

Product Catalogue – Nostro Reconciliation

Oracle FLEXCUBE Universal Banking

Accelerator Pack 14.7.2.0.0

Part No. F87755-01

November 2023

The Oracle logo is displayed in red, with the word "ORACLE" in a large, bold, sans-serif font. A horizontal red line is positioned directly beneath the "ORACLE" text. Below this line, the words "FINANCIAL SERVICES" are written in a smaller, black, sans-serif font. The logo is centered on the page and overlaid on a background of overlapping, semi-transparent blue and grey geometric shapes that resemble a stylized cube or a series of overlapping planes.

ORACLE
FINANCIAL SERVICES

Product Catalogue – Nostro Reconciliation

Oracle Financial Services Software Limited

Oracle Park

Off Western Express Highway

Goregaon (East)

Mumbai, Maharashtra 400 063

India

Worldwide Inquiries:

Phone: +91 22 6718 3000

Fax: +91 22 6718 3001

<https://www.oracle.com/industries/financial-services/index.html>

Copyright © 2007, 2023, Oracle and/or its affiliates. All rights reserved.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

U.S. GOVERNMENT END USERS: Oracle programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, delivered to U.S. Government end users are “commercial computer software” pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, use, duplication, disclosure, modification, and adaptation of the programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, shall be subject to license terms and license restrictions applicable to the programs. No other rights are granted to the U.S. Government.

This software or hardware is developed for general use in a variety of information management applications. It is not developed or intended for use in any inherently dangerous applications, including applications that may create a risk of personal injury. If you use this software or hardware in dangerous applications, then you shall be responsible to take all appropriate failsafe, backup, redundancy, and other measures to ensure its safe use. Oracle Corporation and its affiliates disclaim any liability for any damages caused by use of this software or hardware in dangerous applications.

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited. The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

This software or hardware and documentation may provide access to or information on content, products and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third-party content, products, and services. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third-party content, products, or services.

Contents

1	Overview and Objective	1
2	Product Catalogue – Nostro Reconciliation	1
2.1	Nostro Reconciliation – Identical Rule	2
2.1.1	Introduction.....	2
2.1.2	Business Scenario.....	2
2.1.3	Objective	2
2.1.4	Synopsis.....	2
2.1.5	Detailed Coverage.....	2
2.1.6	Advices.....	3
2.1.7	Messages	3
2.1.8	Reports.....	3
2.2	Nostro Reconciliation – Tolerance Rule.....	3
2.2.1	Introduction.....	3
2.2.2	Business Scenario.....	3
2.2.3	Objective	4
2.2.4	Synopsis.....	4
2.2.5	Detailed Coverage.....	4
2.2.6	Advices.....	4
2.2.7	Messages	4
2.2.8	Reports.....	5
2.3	Nostro Reconciliation – Reconciliation Class.....	5
2.3.1	Introduction.....	5
2.3.2	Business Scenario.....	5
2.3.3	Objective	5
2.3.4	Synopsis.....	6
2.3.5	Detailed Coverage.....	6
2.3.6	Advices.....	6
2.3.7	Messages	6
2.3.8	Reports.....	6

1 Overview and Objective

FLEXCUBE – Accelerator Pack provides pre-configured standard business products and ready to use transaction sets that a bank would want to parameterize using the FLEXCUBE application. The objective of the pack is to provide the bank a head start in the FLEXCUBE implementation so as to fast track the rollout. The module that is covered as part of this document is Nostro Reconciliation. The purpose of this document is to provide an insight into the various business products and the transaction products configured for Nostro reconciliation in bank.

2 Product Catalogue – Nostro Reconciliation

This chapter describes the various products of Nostro Reconciliation. The products are described in the following sections:

- [2.1 Nostro Reconciliation – Identical Rule](#)
- [2.2 Nostro Reconciliation – Tolerance Rule](#)
- [2.3 Nostro Reconciliation – Reconciliation Class](#)

2.1 Nostro Reconciliation – Identical Rule

2.1.1 Introduction

Nostro Reconciliation deals with the reconciliation of the entries of an external statement with that of the corresponding entries in the Nostro (Mirror) account.

2.1.2 Business Scenario

When banks do outgoing & incoming foreign currency funds transfers using nostro accounts, the actual VOSTRO account held with another bank will get debited & credited respectively for each and every transactions. These consolidated debits & credits (nostro account statements MT940/MT950) will be sent to the bank, which is holding the nostro account.

To reconcile the entries posted in nostro mirror and the Vostro account (maintained in another bank), banks used to upload the statements received from other bank in their system. Based on the identical rule system will automatically match the relevant entries against mirror account entries.

Target audience/Beneficiaries: Banks/Financial Institutions who are holding Nostros accounts.

Customer segment: Banks & Financial Institutions.

2.1.3 Objective

The main objective in automating nostro reconciliation is to:

- Identify the pending transactions
- Maximize the interest revenue from external accounts
- Minimize financial exposure
- Control financial exposure to critical accounts

2.1.4 Synopsis

It's a normal nostro reconciliation with Identical rule and Match Type as confirmed.

2.1.5 Detailed Coverage

- Match type as Confirmed
- Aggregation is set as Y for both Internal Entry & External Entry
- Amount match type is opted as Identical
- Value Date match type is opted as Identical

- Reference Number match type is opted as Full Reference Number Match
- Both Identical Internal & Identical External is set as Y

2.1.6 Advices

SWIFT Advice format

2.1.7 Messages

- MT940 – Statement message (detailed)
- MT950 – Statement message (summary)

2.1.8 Reports

- Unmatched Items Report
- Matched Items Report
- Manual Matching Report
- Statement Input Report
- Upload Exception Report
- Capture Exception Report
- Match Exception Report

2.2 Nostro Reconciliation – Tolerance Rule

2.2.1 Introduction

Nostro Reconciliation deals with the reconciliation of the entries of an external statement with that of the corresponding entries in the Nostro (Mirror) account.

2.2.2 Business Scenario

When banks do outgoing & incoming foreign currency funds transfers using nostro accounts, the actual VOSTRO account held with another bank will get debited & credited respectively for each and every transactions. These consolidated debits & credits (nostro account statements MT940/MT950) will be sent to the bank, which is holding the nostro account.

To reconcile the entries posted in nostro mirror and the Vostro account (maintained in another bank), banks used to upload the statements received from other bank in their system. Based on the identical rule system will automatically match the relevant entries against mirror account entries.

Target audience/Beneficiaries: Banks/Financial Institutions who are holding Nostros accounts.

Customer segment: Banks & Financial Institutions.

2.2.3 Objective

The main objective in automating nostro reconciliation is to:

- Identify the pending transactions
- Maximize the interest revenue from external accounts
- Minimize financial exposure
- Control financial exposure to critical accounts

2.2.4 Synopsis

It's a normal nostro reconciliation with Tolerance rule and Match Type as Suggested

2.2.5 Detailed Coverage

- Match type as Suggested
- Aggregation is set as Y for both Internal Entry & External Entry
- Amount match type is opted as Tolerance
- Value Date match type is opted as Tolerance
- Tolerance limit and Amount Tolerance Details has been given
- Reference Number match type is opted as Full Reference Number Match
- Both Identical Internal & Identical External is set as Y

2.2.6 Advices

SWIFT Advice format

2.2.7 Messages

- MT940 – Statement message (detailed)
- MT950 – Statement message (summary)

2.2.8 Reports

- Unmatched Items Report
- Matched Items Report
- Manual Matching Report
- Statement Input Report
- Upload Exception Report
- Capture Exception Report
- Match Exception Report

2.3 Nostro Reconciliation – Reconciliation Class

2.3.1 Introduction

Nostro Reconciliation deals with the reconciliation of the entries of an external statement with that of the corresponding entries in the Nostro (Mirror) account.

2.3.2 Business Scenario

When banks do outgoing & incoming foreign currency funds transfers using nostro accounts, the actual VOSTRO account held with another bank will get debited & credited respectively for each and every transactions. These consolidated debits & credits (nostro account statements MT940/MT950) will be sent to the bank, which is holding the nostro account.

To reconcile the entries posted in nostro mirror and the Vostro account (maintained in another bank), banks used to upload the statements received from other bank in their system. Based on the identical & tolerance rule sequence system will automatically match the relevant entries against mirror account entries.

Target audience/Beneficiaries: Banks/Financial Institutions who are holding Nostros accounts.

Customer segment: Banks & Financial Institutions.

2.3.3 Objective

The main objective in automating nostro reconciliation is to:

- Identify the pending transactions
- Maximize the interest revenue from external accounts

- Minimize financial exposure
- Control financial exposure to critical accounts

2.3.4 Synopsis

It indicates the match rule that should constitute a class and the sequence in which the rules should be made applicable to an external accounting entity during automatic matching. A significant attribute of a reconciliation class is whether the transactions that are to be mirrored or replicated.

2.3.5 Detailed Coverage

- Reconciliation class is named as NOST
- Adjustment GL has been chosen
- Reconciliation class type is set as Mirroring
- Match rule sequence has been given
- Manual matching limits are furnished

2.3.6 Advices

SWIFT Advice format

2.3.7 Messages

- MT940 – Statement message (detailed)
- MT950 – Statement message (summary)

2.3.8 Reports

- Unmatched Items Report
- Matched Items Report
- Manual Matching Report
- Statement Input Report
- Upload Exception Report
- Capture Exception Report
- Match Exception Report