Specify the number of months to look back to capture the Lag.

---

#### **Note**

- For Inflation type interest class, **Lookback Days** must be disabled.
  - For RFR rate type, **Lookback Months** must be disabled.
- 

### **Compounding Preferences**

#### **Frequency**

Select the compounding frequency of the interest from the adjoining drop-down list. The list displays the following values:

- Daily
- Weekly
- Monthly
- Quarterly
- Half Yearly
- Yearly
- Bullet

#### **Unit**

Specify the frequency for compounding interest.

#### **Compound on Holidays**

Check this box to indicate that the compounding must be done on holidays. The system allows to check this box only if the **Frequency** is Daily.

During save, the system performs the following validations:

- Lookback Days and Months can be greater than or equal to zero and can be only positive values.
- When Look back days defined is greater than zero, then Reset date movement should be selected.
- Only the below fields gets enabled for inflation rate type component:
  - Lookback
  - Lookback Months
  - Payment Delay
  - Payment Delay Days
  - Payment Date Movement
  - Payment Delay Calendar

## **Payment Preferences**

### **Payment Date Movement**

Specify the date on when the payment movement is to be done. The adjoining drop-down list displays the following values:

- Lead
- Lag

If the option **LEAD** is selected, then the payment is preponed.

If the option **LAG** is selected, then the payment is deferred.

### **Payment Movement Calendar**

Specify the payment movement calendar from the adjoining drop-down list. The list displays the following values:

- Calendar
- Business

If the option **Calendar** is selected, then the 'Payment Date Movement' ignores holiday maintenance at contract level.

If the option **Business** is selected, then the 'Payment Date Movement' considers holiday maintenance at contract level.

## **2.3.2 Rate Button**

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'.

Click 'Rate' button and invoke the 'Interest Limits' screen.

Here you can specify the following detail

### Minimum Rate

Specify the minimum rate that should be applied for the DV contract.

## 2.4 Accrual Fee Class Maintenance

This section contains the following topics:

- [Section 2.4.1, "Invoking Accrual Fee Class Maintenance Screen"](#)
- [Section 2.4.2, "Fields Button"](#)

### 2.4.1 Invoking Accrual Fee Class Maintenance Screen

You need to define the attributes of an accrual fee class in the 'Treasury Fee Class Maintenance' screen, invoked from the Application Browser. You can invoke this screen by typing 'CFDTR AFC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Here you can specify the following details:

### Class Code

Specify a unique code to identify the class.

**Description**

Specify a brief description for the class.

**Module**

Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.

**Basis Amount**

Select the basis amount from the adjoining drop-down list:

- Expected Outstanding Balance
- Expected Balance

**Fee Type**

Select the fee type from the adjoining drop-down list:

- Income
- Expense

**Allow End Date Input**

Check this box to indicate that the end date for accrual can be entered at the time of entering the fee details for a particular class. Otherwise, the maturity date of the associated contract will get defaulted as the end date for accrual.

**Accrual Required**

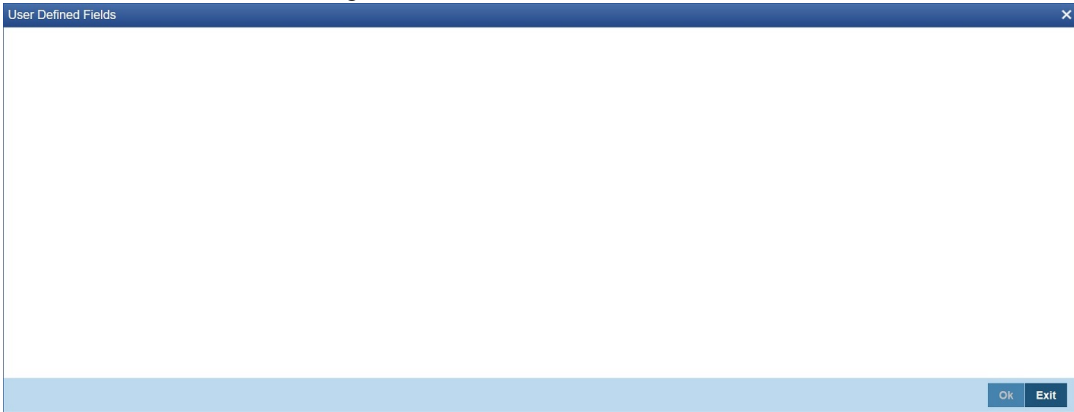
Check this box to indicate that accrual of fees is required.

**Discount Accrual Applicable**

Check this box to indicate that the fee component should be considered as part of discount accrual.

## 2.4.2 Fields Button

You can capture user-defined fields (UDFs) in the 'User Defined Fields' screen. Click 'Fields' button and invoke the following screen.



Here you can specify the following details:

**Field Name**

The system displays the UDFs.

**Value**

Specify the value for each UDF.

## 2.5 Charge Class

This section contains the following topics:

- [Section 2.5.1, "Maintaining Charge Class"](#)

### 2.5.1 Maintaining Charge Class

You have to build a charge class, for instance, with the attributes of a specific type of charge, such as 'Charges for amending the terms of a transaction', or 'Charges for provision of services'. To recall, a charge rule is built to calculate a specific type of charge component.

Once such a rule is built, you can define attributes like what should be the basis amount on which the charge rule is applied, when the charge should be associated to the contract and when the charge should be calculated and collected.

When building a charge class, you define certain attributes such as:

- The module in which you would use the class
- The charge type (whether borne by the counterparty or by the bank)
- The association event
- The application event
- The liquidation event
- The default settlement currency
- The default charge rule
- The basis amount on which the charge is calculated

You can define the attributes of a charge class in the 'Treasury Charge Class Maintenance' screen, invoked from the Application Browser. You can invoke this screen by typing 'CFDTRCCM' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Treasury Charge Class Maintenance

New Enter Query

Module List \*

Class Code \*

Charge Type

Net Consideration

Propagation Required

Association Event

Application Event

Liquidation Event

Basis Amount Tag

Default Charge Rule

Default Settlement Currency

Module Description

Description

Debit or Credit

Add/Subtract

Swift Qualifier

Fields

Maker

Checker

Date Time:

Date Time:

Mod No

Record Status

Authorization Status

Exit

The following are the features of the Charge Class Maintenance screen.

#### **Class Code**

Before defining the attributes of a charge class, you should assign the class a unique identifier, called the Class Code and briefly describe the class. A description would help you easily identify the class.

## Module

A charge class is built for use in a specific module. As a charge component would be applied on different basis amounts, in different modules. In the Securities module, you could levy a flat charge or fee on portfolios that you maintain on behalf of a customer. The basis on which the component is applied is different, in these two cases.

---

### Note

The Basis Amount Tags available would depend on the module for which you build the class.

---

## Charge Type

Charges can be collected from the counter party or from a third party. You can select one of the following values from the adjoining drop-down list:

- Counter Party – This indicates that the customer is captured as part of the contract.
- Third Party – This indicates that the charges are levied on another entity on behalf of customer (Eg: Custodian)
- Their Charges – This indicates that your bank is collecting other bank's charges. .

The charges or fee that you levy will be recovered, typically, from the counterparty involved. Therefore, when building a charge class, you may indicate the charge to be of 'Counterparty' type.

## Debit /Credit

Choose the Debit option in this field, if the charge component associated with the product is to be debited to the customer. If you would bear the charge component, choose the 'Credit' option.

The following example illustrates how a charge could be of a 'Credit' type.

## Propagation Required

Check this option to indicate that the charge collected from the borrower must be passed on to the participants of the contract.

## Net Consideration

The sum of the different components of a contract determines the *net value* of the contract. You can indicate that a charge component should be taken into account when determining the net value of a contract by choosing the Net Consideration option.

---

### Note

The Net Consideration option is applicable if you are defining a charge class for Securities module.

---

## Add/Subtract

If you choose to include the charge component in the net value, you should indicate if the charge component is to be *added*, while calculating the net consideration amount, or *subtracted*.

## SWIFT Qualifier

You can report the charge component of a contract in the SWIFT messages that you generate. To do this, identify the component, when building it in the 'Charge Class Maintenance' screen, with the appropriate SWIFT code.

## **Events**

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

- Initiation
- Amendment
- Rollover

Each of these stages is referred to as an 'Event' in Oracle Banking Treasury Management.

At any of these events, you can choose to apply a charge or fee. When defining a charge class, you should specify:

- The association event
- The application event
- Liquidation event

The event at which you would like to *associate* a charge component to a contract is referred to as the Association Event. At this event, no accounting entry (for the charge component) is passed.

The event at which the charge component is actually *calculated* is referred to as the Application Event. At this event, no accounting entry (for the charge component) is passed. The charge or fee is liquidated at the Liquidation event that you specify.

If the event chosen for the liquidation of the charge component at the charge class and the event chosen for liquidating the same charge component at the 'Product Events and Accounting Entries' screen are different, the charge will not be liquidated and accounting entries will not be posted.

In FX modules, the concept of association, application and liquidation events is not applicable. The charge component is liquidated at the event chosen in the product. Hence, charge class for these three modules are defined under Old Charge Class (The Old Charge Class is found under product class. The charge classes for FX, have to be defined under this.). The charge components are linked to three different events. This mapping gives you the option to change the charge amount before it is liquidated.

### **Basis Amount Tag**

The basis on which interest, charge, fee, or tax is calculated is referred to as the Basis Amount. (A charge or fee can be on the basis of the contract amount, for instance.) The different basis amounts, available in a module, are associated with a unique 'tag'. When building a charge component, you have to specify the *tag* associated with the Basis Amount. When charge or fee is calculated for a contract, the basis amount corresponding to the tag will be picked up automatically.

Basis amount refers to:

- Principal amount or commitment
- Buy/Sell amount in the case of an FX deal
- Deal Nominal amount for a Security Deal

### **Default Charge Rule**

You can link a charge rule that you have defined to the charge component that you are building. When you link a rule to a component, the attributes that you have defined for the rule will default to the component.

To recall, a charge rule identifies the method in which charge or fee of a particular type is to be calculated. A rule is built with, amongst others, the following attributes:

- The charge currency
- Whether the charge or fee is to be a flat amount or calculated on a rate basis
- The minimum and maximum charge that can be applied
- The tier or slab structure on which the charge is to be applied
- The customer and currency restrictions, etc.

The charge component to which you link a rule acquires these properties. Charges for the product with which you associate a charge component will be calculated, by default, according to the rule linked to the component. However, when processing a contract, you can choose to *waive* the rule altogether.

When building a charge class, you can choose to allow the amendment of the rule linked to it, in the following conditions:

- You can choose to allow amendment after the association event
- You can choose to allow amendment after the application event
- You can choose to allow amendment of the charge amount

### **Default Settlement Currency**

Charges or fees levied on a contract will be settled in the Settlement Currency that you specify for the charge class associated with the product (under which the contract is processed). However, when processing a contract, you can choose to settle the charge in another currency.

The charge currency defined for the rule is used only for booking charges. The actual settlement is done in the default settlement currency' maintained for the charge class. The final charge is computed based on preferences defined in the charge rule set-up. The amount is converted to the settlement currency in case the charge currency is different from the contract currency.

---

### **Note**

- For the liquidation of charge components with a charge currency not equal to the contract currency during discounting, the charge amount is calculated in the contract currency based on the exchange rate between the settlement currency and the contract currency as on the discounting date. The charge amount in contract currency is used for accounting.
  - If the charge currency is different from the contract currency and the contract currency is same as the settlement account currency, the exchange rate maintained for the settlement account through the 'Settlement Message Details – Account Details' screen is used to convert the charge amount into the contract currency amount.
- 

When you associate a charge component with a product, you can choose to allow the amendment of the rule linked to it, under the following conditions:

### **Allow Rule Amendments**

If you would like to allow the amendment of a rule for a charge component when linked to a contract, check this box.

### **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 Amount Amendment**

If you would like to allow amendment of the charge amount calculated by the system as per the charge rule, check this box.

### **Amend After Application**

If you would like to allow the amendment of the charge amount after application of a rule for a charge component, check this box. Once checked the system will allow you to modify the charge amount after the application event is triggered for the linked contract.

### **Default Waiver**

Check this box to indicate that even if charge is computed, it should not be liquidated.

### **Capitalize**

You can capitalize the payment of charges and fees. If the charge is not paid on a scheduled date, the outstanding charge amount will be added to the outstanding principal and this becomes the principal for the next schedule. If a partial payment has been made, the unpaid amount will be capitalized (the unpaid charge is added to the unpaid principal and this becomes the principal for the next schedule).

---

#### **Note**

If the 'Capitalize' option is not checked for the broker, deal, product and currency combination, then the option 'Consider as discount' cannot be checked for the securities module.

---

### **Consider as Discount**

While defining a charge class for either the securities or the bills module, you can indicate whether the charge component is to be considered for discount accrual on a constant yield basis.

If you select this option the charge received against the component is used in the computation of the constant yield and subsequently amortized over the tenor of the associated contract.

Checking this option also indicates that the component is to be used for IRR calculation.

---

#### **Note**

IRR, the Internal Rate of Return is the annualized effective compounded return rate which can be earned on the invested capital, i.e. the yield on the investment.

---

### **Accrual Required**

Checking this indicates that the charges have to be accrued. Subsequently, the charges are accrued using the upfront fee system.

### **Discount Basis**

While defining a charge class for the bills module, you can define the discount basis for the purpose of IRR computation. You can choose either of the following as discount basis:

- Inflow – If you choose Inflow, the charge will be considered as an inflow for IRR computation
- Outflow – If you choose Outflow, the charge will be treated as an outflow for IRR computation

You can define discount basis only if the 'Consider as Discount' option is enabled. If you have not opted for 'Consider as Discount', the Discount Basis field will be disabled. If the 'Consider as Discount' option is enabled Discount basis has to be defined. On enabling the 'Consider as Discount', the default value of Discount Basis will be 'Inflow' and you will have to change it to 'Outflow' if required.

## 2.6 Old Charges Class Maintenance

This section contains the following topics:

- [Section 2.6.1, "Invoking Charge Class Maintenance Screen"](#)
- [Section 2.6.2, "Fields Button"](#)

### 2.6.1 Invoking Charge Class Maintenance Screen

You have to define a charge class for transactions in FX modules using the 'Charge Class Maintenance' screen, invoked from the Application Browser. You can invoke this screen by typing 'CFDTROCH' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

| Treasury Charge Class Maintenance                          |            |        |                      |  |  |  |      |
|------------------------------------------------------------|------------|--------|----------------------|--|--|--|------|
| New Enter Query                                            |            |        |                      |  |  |  |      |
| <b>Class Details</b>                                       |            |        |                      |  |  |  |      |
| Class Code *                                               |            |        |                      |  |  |  |      |
| Description *                                              |            |        |                      |  |  |  |      |
| Module List *                                              |            |        |                      |  |  |  |      |
| <b>Class Preferences</b>                                   |            |        |                      |  |  |  |      |
| Rule Id *                                                  |            |        |                      |  |  |  |      |
| Category * Normal                                          |            |        |                      |  |  |  |      |
| Component Description *                                    |            |        |                      |  |  |  |      |
| Event *                                                    |            |        |                      |  |  |  |      |
| Amount Type *                                              |            |        |                      |  |  |  |      |
| Currency Code *                                            |            |        |                      |  |  |  |      |
| <input type="checkbox"/> Stop Application                  |            |        |                      |  |  |  |      |
| <b>Pricing Details</b>                                     |            |        |                      |  |  |  |      |
| <input type="checkbox"/> External Pricing                  |            |        |                      |  |  |  |      |
| <input type="checkbox"/> Debit Customer as part of Billing |            |        |                      |  |  |  |      |
| <b>Fields</b>                                              |            |        |                      |  |  |  |      |
| Maker                                                      | Date Time: | Mod No | Record Status        |  |  |  |      |
| Checker                                                    | Date Time: |        | Authorization Status |  |  |  |      |
|                                                            |            |        |                      |  |  |  | Exit |

Here you can specify the following details:

#### Class Details

Indicate the following basic details.

##### **Class Code**

Specify a unique code to identify the class.

##### **Description**

Specify a brief description for the class.

##### **Module List**

Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.

#### Class Preferences

Specify the following class preferences:

**Rule Id**

Specify the rule that should be linked to the class. The adjoining option list displays all valid rules maintained in the system. You can choose the appropriate one.

**Component Description**

Define a component here for the rule. Based on this component, six corresponding accounting roles will be generated by the system.

**Amount Type**

Specify the basis amount type for collection of charge. The adjoining option list displays all valid basis amount types available in the system. You can choose the appropriate one.

**Currency Code**

Specify the currency for collection of the charge. The adjoining option list displays all valid currency codes maintained in the system. You can choose the appropriate one.

**Stop Application**

Check this box to indicate that collection should stop for the charge component.

**Category**

Select 'Normal' as the category of the basis amount on which charge should be collected.

**Event**

Specify the event at which collection of the charge should be triggered, The adjoining option list displays all events available in the system for the module specified. You can choose the appropriate one.

**Advice Charge**

Check this box to indicate that charge should be collected for dispatching the customer advice.

**Price Details****External Pricing**

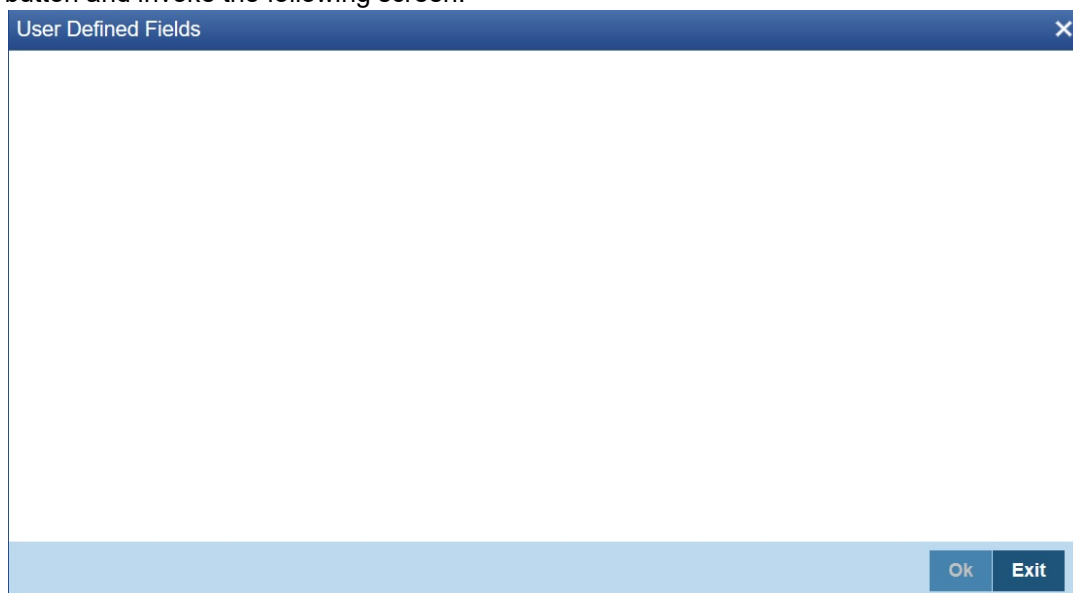
Check this box to indicate that external charges can be fetched from external pricing and billing engine for contracts created under this product.

**Debit Customer as part of Billing**

Check this box to indicate that the configured charge will be debited from customer account as part of billing feed from external pricing and billing engine.

## 2.6.2 **Fields Button**

You can capture user-defined fields (UDFs) in the 'User Defined Fields' screen. Click 'Fields' button and invoke the following screen.



Here you can specify the following details:

### **Field Name**

The system displays the UDFs.

### **Value**

Specify the value for each UDF.

## 2.7 **Tax Class Maintenance**

This section contains the following topics:

- [Section 2.7.1, "Invoking Tax Class Maintenance Screen"](#)
- [Section 2.7.2, "Defining Issuer Taxes as Classes"](#)

### 2.7.1 **Invoking Tax Class Maintenance Screen**

You can define the attributes of a transaction level tax under the corresponding section of the 'Treasury Tax Class Maintenance' screen. You can invoke this screen by typing 'TADTRTXC'

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

Before defining the attributes of a Transaction Tax Class, assign the class a unique identifier, called the Class Code, and briefly describe the class. A description would help easily identify a class.

## Module

A tax class is built for use in a specific module. This is because the basis amounts on which the tax is applied could vary with the modules. In the Foreign Exchange module, for instance, you might want to levy tax on the brokerage paid. In the Securities module, you might have to pay a tax on the value of a security that you purchase. The *basis* on which the tax component is calculated is different in these two cases.

---

### Note

The Basis Amount Tags available, in this screen, would depend on the module for which you build the class.

---

## Tax

The type of tax indicates who bears the tax, whether the bank or the customer.

### Withholding

Withholding type tax is borne by the beneficiary on an income (either the bank or the customer). For example, the tax on the brokerage paid would be borne by the broker. You *withhold* this component in a Tax Payable account, by debiting the customer account (since brokers are defined as Customers in Oracle Banking Treasury Management) and later paying the tax to the government on behalf of the broker.

### Expense Type

If you choose to bear the tax that is payable on brokerage, you would define it as an expense type of tax. The tax entries, in this case, would be posted to an Expense account.

If you bear the tax, there could either be an immediate cash Outflow or payment, or a mere crediting of it to a Tax Payable account. In the latter case, there would not be an immediate Outflow. The tax would be paid at a later date, from the Tax Payable account.

## **The Net Consideration**

The sum of the different components of a contract determines the net value of the contract. To indicate that a transaction level tax component should be taken into account when determining the net value of a contract, choose the Net Consideration option.

If you choose to include the tax component in the net value of the contract, you should also indicate if the tax component is to be added or subtracted, while calculating the net consideration amount.

## **Defining the Events and the Basis Amount**

Each contract that your bank enters into goes through different stages, each of which is referred to as an Event in Oracle Banking Treasury Management.

A securities deal, for instance, 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

Each of these stages 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 any of these events, you can choose to apply a tax. The event at which you would like to associate a tax component, is referred to as the Association Event. At this event, no accounting entry (for the tax component) is passed.

The event at which the tax component is actually computed is referred to as the Application Event. The tax is liquidated at the Liquidation Event.

The basis on which a tax is calculated is referred to as the Basis Amount. A tax can be on the basis of the principal, the brokerage paid and so on. When building a tax class, you have to specify the tag associated with the Basis Amount.

## **Choosing the Default Tax Rule**

A tax rule can be linked to the tax component that you are building. When you link a rule to a component, the attributes that you have defined for the rule, will default to the component.

A tax rule identifies the method in which tax, is to be calculated. A rule is built with attributes such as the following:

- The tax currency
- Whether the tax is to be a flat amount or calculated on a rate basis
- The minimum and maximum tax that can be applied
- The tier or slab structure on which the tax is to be applied
- The currency restrictions, etc.

The tax component to which you link a rule acquires ITS properties. Tax for the contracts with which you associate a tax component will, by default, be calculated according to the rule

linked to the component. However, when processing a contract, you can choose to waive the rule.

When building a tax class, you can choose to allow the amendment of the rule linked to it, under the following conditions:

- You can choose to allow amendment after the association event
- You can choose to allow amendment after the application event
- You can choose to allow amendment of the tax amount

### Including a Component in SWIFT Messages

To report a component of a contract in the SWIFT messages that you generate, identify the component with the appropriate SWIFT code. You can identify a tax component with its SWIFT code when building the component.

## 2.7.2 Defining Issuer Taxes as Classes

An issuer tax can be levied on the coupon paid, or on a cash dividend. The issuer of a security determines the tax. To process the tax levied on a security, you have to maintain Issuer Tax classes.

An Issuer Tax class can be maintained in its corresponding section of the Tax Class Maintenance screen invoked from the Application Browser.

---

### Note

It is not necessary to associate tax rules to an Issuer Tax class. For an Issuer Tax component, you only have to furnish the following details:

- The Association Event
- The Basis Amount
- The Rate Code
- Other operational controls

The screenshot displays the 'Treasury Tax Class Maintenance' application window. At the top, there are 'New' and 'Enter Query' buttons. Below this, there are input fields for 'Class Code \*', 'Description \*', and 'Module \*'. A 'Description' field is also present. Under the 'Transaction Level Tax' section, the 'Issuer Tax' tab is selected. This section contains fields for 'Event For Association', 'Basis Amount Tag', and 'Default Rate Code'. Below these are three checkboxes: 'Default Waiver', 'Allow Rate Code Amendment', and 'Amend After Association'. At the bottom of the window, there is a status bar with fields for 'Maker', 'Date Time:', 'Mod No', 'Record Status', 'Checker', 'Date Time:', 'Authorization', and an 'Exit' button.

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

- Booking
- Interest Accrual

- Liquidation, etc.

Each stage is referred to as an Event, in Oracle Banking Treasury Management. When defining an Issuer Tax class, you should specify the following:

- The Association Event
- Basis Amount

The event at which you would like to associate a tax component to a security is referred to as the Association Event.

The basis on which interest, charge or tax is calculated or levied is referred to as the Basis Amount. (An Issuer Tax can be on the basis of the coupon paid, or on a cash dividend.) The different basis amounts available in the Securities module are associated with a unique 'tag'. When building a tax component, you have to specify the *tag* associated with the Basis Amount. When tax is calculated for a security, the basis amount corresponding to the tag will be picked up automatically.

## 2.8 Discount Accrual Class

This section contains the following topics:

- [Section 2.8.1, "Maintaining Discount Accrual Class"](#)

### 2.8.1 Maintaining Discount Accrual Class

A discount accrual fee class specifies the accrual parameters for interest, charges and fees.

Before defining the attributes of a discount accrual fee class, you should assign the class a unique identifier, called the Class Code and briefly describe the class. A description would help you easily identify the class.

When building a discount accrual fee class, you define certain attributes such as:

- Whether Discount accrual should be performed for the class.
- The frequency at which discount accrual should be performed. This can be either Daily or Monthly. For monthly accruals, the discount accrual will be done on the last day of the month.
- How foreclosures in respect of the contracts using the class, must be handled. You can opt for complete accruals, or refund.
- The day count methods for each currency using the class. You can define the day count methods for both the numerator and the denominator.

You can define the attributes of a discount accrual fee class in the 'Treasury Discount Accrual Class Maintenance' screen. You can invoke this screen by typing 'DADTRACL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

You can specify the following details.

### Class Code

Specify a unique code to identify the class.

### Description

Specify a brief description for the class.

### Module

Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.

### Module Description

The system displays a brief description of the chosen module.

### Accrual Preference

Specify the following details:

#### Discount Accrual Required

Check this box to indicate that discount accrual is required.

#### Accrual Frequency

If you check the box 'Accrual Required', you will have to select the accrual frequency from the adjoining drop-down list:

- Daily
- Weekly
- Monthly
- Half-Yearly
- Annual

#### Handling of Foreclosure

Select the method of handling foreclosure from the adjoining drop-down list:

- Complete Accrual

- Refund

### **Acquisition Type**

The Acquisition Type is determined by the cash flows of Interest, charges and fees for which 'Consider as Discount' option is checked. The drop down list comprises of the following values:

- Par
- Par/Discount
- Par/Premium
- Par/Discount/Premium

If the incoming cash flows of all the above components are greater than outgoing cash flows considering Incoming flow as Positive (In case of Loans) then acquisition type is considered as Discount.

If the incoming cash flows of all the above components are less than outgoing cash flows considering Incoming flow as Positive (In case of Loan) then acquisition type is considered as Premium.

If the incoming cash flows of all the above components are equal to outgoing cash flows considering Incoming flow as Positive (In case of Loan) then acquisition type is considered as Par.

### **Class Currency Preference**

Specify the following details:

#### **Currency**

Specify the currency code. The adjoining option list displays all currency codes available in the system. You can choose the appropriate one.

#### **Currency Name**

The system displays the name of the currency.

#### **Numerator Method**

Specify the numerator method.

#### **Denominator Method**

Specify the denominator method.

You can maintain multiple currency codes.

## **2.9 Events Class Maintenance**

This section contains the following topics:

- [Section 2.9.1, "Invoking Event Class Maintenance Screen"](#)
- [Section 2.9.2, "Accounting Entries Button"](#)
- [Section 2.9.3, "Advices Button"](#)
- [Section 2.9.4, "Fields Button"](#)
- [Section 2.9.5, "Maintaining Event Class for Account Initial Funding"](#)

## 2.9.1 Invoking Event Class Maintenance Screen

You can build a charge class, for instance, with the attributes of a specific type of charge, such as Charges for provision of services. Similarly, you can build an event class with the attributes of a specific type of events, such as a Booking a Transaction, Collecting Charges, Cancellation and so on.

You can identify an Events Class with a unique Code and Description. When you define an Events Class, you choose, first of all, the set of events that would belong to the class. Events are, typically, unique to a module.

You can build the events that you would like to include in an Events Class in the 'Treasury Events Class Maintenance' screen. You can invoke this screen by typing 'CSDTREVM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Treasury Events Class Maintenance

New Enter Query

Class Code \*  
Description  
Module \*  
Description

Event Class

1 Of 1 Go

| Event Code * | Event Description |
|--------------|-------------------|
|--------------|-------------------|

Accounting Entries | Advices | Fields

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

Exit

Here you can specify the following details:

### Module

Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one. Based on the module chose, the corresponding events will be available for selection.

### Module Description

The system displays a brief description of the chosen module.

### Class Code

Specify a unique code to identify the class.

### Class Description

Specify a brief description for the class.

### Event Class

You can specify the event class code and the event class description.

## 2.9.2 Accounting Entries Button

For every event constituting the class that you are building, you have to specify the accounting entries that should be passed (if any), and the advices that should be generated. You can do this through the 'Accounting Entries' screen.

Class Code \_\_\_\_\_  
Class Description \_\_\_\_\_  
Event Code undefined  
Event Description undefined

1 Of 1 Go

| <input type="checkbox"/> | Account role * | Amount tag | Dr/Cr Indicator * | Transaction Code * | Netting Of Off Set Records * | MIS Head |
|--------------------------|----------------|------------|-------------------|--------------------|------------------------------|----------|
|--------------------------|----------------|------------|-------------------|--------------------|------------------------------|----------|

Ok Exit

The system displays the following details from the main screen:

- Class Code
- Class Description
- Event Code
- Event Description

You can specify the following accounting details:

- Accounting Role
- Amount Tag
- Transaction Code
- Netting Indicator
- MIS Head

### 2.9.3 Advices Button

At an event, you can opt to generate an advice if the accounting entry involves a customer account. Click 'Advices' button to define the advices that should be generated for an event.

Class Code \_\_\_\_\_  
Class Description \_\_\_\_\_  
Event Code undefined  
Event Description undefined

1 Of 1 Go

| Message Type * | Description | LBL_GENERATION_TIME * | Suppress | Priority |
|----------------|-------------|-----------------------|----------|----------|
|                |             |                       |          |          |

Ok Exit

The system displays the following details from the main screen:

- Class Code
- Class Description
- Event Code
- Event Description

#### **Event Advice Class**

You need to specify the following details:

##### **Advice Name**

Specify the advices that you would like to generate. The adjoining option list displays all advices that can be generated at an event. You can choose the appropriate one.

##### **Description**

The system displays a brief description of the advice.

##### **Generation Time**

Specify the time of generation.

##### **Suppress**

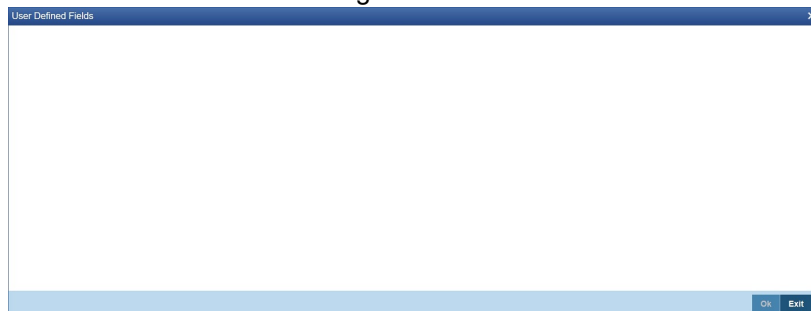
Select this option to suppress this message.

##### **Priority**

You can indicate the order of importance in the Priority field.

## 2.9.4 Fields Button

You can capture user-defined fields (UDFs) in the 'User Defined Fields' screen. Click 'Fields' button and invoke the following screen.

A screenshot of the 'User Defined Fields' window. It has a title bar with 'User Defined Fields' and a close button. The main area is empty. At the bottom right, there are 'OK' and 'Exit' buttons.

Here you can specify the following details:

### **Field Name**

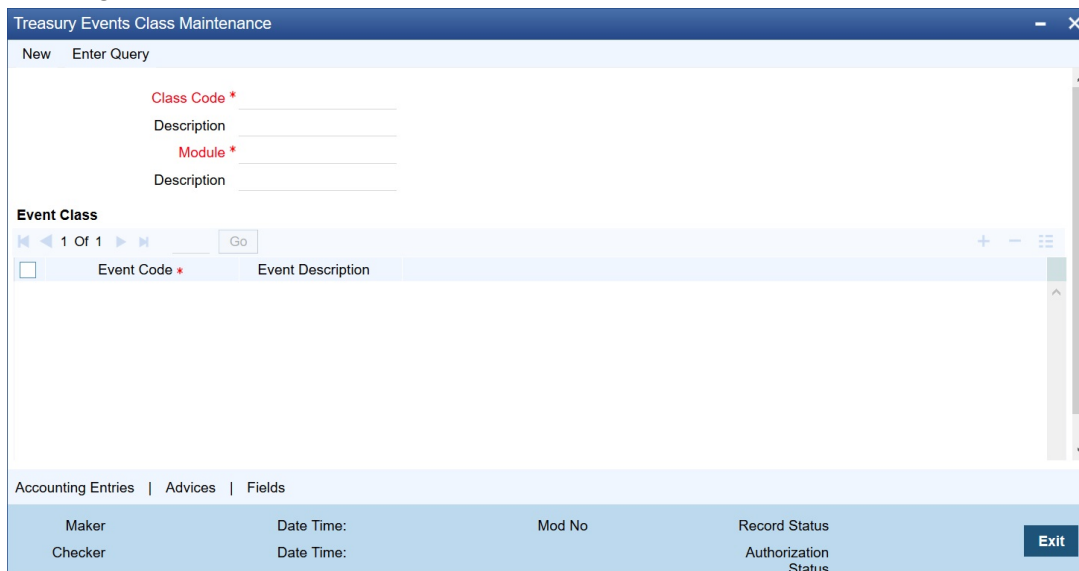
Specify the UDF that should be linked to the class. The adjoining option list displays all valid UDFs maintained in the system. You can choose the appropriate one.

### **Value**

Specify the value for each UDF. You can maintain multiple UDFs.

## 2.9.5 Maintaining Event Class for Account Initial Funding

You can create an event class to define accounting entries that should be posted for initial funding on a customer account. Similarly, you can also define accounting entries for charges that should be collected on account opening. For this, you need to invoke the 'Treasury Events Class Maintenance' screen.

A screenshot of the 'Treasury Events Class Maintenance' window. The title bar says 'Treasury Events Class Maintenance' with minimize and maximize buttons. Below the title bar are 'New' and 'Enter Query' buttons. The main area contains two sections: 'Class Code' with a red asterisk, a text input field, and a 'Description' label; and 'Module' with a red asterisk, a text input field, and a 'Description' label. Below these is an 'Event Class' section with a table. The table has a checkbox in the first column, 'Event Code' with a red asterisk in the second column, and 'Event Description' in the third column. Above the table is a navigation bar with '1 Of 1', a 'Go' button, and plus/minus/refresh icons. At the bottom, there is a footer bar with 'Accounting Entries | Advices | Fields' and a table with columns: 'Maker', 'Checker', 'Date Time:', 'Mod No', 'Record Status', 'Authorization Status', and an 'Exit' button.

Specify the following values.

### **Class Code**

Specify a unique identifier for the class code.

## Description

Give a brief description to identify the class code.

## Module

Specify 'DE' as the module code for the event class.

## Module Description

The system displays the description as 'Data Entry' on specifying 'DE' as the module.

## Event Class

Specify the following events.

## Event Code

Specify 'INIT'.

Click 'Accounting Entries' button and invoke the following screen.

Class Code \_\_\_\_\_  
Class Description \_\_\_\_\_  
Event Code undefined  
Event Description undefined

1 Of 1 Go

| Account role * | Amount tag | Dr/Cr Indicator * | Transaction Code * | Netting Of Off Set Records * | MIS Head |
|----------------|------------|-------------------|--------------------|------------------------------|----------|
|----------------|------------|-------------------|--------------------|------------------------------|----------|

Ok Exit

You need to maintain the following accounting entries.

| Accounting Role | Amount Tag | Dr/Cr  | Description       |
|-----------------|------------|--------|-------------------|
| OFS_ACC         | TXN_AMT    | Debit  | Offset Account    |
| OFS_ACC_USER    | TXN_AMT    | Credit | Customer Account  |
| CHARGEINC       | CHG-AMT    | Credit | Charge Income     |
| OFS_ACC_USER    | CHG-AMT    | Debit  | Customer Account. |

Click 'Advices' button and invoke the following screen.

Class Code \_\_\_\_\_  
Class Description \_\_\_\_\_

Event Code undefined  
Event Description undefined

1 Of 1 Go

| Message Type * | Description | LBL_GENERATION_TIME * | Suppress | Priority |
|----------------|-------------|-----------------------|----------|----------|
|                |             |                       |          |          |

OK Exit

You need to associate the message 'ACC\_OPADV' to the event 'INIT'.

*Refer the section 'Maintaining Message Type for Account Opening' in the chapter titled 'Maintaining Messaging Branch Preferences' in the Messaging System User Manual for details about maintaining messages.*

## 2.10 Role to Head Mapping Class

This section contains the following topics:

- [Section 2.10.1, "Invoking Role to Head Mapping Class Maintenance Screen"](#)
- [Section 2.10.2, "Fields Button"](#)

### 2.10.1 Invoking Role to Head Mapping Class Maintenance Screen

You can build a role to head mapping class in the 'Treasury Role to Head Mapping Class Maintenance' screen. You can invoke this screen by typing 'CSDTRRHM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Treasury Role to Head Mapping Class Maintenance

New Enter Query

Class Code \* \_\_\_\_\_  
Description \_\_\_\_\_  
Module \* \_\_\_\_\_  
Description \_\_\_\_\_

Role To Head Mapping

1 Of 1 Go

| Map Type | Accounting Role * | Accounting Role Description | Role Type | Account Head * | Accounting Head Description |
|----------|-------------------|-----------------------------|-----------|----------------|-----------------------------|
|          |                   |                             |           |                |                             |

Fields

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

Exit

Here you can specify the following details:

**Class Code**

Specify a unique code to identify the class.

**Class Description**

Specify a brief description for the class.

**Module**

Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.

**Module Description**

The system displays a brief description of the chosen module.

**Role to Head Mapping**

Specify the following details:

**Accounting Role**

Specify an Accounting Role. The adjoining option list displays all roles available in the system. You can select the appropriate one by double clicking on it. Next, in the Account Head column, select an accounting head from the adjoining option list.

**Accounting Role Description**

A brief description of each accounting role that you choose is displayed.

**Account Head**

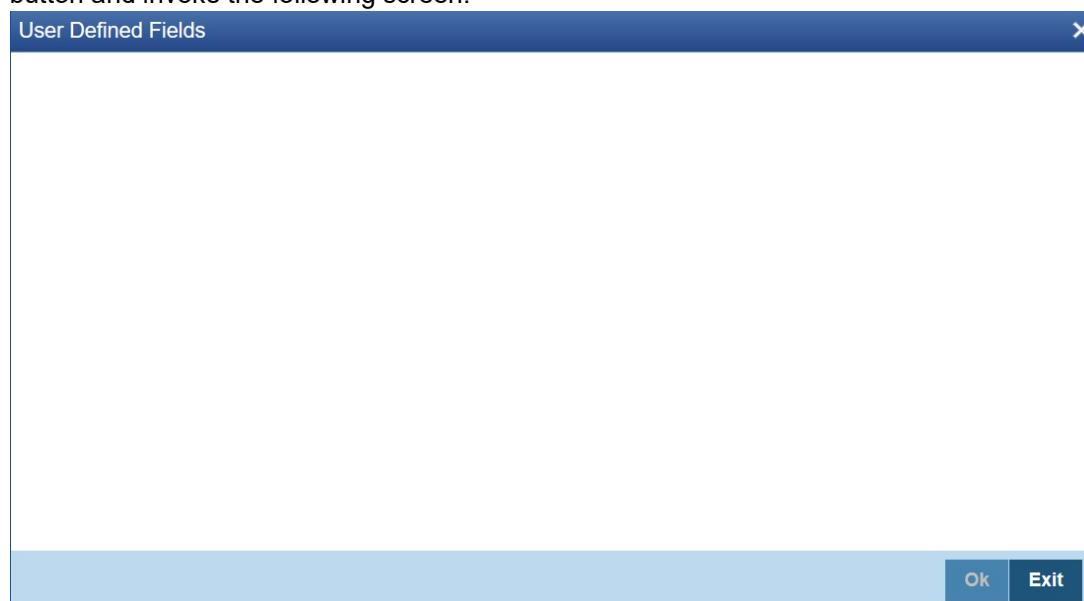
If you choose not to associate the product with a class, you have to specify the account heads for the product, in this field. You can invoke a list of the accounting heads that you have maintained from the option list positioned next to this field. Choose a head by double clicking on it.

**Accounting Head Description**

A brief description of each accounting head that you choose is displayed.

**2.10.2 Fields Button**

You can capture user-defined fields (UDFs) in the 'User Defined Fields' screen. Click 'Fields' button and invoke the following screen.



The screenshot shows a software window titled "User Defined Fields". The window has a dark blue title bar with the text "User Defined Fields" and a close button (X) on the right. The main content area is a large, empty white rectangle. At the bottom right of the window, there is a light blue bar containing two buttons: "Ok" and "Exit".

Here you can specify the following details:

**Field Name**

The system displays the UDFs.

**Value**

Specify the value for each UDF.

---

### 3. Function ID Glossary

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