Islamic Financing User Guide

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Contents

1. Preface 1-1
1.1 Introduction 1-1
1.2 Audience 1-1
1.3 Documentation Accessibility 1-1
1.4 Critical Patches 1-1
1.5 Organization 1-1
1.6 Related documents 1-2
1.7 Glossary of Icons 1-3
2. Islamic Financing - An Overview 2-1
2.1 Introduction 2-1
2.2 Interface with other Modules 2-2
3. Maintenances and Operations 3-1
3.1 Bank Parameters 3-2
3.1.1 Maintaining Bank Parameters 3-3
3.2 Lending Branch Parameters 3-4
3.2.1 Maintaining Branch Parameters 3-4
3.3 User Defined Element Rule 3-8
3.3.1 Defining UDE Rules 3-8
3.4 User Defined Elements Cascade 3-10
3.4.1 Applying the UDE Cascade Function 3-10
3.5 Holiday Period Maintenance 3-11
3.5.1 Maintaining Holiday Period 3-12
3.6 System Data Elements 3-13
3.6.1 Maintaining System Data Elements 3-13
3.7 Policy Maintenance 3-16
3.7.1 Maintaining User Defined Policies 3-16
3.8 Standard Policies 3-18
3.8.1 Maintaining Standard Policies 3-18
3.9 Asset Types 3-19
3.9.1 Maintaining Asset Types 3-19
3.10 Vehicle Maintenance Details 3-20
3.10.1 Maintaining Vehicle Maintenance Details 3-20
3.11 Credit Rating Category Maintenance 3-21
3.11.1 Creating Credit Rating Category 3-21
3.12 Credit Rating Rule Maintenance 3-22
3.12.1 Creating Credit Rating Rules 3-22
4. Defining Product Categories and Products 4-1
4.1 Product Category 4-1
4.1.1 Maintaining Product Categories 4-1
4.1.2 Product Rules Button 4-3
4.2 Product Maintenance 4-4
4.2.1 Setting up a product 4-4
4.2.2 User Data Elements Button 4-8
4.2.3 Preferences Button 4-9

4.2.4 Components Button 4-29
4.2.5 Role to Head Button 4-50
4.2.6 Account Status Button 4-52
4.2.7 Notice and Statements Button 4-58
4.2.8 Events Button 4-61
4.2.9 Credit Score Button 4-69
4.2.10 Minimum Amount Due Method Button 4-69
4.2.11 MIS Button 4-70
4.2.12 Fields Button 4-70
4.3 IRR Application on Finances 4-70
4.3.1 Processing of IRR Application on Finances 4-70
4.3.2 Recalculation of IRR with new effective date 4-71
4.4 Promotion Details 4-73
4.4.1 Maintaining Islamic Promotions 4-74
4.4.2 Preferences Tab 4-75
4.4.3 Components Tab 4-76
4.5 Computing Profit and Schedule for Islamic Banking 4-77
4.5.1 Computing Profit and Schedule using a flat rate 4-77
4.5.2 Computing Profit and Schedule using Reducing Balance with Fixed Principal 4-80
4.5.3 Computing Profit and Schedule using Reducing Rate with Fixed Instalment Amount 4-82
4.6 Product Creation 4-84
4.6.1 Creating a Default Product 4-85
4.6.2 Main Tab 4-85
4.6.3 Preferences Tab 4-86
4.6.4 Components Tab 4-86
4.6.5 Role to Head Tab 4-87
4.6.6 Account Status Tab 4-88
4.6.7 Notices & Statement Tab 4-89
4.6.8 Events Tab 4-89
4.6.9 Branch Currency Restriction Tab 4-95
4.6.10 Customer Category Restriction Tab 4-95
4.6.11 UDF Details Tab 4-95
5. Defining Islamic Product Categories and Products 5-1
5.1 Mudaraba Product Category 5-1
5.1.1 Creating a Mudaraba Product Category 5-2
5.2 Product Maintenance 5-2
5.2.1 Setting up a Mudaraba Product 5-3
5.2.2 Preferences Tab 5-4
5.2.3 Fields Button 5-5
5.2.4 Component Tab 5-6
5.2.5 Setting up Accounting Entries 5-7
5.3 Account Details 5-8
5.3.1 Creating a Mudaraba Account 5-9
5.3.2 Payments Details Tab 5-10
5.3.3 Maintaining SDE for Staff Financing 5-14
5.4 Creating a Murabaha Account 5-14
5.4.1 Advance Payment Button 5-15
5.4.2 Main Tab 5-16
5.4.3 Capturing Staff Financing Details 5-17

5.4.4 Maintaining Account Class 5-17
5.4.5 Setting up Accounting Entries 5-17
5.5 Musharaka/Istisnaa Product Category 5-19
5.5.1 Creating a Musharaka/Istisnaa Product Category 5-19
5.5.2 Setting up a Musharaka/Istisnaa Product 5-20
5.6 Wakala Product Category 5-22
5.6.1 Creating a Wakala Product Category 5-22
5.6.2 Setting up a Wakala Product 5-23
5.6.3 Preferences Tab 5-24
5.6.4 Component Tab 5-25
5.6.5 Setting up Accounting Entries and Accounting Roles 5-27
5.6.6 Creating a Wakala Account 5-28
5.7 Tawarooq Product 5-28
5.7.1 Creating a Tawarooq Product 5-28
5.7.2 Components Tab 5-30
5.7.3 Setting up Accounting Entries 5-31
5.7.4 Processing Tawarooq Accounts 5-33
6. Types of Islamic Finances 6-1
6.1 Murabaha Account Input 6-1
6.1.1 Creating Murabaha Accounts 6-2
6.1.2 Main Tab 6-3
6.1.3 Charges Button 6-10
6.2 Ijarah Account Input 6-11
6.2.1 Creating Ijarah Accounts 6-12
6.2.2 Main Tab 6-12
6.2.3 Inventory Tracking Tab 6-14
6.2.4 Ijarah Tab 6-15
6.3 Istisnaa Account Input 6-15
6.3.1 Creating Istisnaa Accounts 6-15
6.3.2 Main Tab 6-15
6.3.3 Inventory Tracking Tab 6-19
6.4 Mudarabah Account Input 6-19
6.4.1 Creating Mudarabah Accounts 6-20
6.4.2 Main Tab 6-20
6.4.3 Inventory Tracking Tab 6-22
6.5 Musharaka Account Input 6-22
6.5.1 Creating Musharaka Accounts 6-22
6.5.2 Main Tab 6-22
6.5.3 Inventory Tracking Tab 6-25
6.6 Tawarooq Account Input 6-25
6.6.1 Creating Tawarooq Accounts 6-26
6.6.2 Main Tab 6-26
6.6.3 Inventory Tracking Tab 6-27
7. Account Creation 7-1
7.1 Account Details/Light Finances 7-1
7.1.1 Creating Account Details/ Light Finances 7-2
7.1.2 Main Tab 7-4
7.1.3 Preferences Tab 7-10
7.1.4 Components Tab 7-16
7.1.5 Guarantor Details/ Other Accounts Button 7-20

7.1.6 Charges Tab 7-38
7.1.7 Linkage Tab 7-44
7.1.8 Rollover Tab 7-48
7.1.9 Events Button 7-50
7.1.10 Other Applicants Button 7-55
7.1.11 Payment Mode Button 7-57
7.1.12 Multiple Asset Button 7-61
7.1.13 Ijarah Button 7-79
7.1.14 Asset Button 7-81
7.1.15 Advices Button 7-88
7.1.16 Documents Button 7-89
7.1.17 SWIFT Message Details Button 7-90
7.1.18 Down Payment Details Button 7-93
7.1.19 Vendor Payment Details Button 7-94
7.1.20 Takaful Details Button 7-95
7.1.21 Inventory Tracking Button 7-97
7.1.22 Advance Payment Button 7-98
7.1.23 Internal Rate of Return Details Button 7-99
7.1.24 GL Query Button 7-100
7.1.25 Installment Query Button 7-101
7.1.26 Statistics Button 7-104
7.1.27 Securitization Details Button 7-105
7.1.28 Promotions Button 7-106
7.1.29 Collaterals Button 7-107
7.1.30 Party Details Button 7-108
7.1.31 Block Details Button 7-108
7.1.32 Manual Disbursals Button 7-110
7.1.33 Multi Finance Button 7-112
7.1.34 MIS Button 7-113
7.1.35 Fields Button 7-117
7.1.36 Events Button 7-117
7.1.37 Viewing Summary for CL Accounts 7-117
7.2 Ar Rahnu Account Details 7-119
7.2.1 Maintaining Ar-Rahnu Account Details 7-119
7.2.2 Rollover Tab 7-120
7.2.3 Viewing Ar-Rahnu Account Details 7-121
7.3 Down Payment Details 7-123
7.3.1 Processing Down Payments 7-123
7.3.2 Down Payment History Button 7-125
7.3.3 Events Button 7-126
7.3.4 Viewing Down Payment Details 7-127
7.4 Down Payment in Cash 7-128
7.5 Murabaha Cash Payment 7-128
7.6 Inactive Account Details 7-128
7.6.1 Capturing Finance Details 7-128
7.7 Finance Simulation 7-130
7.7.1 Simulating a Finance 7-130
7.7.2 Installment Query Button 7-132
7.7.3 Ijarah Button 7-132
8. Branch Transfer of Finance 8-1

8.1 Islamic Finance Transfer 8-1
8.1.1 Transferring Islamic Finance 8-1
8.2 Customer Portfolio Transfer 8-2
8.2.1 Transferring Customer Portfolio 8-2
8.3 Branch Merger 8-4
8.3.1 Merging of Branches 8-5
8.4 Product Lending Branch Transfer 8-7
8.4.1 Transferring Product Finance 8-7
8.5 Islamic Financing Transfer Log Summary 8-8
8.5.1 Viewing Branch Transfer Details 8-8
9. Making Manual Disbursements 9-1
9.1 Manual Disbursement 9-1
9.1.1 Disbursing a finance through the 'Manual' mode 9-2
9.1.2 SWIFT Message Details Button 9-8
9.1.3 Advices Button 9-10
9.1.4 Fields Button 9-11
9.1.5 Check List Button 9-12
10. Operations 10-1
10.1 Finance Payments 10-1
10.1.1 Financing Payments 10-2
10.1.2 Payment Details Tab 10-4
10.1.3 Compensation Rates Tab 10-14
10.1.4 Linkage Details Tab 10-15
10.1.5 Events Button 10-16
10.1.6 Fields Tab 10-16
10.1.7 Check List Button 10-17
10.1.8 Documents Button 10-17
10.1.9 Partial Payment 10-17
10.1.10 Authorizing CI Payments 10-19
10.2 Payments Simulation 10-20
10.2.1 Simulating Finance Payment 10-20
10.3 Asset Closure 10-22
10.3.1 Invoking CI Asset Closure Screen 10-22
10.4 Finance Amendments 10-26
10.4.1 Amending Finance Details 10-26
10.4.2 Main Tab 10-27
10.4.3 Preferences Tab 10-33
10.4.4 Components Tab 10-35
10.4.5 Charges Tab 10-36
10.4.6 Linkage Details Tab 10-37
10.5 VAMI Simulation 10-39
10.5.1 Simulating VAMI 10-39
10.6 Version History View and Reversal 10-40
10.6.1 Viewing Account History Details 10-40
10.7 Inactive Rollover Input 10-41
10.7.1 Funding Status Details 10-41
10.8 Manual Status Change 10-43
10.8.1 Changing Status Manually 10-43
10.8.2 Charges Button 10-44
10.8.3 Fields Button 10-45

10.9 Rollover Operations 10-46
10.9.1 Maintaining Rollover Preferences 10-46
10.9.2 Account Details Tab 10-53
10.9.3 Linkage Details Tab 10-54
10.10 Account Renegotiation 10-54
10.10.1 Renegotiating Account 10-55
10.10.2 Linkages Tab 10-57
10.11 Account Reassign 10-58
10.11.1 Reassigning Account 10-58
10.11.2 Linkages Tab 10-59
10.12 Adhoc Charge Application 10-60
10.12.1 Applying Adhoc Charges 10-61
10.13 Liquidation Suspension 10-62
10.13.1 Suspending Liquidation Process 10-62
10.14 Collateral Take Over Processing 10-63
10.14.1 Processing Asset Take Over 10-64
10.15 Partial Write Off 10-66
10.15.1 Partial Write Off 10-66
10.16 Collateral Takeover Processing Summary 10-68
10.16.1 Viewing Asset Take Over Processing Details 10-68
10.17 Islamic Asset Rescheduling 10-69
10.17.1 Invoking Islamic Asset Rescheduling Screen 10-69
10.17.2 Main Tab 10-71
10.17.3 Components Tab 10-75
10.17.4 Charges Tab 10-76
10.17.5 Advices Tab 10-77
10.17.6 Fields Tab 10-78
10.17.7 Account Details Button 10-78
10.17.8 Instalments Button 10-80
10.17.9 Internal Rate of Return Details Button 10-82
10.17.10 Events Button 10-83
10.17.11 Statistics Button 10-83
10.17.12 Processing of Rescheduling 10-84
10.17.13 Viewing Islamic Asset Rescheduling Details 10-89
10.18 Deferment of Schedules 10-90
10.18.1 Capturing Deferment of Murabaha Payment Schedules 10-90
10.18.2 Main Tab 10-92
10.18.3 Components Tab 10-94
10.18.4 Charges Tab 10-95
10.18.5 Advices Tab 10-96
10.18.6 Fields Tab 10-97
10.18.7 Internal Rate of Return Details Button 10-98
10.18.8 Events Button 10-99
10.18.9 Statistics Button 10-99
10.18.10 Processing Murabaha Deferment Schedules 10-100
10.18.11 Viewing Deferment Details 10-101
10.19 Manual Provisioning of Loan Accounts 10-102
10.20 Viewing Manual Provisioning Details 10-104
10.21 Takaful Amendment 10-105
10.21.1 Takaful Product Setup 10-105

10.21.2 Invoking Takaful Amendment Details 10-106
10.21.3 Processing Takaful Component 10-108
10.21.4 Viewing Takaful Amendment Details 10-110
10.22 Rental Advice Regeneration 10-111
10.23 Account UDE Values Query 10-111
11. Batch Processes 11-1
11.1 Batch Processes for Islamic Financing 11-1
11.1.1 Configuring the Batch Processes for Islamic Financing 11-1
11.1.2 Defining Batch Processes 11-2
11.2 CL Batch 11-4
11.2.1 Initiating the Batch Process 11-5
11.2.2 Status Change Batch Processing (CSDSTBTC) 11-5
11.2.3 Profit Posting (INTP Event) 11-6
11.2.4 Intra Day Accruals 11-7
11.2.5 Insurance Renewal Batch 11-7
12. Processing Vendor Payments 12-1
12.1 Vendor Maintenance 12-1
12.1.1 Maintaining Vendor Account Details 12-1
12.2 Vendor Payment Details 12-2
12.2.1 Maintaining Vendor Payment Details 12-2
12.2.2 Payment By Contract Tab 12-5
12.2.3 Payment by Vendor Tab 12-6
12.2.4 Advices Button 12-12
12.2.5 Events Button 12-12
12.2.6 Vendor Credit Advice 12-13
12.2.7 Viewing Vendor Payment Details 12-14
13. Annexure A – Accounting Entries and Advices 13-1
13.1 Events 13-1
13.2 Accounting Roles 13-3
13.3 Event-wise Advices 13-4
13.3.1 BOOK 13-4
13.3.2 INIT 13-6
13.3.3 UIDB 13-7
13.3.4 DSBR 13-8
13.3.5 ACCR 13-11
13.3.6 ADCH 13-13
13.3.7 ALIQ and MLIQ 13-14
13.3.8 STCH 13-17
13.3.9 VAMB and VAMI 13-18
13.3.10 ROLL 13-19
13.3.11 SROL – Special Roll-over 13-21
13.3.12 RNOG – Re-negotiation 13-21
13.3.13 NOVA – Novation 13-21
13.3.14 REVC – Finance Reversal 13-21
13.3.15 REVP - Payment Reversal 13-21
13.3.16 REVN – Periodic Rate Revision 13-22
13.3.17 ARVN – Automatic Rate Revision 13-22
13.3.18 UDCH – User Defined Element Value Changes 13-23
13.3.19 YACR – Yield to Maturity Discount Accrual 13-23

13.3.20 CLIQ – Charge Liquidation 13-23
13.3.21 PACR – Principal Accrual 13-23
13.3.22 INSR – Insurance Renewal 13-24
13.3.23 TRFR Event 13-24
13.3.24 AUTH Event 13-25
14. Retrieving Information in Oracle FLEXCUBE 14-1
14.1 Report Options 14-1
14.1.1 Specifying the Output of a Report 14-1
14.1.2 Contents of the report 14-1
14.2 Accrual Control List Report 14-2
14.2.1 Generating Accrual Control List Report 14-2
14.2.2 Selection Options 14-2
14.2.3 Contents of the Report 14-2
14.3 Accrual Control List Summary Report 14-3
14.3.1 Generating Accrual Control List Summary Report 14-3
14.3.2 Contents of the Report 14-3
14.4 Adverse Status Report 14-3
14.4.1 Generating Adverse Status Report 14-4
14.4.2 Selection Options 14-4
14.4.3 Contents of the Report 14-5
14.5 Adverse Status Summary Report 14-5
14.5.1 Generating Adverse Status Summary Report 14-5
14.5.2 Contents of the Report 14-5
14.6 Amortization Report 14-6
14.6.1 Generating Amortization Report 14-6
14.6.2 Selection Options 14-7
14.6.3 Contents of the Report 14-7
14.7 Contract Retrieval Report 14-8
14.7.1 Generating Contract Retrieval Report 14-8
14.7.2 Selection Options 14-9
14.7.3 Contents of the Report 14-10
14.8 Event Report 14-12
14.8.1 Generating Event Report 14-12
14.8.2 Selection Options 14-12
14.8.3 Contents of the Report 14-13
14.9 Forward Contract Report 14-14
14.9.1 Generating Forward Contract Report 14-14
14.9.2 Selection Options 14-15
14.9.3 Contents of the Report 14-15
14.10 Forward Amendments Details Changes Report 14-16
14.10.1 Generating Forward Amendments Details Changes Report 14-17
14.10.2 Selection Options 14-17
14.10.3 Contents of the Report 14-17
14.11 Profit Calculation Analysis Report 14-18
14.11.1 Generating Profit Calculation Analysis Report 14-18
14.11.2 Selection Options 14-19
14.11.3 Contents of the Report 14-20
14.12 Linked Contracts Utilization Report 14-20
14.12.1 Generating Linked Contracts Utilization Report 14-20
14.12.2 Selection Options 14-21

14.12.3 Contents of the Report 14-21
14.13 Maturity Report 14-22
14.13.1 Generating Maturity Report 14-22
14.13.2 Selection Options 14-23
14.13.3 Contents of the Report 14-24
14.13.4 Body of the Report 14-25
14.14 Overdue Schedules Details 14-25
14.14.1 Generating Overdue Schedules Details Report 14-25
14.14.2 Selection Options 14-26
14.14.3 Contents of the Report 14-27
14.15 Periodic Rate Revision 14-27
14.15.1 Generating Periodic Rate Revision Report 14-27
14.15.2 Selection Options 14-28
14.15.3 Contents of the Report 14-29
15. Function ID Glossary 15-1

1. Preface

1.1 Introduction

This manual is designed to help acquaint you with the Islamic Financing module of Oracle FLEXCUBE. It provides an overview of the module and guides you through the various steps involved in granting finances to the customers of your bank.

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

1.2 Audience

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

Role	Function
Back office data entry clerk	Input functions for accounts
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 Critical Patches

Oracle advices customers to get all their security and vulnerability information from the Oracle Critical Patch Update Advisory, which is available at Critical Patches, Security Alerts and Bulletins. All critical patches should be applied in a timely manner to ensure effective security, as strongly recommended by Oracle Software Security Assurance.

1.5 Organization

This manual is organized into the following chapters:

Chapter	Description
Chapter 1	*About this Manual* gives information on the intended audience. It also lists the various chapters covered in this User Manual.
Chapter 2	*Islamic Financing—An Overview* is a snapshot of the features that the module provides.

Chapter 3	*Maintenances and Operations* discusses the procedure to maintain details of the account necessary for disbursing the finance.
Chapter 4	*Defining Product Categories and Products* talks about defining the attributes specific to setting up a finance product.
Chapter 5	*Types of Islamic Finances* lists those product categories of Islamic Finance which are supported by Oracle FLEXCUBE and procedures to create the respective finance accounts.
Chapter 6	*Account Creation* talks about creating finance accounts.
Chapter 7	*Branch Transfer of Finance* explains the procedure to transfer the finance and commitment of a customer initiated or branch initiated transfers from one branch to another.
Chapter 8	*Making Manual Disbursements* describes the procedure to make a finance disbursement using the 'Manual' mode.
Chapter 9	*Operations* deals with the payments details and changes that you can effect on finance.
Chapter 10	*Batch Processes* deals with processing the batch operations.
Chapter 11	*Defining Islamic Product Categories and Products* explains the set-up for processing Islamic transactions like *Mudaraba*, *Murabaha* etc.
Chapter 12	*Processing Vendor Payments* explains how you can make payments to vendors while processing finance transactions.
Chapter 13	*Annexure A - Accounting Entries and Advices* explains the types of accounting entries and advices generated at each stage in the lifecycle of finance.
Chapter 14	*Retrieving Information in Oracle FLEXCUBE* lists the possible reports that can be generated for the module.
Chapter 15	*Function ID Glossary* has alphabetical listing of Function/Screen ID's used in the module with page references for quick navigation.

1.6 Related documents

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

- Core Services
- Core Entities
- Procedures
- Settlements
- Profit
- User Defined
- Retail Lending

1.7 Glossary of Icons

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

Icons	Function
	Exit
	Add row
	Delete row
	Option List

2. Islamic Financing - An Overview

2.1 Introduction

The primary function of banks is to accept deposits and use it to dispense financial support. Every time a bank finances a customer, it is creating an asset in its books. The profit a bank earns from financing contributes substantially to its bottom line. Financing itself stimulates business activity in the economy. Finance products offered by banks can be of various tenors, rates of profit, repayment schedules and complexity. Thus, you can have short or long term finances; finances at fixed or floating rates or a combination of the two; finances disbursed and repaid as a bullet or in instalments and so on.

A finance transaction passes through various stages or events from the moment it is given till the time it is repaid. The process begins with a finance application form in which the borrower is asked to furnish their details and the kind of facility requested. The bank's finances or credit department appraises the application and takes a decision whether the applicant is eligible for the finance asked and whether finance can be extended to that customer. The bank will apply its own parameters in arriving at this decision. The factors which will go into this include the standing, character, track record and the collaterals (securities) offered to secure the finance. Assuming that the finance is sanctioned, the bank gives a commitment and stipulates terms and conditions governing the same. The bank may levy a processing charge at this stage. The finance amount is then disbursed and credited to the settlement account of the borrower who draws the amount, uses it for the purpose for which it was taken. Profit accrues on the account which has to be serviced by the borrower besides repaying the principal amount as per the repayment schedule. If the finance is not repaid or there is a delay, the finance asset's status will be changed to reflect its deterioration. The bank may also levy compensation profit in such a scenario. Moreover then bank may have to make provisions from its profits for such sub-standard finances. On the other hand if the finance account is conducted well, it will close on the date the last instalment is due and paid. On closure, the bank will return or lift the collaterals which it had taken. The finance cycle is now complete.

The Islamic Financing module in Oracle FLEXCUBE captures and maintains the parameters with respect to the life cycle of the finance contract (outlined above) once the application moves to the account processing stage.

A finance application moves to the account processing stage when the applicant becomes a customer of your bank. The customer's record will now be available in the bank's customer database. A finance account is then created to service the customer. The account creation involves capturing the details of the final finance application into the features of the contract. Accounts in Oracle FLEXCUBE will be created under Account Templates called 'Products'. The system resolves the product category and product on the basis of the application details.

The account thus created, reports to the Asset GL of the bank. Disbursements will debit the finance account and hence a finance with outstanding balances will be in debit. Payments are credited to the finance account. At the end of complete re-payment, the account becomes zero balanced and is closed.

Product categories are a logical grouping of certain products such as Vehicle finances, Housing finance etc. The banks/ FIs can set up different products based on services they offer. When a customer finance is sanctioned, a finance account is created under a specific product. Hence, its features default from the product. The account so created is used for further servicing such as disbursements. The account balance represents the outstanding Principal that was advanced to the Customer. Profit is calculated on this balance based on the schedule and pricing set-up. The account processing stage involves the following:

- Account Creation

- Initiation and Schedule set-up
- Payments of Schedules
- Collections and Delinquency Management
- Finance Status Change Processing
- Amendments to finance
- Disbursements

This chapter contains the following section:

- Section 2.1, "Introduction"
- Section 2.2, "Interface with other Modules"

2.2 Interface with other Modules

The Islamic Financing module interfaces with the following sub-systems/modules of Oracle FLEXCUBE:

- Security Management System (SMS)
- Core Services like Currency, General Ledger, End of Day, Accounting
- Central Liability (Limits)
- Bills

3. Maintenances and Operations

Before you begin using the Islamic Financing module, you must maintain the following information in the system:

Bank Parameters

These are parameters that you need to specify at the bank level. These will include the following:

- Profit calculation parameters
- Amount blocks on inactive accounts
- Splitting of accounting entries for the offset leg
- Site specific maintenances

Branch Parameters

These are parameters that you need to specify at the branch level. These will determine the following:

- Batch processing during holidays
- Netting of accounting entries for accrual, liquidation and status change
- Default Settlement Accounts
- Format/Mask for generation of Account numbers etc
- The structure of the schedule
- Schedule gap treatment

In addition, you also have to maintain the following:

UDE (User Data Elements) Rules

UDEs are used to build formulae to calculate the amount of profit applicable. These include entities like Profit Rate, Amount Slab etc. that will hold values you provide. The UDEs themselves are defined at the product level but you can use these UDEs to build rules with different conditions based on which the UDE value should be arrived at.

You can maintain the UDE values at Product and Account level. You can also maintain Fixed amount UDEs in other currencies.

Repayment holiday periods

For a calendar year, you can define holiday periods for customers during which they can avail a repayment holidays.

System Data Elements (SDEs)

Information that is constantly updated by the system, for instance, the balance in an account, number of transactions processed etc. is referred to as SDEs. This information is readily available for computation of penalties, Profit or charges. You need to identify the SDEs applicable for this module.

Floating Rate maintenance

You can maintain floating rates for a Rate Code, Currency, Amount Slab and Effective Date combination.

User Defined Policies

These are validation and operations that are performed during the life cycle of a finance.

Promotions

Promotions are special offers whereby you can offer special incentives/ concessions to customers. You can link finances to one or more promotions.

The above maintenances are discussed in detail in this chapter. Note that these maintenances are not specific to the Islamic Financing module. They can be used by Retail Lending also.

This chapter contains the following sections:

- Section 3.1, "Bank Parameters"
- Section 3.2, "Lending Branch Parameters"
- Section 3.3, "User Defined Element Rule"
- Section 3.4, "User Defined Elements Cascade"
- Section 3.5, "Holiday Period Maintenance"
- Section 3.6, "System Data Elements"
- Section 3.7, "Policy Maintenance"
- Section 3.7, "Policy Maintenance"
- Section 3.8, "Standard Policies"
- Section 3.9, "Asset Types"
- Section 3.10, "Vehicle Maintenance Details"
- Section 3.11, "Credit Rating Category Maintenance"
- Section 3.12, "Credit Rating Rule Maintenance"

3.1 Bank Parameters

This section contains the following topic:

- Section 3.1.1, "Maintaining Bank Parameters"

3.1.1 Maintaining Bank Parameters

You can maintain the bank parameters in the 'Retail Lending - Bank Parameters' screen. You can invoke this screen by typing 'CLDBKPMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you can capture the following details:

Bank Code

Specify the code that represents your bank.

Bank Name

Specify the name of the bank.

Include To date for Interest Calculation

If you check this option, then accrual entries will be passed from the value date + 1 till the maturity date. However, if this box is not checked, then accrual entries will be passed from the value date till the maturity date - 1.

Residual Adjustment during Auto Liquidation

Check this box to perform Excess/Lower payment adjustment during auto liquidation.This flag will be unchecked by default.

3.1.1.1 Capturing archival details for records in the Events Diary

Reference Date

This is the first date on which the archival will be initiated. If this date is NULL, no archival will be done.

Frequency

This is the frequency for archival. The options in the drop down list are:

- Daily
- Monthly
- Yearly

Unit

This is a numeric value. Let us suppose you select the frequency as Daily and Unit as 5. In this case archival will be done every 5th day.

For further details on this screen, refer 'Lending Bank Parameters' section in Retail Lending user manual.

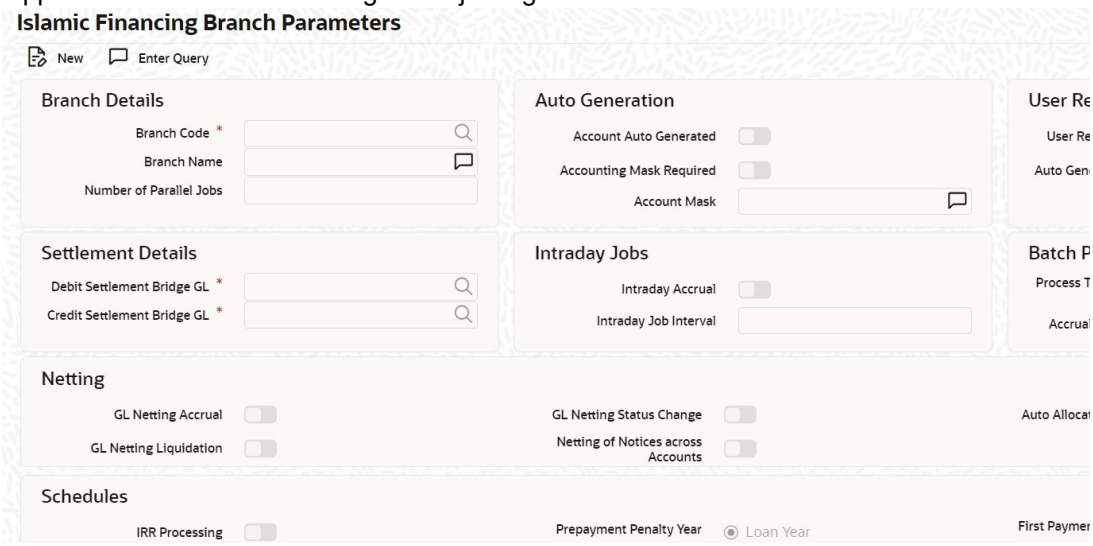
3.2 Lending Branch Parameters

This section contains the following topic:

- Section 3.2.1, "Maintaining Branch Parameters"

3.2.1 Maintaining Branch Parameters

You can maintain the branch parameters in the 'Islamic financing branch parameters' screen. You can invoke this screen by typing 'CIDBRPMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Branch parameters include the following:

Branch Code

You have to indicate the code of the branch for which the parameters have to be maintained. The codes of the various branches of your bank are available in the option list provided.

When you select the code, the branch name is also displayed alongside.

Process Till Next Working Day – 1

This specification will determine the day on which automatic events such accrual, liquidation etc. falling due on a holiday, should be processed. If you select this option, events scheduled for a holiday will be processed on the last working day before the holiday.

If you do not select this option, processing will be done upto the system date i.e. the current date. The automatic events due on a holiday will be processed as part of the batch program run at BOD on the next working day after the holiday.

Consider the example discussed above, if you do not check this option, the events due on 16th and 17th will be processed as part of BOD operations on 18th May '05, which the next working day after the holidays.

Netting

Here, you need to indicate the netting preference for posting entries during accrual, liquidation and status change.

If you opt to net, the system will post a single consolidated entry for a GL and Currency combination. If you do not select this option, entries are posted individually for each account.

The GL netting status change option can also be used to indicate instalment level status change.

The Netting of Notices across Accounts can be used to indicate that for or all accounts for which the payments falls due on a particular date, the requests for invoice generation should be consolidated.

The finance accounts for which the reminder or demand note should be sent is tracked based on the status of the account. The SDE 'Next Schedule Date' is set up to arrive at how many no. of days in advance the payment notice should be generated. Based on the status of the finance account the corresponding payment invoice format is set up.

The Auto allocate part payment option can be used if you want to do a partial payment through auto allocation. For accounts which are marked for manual allocation of partial amount the payment can be done in bulk using the 'Consumer Lending – Bulk Payments' screen.

For more details on Bulk payments refer section 'Bulk Payments' in the 'Operations' chapter of Retail lending User Manual.

Settlement Details

The settlement accounts for processing lending transactions have to be specified here. You have to specify the Bridge GL/Account to be used for the settlement of the debit and credit legs of transactions that would be processed at your branch. You can select the accounts from the option lists provided for the same.

Intraday Jobs

Typically, accruals are processed either at BOD or EOD. However, you have the option to facilitate accruals any time during the day i.e. during the normal transaction input itself. You have to check the 'Intraday Accrual' option to avail this feature. If you opt for intraday accrual, you also have to specify the following:

- Intraday Job Interval: This is the interval (in hrs) at which the Intraday Job should be executed during the day.
- Num Parallel Jobs: This indicates the actual number of jobs to be processed at the same time when the Intraday Job is executed. For example, if the number of parallel jobs is 5, the system will group the accounts into 5 different jobs to be processed simultaneously by the Intraday Job. The system automatically groups the accounts based on the number of parallel jobs maintained.

Account Auto Generated

You can select this option for automatic generation of account numbers. The system generates the account numbers automatically when you create customer accounts through

the ‘Account Details’ screen. If this option is not checked, you have to capture the account number yourself.

For details on creating an account, refer the ‘Account Creation’ chapter of this User Manual.

Accounting Mask Required and Account Mask

To maintain uniformity in the account numbers generated/captured across a branch, you can specify a format/mask for account numbers. If you specify that account numbers should conform to a specific format, you have to specify the mask in the ‘Account Mask’ field.

For example,

You may want the account numbers of your branch to be a combination of:

- Branch Code (3 Characters)
- Product (4 Characters)
- Currency (3 Character currency code)
- 5 digit running sequence number

The account mask in this case would be: @ (BRN)@(PROD)@(CCY)@(SEQ:5)

An example of an account number conforming to the above mask would be DOC3ROLUSD60021.

If you opt for auto generation of account numbers but do not specify a mask, the generated number will, by default, conform to the following format:

- 3 character Branch Code
- 4 character Product Code
- Date in Julian format (YYDDD)
- 4 digit running sequence number

An example of an account conforming to the above format is ‘DOCVSIM040960021’ where:

- ‘DOC’ is the Branch Code
- ‘VSIM’ is the Product Code
- ‘04096’ is the date equivalent to 5th April 2004 (04 – Year and 096 is the number of days that have elapsed in the year).
- ‘0021’ is the running sequence number.

Also, if you maintain an account mask but do not opt to auto generate the account numbers, then, during account capture you have to conform to the account mask maintained for the branch. If the account is not as per the mask, the error message is displayed as ‘Account number entered is not conforming to the account mask’.

IRR Processing

Check this option to trigger the YACR (Yield Accrual) event for the branch batch.

Accrual Entries on Holidays

This option will determine whether the accrual entries due on the holidays should be passed as of the holiday itself or as on the working day before the holiday(s)/after the holiday(s) depending on the ‘Process Till Next Working Day -1’ option.

Schedule Structure

This option is used to indicate if the schedule definitions should honor the end dates or honor the frequencies when the two contradict. The options are:

- Frequency Based
- Non-Frequency Based (the end dates contradict each other)

For example,

For a product, you can define payment schedules based on the value date of the finance and/ or based on the calendar date. Assume that you have a housing finance product 'HOME' with the following payment schedule details:

- Unit – Monthly
- Frequency – 1
- Schedule Basis – Value Date
- Tenor – 12 months

Case 1: Schedule structure is frequency based

A housing finance is initiated on 4th April 2004. As per the above details, the following schedule dates are defaulted:

  - First Due Date: 4th May 2004 (one month after the disbursement date)
  - End Date:4th Mar 2005 (in between schedules being 4th June, 4th July and so on for 11 months)
  - The last schedule is always a 'Bullet' schedule.

Note that the schedule dates are driven by the value date of the finance. At the account level, you can, however, change the defaulted schedules. But the end dates should not contradict for the schedules.

For instance, you cannot define schedules with the following details:

First Due Date	No of Schedules	Frequency	End Date
04-MAY-2004	5	Monthly	04-SEPT-2004
01-OCT-2004	5	Monthly	01-FEB-2005
04-APR-2005	1	Bullet	04-APR-2005

Note that for the first and second schedules, the end dates are contradicting (4th Sep and 1st Feb respectively). This is not allowed if the schedule structure is 'Frequency Based'. The error message is displayed as 'Input for component is not as per schedule frequency'.

Case 2: Schedule structure is non-frequency based

If the schedule structure is non-frequency based, you can define schedules with contradicting end dates (refer the schedule structure given in **Case 1** above).

First Payment Schedule Gap Treatment

Here, you have to specify the manner in which you would like to treat the period/gap between the finance disbursement date and the first payment. The options are:

- Treat as Payment
- Treat as Moratorium

Insurance Renewal Before Days

Specify the number of days before the expiry of an insurance policy that the system should trigger automatic renewal. This parameter will be applicable for all transactions in the branch for which insurance is required.

Intermediate Schedule Gap Treatment

Here, you have to specify the manner in which the system should handle gaps between two schedules. The available options are:

- Create New Schedule
- Advance current schedule
- Extend previous schedule

After setting up the branch parameters, you have to save the details. Click on save icon to save the details in the system. However, the parameters take effect only after your supervisor authorizes the same.

For further details on this screen, refer section 'Consumer Lending Branch Parameters' in Retail Lending user manual.

Refer the Procedures User Manual for details on common operations like authorization, deletion, closure etc.

3.3 User Defined Element Rule

This section contains the following topic:

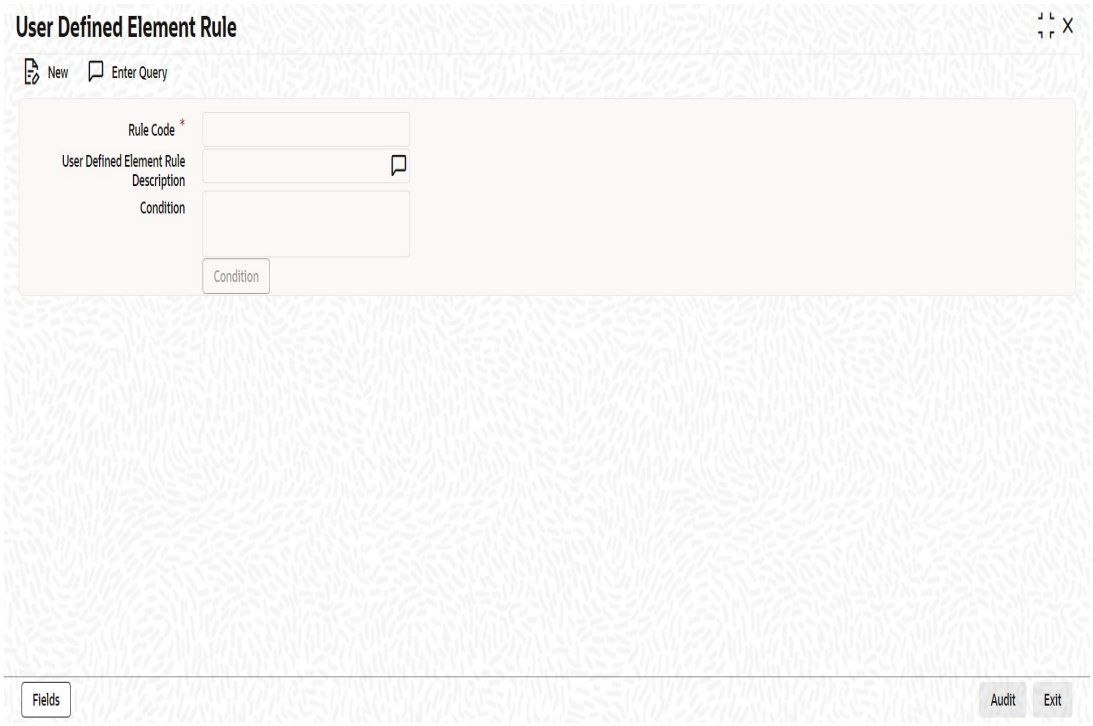
- Section 3.3.1, "Defining UDE Rules"

3.3.1 Defining UDE Rules

User Defined Elements (UDEs) refer to entities like Profit Rates, Amount/Tier Slabs whose value you can specify and at the same time maintain different values with different effective dates. For instance, you can indicate that profit should be calculated at five percent on a certain date and specify a higher rate effective at a later date.

The UDEs, per say, are defined at the product level and the actual values are provided for a combination of Product, Currency, UDE Rule, and Effective Date in the 'UDE Values' screen. This will be defaulted at the account level and you can override the same with account specific values.

You can define UDE Rules based on which the UDE Values will be picked up at the account level. UDE Rules are conditional expressions built using the SDEs like Finance Amount, Tenor, Rate, Customer Category etc. These rules can be created independently and later attached at the time of maintaining UDE Values. You can associate multiple rules and specify UDE values for each rule. You can maintain the rules in the 'User Defined Element Rule' screen. You can invoke this screen by typing 'CLDUDRMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following information should be captured to create a UDE Rule:

User Defined Element Rule

You have to specify a unique code consisting of a maximum of four alphanumeric characters, to identify the rule in Oracle FLEXCUBE. This is mandatory to save the record.

Condition

You can build multiple conditions for a rule. To do this, click on 'Condition' button in the screen above. The following screen is displayed:



You can create conditions using the following:

- Fields: The SDEs that are factory shipped or maintained in the 'System Data Elements' screen are available in this list.
- Operators: This list includes the mathematical operators:

  - Equal To
  - Greater Than
  - Greater Than or Equal To
  - Less Than
  - Less Than or Equal To
  - Like
  - Not Like
  - Not Equal To
- Logical Operators:
  - And: Use 'And' button
  - Or: Use 'OR' button
- Value: The value of the SDE selected to define the condition should be entered here. The value may be numeric or alphanumeric, as required for the condition.

After building the condition, click 'Accept' button to accept the same. To remove a condition, click 'Clear' button in the screen.

After you build the condition(s), click 'Ok' button in the screen. You will return to the 'UDE Rules' screen. The condition defined is displayed in this screen.

For example,

Assume that you want to charge profit at 12% for home finances (Product Code - HOME) where the finance amount is greater than or equal to 100, 000 and an profit rate of 10% on finances less than 100,000. You can build these conditions in the form of UDE Rules.

Rule ID	Condition
UDE1	AMOUNT_FINANCED >=100000
UDE2	AMOUNT_FINANCED<100000

At the time of assigning values for the UDE 'PROFIT' (assuming that this is the UDE defined for the product in the 'UDE Values' screen (discussed below), you can associate the above rules and for a product, currency, rule and effective date combination, you can specify the value as 12 and 10 respectively. Depending on the condition that the finance satisfies (whether >= 100000 OR less than 100000), the appropriate rate is picked up for profit calculation.

Refer the section titled 'Specifying product Main details' in the 'Defining Product Categories and Products' chapter of this User Manual for details on defining UDEs.

3.4 User Defined Elements Cascade

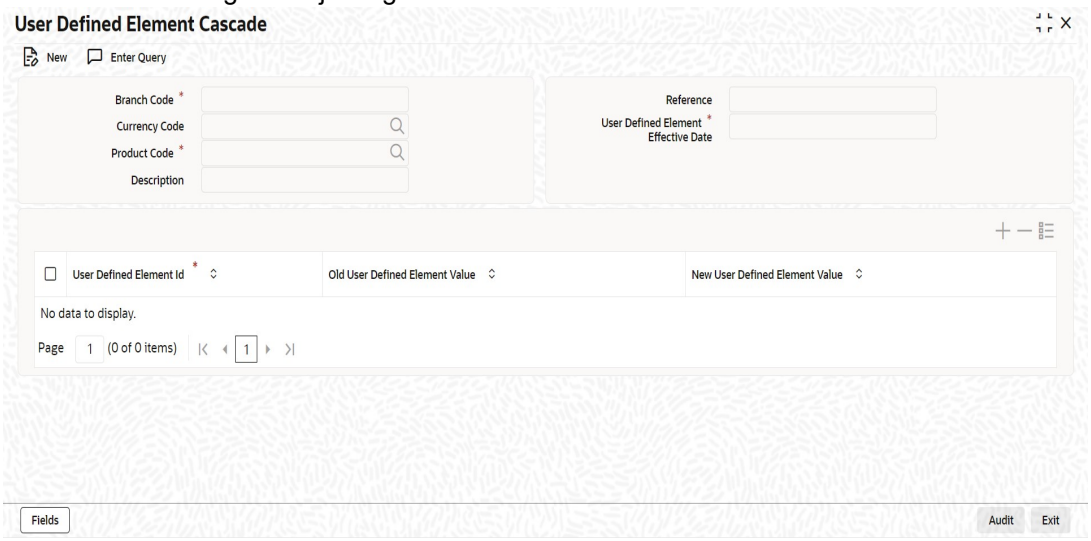
This section contains the following topic:

- Section 3.4.1, "Applying the UDE Cascade Function"

3.4.1 Applying the UDE Cascade Function

You also have the feature to change the value of a UDE for all the existing accounts under a product. However, the change will be applicable only to the existing accounts. UDE values for new accounts created under the product will be picked as per your specifications in the 'UDE Values' screen.

You can define new UDE values for existing accounts in the ‘UDE Cascade’ screen. You can invoke this screen by typing ‘CLDUDCMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The code of the login branch is displayed here. The following information is captured in this screen:

Reference

After saving the UDE cascade function, Reference will be generated by system itself.

Branch code

Input the branch code in which the relevant data is maintained.

Currency Code

Select a currency maintained for the product from the option list provided. The UDE value is applied in the currency selected here.

Product Code

Select a product for which you have to change the UDE value. The change becomes applicable to all the existing accounts under the product.

User Defined Element Effective Date

The date on which the new UDE value is brought into effect is captured here. The date format should be ‘YYYY-MM-DD’.

After you specify the effective date, the system automatically generates a unique ‘Reference’ Number.

User Defined Element Id

The option list will display the UDEs defined for the selected product. Select the UDE that requires a change in value. When you select the UDE, the ‘Old Ude Value’ is also displayed in the next field.

New User Defined Element Value

Provide the new value for the selected UDE.

3.5 Holiday Period Maintenance

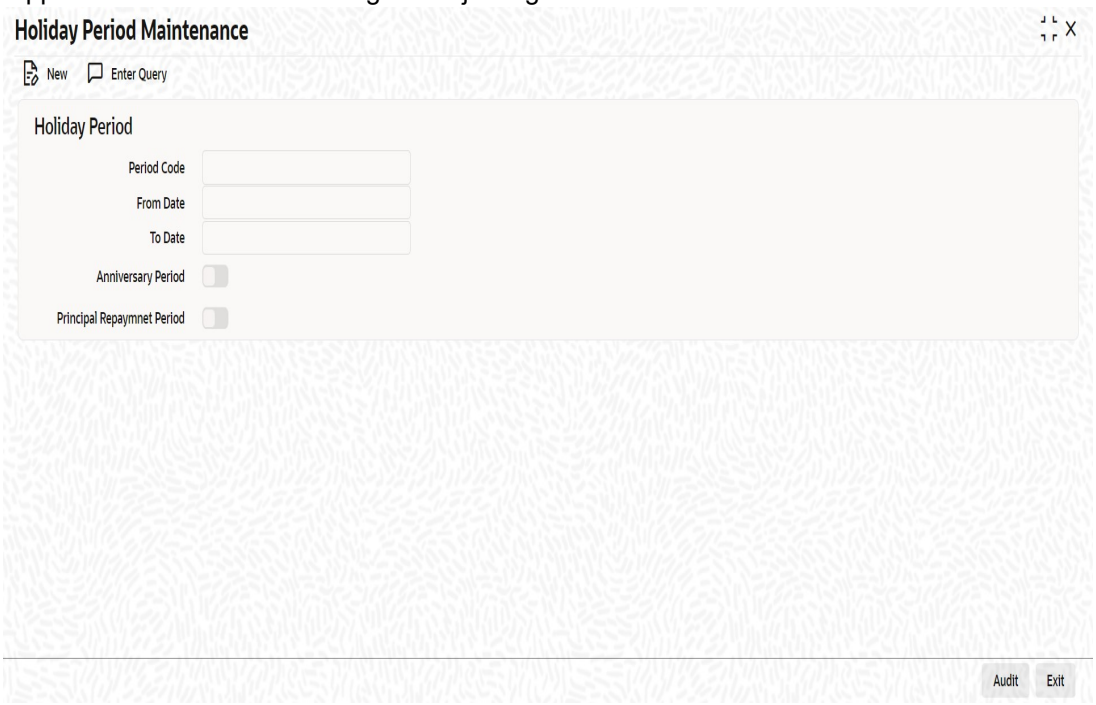
This section contains the following topic:

- Section 3.5.1, "Maintaining Holiday Period"

3.5.1 Maintaining Holiday Period

You can identify certain periods in the calendar as holiday periods when customers would have other expenses and would like to avail a repayment holiday. This would typically be during Christmas/New Year or for anniversary celebrations. Although, Profit computation continues for this period, repayments are not scheduled.

You can define repayment holiday periods in the 'Holiday Period Maintenance' screen. You can invoke this screen by typing 'CLDHOLMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following information is captured to define a holiday period:

Period Code

You have to capture a unique code to identify the period in the system. The code can comprise of 30 alphanumeric characters.

Date From and Date To

For the period code specified, capture the holiday period i.e. the start date and end date for the holidays. The date format should be 'YYYY-MM-DD'. It is mandatory to specify the date range to save the holiday period.

Anniversary Period

This option is used to define an anniversary period. If you check this option, the holidays will be repeated every year for the given range of dates. By default, the system checks this option.

Principal Repayment Holiday

If you check this option, the system will apply the holiday period to the principal component alone. The simple interest formula defined at the product level will not be affected. By default, this option is unchecked. However, you may modify it.

While defining a loan contract, you may apply the holiday period codes maintained using this screen.

3.6 System Data Elements

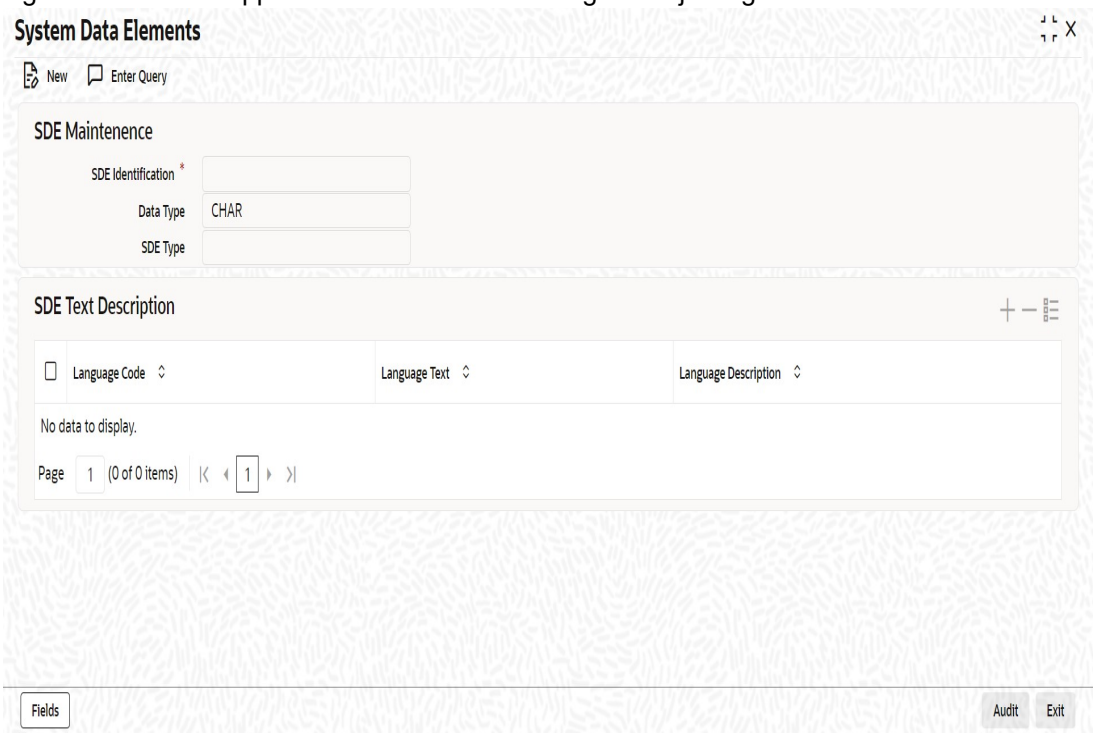
This section contains the following topic:

- Section 3.6.1, "Maintaining System Data Elements"

3.6.1 Maintaining System Data Elements

The balance in the account for which the profit has to be calculated depends on the activities that take place in the customer account over a period of time. This information is constantly updated in the system and is readily available for computation of profit or charges. Data elements of this sort are called ‘System Data Elements’ (SDEs) because the values for the SDEs are necessarily picked up by the system while applying profit. You cannot input the values for these elements.

You can capture the various SDEs in the ‘System Data Elements’ screen. You can invoke ‘Securities Security Product Definition’ screen by typing ‘CLDSDEMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You have to maintain the following to define a SDE:

Element ID

Capture an id to uniquely identify the SDE in the system. You can devise an Id comprising a maximum of 30 alphanumeric characters.

Function Name

Here, you have to associate the Oracle function which would calculate the SDE value internally. The values available in the option list are factory shipped. The system picks up the value computed by the function for use in profit calculation.

Data Type

This indicates the nature of the data the SDE represents. The options are:

- Character
- Number

- Date

Language Code and Language Text

Select a language for the SDE being defined. You can select a code from the option list provided. The system automatically displays the corresponding text in the language selected for the SDE.

Language Description

Here, you have to provide the description of the SDE being defined, in the language selected. The description should not exceed 30 alphanumeric characters.

System Data elements can be balances like PRINCIPAL_EXPECTED, PRINCIPAL_OVERDUE etc. Some Oracle FLEXCUBE entities required for formula generation/rule set up will be factory shipped.

The list of standard SDEs available for use are given below:

Name	Description
TENOR	Duration for which the finance is applied for in days.
CUSTOMER_CATE-GORY	Category of the customer of the finance which is main-tained at the customer information file level.
BRANCH_CODE	Code of the branch where the finance account is opened.
ACCOUNT_CCY	Finance account's currency.
LOAN_STATUS	Status of the finance account.
CUSTOMER_ID	Primary customer's id for a finance account.
NO_OF_RP-MNT_SCHS	Number of repayment schedules excluding the morato-rium ones.
INCREASED_PRINCI-PAL	Increase in the principal.
DAYS	Days in a month.
YEAR	Days in a year.
RISK_CLASSIFICA-TION	Risk classification at line level which can be used at sta-tus change.
PREPAID_AMOUNT	Amount that has been prepaid.
MORA_OUTSTANDING	Total moratorium outstanding amount.
TOTAL_MORA_AMOU NT	Total moratorium amount.
INDEX_CCY	Index currency.
NEXT_WORKDAY	Next working day of the branch.
LAST_WORK_DAY	Last working day of the branch.
TODAY	Today's branch date.

TOTAL_PRINCIPAL	Amount for which the finance is applied for.
AMOUNT_FINANCED	Amount for which the finance is applied for.
PRINCIPAL	Amount disbursed.
INT_SUSPENSION_-DATE	Profit suspension date based on risk classification. If classification is C, then the suspension date is one year from today's date. If classification is D, then the suspension is immediate.
COMPOUND_VALUE	Amount compounded within a schedule and is used internally.
RESIDUAL_DAYS	Tenor of the finance.
WORST_SCH	Worst Instalment Status.
APPLICATION_DATE	Application date in finance origination.
APPLICATION_SCORE	Application score in finance origination.
APPLICATION_TENOR	Application tenor in finance origination.
APPLICATION_PRIN-CIPAL	Application principal amount in finance origination.
_OVR_DAYS	<Component> overdue days.
_EXPECTED	<Component> expected amount.
_OUTSTAND	<Component> outstanding amount.
_CCY	<Component> currency.
_OVERDUE	<Component> overdue amount.
_INS_OVR_DAYS	<Component> number of days between the schedule due date and the maturity date.
_FN_NO_REPAY_SCH	<Component> number of schedules for a component if periodic.
NET_PRINCIPAL	<Component> amount financed.
_SCHODUE	<Component> schedule amount due less amount settled.
DAYS_BASIS	Days in Month
YEAR_BASIS	Days in Year
Projected_Amount	Definition of moratorium formula for profit component.
AMOUNT_DISBURSED	Definition of moratorium formula for profit component for actual type
UIDB_DIFFERENTIAL	The difference in the UIDB computed and the actual profit for the post construction period.

CUSTOMER_CRED-IT_RATING	Holds the Credit Rating information of Customer
PROFIT_DUE	Accumulated Profit Projected against a financing account.
PROFIT_REALIZED	Accumulated Profit Realized or Paid against a financing account.
LINK_AMOUNT_SUM	Sum of linkage amount
PROFIT_DUE_3	Sum of profit due for last 3 payment periods
PROFIT_REALIZED_3	Sum of profit realized for last 3 payment periods
PRIN_OUTSTAND-ING_ONDFLT	SDE for calculation of profit based on the outstanding principal

The 'Customer Credit Rating' field at the Customer level will be used as a SDE CUSTOMER_CREDIT_RATING for defining status change rules. This will also be available for provision rule definition at the CI product level.

System calculates the SDE values and updates the statuses based on the product level configuration during EOD or through manual status change process.

Function SDE

Flexcube SDE functionality supports function SDE which will accept input parameters and calculate the SDE value based on the parameter passed.

a) FN_SDE_MAX_RBH_PBH (n number) – would return the maximum percentage of RBH/ PBH for past 'n' payment periods.

b) FN_SDE_MIN_RBH_PBH (n number) – would return the minimum percentage of RBH/ PBH for past 'n' payment periods.

Where, RBH = Profit Sharing Realization and PBH = Profit Sharing Projected

3.7 Policy Maintenance

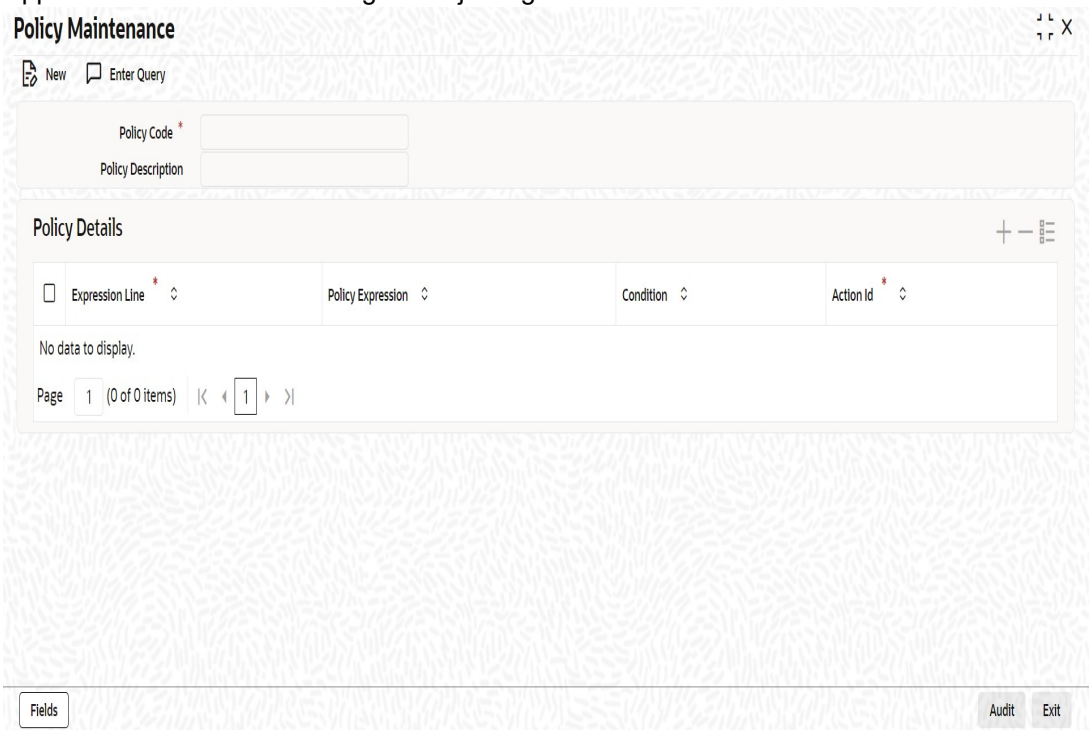
This section contains the following topic:

- Section 3.7.1, "Maintaining User Defined Policies"

3.7.1 Maintaining User Defined Policies

User defined Policies are special validations and operations to be performed before or after a life cycle event of finance. You can maintain policies in the 'Policy Maintenance' screen.

You can invoke this screen by typing ‘CLDPOLMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button..



Specify the following details to maintain a policy:

Policy Code and Policy Description

A policy code identifies a policy uniquely in the system. The code is used to link the policy to a product/account. You can devise a code consisting of a maximum of 20-alphanumeic characters.

Also, for the code captured, provide a brief description in not more than 35 alphanumeric characters. The description is used for information purposes only.

Policy Category

Select the category to which the policy should belong. This implies if the Policy is to be linked to an Application (Origination and API or Product setup). The two options are:

- Origination
- Servicing

3.7.1.1 Policy Details

Expression Line

You can maintain multiple expressions for a policy and each expression is identified by a unique serial number. The serial number can consist of a maximum 6 digits.

Policy Expression

Here, you have to specify the expression for the policy which when satisfied by the finance, will trigger the corresponding action. You can maintain multiple expressions and action codes under a policy. Depending on the expression that is evaluated successfully, appropriate ‘Action Id’ is triggered. However, an expression is not mandatory to define a policy.

Action Id

You have to select the action that is to be triggered when the corresponding expression becomes valid for the finance. This refers to the wrapper name that is mapped to the actual

PL/SQL code that executes the policy. Select the action id from the option list provided. The values available in the list are factory shipped.

The policies defined through ‘User Policy’ screen become available for association at the ‘Product Category’ level.

For more details, refer the section titled ‘Maintaining Product Categories’ in the ‘Defining Product Categories and Products’ chapter of this User Manual.

3.8 Standard Policies

This section contains the following topic:

- Section 3.8.1, "Maintaining Standard Policies"

3.8.1 Maintaining Standard Policies

You can also categorize the policies defined through the ‘Policy Maintenance’ screen as standard policies in the ‘Standard Policies’ screen.

You can invoke this screen by typing ‘CLDSTDPL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To maintain a standard policy, you have to specify the following in the screen:

Module

A standard policy is defined for a Module and Event combination. You have to select the module for which the policy should be applied. The option list will display the list of valid Oracle FLEXCUBE modules.

Event Code

The events defined for the selected Module are displayed in the option list provided. You may select an event from this list.

Policy Code

The policies maintained in the ‘User Policy’ screen are available in the option list provided. Select the appropriate policy for the selected Module and Event combination.

3.9 Asset Types

This section contains the following topic:

- Section 3.9.1, "Maintaining Asset Types"

3.9.1 Maintaining Asset Types

You can capture details of different asset types for an account based on the product level maintenance. To capture such details, you need to maintain type codes for each of the asset categories that can be linked to an account. The following asset categories are available at the product level:

- Vehicle Info
- Property Info
- Goods Info
- Building Info
- Equipment Info
- Project Info
- Service Ijarah Info

For each type, you need to maintain asset type codes using the ‘Static Type Maintenance’ screen. You can invoke this screen by typing ‘CODTYPES’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you need to maintain the following details:

Type

You need to define codes for the following types:

- Property
- Goods
- Area in Emirate

- City
- Brand
- Sector of Investment
- District
- Emirate
- Area in Another Country
- Collateral Type
- Asset Category
- Insurance Company

Description

Enter a brief description for the types being defined.

Value

Depending on the type, you need to specify the values that can be captured against that type. For instance, you can specify the value ‘Villa with Swimming Pool’ for the type ‘Property’.

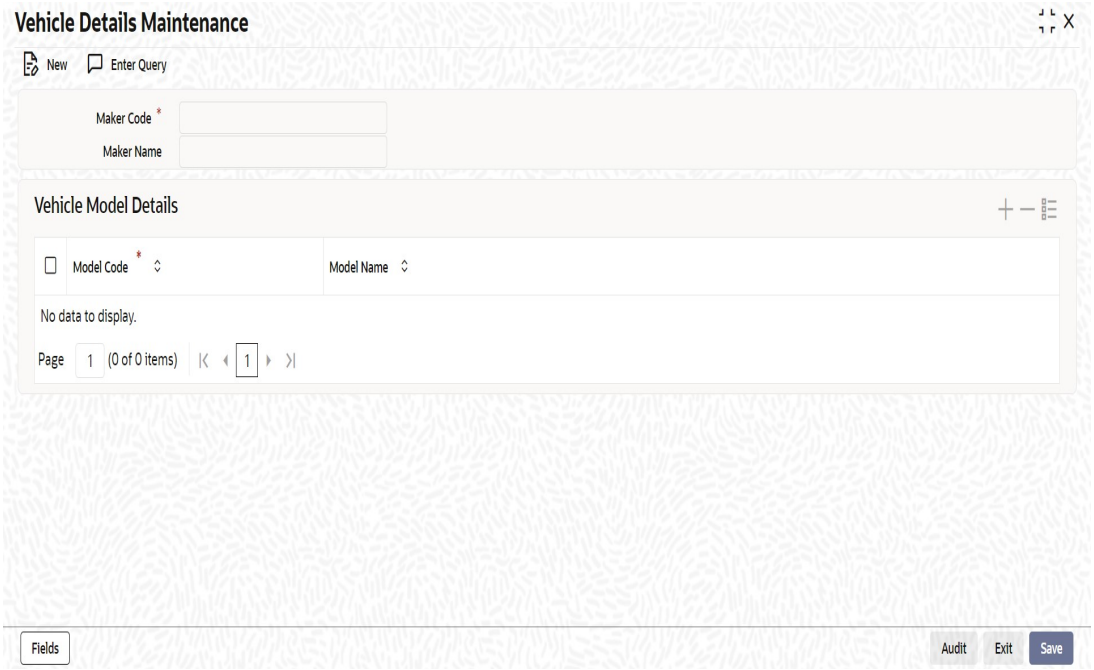
3.10 Vehicle Maintenance Details

This section contains the following topic:

- Section 3.10.1, "Maintaining Vehicle Maintenance Details"

3.10.1 Maintaining Vehicle Maintenance Details

In order to process Murabaha transactions involving vehicle purchase, you need to maintain codes to identify the vehicle maker, vehicle model etc. You can maintain these details through the ‘Vehicle Details Maintenance’ screen. You can invoke this screen by typing ‘CIDVEHMA’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you can capture the following details:

Maker Code

Specify a code to identify the maker of a vehicle. The code can be alphanumeric and 20 characters long.

Maker Name

Specify the name of the vehicle maker. You can specify a maximum of 105 alphanumeric characters.

Model Code

Specify a code to identify the model of a vehicle. The code can be alphanumeric and 20 characters long.

Model Name

Specify the name of the model. You can specify a maximum of 105 alphanumeric characters.

3.11 Credit Rating Category Maintenance

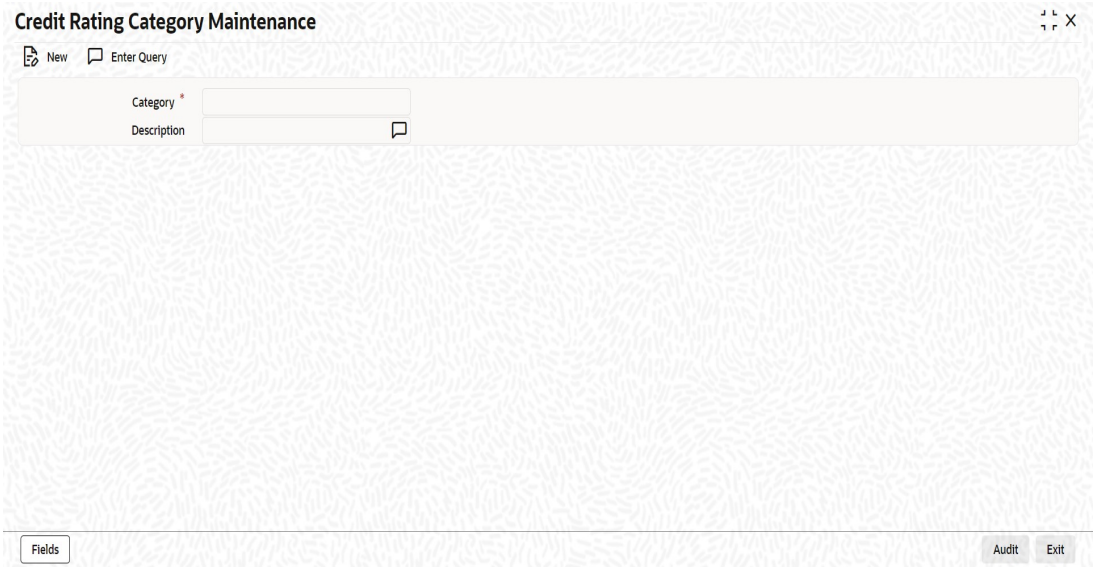
This section contains the following topic:

- Section 3.11.1, "Creating Credit Rating Category"

3.11.1 Creating Credit Rating Category

Finance applications can be evaluated and rated on the basis of questionnaires and pre-defined answers for these questionnaires. To facilitate this, you need to maintain categories for the questions and rules which will contain sets of questions, answers and scores for the answers. The rules maintained can be attached to the Islamic CL product and defaulted during account creation.

You can create credit rating categories in the 'Credit Rating Category Maintenance' screen. You can invoke this screen by typing 'STDCATMT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can maintain the following details here:

Category

Specify a unique ID for the category.

Description

Enter a description for the category.

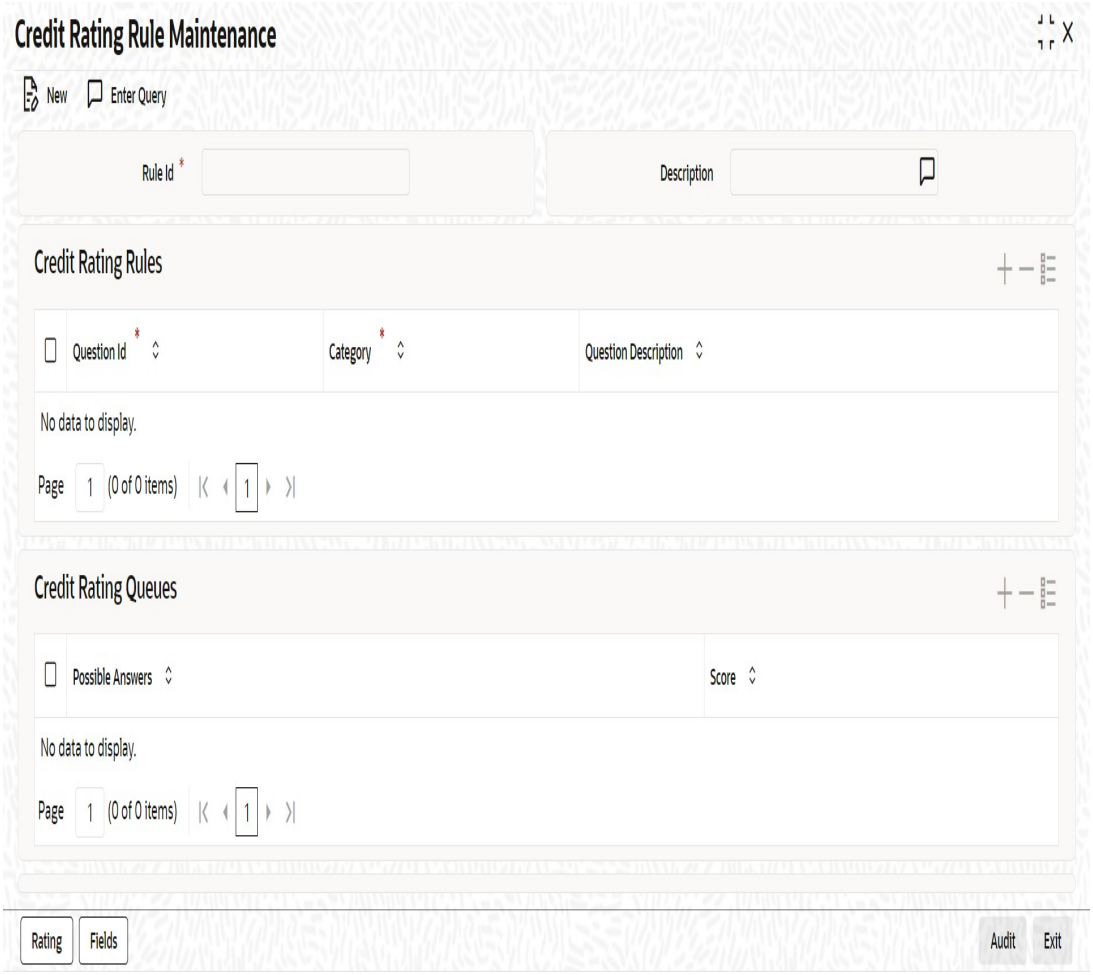
3.12 Credit Rating Rule Maintenance

This section contains the following topic:

- Section 3.12.1, "Creating Credit Rating Rules"

3.12.1 Creating Credit Rating Rules

The rules for credit rating are maintained in the 'Credit Rating Rule Maintenance' screen. You can invoke this screen by typing 'STDCRRMT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can capture the following details here:

Rule ID

Enter a unique ID for the rule.

Description

Enter a description for the rule.

3.12.1.1 Maintaining Rule Detail

Question ID

The system displays the sequence number for the each question that you define for a set.

Category

Indicate a category for the Question ID from the adjoining option list. This is mandatory.

Question

Specify the details of the question.

3.12.1.2 Maintaining Question Detail

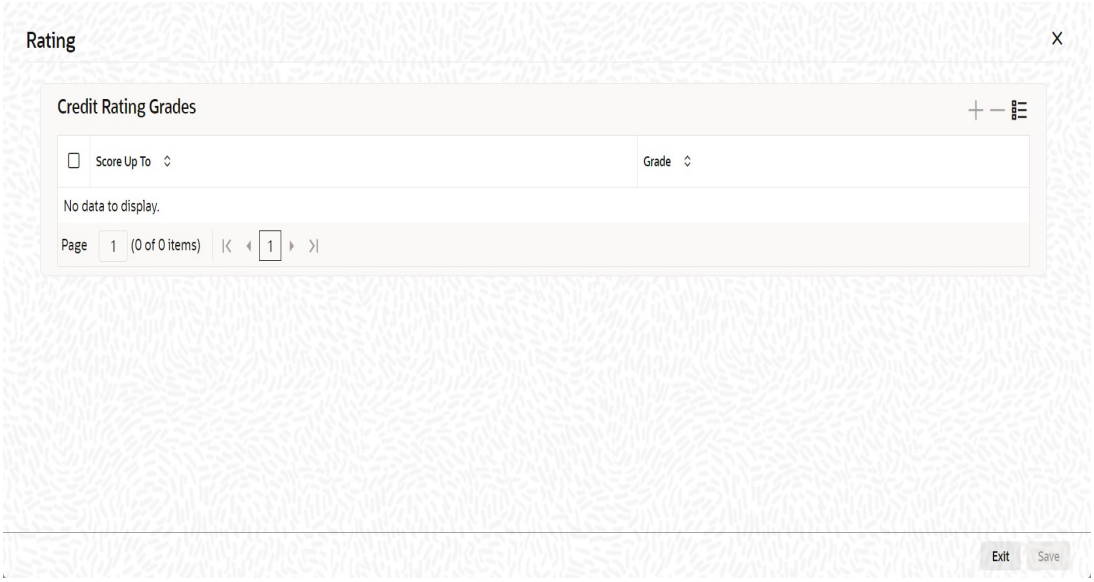
Possible Answer

Enter the answers that the system should allow at the time of account creation for the question you have entered earlier.

Score

Associate a score for each of the possible answers.

Click the ‘Rating’ button to specify a grade for each score range. The following screen is displayed:



You can maintain the following details in this screen:

Score Upto

Enter the upper limit of the score range.

Grade

Assign a grade for the score.

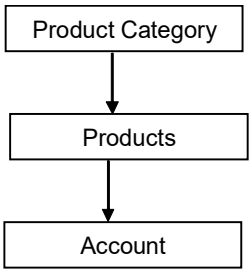
4. Defining Product Categories and Products

You may finance your customers for variety of reasons such as vehicle, homes, personal needs and so on. The different types of finances can be different ‘Product Categories’. A product category is used to distinguish between the various finances offered by the bank. Each of these finances is totally different and hence there is a need to categorize them.

Under a product category, you may have finances that may vary in features such as pricing, tenor, amount etc. Each variation of these services can, therefore, be considered as ‘Products’.

At the time of capturing a finance application, you would specify details such as Finance Amount, Tenor, and Asset Class etc. The system automatically resolves the Product Category and Product applicable based on the application details. Hence, the Finance Account is created under the appropriate product.

The Islamic Financing Module will have an inheritance hierarchy as follows:



This chapter contains the following sections:

- Section 4.1, "Product Category"
- Section 4.2, "Product Maintenance"
- Section 4.3, "IRR Application on Finances"
- Section 4.4, "Promotion Details"
- Section 4.5, "Computing Profit and Schedule for Islamic Banking"
- Section 4.6, "Product Creation"

4.1 Product Category

This section contains the following topics:

- Section 4.1.1, "Maintaining Product Categories"
- Section 4.1.2, "Product Rules Button"

4.1.1 Maintaining Product Categories

You can define the attributes for a Product Category in the ‘Product Category’ screen. Note that these product categories will be applicable for the Retail Lending module as well. You can invoke

this screen by typing ‘CLDPRCMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following details have to be captured in this screen:

Product Category

You have to specify the name of the finance service which will identify the category uniquely in the system. For example: Home Finance, Vehicle Finance etc. The category name can consist of a maximum of 20 alphanumeric characters. The categories maintained through this screen become available for creating products under it.

Product category is mandatory to save the record in the system.

Scoring Resolve Rule

You have to specify the credit scoring rule for the product. Based on the information captured in the application, the customer’s credit scoring is done using the rule selected here. The list of rules available in the option list is factory shipped and you can choose a rule based on your requirement from this list.

Cycle Code

Here, you have to specify the status of the application that is processed under the product category being maintained. The list of codes available in the option list is factory shipped and you can choose a code as per the requirement.

Policy Code and Event Code

To the category being defined, you have to associate a policy code. The policies maintained in the ‘User Policy’ screen are available in the option-list provided.

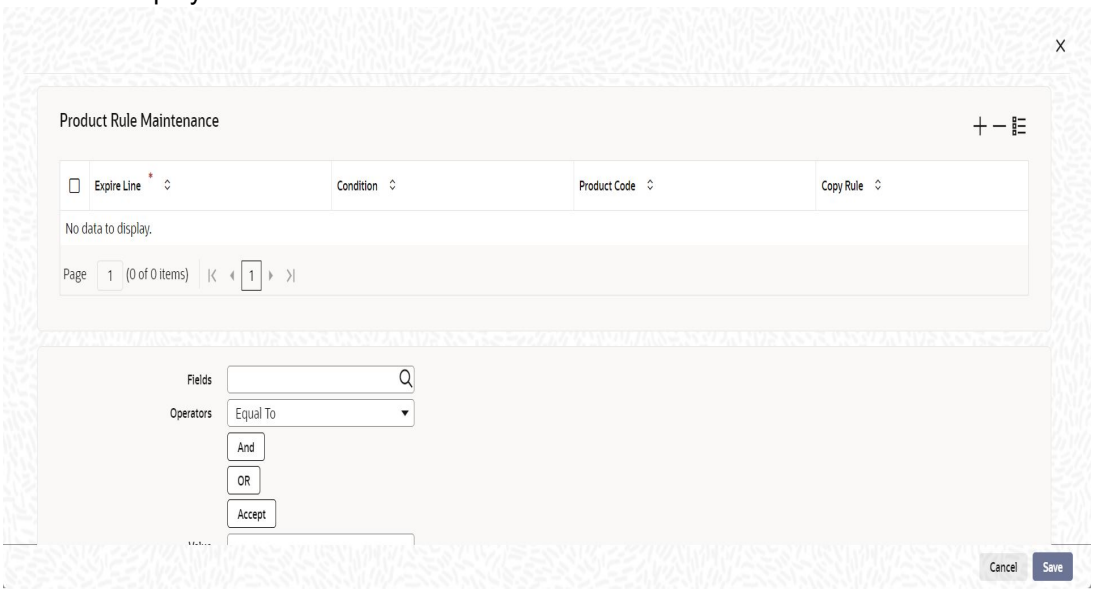
You have to associate an event code to each policy selected. Whenever the event is triggered, the associated policy gets executed.

For details on maintaining policy details, refer the section titled ‘Maintaining User Defined Policies’ in the ‘Maintenances and Operations’ chapter of this User Manual.

4.1.2 Product Rules Button

Product Rules are a mechanism to automatically resolve the product based on your specifications in the Finance Application. Application details such Finance, Finance Amount, Tenor, and Customer Category can decide a particular product under the category. You can maintain these as expressions/rules based on which the system resolves the product when funding the application.

To create a rule, click 'Product Rule' button in the screen above. The 'Product Rule Definition' screen is displayed.



Case

Specify the case(s) for defining the rule in this field. The case will hold the expression using which the system will resolve the product. You can define a rule/case using the 'Elements' (SDEs), 'Mathematical Operators' and 'Logical Operators' provided in the respective drop-down boxes.

Each case is identified by a unique Case Number/Sequence Number. The conditions are evaluated based on this number. This is mandatory to save the case/condition.

Product Code

Here, you have to associate a product for the case defined. At the time of account creation, depending on the case/condition that the finance satisfies, the corresponding product is attached.

Mathematical Operators

Operators are symbols that you would use to build mathematical expressions for defining a rule. The following is a list of symbols that you would require to build the rule.

Operator	Description
+	Plus
-	Minus
/	Division
*	Multiplication

Logical Operators

Logical Operators are indicators of certain conditions that you specify while building a rule.

The following is a list of logical operators that you would require to build a rule:

Operator	Description
>	Greater than
> =	Greater than or equal to
<	Less than
< =	Less than or equal to
< >	Not equal to

The following product categories are factory-shipped:

- IJARAH
- MURABAHA
- ISTISNA
- BBA

You will not be able to modify them.

4.2 Product Maintenance

This section contains the following topics:

- Section 4.2.1, "Setting up a product"
- Section 4.2.2, "User Data Elements Button"
- Section 4.2.3, "Preferences Button"
- Section 4.2.4, "Components Button"
- Section 4.2.5, "Role to Head Button"
- Section 4.2.6, "Account Status Button"
- Section 4.2.7, "Notice and Statements Button"
- Section 4.2.8, "Events Button"
- Section 4.2.9, "Credit Score Button"
- Section 4.2.10, "Minimum Amount Due Method Button"
- Section 4.2.11, "MIS Button"
- Section 4.2.12, "Fields Button"

4.2.1 Setting up a product

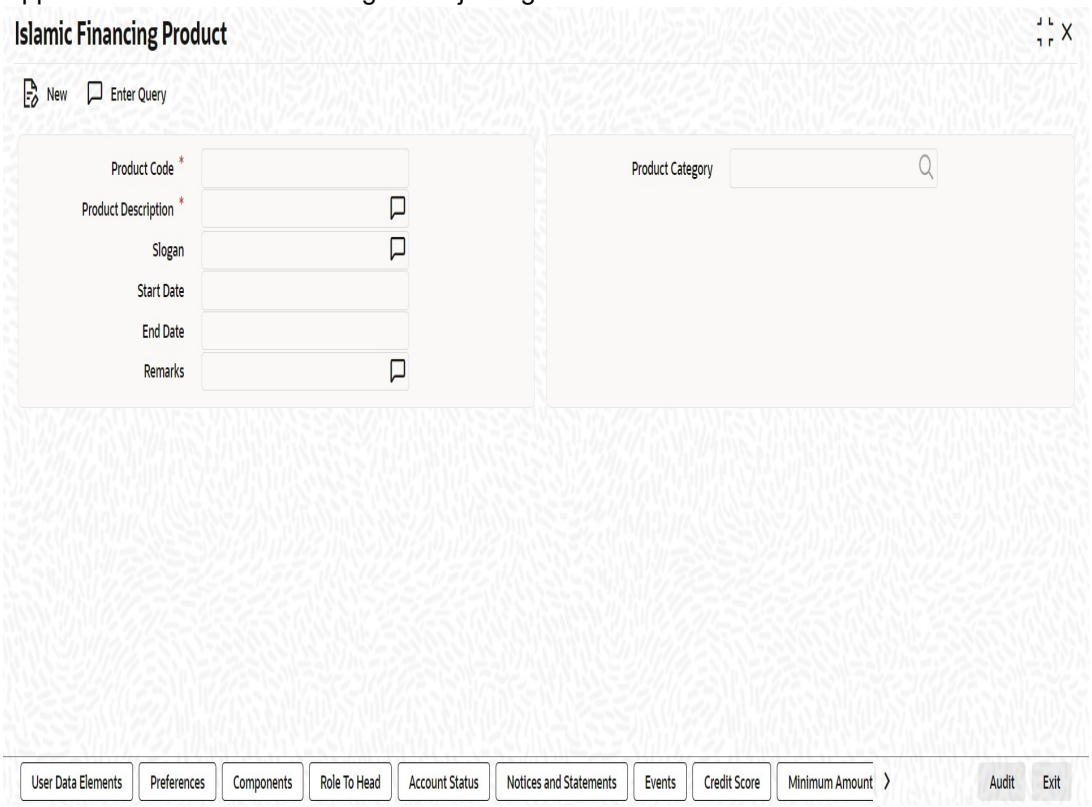
As mentioned at the beginning of this chapter, within a category you may have finances that differ in amount, tenor or other preferences.

These may be categorized into products. The finance product is derived from the product category based on the product rule that it satisfies.

Product Categories and Products are created at the Head Office (HOB) and you can create accounts under the products at branch level.

The branches that can offer the products are further determined by the branch restrictions defined for the products. You can capture product details in the 'Islamic Financing Product' screen.

You can invoke this screen by typing 'CIDPRMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, you can enter basic information about a product such as the Product Code, the Description, etc. Information related to specific attributes of a product such as accrual details, tenor, account roles and heads, the events etc. have to be defined in the respective sub-screens.

4.2.1.1 Specifying the basic product details

Basic details include the following:

Product Code and Product Description

The code you enter for a product identifies it throughout the module. You can follow your own conventions for devising the code. However, it must have a maximum of four characters.

When defining a new product, you should enter a code. This code is unique across the Islamic Financing module of Oracle FLEXCUBE. For instance, if you have used VA01 for a product in this module, you cannot use it as a product code in any other module.

You should also enter a brief description of the product. This description will be associated with the product for information retrieval.

Product Category

Products can be categorized into groups, based on the common elements that they share. For example Vehicle Finances, Personal Finances, Home Finances, and so on. You must associate a product with a category to facilitate retrieval of information for a specific category.

The categories defined through the 'Product Category Maintenance' are available in the option-list provided.

Slogan

You can specify a marketing punch-line to be associated with the product. This slogan will be printed on all the advices that are sent to the customer.

Start Date

A product can be defined to be active for a specific period. When you create a product, you specify a Start date for it. The product can be used with the start date and the end date (the date after which the product cannot be used).

If you do not specify an end date for the product, it can be used for an indefinite period and the product becomes open-ended in nature.

End Date

A product can be defined to be active for a specific period. When you create a product, you specify an End Date for it. The product can only be used within the specified period i.e. within the Start Date (the date on which the product is created) and End Date.

If you do not specify an end date for a product, it can be used for an indefinite period and the product becomes open-ended in nature.

After you exit this field (press 'Tab' on the keyboard), the message is displayed as 'Will now create default product'.

When you click on 'OK' in the message window, the message appears as 'Please populate Default Tenor Details, Account Head and Transaction Codes'.

When you click on 'OK', the preferences maintained for the default product (the typical characteristics of a finance product) gets associated with the product being defined.

Refer 'Annexure 1' provided at the end of this chapter for details on default product creation.

You can, however, change the default values for a new product.

4.2.1.2 Defining other attributes for a product

After specifying the basic details of a product, you can define the other finer attributes for a product in the appropriate sub-screens provided. From the 'Product Maintenance' screen, you can move to the sub-screen of your choice to define these details. Click on the button provided at the bottom of the screen for this purpose. Each button is explained briefly in the table below:

Button	Description
User Data Elements	This button is used to define the UDEs and Components relating to the product.
Preferences	This button is used to indicate your preferences specific to the product.
Components	This button is used to specify the component details, schedule definition and formulae for the product.
Role To Head	This button is used to specify accounting roles and account heads for the product. (The concept of accounting roles and heads is explained later).

Account Status	This button is used to indicate the status preferences for the product.
Notice & statement	This button is used to specify details of account statements and notices to be issued to customers. These have to be generated for different events in the life cycle of a finance.
Events	This button is used to specify events.
Credit Score	This button is used to maintain ‘Credit Score’.
Minimum Amount Due Method	This button is used to set a Default rule for minimum due
MIS	This button is used to define MIS details
Top Up Details	This button is used to maintain top up details.

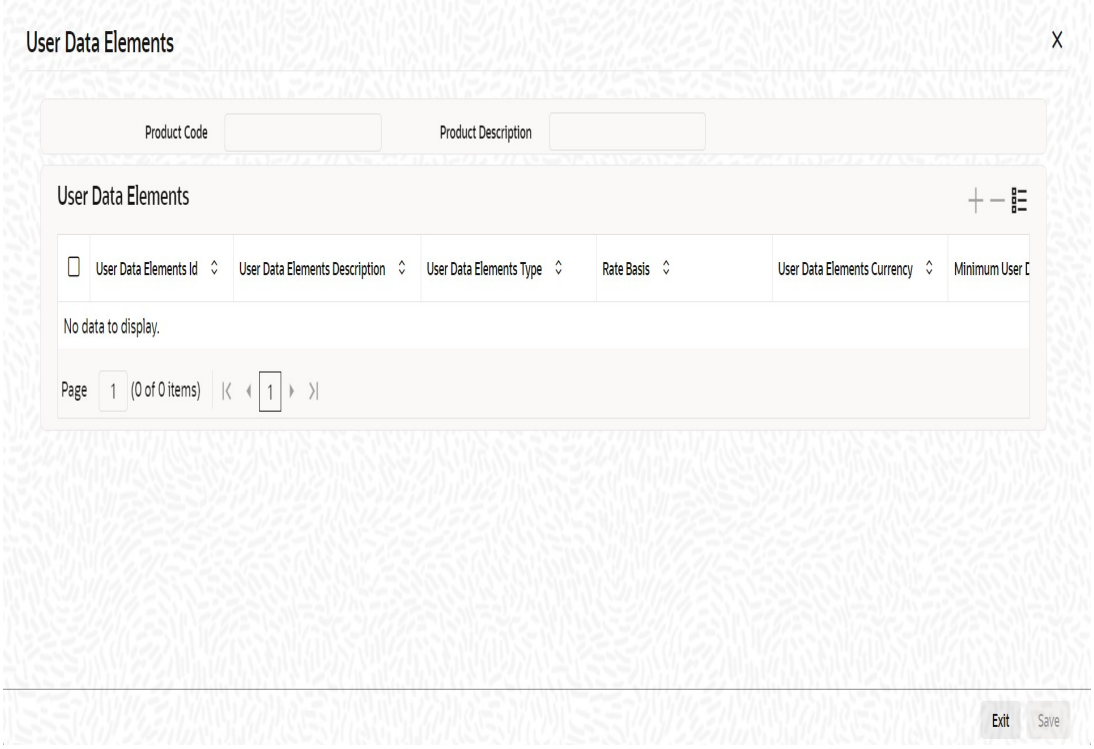
Note

There are some fields in the ‘Product Maintenance’ screens, to which input is mandatory. If you try to save a product without entering details in these fields, the product will not be saved. You will be prompted to enter all mandatory details before attempting to save the product.

When you save a product that you have created, your user-id will be displayed in the ‘Input By’ field and the date and time at which you saved the product in the ‘Date/Time’ field. The Status of the product will be updated as ‘Unauthorized’. A product is available for use only after it has been authorized by another user.

4.2.2 User Data Elements Button

You can capture the user data elements details of a product by clicking the ‘User Data Elements’ button. The screen is displayed below:



The main details include the definition of ‘Used Data Elements and Components.

To define a User Data Element (UDE), you have to specify the following details:

User Defined Elements ID and Description

Data elements like the rate at which profit has to applied, the tier structure based on which profit needs to be computed etc. are called User Data Elements (UDEs). These are, in effect, elements for which you can capture the values. You have to specify a unique ID to identify the UDE in the system. The UDE maintained here will be available for defining product rules. For instance, for pre-EMI kind of finance, you can define a UDE ‘PERCENTAGE’ to calculate the profit for the grace period.

You can also provide a brief description of the UDE being defined.

User Defined Elements Type

UDE Type will describe the nature of the UDE. A UDE can fall into one the following types:

- Amount
- Number
- Rate
- Rate Code

User Defined Currency

If the UDE type is ‘Amount’, you should specify the currency of the UDE. The currencies maintained in the ‘Currency Definition’ screen are available in the option-list provided. You can select a currency from this list.

The UDE names alone are captured here. To capture the values for the UDEs defined for a product, you have to use the ‘UDE Values’ screen.

Refer the section titled 'Providing UDE Values' in the 'Maintenances and Operations' chapter of this User Manual for more details.

Minimum UDE Value

Specify the floor limit for the UDE value. This means that the actual UDE value cannot be less than the value specified here. Note that this value has to be less than the maximum UDE value. The system will throw an error message if the minimum UDE value is greater than the maximum UDE value.

Maximum UDE Value

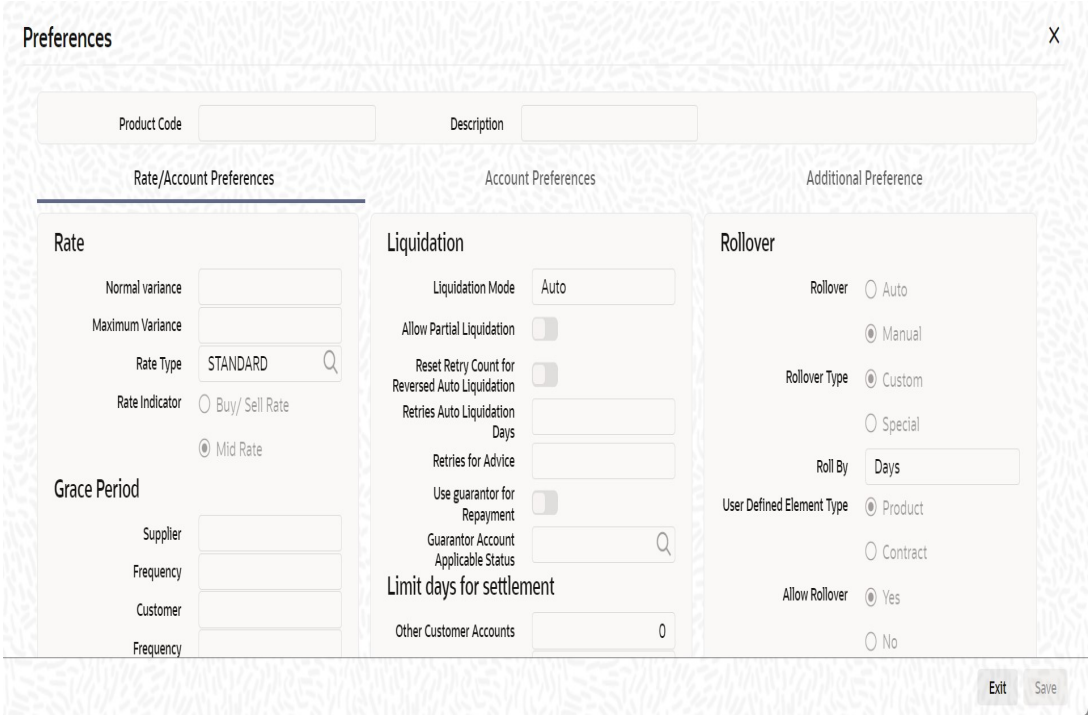
Specify the ceiling limit for the UDE value. This means that the actual UDE value cannot be greater than the value specified here. Note that this value has to be greater than the minimum UDE value. The system will throw an error message if this value is less than the minimum UDE value.

4.2.3 Preferences Button

Preferences are the options that are available to you for defining the attributes of a finance account product. These could be:

- The manner in which the system should handle schedules falling due on holidays
- Whether rollover should be automatic or with user intervention (manual)
- The tenor details for the finance
- Whether receivables should be tracked for the finance account etc.

The options you choose, ultimately, shape the product. These details are used for finance account processing. Click on 'Preferences' button in the 'Product Maintenance' screen to invoke the 'Preference' screen.



You should maintain the following preferences for the finance product:

4.2.3.1 Rate/ Account Preferences tab

Rate

The rate preferences include the following:

Middle Rate

You have to indicate the exchange rate applicable for the product you are maintaining. The available options are:

- Mid Rate
- Buy/Sell Rate

By default, the Buy/Sell Rate is used.

Rate Type

You have to select the code that should be used for the product from the option list provided. The 'Rate' and 'Rate Type' are used in combination to determine the actual rate applicable for currency conversion.

The default value for Rate Code is 'STANDARD'. This means that, if you choose 'Mid Rate', the mid rate maintained for the STANDARD code is used for the finances created under the product.

Maximum Variance

When creating a product, you can capture the maximum limit for rate variance. This is expressed in percentage. The variance between the exchange rate (specified for the product) and the rate captured for a finance (at the account level) should not be greater than the value specified here. If the exchange rate exceeds the maximum variance that you have defined for the product, the system will not allow you to save the finance. The transaction is rejected.

This value should be greater the value for 'Normal Variance'.

Normal Variance

You also need to specify the minimum/normal variance allowed for the rate. If the exchange rate variance between the exchange rate (specified for the product) and the rate captured for a finance exceeds the value specified here, the system will display an override message before proceeding to apply the exchange rate. The normal variance should be less than the maximum variance.

For back valued transactions, the system applies the rate on the basis of the exchange rate history. The variance will be based on the rate prevailing at that time.

Account Preferences

As part of specifying the account preferences, you can indicate whether the finance account holder can avail of the following facilities:

- A checkbook facility – determines if Checks can be written against the Finance account
- A passbook facility – indicates that Passbook can be issued to the finance account holder
- An ATM facility – makes the Finance account accessible for ATM operations

By default, all the above facilities are allowed for a finance account product.

Liquidate Back Valued Schedules

If you select this option, on initiation of a back value dated finance, all the schedules with a due date less than the system date will be liquidated.

Back Period Entry Allowed

This option facilitates back valued transactions. If you select this option, you will be allowed to process transactions with a value date less than the current system date.

Special Profit Accrual

If you check this box, accrual of profit is done on the basis of the formula specified for a component. Otherwise, profit accrual will be done based on the number of days in the schedule.

Lease Asset Booking

Check this box to indicate that the underlying asset has to be booked on financial leasing transaction.

Amend Past Paid Schedule Allowed

This option, if checked, allows you to perform value dated amendments to profit rate, installment amount etc with effective date beyond the last paid schedule. In such a case, the increase/decrease in the profit amount, as a result of the amendment, will be adjusted against the next available schedule after the current system date (date on which the amendment was performed) even if unpaid (overdue) schedules are present for the finance.

CL Against Bill

Check this box to indicate that the finances linked to this product should be associated to a *Murabaha* Bill.

Rebate Process Required

Check this option to facilitate rebate processing for the account.

Rental Advice

Compensation Treatment

Select the type of compensation treatment for rental advice from the drop-down list. The list displays the following values:

- Adjust Compensation to Next Rental Period - Select this option to adjust the compensation amount to the next rental period.
- Compensation till Rental Advice Gen - Select this option if the compensation calculated till notice generation date should be considered for rental advice generation.
- Null Value - Select this option if the rental advice has to display the compensation calculated till rental advice generation. System liquidates compensation calculated till the liquidation date during auto liquidation. By default this value is selected.

Note

This field is enabled for Musharaka /Musharaka under Construction / Ijara financing product types only.

Window of Repayment

You can specify the window of repayment details in this section. During product default the system builds the schedule for construction period based on the construction end date and window of repayment. On construction end date amendment, system will consider the window of repayment to rebuild the schedules. Post construction period will start from Construction End Date + Window of Repayment.

Units

Specify the number of days/months/years to be considered for window of repayment.

Frequency

Select the frequency of window of repayment from the drop-down list. The list displays the following values:

- Days
- Months
- Years

Note

- Window of repayment is applicable only for Istisna product category. The system displays and error message if the values are specified for any other product category.
- If Units and Frequency are not specified for Istisna product category then the window of repayment will be considered as zero.
- You can amend the value for window of repayment after authorization of the product. The new value will be considered for contracts created after the product amendment. It will not be considered for the existing contracts.

Track Receivable Auto Liquidation

If the track receivable option is checked for the finance account, the system will track the receivables for the finance account if sufficient funds are not available in the account.

In other words, the system will track the account for receivables (credits). As and when a credit happens, the funds will be allocated against the unpaid dues, for liquidation.

Packing Credit Rate

Check this box to enable linkage between the CI account associated with the product and BC product.

For more details on the Packing Credit Sub System and Pre-Shipment Finance, refer the section 'Specifying Purchase Details' in the chapter 'Processing Bills' of the 'Bills and Collections' User Manual.

Profit Statement

You have to select this option to facilitate profit statement generation for the account.

Principal Accrual

Check this box to indicate that accrual of principal is required. It is possible only if the lease type is 'Financial Lease' and has the Asset Product details.

Payment Mode

Here you can select the type of payment mode from options given below:

- Payment in Arrears (R) – In this case the payment is done at the end of the schedule. The formula type 'Amort-Payment in Arrears' is maintained to calculate the EMI amount based on the formula given below:

For financial Lease:

Using the formula below you can calculate the EMI amount for the financial lease.

$$EMI = I * \frac{\left[C - \frac{RV}{(1+I)^n} \right]}{1 - \frac{1}{(1+I)^n}}$$

Where,

- C = Amount Financed
- RV = Residual amount
- I = Periodic rate of Profit
- n = no. of payment schedules

For Operational Lease:

Using the formula below you can calculate the EMI amount for the operational lease.

EMI = (Amount Financed – Residual Amount) / No. of Schedules

- Payment in Advance (A) **–** In this case payment is done at the beginning of the schedule. This is possible only if asset tracking is not required. The amortization schedules will start from the value date onwards. The First EMI which falls on the account value date is liquidated automatically. The formula type 'Amort-Payment in Advance' is maintained to calculate the EMI amount based on the formula given below:
- For Financial Lease:
- Using the formula below you can calculate the EMI amount for the financial lease.

$$EMI = \frac{C - \frac{RV}{(1+I)^n}}{1 + \frac{1 - \frac{1}{(1+I)^{n-1}}}{I}}$$

Where,

- C = Amount Financed
- RV = Residual amount
- I = Periodic rate of Profit
- N = no. of payment schedules

For Operational Lease:

Using the formula below you can calculate the EMI amount for the operational lease.

EMI = (Amount Financed – Residual Amount) / No. of Schedules

Schedule Basis

You should also specify the schedule basis for the rolled over finance. The new finance can inherit the schedules from the finance product or you can apply the schedules maintained for the original finance itself.

Repayment From Salary Account

Check this box to indicate that repayment of financing accounts can be done from the salary account of the customer.

Note

If 'Repayment from Salary Account' field is checked, then while saving the financing account, the system will validate that the settlement account given in 'Components' tab is customer's salary account.

Whenever a salary credit is done in a salary account, the system will create an amount block to the extent of finance installments due, based on the number of days maintained at account class.

During auto liquidation, the system will release an amount block before liquidation. In case of manual liquidation, you need to release the amount block first and then initiate liquidation.

Processing re-payment from salary account.

The system will check if the salary is credited to a salary account through 'Salary Credit' field is selected as 'Normal Salary' for Hold in Preferences section of 'Transaction Code Maintenance' screen (STDTRNCD).

While crediting the salary to an account, the system will check the number of days for salary block maintained for account class in 'No of Days for Salary Block' field. If it is not maintained then the system will consider this value as 0.

When a salary is credited to an account, the system will also check for finance account installments due within Salary credit date + No. Of Days for Salary Block (Account class level maintenance) and put an amount block for the required finance account installment due amount.

For a given finance account schedule, the system will sum up all the applicable component amounts and create a consolidated amount block.

You cannot amend these amount blocks created by the system for hold on salary purpose. You can only close if required for a manual liquidation for finance account prepayment.

The system will recover the finance account amounts from the salary credit amounts only as per the finance account schedule using ALIQ process. During ALIQ processing, the system will check if the Finance account issued is 'Repayment from salary account'. The system will also check the availability of any not yet processed records for the given account number and Finance account installment due date should be less than or equal to the processing date.

If matching records are found, the system will release the amount block and then process ALIQ for recovering the finance account installment.

In case of manual liquidation / finance account pre-payment is to be done for some reason, the system will display an error message to release the block manually, in case there is any amount block created for salary hold purpose. You need to close an amount block created manually.

Loan account currency and settlement currency should be same if repayment from salary account is enabled.

If any VAMI is initiated with salary amount blocks in the loan account which updates the schedule date/amount, the system will display an error message. You need to manually release the amount block and re-initiate the VAMI in this case.

If payment reversal/ version reversal is initiated on finance accounts with salary amount blocks, then the system will display an error message. You need to release the salary blocks and re-initiate the reversals.

Note

In conventional accounts with salary blocking, during schedule amount liquidation, the system will consider only the salary amounts blocked for due amount liquidation and balance amount is tracked against salary. This is to consider the available balance in settlement account also for liquidating the due amount. The system will track this amount only if due amount is not available in the account.

Rescheduling Allowed

Check this box to allow rescheduling.

Tenor

You can set the minimum and maximum tenor limits for a product. You can also specify a standard or a default tenor.

Minimum Tenor

You can fix the minimum tenor of a product. The tenor of the finance account that involves the product should be greater than or equal to the Minimum tenor that you specify.

Maximum Tenor

Likewise, you can also specify the maximum tenor for a product. The tenor of the finance accounts that involve the product should be less than or equal to the Maximum tenor that you specify.

Default Tenor

The ‘default tenor’ is the tenor that is associated with a finance account involving this product. The value captured here should be greater than the minimum tenor and less than the maximum tenor. You can change the default tenor applied on a finance account during finance processing. However, the new tenor should be within the minimum and maximum tenors maintained for the product.

Units

The tenor details that you specify for a product can be expressed in one of the following units:

- Days
- Months
- Year

Liquidation Preferences

Liquidation preferences include the following:

Liquidation Mode

Specify the mode of liquidation from the drop-down list. The following options are available for selection:

- Auto
- Manual
- Component

Partial Liquidation

In case of insufficient funds in the account, you can instruct the system to perform partial auto liquidation to the extent of funds available in the account. However, if this option is not selected, the schedule amount due will not be liquidated if sufficient funds are not available in the account.

Reset Retry Count for Reversed Auto Liquidation

If you have maintained a limit on the number of retries for auto liquidation, this option will reset the retries count to zero during reversal of auto liquidation. This will be applicable from the date of reversal of payment. Hence, the system will once again attempt auto liquidation till the number of retries allowed. The system will update the status of the reversed payment to 'Unprocessed' after which it again attempts auto liquidation.

Retries Auto Liq Days

Capture the number of working days for which the system should attempt auto liquidation. The number of retries per day will depend on the configuration maintained for the 'Liquidation Batch Process' - during BOD, EOD or both. For instance, if the batch is configured for both EOD and BOD, and the number of retry days is '1', then, auto liquidation is attempted twice on the same day i.e. once during BOD and another retry at EOD.

Retries for Advice

Specify number of times you want to retry generation of advice. The number of retries should be less than 'Retries Auto Liquidation Days'. When auto liquidation fails and advice retry count is reached, the system generates a failure advice and sends it to the customer to initiate an appropriate action for the successful execution of the advice.

Use Guarantor for Repayment

Check this box to indicate that Guarantor and other CASA accounts should be considered for settlement during auto liquidation, based on the limit days specified. By default this box is unchecked.

After authorizing the product, you can modify this field and the changed value is applied only on the new accounts and not on existing accounts.

If this box is checked then you have to specify the Guarantor account applicable status for the account. If not, system throws a configurable error message.

Guarantor Account applicable Status

Specify the applicable status of the finance account after reaching which the guarantor accounts will be considered for settlement. Alternatively, you can select applicable status from the option list. The list displays all valid active status maintained in the system.

Limit Days for Settlement

In product level, you can maintain the following details:

- The limit days for guarantor account and other customer accounts.

Other Customer Accounts

Specify the number of days after which the other accounts of customer should be considered for settlement.

By default, the system will display zero. You can amend this value.

Guarantor Accounts

Specify the number of days after which the guarantor account should be considered for settlement.

By default, the system will display zero. You can amend this value.

If the value maintained is zero, then system will consider other accounts/guarantor accounts on the next date itself.

The system will consider primary settlement account and guarantor account for liquidation after limit days are maintained for guarantor accounts.

If for the guarantor, only customer is defined and no accounts are selected, then the system will consider the current and savings account of the guarantor in a random order.

Grace period

You can specify the following details.

A grace period is a period of time past the deadline for fulfilling an obligation during which a penalty that would be imposed for being late is waived.

Supplier

Specify the supplier grace period and frequency for all contracts linked to this product, You can specify this value in terms of days, months or years. Choose the appropriate unit from the adjoining drop-down list. Based upon this period the first installment date of the finance contract will be derived. This field is applicable for *Murabaha* products only.

Customer

Specify the customer grace period and frequency for all contracts linked to this product, You can specify this value in terms of days, months or years. Choose the appropriate unit from the adjoining drop-down list. Based upon this period, the first installment date of the finance contract will be derived. This field is applicable for *Murabaha* products only.

Profit Collection

Select the profit collection from the drop-down list. The list displays the following values:

- First Profit Schedule - If you select this option, the system will collect grace period profit with first normal profit schedule
- Across Schedule - If you select this option, the system will apportion total grace period amount against all profit schedules

Rollover

The rollover specifications for a finance account will apply to all finance accounts opened under the product.

Auto/Manual Rollover

You have the option to rollover the finance manually or instruct the system to do an automatic rollover. If you choose the do an auto rollover, then upon maturity of the finance, the system will automatically rollover the account.

The rollover will happen as part of the Rollover Batch executed at BOD or EOD, depending on your requirement.

Note

– For *Ijarah* type of accounts rollover is not allowed.

– If the product is an Ar-Rahnu product, then the 'Rollover Mode' must be maintained as 'Manual'. If the 'Rollover Mode' is maintained as auto, then the system displays the error message 'For Ar-Rahnu the Rollover Mode should be manual' while saving the product For Ar-Rahnu the Rollover Mode should be manual

Rollover Type

The following options are available:

- Custom: This determines if the Rolled over amount will include the unpaid components of the product. The option list provided will display the components relevant to the product from which you can choose the components that are to be rolled over.
- Special: Choose this option to indicate that a special amount is to be rolled over. The amount is captured at the account level when the actual rollover is initiated.

Rollover By

This is applicable if you have opted for automatic rollover. You have to specify the unit based on which Rollover will be triggered. The options are:

- Days
- Months
- Quarters
- Semi Annuals
- Years

UDE Type

Here, you need to specify whether UDE Values for the new (rolled over) finance should be defaulted from the product or from the original finance account/contract that is being rolled over.

Handover Preferences

Handover Applicable

Check this box to indicate that property handover period is applicable for all accounts under this product. This field is applicable for Forward Ijarah, Istisna and Musharaka under construction products only. If you check this box, you will have to maintain three different user-defined formulae for the main profit component.

Extend Final Disbursement Till Handover Date

Check this box to extend the disbursement till handover date.

Handover Date Extension

Specify the following details for extension of property handover date.

Unit

Specify the number of days/months or years by which the property handover date can be extended for accounts under this product.

Frequency

Select the frequency for handover date extension from the adjoining drop-down list:

- Days
- Months
- Years

Product Restriction

Branch Restriction List

Indicate whether you want to create a list of allowed branches or disallowed branches by choosing one of the following options:

- Allowed
- Disallowed

Currency Restriction List

Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options:

- Allowed
- Disallowed

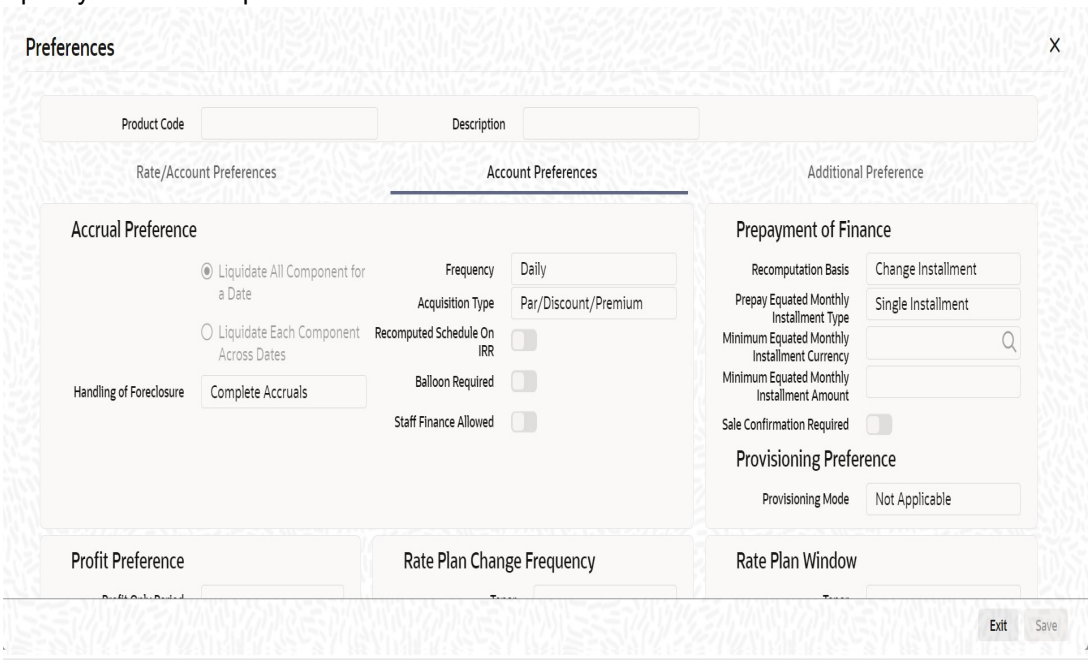
Category Restriction List

Indicate whether you want to create a list of allowed customers or disallowed customers by choosing one of the following options:

- Allowed
- Disallowed

4.2.3.2 Account Preference tab

Specify the account preferences in the 'Account Preferences' tab.



Accrual Preference

Here you can specify the following details:

Frequency

Specify the frequency at which IRR accrual should be performed. This can be either Daily or Monthly. Choose the appropriate option from the adjoining drop-down list.

Handling of fore closure

Specify how foreclosures in respect of the finance contracts under the product, must be handled. You can opt for complete accruals or refund. Choose the appropriate option from the adjoining drop-down list.

Note

In case of pre-closure of the finance (prepayment of the total outstanding amount), the fund profit will also get liquidated and thus the accrual entries will get reversed.

Acquisition Type

Specify the acquisition type for the product. You can specify any of the following options:

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

Refer the section titled 'Processing of IRR application on finances' in this chapter to understand the IRR processing for this module.

Liquidate Each Component Across Dates

Specify the days after which system should check the guarantor's account for funds, in case funds are insufficient in the customer's other accounts too. During auto liquidation, in case of insufficient funds in the primary settlement account, the system will look in the customer's other accounts for funds. If funds are still insufficient, the system will look into the guarantor's accounts for funds.

Recompute schedule on IRR

Check this box to indicate that schedules should be re-calculated based on the Internal Rate of Return (IRR) for all contracts linked to this product. You will be able to check this box only if the product is linked to '*Murabaha*' and 'Istisna' product category.

The system will recalculate the schedules based on IRR, if you check 'Recompute Schedule on IRR' field for the product.

IRR Calculation is only for auto disbursement products.

Balloon Required

Check this box to indicate that balloon payment should be allowed for all contracts linked to this product. You will be able to check this box only if the product is linked to 'Murabaha' product category.

If this field is checked, then you should compulsorily check 'Recompute Schedule on IRR' field.

Staff Finance Allowed

Check this box to indicate that staff financing is applicable for the product. System will not calculate profit for staff finance amount.

Note

- Only if this box is checked at the product level, you will be able to enter staff finance details during account creation.
- System does not calculate profit on the amount being input as staff finance.

– .If you check this box you have to maintain the SDE "STAFF_DIFF_RATIO" in the main profit formula.
– This box can be checked only for Murabaha and Istisna type of products with Flat or SIMPLE_AVG methods. For other product types system displays an error.

Prepayment of Finance

The following are the preferences based on which prepayment of amortized finance should be processed:

Recomputation Basis

Recomputation of amortized finances as a result of a prepayment can be based on one of the following:

- Recalculate Installment Amount: In this case the tenor remains constant
- Recalculate Tenor: Here, the tenor is recomputed while the installment remains constant
- Recalculate Installment with New Maturity Date: Here, the EMI is recomputed based on the new input maturity date. The new maturity date should be less than the current maturity date.
- Recalculate Installment with New Payment Holiday: Here the EMI is recomputed based on the holiday period. The Holiday period is considered as the period between the prepayment date and next schedule date.
- Advance Maturity with Equal Profit: In this case, the maturity date is reduced with Equal Profit for each schedule.
- On saving the payment, the system processes the schedules and the installment amount based on the above option maintained and also based on whether the re-computation of schedules is allowed for the contract specified at the contract level. This is applicable for *Murabaha* Products only

Prepay Equated Monthly Installment Type

For Prepayment of amortized finances, if you have chosen to recompute the Installment Amount keeping the tenor constant, then the Installment calculation can be one of the following types based on future rates:

- Single Installment: A single installment is computed using the future rates
- Multiple Installments: Multiple EMIs are defined if a future rate change is known upfront

Sale Confirmation Required

Check this box to indicate that sale confirmation is required. This option is applicable only for products under *Murabaha* product category.

Provisioning Preference

You can define the provisioning preference of loan accounts by selecting the required option in Provisioning Mode.

Provisioning Mode

Select the Provisioning Mode preference of loan accounts from the drop-down list. The list displays the following options:

- Not Applicable
- Auto
- Manual

By default, the provisioning mode will be selected as ‘Not Applicable’.

It is mandatory to select the provisioning mode as either ‘Auto’ or ‘Manual’ if CL product is created with a provision component. If CL product does not have provision component, then provisioning mode should be selected as 'Not Applicable'.

Profit Preference

Profit Only Period

Specify the period during which a customer doesn’t have to pay the principal amount. Profit only period cannot be more than the period mentioned at product level.

If the profit only period maintained during account creation or amendment is greater than the period maintained at the product level, the system will display the error message ‘Principal Repayment Holiday is greater than the Profit Only Period’ while saving or amending the account.

Unit

Select the unit for the profit only period from the adjoining drop-down list. It can be one of the following:

- Days
- Months
- Years

Rate Plan Change Frequency

Tenor

Specify the frequency rate on what customer can change the plan.

Unit

Select the unit for the rate plan change frequency from the adjoining drop-down list. It can be one of the following:

- Days
- Months
- Years

Rate Plan Window

Tenor

Specify the time period to decide the plan change and intimate the bank.

Unit

Select the unit for the rate plan window from the adjoining drop-down list. It can be one of the following:

- Days
- Months
- Years

Readjustment Entry preferences

You have to specify the manner in which adjustment entries passed due to back dated adjustments should be handled. The options are:

- Settlement: This means that the adjustment is settled directly
- Adjust: In this case, the entries are tracked as a receivable (Cr) or a payable (Dr), to be settled later

Note

You need to select ‘Settlement’ for the credit (receivable) leg, for DSBR event,

Takaful Required

Check this box to indicate that whether the insurance is applicable for the product or not.

Note

If you check this field, the Construction Period Profit Basis is ‘Actual’ and the disbursement mode is ‘Manual’.

Re-Schedule Amortization on Final disbursement

Check this box to indicate whether you want to reschedule the amortization on final disbursement. If you check this option the system will recalculate the amortized schedules from the date of final disbursement. This value defaults in the ‘Re-Schedule Amortization on Final disbursement’ field in the ‘Account Details’ screen. You will not be able to modify this field after the first authorization of the product.

Disbursement mode

The following options are available to make a disbursement:

- **Auto** - Choose this option to instruct the system for automatic disbursement of finance. In this case, disbursement happens based on the disbursement schedule maintained for the product. This is defined in the ‘Components’ tab. By default, the system does an auto disbursement.
- **Manual** – Choose this option to manually disburse the finance. Here, disbursement happens on demand. In this case, disbursement schedules need not be maintained for the PRINCIPAL component.

  The ‘Manual Disbursement’ screen is used for this purpose.

For details, refer the ‘Making Manual Disbursements’ chapter of this User Manual.

Ar-Rahnu Extensions

Specify the number of extensions or rollovers you want to allow for the Ar-rahnu account.

Note

- Ar-Rahnu Extensions value can be maintained as ‘0’
- While saving an product, if the product is Ar-Rahnu product and if a value is not maintained for Ar-Rahnu Extensions, then the system displays the error message as ‘For Ar-Rahnu products the Ar-Rahnu Extensions should be entered’.

Construction Period Preferences

Profit Basis

You can select the basis for profit computation from options given below:

- Nominal - The Profit computation for construction period is based upon the projected amount and the disbursement is manual.
- Actual - The Profit computation for construction period is based upon the actual amount released and the disbursement can be auto or manual.

UIDB Rate

Specify the UIDB Rate, which will be used for calculation of UIDB.

Cap Based On Nominal

Check this field to indicate cap based on nominal.

If the nominal schedules are maintained and construction period profit is maintained as 'Nominal', then UIDB will consider the nominal disbursement schedules for construction period profit.

If UIDB computed for construction period for the following:

- If it is less than the profit calculated based on actual disbursement, then system will stop the accrual for construction period profit so that it does not exceed the profit computed based on nominal disbursal.
- If it is greater than the profit calculated using the actual disbursement, then system will trigger UIDR at the end of construction period for reversing the excess of profit booked.

When 'Cap based on nominal' is selected at product level then construction period profit should be set as 'Actual'. And user can maintain nominal schedules.

- Constrcution period profit will be calculated based on the actual disbusement .
- UIDB will be computed based on nominal disbursement schedules

Overdraft Details

The basic information for over draft can be specified here.

Overdraft Tracking Allowed

Check this option to allow the tracking of overdraft details.

Overdraft Account Class

Specify the current account class that needs to be associated with the *Murabaha* product.

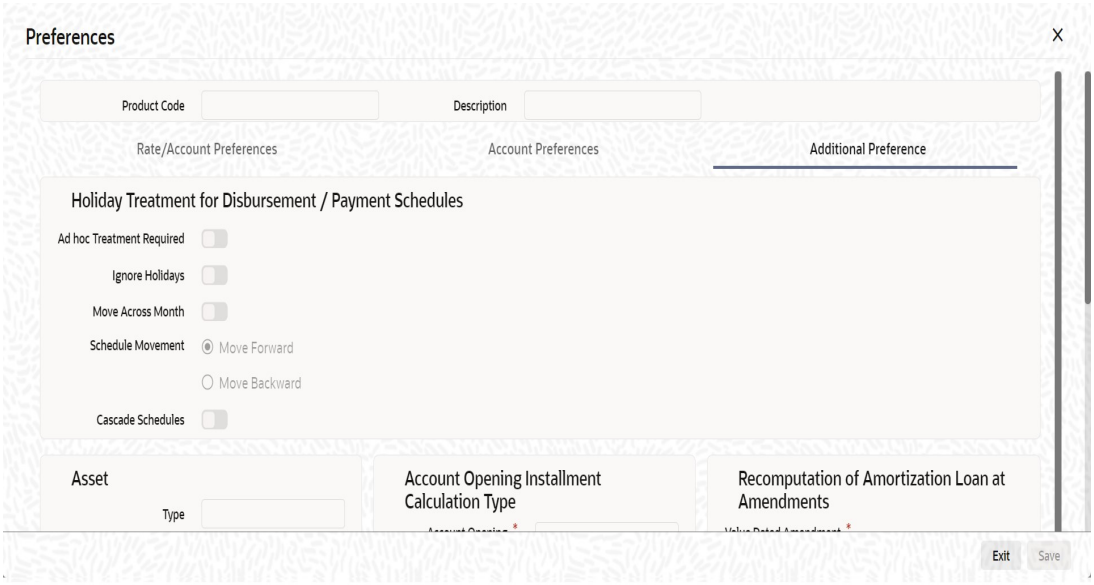
IP Product

Specify the profit and charge product that needs to be associated with the *Murabaha* product.

Note

After authorization of the product, the aforementioned values cannot be changed.

4.2.3.3 Additional Preference tab



Holiday treatment for all schedules

You can capture the following details here:

Ignore Holidays

If you check this option, the schedule dates will be fixed without taking the holidays into account. In such a case, if a schedule date falls on a holiday, the automatic processing of such a schedule is determined by your holiday handling specifications for automatic processes, as defined in the 'Branch Parameters' screen.

Cascade Schedules

If you check this option, when a particular schedule falls due on a holiday and hence is moved to the next or previous working day (based on the 'Branch Parameters'), the movement cascades to other schedules too. If not selected, only the affected schedule will be moved to the previous or next working day, as the case may be, and other schedules will remain unaffected.

However, when you cascade schedules, the last schedule (at maturity) will be liquidated on the original date itself and will not be changed like the interim schedules. Hence, for this particular schedule, the profit days may vary from that of the previous schedules.

Move Across Month

If you have chosen to move the schedule date of a finance falling due on a holiday, either to the next or previous working day and the movement crosses over into a different month, then this option will determine whether the movement should be allowed or not.

Schedule Movement – Move Forward /Move Backward

If you opt to move the schedule date falling due on a holiday across months, you need to specify whether the schedule date should move forward to the next working day in the following month or move backward to the previous working day of the current schedule month itself.

However, if you opt to ignore the holidays and do not select the 'Move Across Months' option, the system Ignores the holidays and the due will be scheduled on the holiday itself.

Asset

You can capture the following details here:

Asset Type

If you have checked the option 'Multiple Asset', you will have to specify the type of asset that can be captured. You can choose any one of the following options available in the adjoining drop-down list:

- Vehicle Info
- Property Info
- Goods Info
- Building Info
- Equipment Info
- Project Info
- Service *Ijarah* Info
- None

Multiple Asset

Check this option to indicate that multiple assets can be linked to the accounts under this product.

If you check this box, then you need to provide the required details in Asset Type, Minimum Asset Cost, Maximum Asset Cost and currency fields.

Minimum Asset Cost

Specify the minimum cost for assets linked to accounts under this product.

Maximum Asset Cost

Specify the maximum cost for assets linked to accounts under this product.

Asset Currency

Specify the currency in which the asset cost range should be considered. The adjoining option list displays all valid currency codes maintained in the system. You can select the appropriate one.

Allow Inventory

Check this option to indicate that whether the bank provides commodity for the transaction from the inventory or not. This option will be used only for the purpose of inventory tracking.

Note

The inventory tracking is not applicable for *Ijara, Musharaka* and *Istisna* product categories

If 'Use Inventory' option is selected, you need not have to enter the following details:

- Fixed asset Product
- Multiple Assets

Account Opening Installment Calculation Type

The Account Opening Installment Calculation Type based on future rates can be:

- Single Installment: A single installment is computed using the future rates.
- Multiple Installments: Multiple EMIs are defined as per the future rates.

Lease Type

Here you can select the type of lease from options given below:

- Financial Lease (F)
- Operational Lease (O)

Down Payment Minimum Percentage

Specify the minimum down payment percentage amount required for the account under the selected product. You can enter values between 1 to 100.

> **Note**
>
> Down Payment percentage is not applicable for MUDARABAH product category.

Recomputation of Amortization Loan at amendments

You have to indicate whether the tenor of the finance should be reduced or the installment should be recalculated whenever a maturity date, principal change or a rate change is made against an amortized finance.

Recomputation basis for amendments

The possible amendments and the recomputation basis are given below:

- For amendment of maturity date of an amortized finance: You can opt to change the tenor, keeping the installment constant or change the Installment keeping tenor constant.
- For amendment of principal amount: You can affect it either as a Balloon additional amount in the last schedule or apportion it across the installments.
- For profit rate change: You can change the tenor keeping the installment constant or vary the EMI and keep the tenor same.
- For installment changes with Average Life Takaful component: You can opt to change the schedules with Average Life Takaful amount for VAMI, but keep the total profit amount same.

VAMI Installment Calculation Type

For amendments, if the recomputation basis is ‘Change Installment’, then the Instalment calculation can be:

- Single Installment
- Multiple Installment based on multiple future rates

Holiday Period

The value date, schedule date, revision date or the maturity date of a contract might fall on a local holiday defined for your branch or on a holiday specified for the currency involved in the contract.

You need to specify the following holiday parameters, which has to be considered for holiday handling:

Holiday Periods

You can link ‘Holiday Periods’ maintained in the system to finance accounts. Holiday periods refer to repayment holidays when a customer is not expected to make payments even if a schedule exists. The holiday processing will skip the schedules in the holiday period and calculate the dues on the next available schedule date outside the holiday period.

Authorizing Rekey

As a cross-checking mechanism to ensure that you are invoking the right finance for authorization, you can specify that the values of certain fields should be entered, before the other details are displayed. The complete details of the finance will be displayed only after the

values to these fields are entered. This is called the re-key option. The fields for which the values have to be given are called the re-key fields.

You can specify the values of a finance that the authorizer is supposed to key-in before authorizing the same.

You can select the fields from the option list provided. If no re-key fields have been defined, the details of the finance will be displayed immediately once the authorizer calls the finance for authorization.

The re-key option also serves as a means of ensuring the accuracy of the data captured.

4.2.3.4 Track Receivable preferences

The following preferences are applicable if you have chosen to track receivables for an account:

Auto/ Manual Liquidation

During auto liquidation, if funds are not available, the system will track the amount to be liquidated as a receivable. Any subsequent credit to the customer's account is then blocked and allocated towards the pending liquidation.

Liquidate All Comp for a Date or Liquidate Each Comp across Dates

During manual payments towards several overdue schedules, you can opt to clear/liquidate all the components of a schedule due on a specific date or only a single component falling under all the schedules.

By default, the system opts to liquidate all components for a date.

4.2.3.5 Disbursement Mode preferences

The following options are available to make a disbursement:

- **Auto** - Choose this option to instruct the system for automatic disbursement of finance. In this case, disbursement happens based on the disbursement schedule maintained for the product. This is defined in the 'Components' tab. By default, the system does an auto disbursement.
- **Manual** - Choose this option to manually disburse the finance. Here, disbursement happens on demand. In this case, disbursement schedules need not be maintained for the PRINCIPAL component.

The 'Manual Disbursement' screen is used for this purpose.

For details, refer the 'Making Manual Disbursements' chapter of this User Manual.

4.2.3.6 Fixed Asset Preferences

FA Product

Here you can specify the fixed asset product in which the fixed asset contract is created from the option list given. All valid fixed asset products are applicable for the selection, provided the 'Financing by Loan' set as 'Yes'. This is enabled only if you check 'Lease Asset booking'.

Description

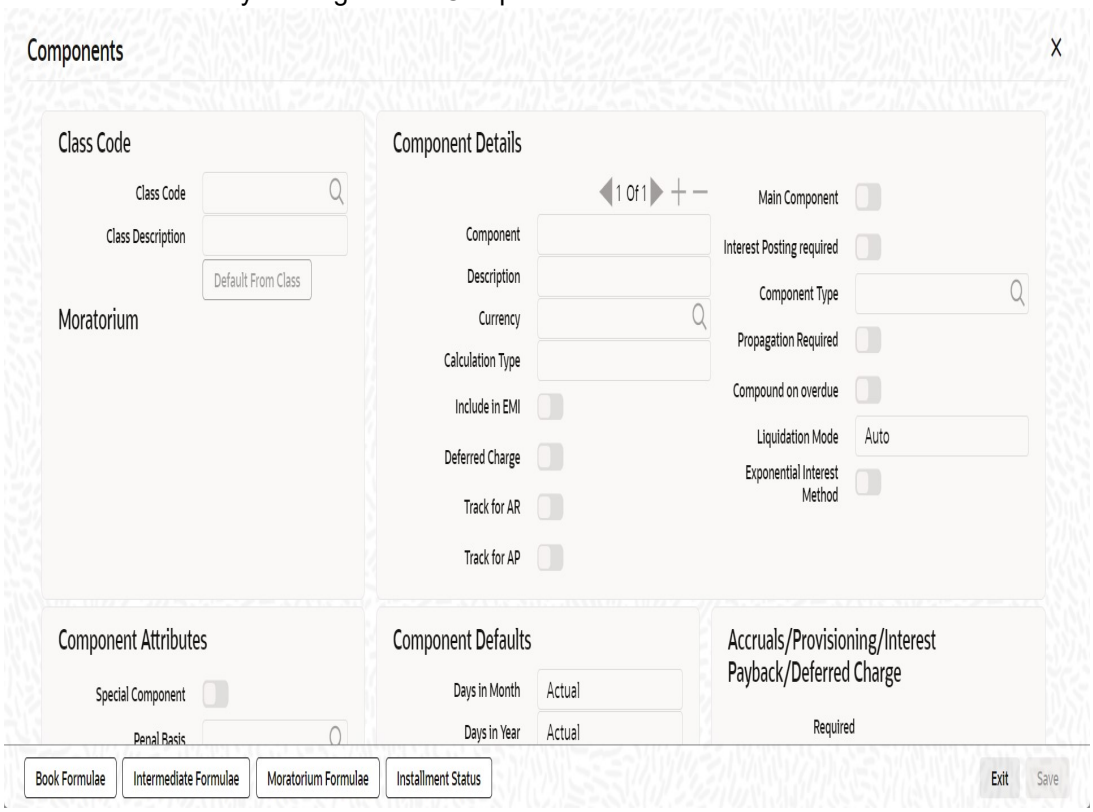
Here the description of the asset product gets displayed once you choose the fixed asset product.

If you check the option 'Insurance Required' you will have to maintain accounting entries for the event 'INSR'.

Refer the chapter 'Annexure A - Accounting Entries and Advices' in this User Manual' for details about the accounting entries.

4.2.4 Components Button

You have already maintained the components of the product in the 'User Defined Elements' screen. The features of the components are defined in the 'Components' screen. You can invoke this screen by clicking on the 'Components' button.



Note that the components defined in the 'Main' tab are displayed in the form of a list in the screen above. From the component list, highlight a component and then go on to define the features for the selected component e.g. highlighting the 'Fund Profit' component will treat the component as 'Funding Profit component'.

Note

The relevant accounting entries will be maintained for ACCR and MLIQ/ALIQ events. With this maintenance, the system will pass accounting entries for accrual.

Component

The basic information for a component is specified here. This includes the following:

Component

This option is used to designate a component as the 'Main' Profit component. If you enable the 'Main Component' option for a particular component, the system treats this component as the main component. Also, you are allowed to define the amortization schedules only for this component.

'Principal' is an implicit component that is automatically created for the product.

Main Component

Check this box if you need to maintain the specified component as main component.

Capitalized

You can indicate whether capitalization is required for all the schedules for various component of the finance. At anytime, the outstanding profit will be capitalized on the schedule date at the rate prevalent on that day. You can opt for capitalization at the component level or opt for capitalization/non capitalization for a particular schedule at the 'Schedule' level.

You could have more than one type of schedules applicable on a product. In such a case, you can designate one as the capitalized and the other as un-capitalized schedule.

Note

This option is disabled for the contract if you have checked 'Book Unearned Profit' option for the product in the 'Preferences' screen.

Currency

Associate the component with a currency. The component is expressed in the currency selected here. You can select the currency of your choice from the option list provided.

Calculation Type

Specify the manner in which the component should be calculated and liquidated. You can choose one of the following options (the applicable 'Component Type' is also provided):

- Formula with schedule (Component Type - Profit)
- Formula without schedule (Charge)
- Penal Profit
- Prepayment Compensation
- Discount
- Schedule without formula (Principal)
- No schedule No formula (Ad Hoc Charges)
- Compensation Charges

Note

'Compensation Charges' are calculated only once for a 'Compensation basis' schedule. 'Compensation basis' is explained later in this user manual.

Component Type

Indicate the nature of the component. This is also known as the 'Reporting Type'. It defines the manner in which the component should be classified for reporting/accounting purposes. A component can be of one of the following types:

- Reimbursement: these are components which have both Dr and Cr mapped to settlement accounts
- Off-Balance Sheet (OBS): An OBS Component will have balances but these need not be zero when an account is closed
- Fund Profit: This indicates the funding component
- Compensation Adjustment: This can be linked to the compensation component using 'Basis Element' and can be used for doing the adjustment of the compensation component.
- Ad hoc Charges

- Charge
- Tax
- Insurance
- Profit
- Provisioning
- Deposit
- Life Takaful
- Customer Rental Incentive - If the profit is based on outstanding principal and if the customer repays the overdue Principal, then you can calculate the incentive for the customer for the extra amount calculated for the next rental period. This is applicable only for Musharaka and Musharaka Under Construction products.

Note

The fund profit component gets liquidated on schedule even if the customer does not pay the other components.

Calculating Life Takaful Component

To calculate the Life takaful component,

- a user defined component has to be maintained at the product level
- maintain a user defined element LIVES_COVERED at product level
- the component type has to be selected as Life Takaful
- 'Formula Type' has to be selected as 'User Defined'
- 'Calculation Type' of the component has to be selected as 'Formula with Schedule'

The system allows you to change the Life takaful rate at individual contract level.

For the UDE LIVES_COVERED, the number of lives to be covered will be captured at the account level. The Life takaful calculated at the given rate will be multiplied by the number of lives that should be covered.

When profit recomputation happens at product level, Life takaful recalculates to change the expected principal or change in Life takaful.

The Life takaful rate will be used on the basis amount Principal_Expected to derive the takaful amount for each schedule period.

If Life takaful amount for the entire finance tenure has to be averaged across the finance tenure then the 'Average Life Takaful' check box has to be selected.

The Life takaful amount will be recalculated if there is a change in Principal_Expected in the event of prepayment, Principal increase/ decrease VAMI, Rate Revision in case of amortized contracts.

If Life takaful amount has to be averaged during recalculation, it will be averaged across the remaining future unpaid takaful schedules.

Calculation for averaging is as follows:

New Average Life Takaful Amount= (New Life Takaful Amount Total - Sum of Life Takaful Amount due for Unchanged Schedules) / Number of Remaining Life Takaful Schedules

For Istisna and Musharaka under construction and forward Ijarah products,

- If the construction period main profit is calculated on the notional disbursements, then the construction period takaful is calculated on the notional principal disbursement schedule.
- If the main profit is based on the actual disbursement, the construction period takaful can be calculated based on the actual principal expected.
- Dual formula is maintained to handle takaful for construction and post construction period.
- During life cycle events i.e. deferment, rescheduling, prepayment, VAMI, Life takaful is not recalculated. The future Life takaful due amount is redistributed similar to main profit component.
- During deferment, the Life takful due is deferred similar to main profit and it is not recalculated.
- Handover extension for forward Ijarah and Musharaka UC is applicable to life takaful component and re-computation is similar to Profit component.
- During prepayment, takaful amount is not recalculated though recalculation for other products is similar to main profit component.

Book Formulas for the Life Takaful Component

Construction Period	Based on Amount Financed	@TAKAFUL(AMOUNT_FINANCED,(TAKAFUL_RATE),DAYS,YEAR,COMPOUND_VALUE,LIVES_COVERED)
Construction Period	Based on actual Disbursements	@TAKAFUL(PRINCIPAL_EXPECTED,(TAKAFUL_RATE),DAYS,YEAR,COMPOUND_VALUE,LIVES_COVERED)
Construction Period	Based on Notional Disbursement	@TAKAFUL(PROJECTED_AMOUNT,(TAKAFUL_RATE),DAYS,YEAR,COMPOUND_VALUE,LIVES_COVERED)
Post Construction Period	Based on principal Expected	@TAKAFUL(PRINCIPAL_EXPECTED,(TAKAFUL_RATE),DAYS,YEAR,COMPOUND_VALUE,LIVES_COVERED)

UIDB processing is not applicable for life takaful component.

The construction period and post construction takaful schedules are sysncronized with the main profit construction period and post construction schedules. During VAMI, when construction end date and main profit schedules changes, even the takaful schedules changes.

Grace period is not applicable for Life takaful component.

Life Takaful is not supported for Operational Ijarah.

During Asset Rescheduling, schedule rebuilt/reclaculated for life takaful component in line with main profit.

During rate revision at the product level, life takaful is recalculated based on new principal expected.

Life takaful is calculated based on the regenerated schedule, when IRR based schedule regenaration is required.

Life takaful rate do not use floating rate or rate code but the Life takaful rate changes through VAMI.

Handling the Customer Incentive

You can handle the incentive for a customer by maintaining a component with component type as Customer Rental Incentive.

The system calculates the incentive basis amount for incentive calculation. The basis amount will be the difference between the rental amount calculated for the next immediate period and the actual rental amount calculated on basis of the outstanding principal considering the payment made.

You can define INCENTIVE_RATE as UDE for specifying the rate to be used for incentive calculation.

Formula for calculation of the incentive is as follows:

INCENTIVE_BASEAMOUNT * INCENTIVE_RATE/100

The incentive amount is calculated on liquidation but the due date is updated as next rental period due date.

Note

- If there is a rate revision in between the period, then the rental amount calculated based on the outstanding principal will be recalculated based on the new rate. The calculated incentive also will be recalculated based on the new rental amount.
- If prepayment is done between the periods, the outstanding will be decreased. The system will not recalculate the rental for the period which is already calculated based on the outstanding. The incentive will be recalculated based on the latest outstanding.
- If rescheduling happens with effective date earlier to the rental due date for which the profit is calculated based on the outstanding principal, system will recalculate the incentive. This will be based on the profit accrued till the rescheduling effective date and the actual profit calculated based on the outstanding till the rescheduling effective date. The new incentive calculated will have schedule due date as next immediate rental due date.
- You can amend the principal with due date as schedule due date of future rental periods for Musharaka product category. However, you cannot do principal amendment after the handover date for Musharaka Under Construction product category.

Profit Calculation Based on Outstanding Principal

You can calculate rental on the outstanding balance in case of schedule default. This is applicable only for normal bearing loan types.

While creating an account, the variable rent is calculated based on the expected principal. If there is a Principal default then system calculates the variable rent for the next immediate rental period by considering the total principal outstanding. Outstanding principal is calculated as Expected Principal + Principal overdue for the rental period. The recalculated value for variable rent is updated at component balance for variable rental component for the next rental period.

When an account is created with back value date and if the back valued schedules are unpaid, then system calculates the rental for all the back valued unpaid schedules based on the outstanding principal.

For calculating profit based on outstanding principal you have to maintain 'PRINCIPAL_EXP_OUTSTDONDEFAULT' SDE in Basis Element. At the time of account creation system will build the schedules based on the principal expected value. On default of principal, this SDE will return principal outstanding for the next immediate profit schedule and it will return principal expected for the rest of the schedules.

Rental calculation on outstanding principal is applicable only for Musharaka and Musharaka Under Construction types.

Liquidation Mode

You can specify the mode of liquidation of the component from the drop-down list. The following options are available for selection:

- Auto
- Manual

Note

  - This is applicable only if 'Liquidation Mode' is selected as 'Component' at the product preference level.
- For Ar-Rahnu category products, the liquidation mode of the principal component is maintained as Manual. If it is maintained as auto, then the system displays the error message as 'The liquidation mod of PRINCIPAL component should be manual for Ar-Rahnu products'.

Reschedule Component

Check this box to distinguish the adjustment component.

You need to maintain 'Penal Basis' field as main profit element for rescheduling component. Adjustment of all profit components will be done against this rescheduling component maintained.

Rescheduling component is not required for Murabaha, Istisna, as adjustment for these product category will happen to the same component.

You need to select Rescheduling component as Special Component.

Component Attributes

The component attributes include the following:

Periodicity

The periodicity of the component can be either:

- Daily
- Periodic

If you choose the periodicity as ‘Daily’, any changes to UDE and SDE values will result in recalculation of the component. The recalculation happens as and when a change in value occurs. If maintained as ‘Periodic’, the values and calculations of the elements will be refreshed on the last day of the period.

Average Life Takaful

Check this option to distribute the total profit of the component equally to all the schedules while booking the account.

Formula Type

You can specify the type of formula to be used for calculating the component. This formula is applied for the component across all its schedules. It can be one of the following:

- User Defined: This can also include a combination of standard formulae for different schedules of the component or can have a completely user defined formula.
- Standard
  - Simple
  - Amortized Rule of 78
  - Discounted
  - Amortized Reducing
  - True Discounted
  - Rate Only
  - Amort - Payment in Advance
  - Amort - Payment in Arrears

Note

This is not applicable for the ‘PRINCIPAL’ component.

Compensation basis

You may want to allot the compensation to the recovery of certain components. Once a component is overdue, an appropriate compensation is applied. Therefore, you need to identify the component, which on becoming overdue will trigger the compensation computation. However, the system will calculate the compensation on the component you select in the ‘Basis Element’ field.

Basis Element

If you select the ‘Standard’ formula type, you have to specify the component upon which calculation should be performed. The component is denoted by an SDE (e.g. PRICIPAL_EXPECTED) and you can select it from the option-list provided. For an overdue/ compensation component, this is the element on which compensation is applied. The following SDEs are available for selection:

This is not applicable if ‘Formula Type’ is ‘User Defined’.

Rate to Use

Here, you need to select the UDE which will define the rate to be used for computing the component. The value of the selected UDE is picked up as per the maintenance in the ‘UDE Values’ screen.

This is applicable only for components defined with ‘Standard’ Formula Type.

Balance Type

Identify the nature of the balance that the component would hold. This can be represented through this field. For instance, for a finance product, the 'Principal' component is expected to have a 'Debit' balance.

Special Component

You can define a component as a 'Special Profit Component'. You can override such components at the account level. You may need to apply a special profit component as a result of customer negotiations. A special profit component is specified as an amount.

Note

The 'Basis Element' for computing fund profit will always be 'Principal Outstanding' and the 'Formula Type' will be 'Simple', independent of the main profit component. The liquidation mode for funding component will always be 'Auto', independent of the Product/Account Liquidation mode.

Moratorium preferences

The following parameters have to be specified:

Moratorium Period and Period Units

If you wish to provide a moratorium on a finance, you need to mention the moratorium period and moratorium unit for each component. This refers to a repayment holiday at the beginning of the finance. When you input a finance in Oracle FLEXCUBE, the repayment start date of each component will be defaulted based on your specifications here. The moratorium unit should be in terms of:

- Days
- Months
- Years

Note

The frequency of moratorium period should be 'Bullet' for construction related product categories like Musharaka under construction, forward Ijarah and Istisna products.

4.2.4.1 Profit Computation Methods

For computing profit, you have to specify the following:

Days in Year

You can specify the number of days to be considered for a year during computation of a particular component. This could be:

- 360: This means that only 360 days will be considered irrespective of the actual number of calendar days
- 365: In this case, leap and non leap year will be 365
- Actual: In this case, leap year will be 366 and non leap year will be 365

This value corresponds to the denominator part of the profit method.

Days in Month

Here, you have to specify the number of days to be considered in a month for component computation. The options available are:

- Actual: This implies that the actual number of days is considered for calculation. For instance, 31 days in January, 28 days in February (for a non-leap year), 29 days in February (for a leap year) and so on.
- 30 (EURO): In this case, 30 days is considered for all months including February, irrespective of leap or non-leap year.
- 30 (US): This means that only 30 days is to be considered for profit calculation for all months except February where the actual number of days is considered i.e. 28 or 29 depending on leap or non-leap year.

The value selected here corresponds to the Numerator part of the Profit method.

Profit Method Default from Currency Definition

You also have the option to use the profit method defined for the currency of the component. In this case, the profit method defined in the 'Currency Definition' screen (for the component currency) will become applicable to the finance. By default, this option is checked.

Accruals/Provisioning Preferences

To perform accrual of the components, you have to capture the following details:

Accrual Required

You can use this option to indicate that the component has to be accrued and provisioning is applicable. For the components that have been marked for accrual, you need to specify the accrual frequency, start month and start date in the respective fields.

Note

If the 'Calculation Type' is 'Compensation Charges' for a component, the 'Accrual Required' option is disabled.

Accrual Frequency

If you have opted for accrual and provisioning for the components, you have to specify the frequency for the same. The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

Accrual Start Month

If you set the accrual/provisioning frequency as quarterly, half yearly or yearly, you have to specify the month in which the *first* accrual has to begin, besides the date.

Accrual Start Date

In the case of monthly, quarterly, half yearly or yearly frequencies, you should specify the date on which the accrual/provisioning has to be done. For example, if you specify the date as '30', accruals will be carried out on the 30th of the month, according to the frequency that you have defined.

Prepayment Threshold preferences

This includes the threshold amount and currency, explained below:

Amount

Here, you can maintain the minimum limit for allowing prepayment of schedules. If the residual amount after prepayment against a schedule is less than the threshold amount you specify here, the system will disallow the prepayment.

Currency

If you specify the threshold amount, you also have to indicate the currency in which the amount should be expressed. You can select the currency from the option-list provided.

Component Defaults

In addition to the component attributes maintained above, you can also specify the following:

IRR Applicable

Check this option to indicate that the chosen component needs to be considered for Internal Rate of Return (IRR) calculation. This option is applicable to profit, charge, adhoc charge, prepayment compensation, compensation and upfront fee components.

If a charge component is to be considered for IRR, the charge will be accrued using the FACR (Upfront Fee Accrual) batch.

The following components cannot be considered for IRR calculation:

- Off-balance sheet component
- Provision component

If you check this option, then you have to check the 'Accrual Required' option.

For bearing type of component formula, you can check this option only if the 'Accrual Required' option is checked.

For discounted or true discounted types of component formula, this option will be enabled irrespective of the whether the 'Accrual Required' option is checked or not. If this option is checked and 'Accrual Required' is not, the discounted component will be considered as a part of the total discount to be accrued for Net Present Value (NPV) computation. If both 'Accrual Required' and 'IRR Applicable' are checked, then discounted profit will be considered for IRR computation.

Note

If any charge to be included for IRR computation it is to be maintained as fee with instalment dates as normal profit.

For IRR calculation, the system will consider the components for which 'Internal Rate of Return' field is checked.

Book Unearned Profit

Check this box to book the unearned profit amount. You can enable this only for profit type of components. This is enabled only in CI module and throws error if it is checked for any other modules.

You can enable Book Unearned Profit for profit components for the following product types:

- Istisna
- Financial Ijarah
- Musharaka

- Murabaha
- Tawarooq

Note

- If Book Unearned profit is checked, then code usage will not be automatic.
- Component cannot be capitalized for the product with Book Unearned profit.

If Book Unearned Profit is enabled for a component, then the system generates an amount tag <Component>_UINT and an accounting role <COMPONENT>_UID.

Processing UIDB for Profit Component

- If the flag 'Book Unearned Profit' is checked during disbursement event for accounts under product category except for Istisna and Murabaha, then the system triggers UIDB event for all the profit components. Istisna and Murabaha triggers UIDB on INIT.
- Based on the entries maintained in product level the System calculates total profit in advance based on the formula maintained for the interest profit components for the entire loan period and post.
- If there is any rate revision schedules maintained for the component, then UIDB amount will be calculated till the next rate revision schedule due date. The system fires the UIDB again on rate revision for the next rate revision period.
- For type Istisna alone,if the posted UIDB is less than the newly computed UIDB amount, then the system fires UIDB for the difference amount. If UIDB amount posted is greater than the newly computed amount then system fires the UIDR for the difference amount.

4.2.4.2 Processing IRR related changes for Istisna accounts

The system will perform the following IRR related changes for Istisna accounts:

- Calculate IRR based on the principal outstanding as on normal profit start date by considering the cash inflows from normal profit start date.
- Exclude moratorium profit, construction period profit, handover period and grace period profit, if any, from the cash inflows.
- Re-calculate the profit amount for normal profit and fee schedules.

Verify Funds

You can indicate whether the system should verify the availability of sufficient funds in the customer account before doing auto liquidation of the component.

Grace Days

The grace days refer to the period after the repayment date, within which the compensation profit (if one has been defined for the product) will not be applied, even if the repayment is made after the due date. This period is defined as a specific number of days and will begin from the date the repayment becomes due. However, if the customer fails to repay even within the grace period, compensation will be applied and calculated from the repayment due date.

However, in case a compensation charge is defined for a compensation basis component under an Islamic Financing product, the 'Grace Days' is defined as part of itself. The schedule due date for the compensation charge is then computed by adding the 'Grace Days' to the corresponding schedule due date of the compensation basis component.

Schedule

In the 'Component' section of the screen, you need to maintain the applicable schedule details for each component:

Sequence Number

You can define more than one schedule for a component. The sequence number determines the order in which the individual schedule should be applied on a component. For instance, you can define a schedule structure consisting of a moratorium schedule and a normal schedule. The moratorium schedule, if defined for a component, should necessarily be the first schedule. You cannot have moratorium schedules in between normal schedules.

Type

This is the kind of schedule you want to define. The options are:

- Payment: This is used to define a repayment schedule. You can capitalize a payment schedule. If the 'Capitalized' option (under Component Definition) is checked, the 'Capitalized' option at the schedule level will also be checked for payment schedules. You can, however, uncheck/check this option for a schedule.
- Disbursement: You can maintain a disbursement schedule for finance disbursement if the 'Disbursement Mode' is automatic (this is maintained on the 'Preferences' tab). For auto disbursement, you have to maintain at least one disbursement schedule.
- Nominal Disbursement: The profit computation for construction period is based upon the projected amount. The formula for this computation is @simple (projected_amount,(mora_rate),days,year,compound_value).
- Rate Revision schedules: This will capture the schedule at which the rates applicable to the component should be revised.

Start Reference

This is used to capture the reference to arrive at the due date of the schedule. The options are:

- Calendar: If you select this option, you should also specify the 'Start Date' for the schedule. For example, if an account is created on 15th Sept with a 'Monthly' schedule frequency and the Start Date is 1st, then the schedule due dates would be 1st Oct, 1st Nov and so on.
- Value Date: If you select value date, the schedule due dates will be based on the Value Date of the account. For instance, if an account is created on 15th Sept and the schedule frequency is 'Monthly', then the schedule due date would be 15th October, 15th Nov and so on.

For a component, you can define schedules based on both value date and calendar date.

Unit

Here, you have to capture the unit to define the schedule. The unit can have the following values:

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

If the schedule unit is 'Weekly', you should also capture the 'Start Day'. Similarly, for units 'Quarterly', 'Half Yearly' and 'Yearly', you should also specify the 'Start Month'.

Frequency

This is used in combination with 'Unit' explained above, to define non-standard frequencies. For instance, a 'Monthly' unit and frequency 2 implies that the schedule is bi-monthly (occurring every two months).

Note

If the product category is Ar-Rahnu, then the system validates if the number of schedules for principal disbursement is maintained '1'. If not, then the system displays the error message as 'For Ar-Rahnu the Principal Disbursement schedule should be 1' while saving the product.

Start Day

If the schedule unit is 'Weekly', you should specify the start day to initiate the schedule. The drop-down box lists the days of the week.

Start Month

This is applicable if the schedule unit is one of the following:

- Quarterly
- Half Yearly
- Yearly

The drop-down box lists the months in a year.

Start Date

Here, you can specify a value between 1 and 31. This is applicable if the schedule unit is 'Monthly'.

Due Date On

You can use this to define a schedule on a particular date of the month. A value between 1 and 31 can be used for this purpose. If you specify a value here, the system will build the schedules based on this date even if you have indicated the 'Start Date' for the schedule.

Schedule Flag

You can define a non-repayment schedule or a repayment schedule. This field is used to identify the schedule type:

- Normal: This refers to a repayment schedule. Repayment happens as and when the schedule falls due.
- Moratorium: This refers to a non-repayment schedule or a repayment holiday at the beginning of a finance.

Note

If grace period details are specified at the preference level, the system will default the 'Schedule Flag' as 'Moratorium' for this period.

Number of schedules

The value captured here determines the number of times a schedule frequency should recur. For example, a 12 monthly schedule would have a 'Monthly' unit and number of schedules as 12.

Note

If grace period details are specified at the preference level, the number of schedules will be defaulted as 1.

Capitalized

Check this option to specify capitalization of the component for a particular schedule. If the 'Capitalized' option (under Component Definition) is checked, the 'Capitalized' option at the schedule level will also be checked for payment schedules. You can, however, uncheck this option for a schedule.

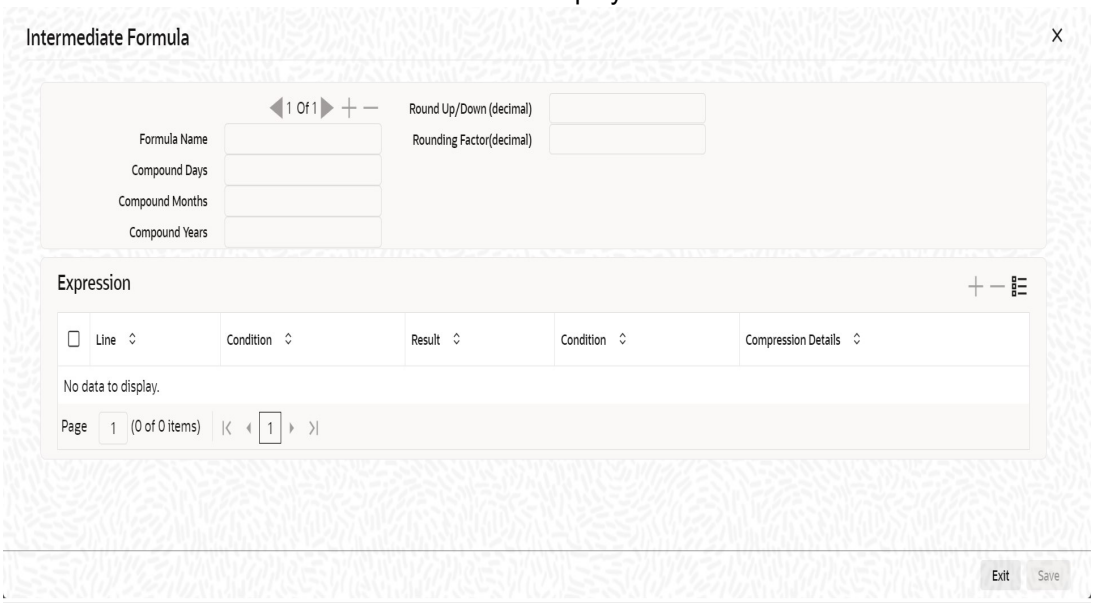
Formula Name

You have to select the formula applicable for component value calculation. The Booked and Intermediate formulae defined for the component are available in the option list. With a user-defined formula maintained through the rule builder, you can define a schedule with multiple formulae.

4.2.4.3 Intermediate Formula

Intermediate Formulae are used as building blocks for more complex formulae. An intermediate formula is used to create a Booked/Moratorium formula as an intermediate step. It will not be associated directly to any schedule.

To define an intermediate formula, click 'Intermediate Formula' button in the 'Component' screen. The 'Intermediate Formula' screen is displayed.



Formula Name

Specify a suitable name to identify the formula that you are defining. After you specify the name you can define the characteristics of the formula in the subsequent fields. You have to use the name captured here to associate a formula with a schedule. The name can comprise of a maximum of 27 alphanumeric characters.

Round Up To

If you want to round off the results of an intermediate formula, you can indicate the number of digits upto which the results should be rounded-off to. Compound Days/Months/Years

If you want to compound the result obtained for the intermediate formula, you have to specify the frequency for compounding the calculated profit.

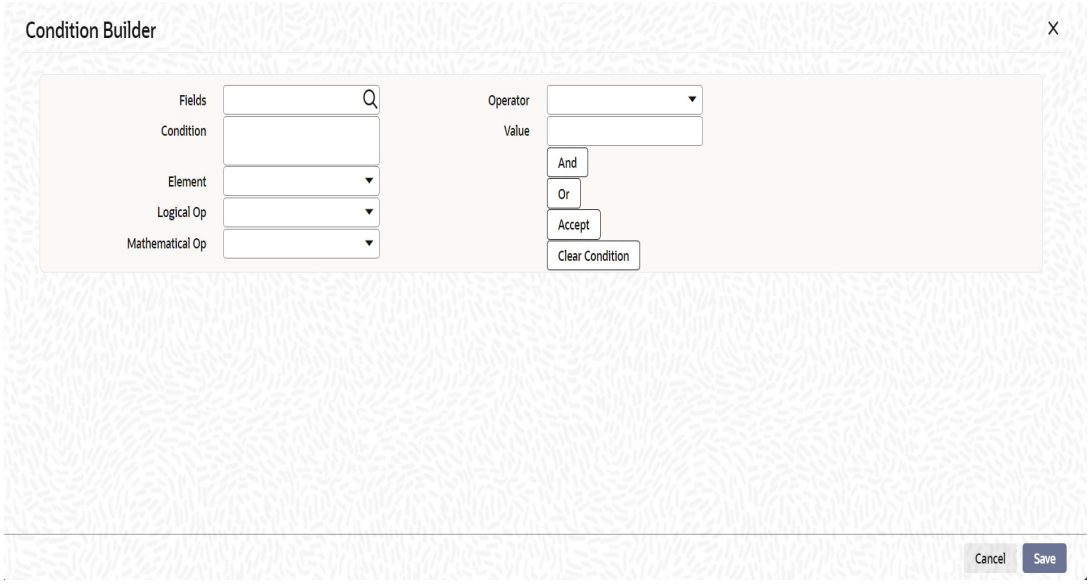
The frequency can be in terms of:

- Days
- Months
- Years

If you do not specify the compound days, months or years, it means that compounding is not applicable.

Condition and Result

A formula or calculation logic is built in the form of expressions where each expression consists of a 'Condition' (optional) and a 'Result'. There is no limit to the number of expressions in a formula. For each condition, assign a unique sequence number/formula number. The conditions are evaluated based on this number. To define a condition, click on 'Condition' button in the screen above. The following screen is displayed:



In this screen, you can use the elements, operators, and logical operators to build a condition.

Although you can define multiple expressions for a component, if a given condition is satisfied, subsequent conditions are not evaluated. Thus, depending on the condition of the expression that is satisfied, the corresponding formula result is picked up for component value computation. Therefore, you have the flexibility to define computation logic for each component of the product.

The result of the formula may be used as an intermediate step in other formulae.

4.2.4.4 Booked Formula

Booked Formula refers to the formula used to compute a component value for a particular schedule. You can use intermediate formulae to create a 'Booked' formula. To create the

formula, click ‘Book Formula’ button in the ‘Component’ tab of the screen. The following screen is displayed:



The SDEs available will be shown in the Condition Builder. The Booked formula so created will be linked to a schedule.

The parameters required to create a ‘Booked’ formula is similar to the ones explained for an Intermediate formula.

Profit Element

Select the profit element from the drop-down list. The list displays the following values:

- Supplier Grace Period - applicable for Istisna/ Istisna under construction/ Murabaha/ Musharaka / Musharaka under construction financing accounts
- Customer Grace Period - applicable for Istisna/ Istisna under construction/ Murabaha/ Musharaka / Musharaka under construction/ Ijarah financing accounts
- Construction Period - applicable for Musharaka under construction/ Forward Ijarah financing accounts. Formula for Construction period profit is required only if it is collected during the Construction period itself. In case the Construction period profit is collected along with the normal profit schedules, it can be defined as a moratorium formula
- Handover Period - applicable for Forward Ijara only
- Null

Formula for Construction period profit is required only if it is collected during the Construction period itself. In case the Construction period profit is collected along with the normal profit schedules, it can be defined as a moratorium formula.

If Moratorium formula is defined at component class/product level, then there is no other formula defined with profit element as ‘Construction period’

You can maintain Profit Formulae for Supplier/Customer grace periods separately against the main profit component in addition to the normal profit formula.

You can maintain Formula Type for Customer and Supplier Grace Period as either Simple or User Defined. If supplier grace period is no profit period, then the system will maintain the formula as 0.

If Grace Period Days are not maintained at the product level and account level, the system will not build schedules for Grace Period.

The value of frequency unit (Daily, Monthly, Yearly) in schedule definition and value of field frequency unit (Days, Months, Year) in Preference tab for Supplier Grace Period and Customer Grace Period should be in sync at account level. The system will validate the same.

At product level, the value of frequency unit in schedule definition should be 'Bullet' for grace, construction and handover periods.

If you have not specified grace days details for the account before product default, the system will default the grace days based on the financing product and default the grace period schedules.

The system will collect customer grace period profit along with the first normal profit schedule or across the profit schedules based on the option selected in 'Profit Collection' Field in Preferences Tab.

Amortized

Select this option to specify that the schedules of the component should be amortized.

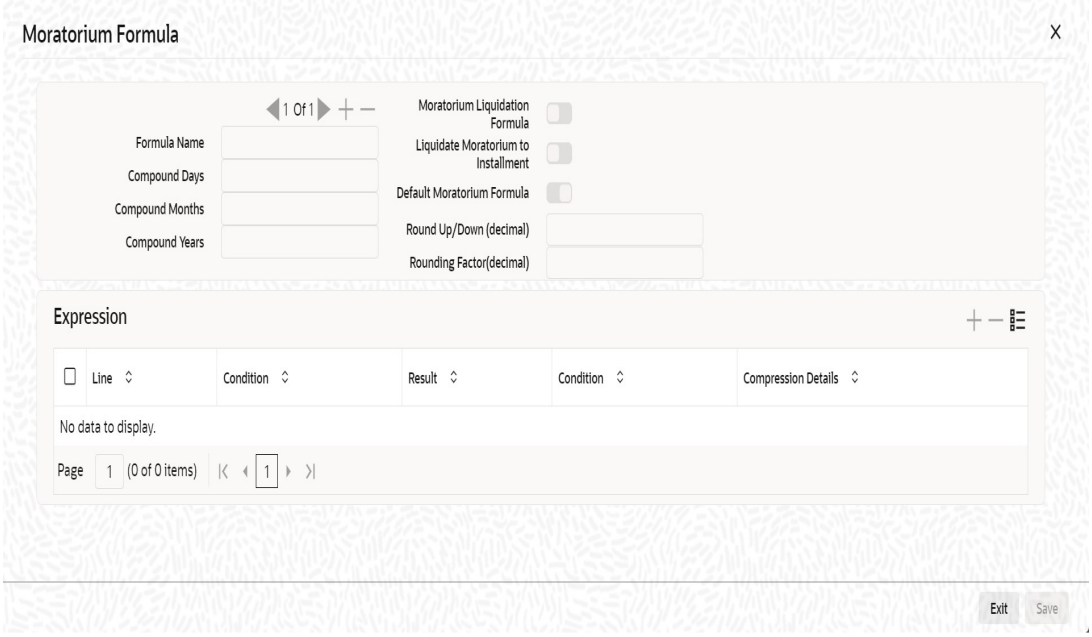
Amortization Basis

If you opt to Amortize the schedules of the component, you have to identify the element based on which the component is amortized. For example, if it is deposit profit, the amortization basis would be ‘Principal’. The components are available in the option list provided.

4.2.4.5 Moratorium Formula

Moratorium refers to the repayment holiday given during the period between the value date of the finance and the first repayment date. While no repayment will happen during this period, computation will continue. The Moratorium formula is used for the computation of profit for the moratorium period.

To define the formula, click 'Moratorium Liq Formula' button in the 'Component' tab of the screen. The 'Moratorium Formula – Expression Builder' screen is displayed:



The procedure is as explained for Intermediate and Booked formulae. The following additional fields are also applicable for a moratorium formula:

Moratorium Liquidation Formula

The formula used for computation of profit for the moratorium period is called 'Moratorium Formula'. The Profit calculated using the moratorium formula should be liquidated for the lifetime of the finance by apportioning it across all the installments. Therefore, you need to maintain a formula for liquidating the moratorium profit.

Check this option to indicate that the formula being maintained is for Moratorium liquidation.

Liquidate Moratorium to Installment

This option is applicable only if you are defining a 'Moratorium Liquidation Formula'. If you check this option, the moratorium profit amount is added to the first installment amount and collected along with the schedule on the day the schedule falls due.

If you do not check this option, the moratorium amount is allocated from the Installment due. The principal component of the EMI is liquidated towards the moratorium. Therefore, Principal repayment does not begin until complete settlement of the moratorium amount.

Default Moratorium Formula

If you want to create a default moratorium formula, check this option. By default, the system will attach this formula to a moratorium schedule. You can, however, change it to a different moratorium formula.

4.2.4.6 Maintaining Formulae for Forward Ijarah

For an *Ijarah* product, if you have checked the box 'Property Handover', you will have to maintain the following user-defined formulae for the main profit component:

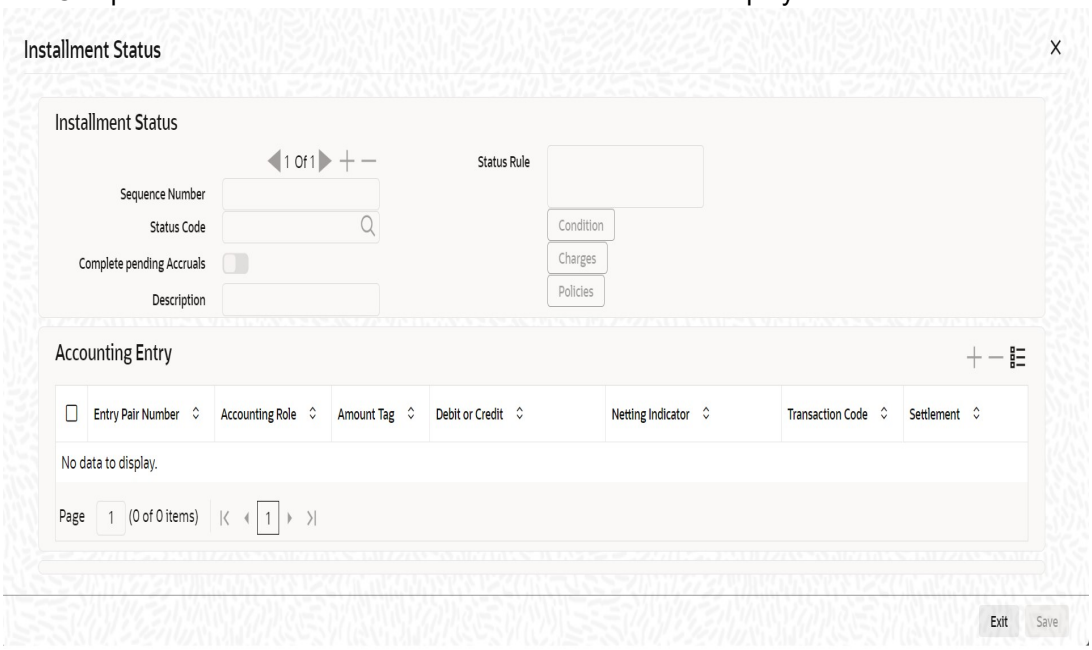
- Construction Period Profit - You need to maintain a moratorium formula and moratorium repayment schedule for the main profit component to calculate the construction period profit. You should maintain the payment schedule for the moratorium profit within the moratorium period. However, you should not maintain any moratorium liquidation formula.

- Handover Period Profit - You need to maintain a simple booked formula for this period. This period can have the bullet payment schedule to pay the handover period profit on the handover date. This formula is used to calculate the profit for the period from construction end date to the handover date. You should manually maintain the payment schedule for this period.
- Post Construction Period Profit -You should maintain a simple booked formula to calculate the profit for the period from the handover date to the maturity date.

4.2.4.7 Installment Level Status

For a component, you can maintain Schedule/Installment level status change parameters. You can also specify the account Heads and Roles to be used whenever an installment changes from one status to the other.

To define the installment level status change details, click 'Installment Level Status' button in the 'Components' screen - the 'Installment Status' screen is displayed:



The following details have to be captured here:

Sequence Number

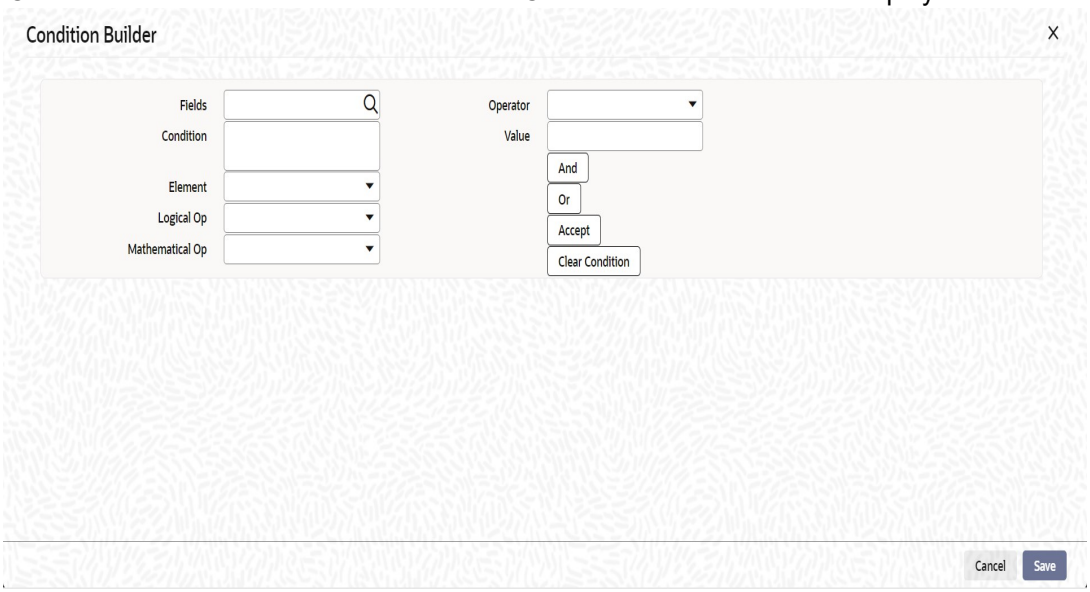
The number you capture here is used to identify the adversity level of an installment. It should not overlap with that of an account status, expect for the first factory shipped status 'NORM' (Normal).

Status

The status that an installment will go through is specified here. The sequence number determines the order when the installment would attain this status. The status codes defined in the 'Status Codes Maintenance' screen are available in the option-list provided.

Status Rule

The rule defined here will determine the movement of the installment to the selected status (in the ‘Status’ field). You can build multiple conditions for a rule. To do this, click on ‘Condition’ button in the screen above. The ‘Condition Builder’ screen is displayed.



You can build the conditions using the elements (SDEs), operators and logical operators available in the screen above.

For details on building a condition using the options available in the screen, refer the section titled ‘Defining UDE Rules’ in the ‘Maintenances and Operations’ chapter of this User Manual.

The installment will move to the status selected if the associated status rule is satisfied.

Complete Pending Accruals

Check this box to indicate if the pending profit accruals need to be completed before the Installment status changes. This is applicable only if Accrual Frequency is any one of the following:

- Monthly
- Quarterly
- Half yearly
- Yearly

This check box will not be enabled if Accrual Frequency in the ‘Product Maintenance’ screen is ‘Daily’.

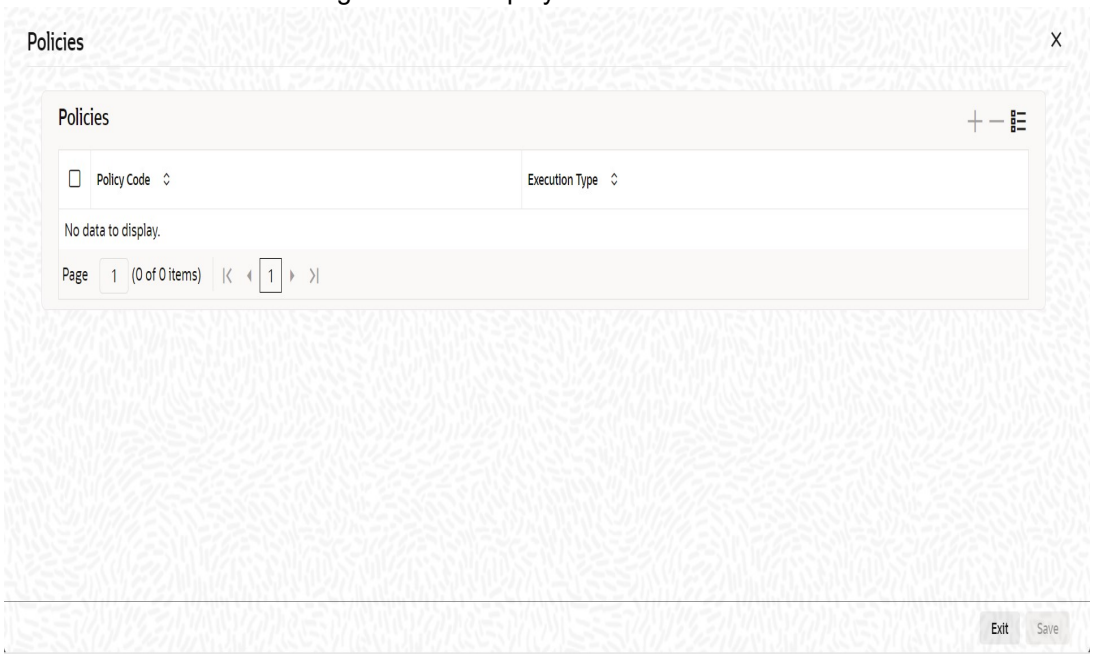
Accounting Entries

For each status of the installment, you can specify the accounting entry preferences. Whenever an installment attains a status, the entries are passed as per the setup maintained for that status. Therefore, the entries will be moved from the active GLs to the status specific GLs. However, when the actual payment occurs, the system will automatically resolve the appropriate GLs.

For more details on setting up accounting entry preferences, refer the section titled ‘Maintaining Event details’ in this chapter.

4.2.4.8 Specifying Policy preferences

You can associate policies at an installment level. Policies are user defined validations that are fired when an event is triggered. To link a policy, click ‘Policies’ button in the ‘Installment Status’ screen – the following screen is displayed:



Specify the following in this screen:

Policy Code

The Standard Policies (defined through the ‘Policy Maintenance’ screen) and the Policies associated with the product category are available in the option list provided. Policies are used to handle special validations and operations on a finance.

Execution Type

You can associate a policy at one of the following points in time in a finance -event lifecycle:

- Before Event
- After Event
- Both

The policy is executed appropriately.

For details on maintaining policy details, refer the section titled ‘Maintaining User Defined Policies’ in the ‘Maintenances and Operations’ chapter of this User Manual.

4.2.4.9 Processing at Installment Level

At the installment level, if there is a change in the installment status, Oracle FLEXCUBE will first check if accrual is required for the installment components. When the accrual frequency for a component is not ‘Daily’, Oracle FLEXCUBE will validate if the installment status changes before accrual execution date. If it changes, Oracle FLEXCUBE will trigger catchup accrual for the component till the installment status change date. Subsequent to this, Oracle FLEXCUBE will process the installment status change.

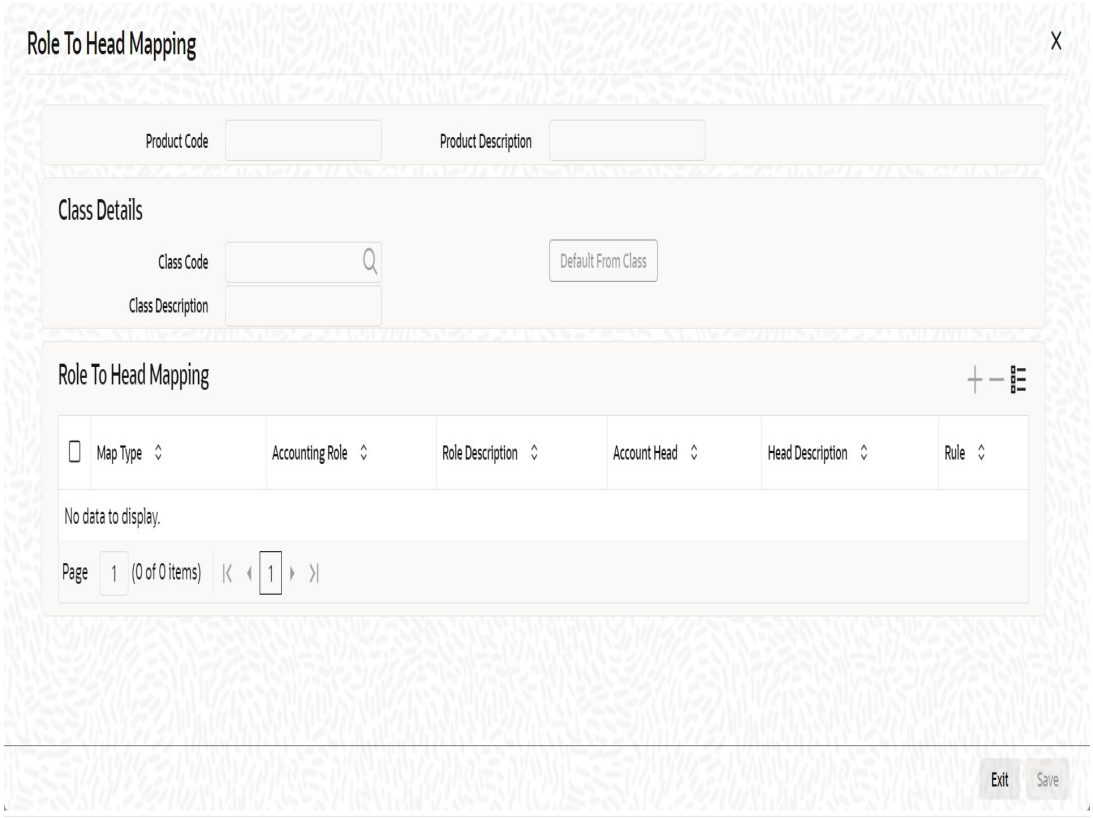
The following example will explain the Complete Pending Accrual functionality. This is applicable for both Installment Level as well as Account Level Status change.

Note

- An installment status change will not change the next execution date of unprocessed ACCR events
- A status change is applicable for both manual and automatic installment status.
- If you delete an Installment level status change, it will delete the catch up accrual accounting entries also
- You can reverse an installment level status change by inputting another installment level status change. For example, if installment status changes from NORM to OVD1, reversal of the same can be done by doing installment status change from OVD1 to NORM. In this case no processing will be done

4.2.5 Role to Head Button

You can define the accounting roles for a product in the 'Role to Head' tab of the 'Product Maintenance' screen. A list of accounting roles that are applicable to the product being maintained is provided. This list also includes the accounting roles that you have maintained for the module using the 'Accounting Role and Head Maintenance' screen.



The following details are captured in this screen:

Map Type

The mapping between an accounting role and account head can be of the following types:

- Static: If the map type is static, you can link an accounting role to only one accounting/ GL head (one to one mapping).
- User Defined: For a user defined map type, you can maintain multiple linkages under different conditions using a case-result rule structure (one to many accounting).

Accounting Role and Description

Accounting role is used to denote the accounting function of a GL or Account. To map an accounting role to an account head, select a valid accounting role from the option list provided. This list will display the roles available for the module.

Once you choose the accounting role, the description maintained for the role is also displayed in the adjacent field.

If you do not want to select a role from the option list, you can also create an accounting role for a product and specify a brief description for the same.

> **Note**
>
> The GLs (Account Heads) for the Dr/Cr Settlement Bridge Role will default as per your selection in the 'Branch Parameters' screen.

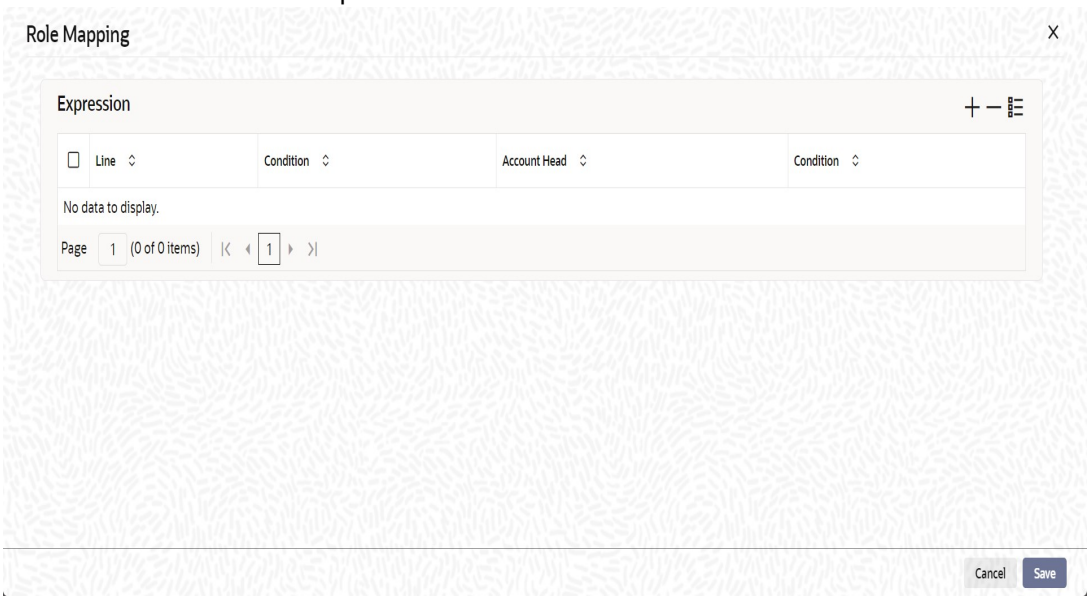
Account Head and Description

The account head identifies the GL or Account to which the accounting entries would be posted. Based on the type of accounting role you select (Asset, Liability etc.), the list of Account Heads (General Ledger heads) that are of the same type as that of the accounting role, becomes available in the option list provided. You can select an accounting head from this list and thus, create a role to head mapping. On selection of the Account Head, the description is also displayed in the adjacent field.

Click on add button to create subsequent mappings for the product. If you would like to delete a role to head mapping, click on 'Delete' button.

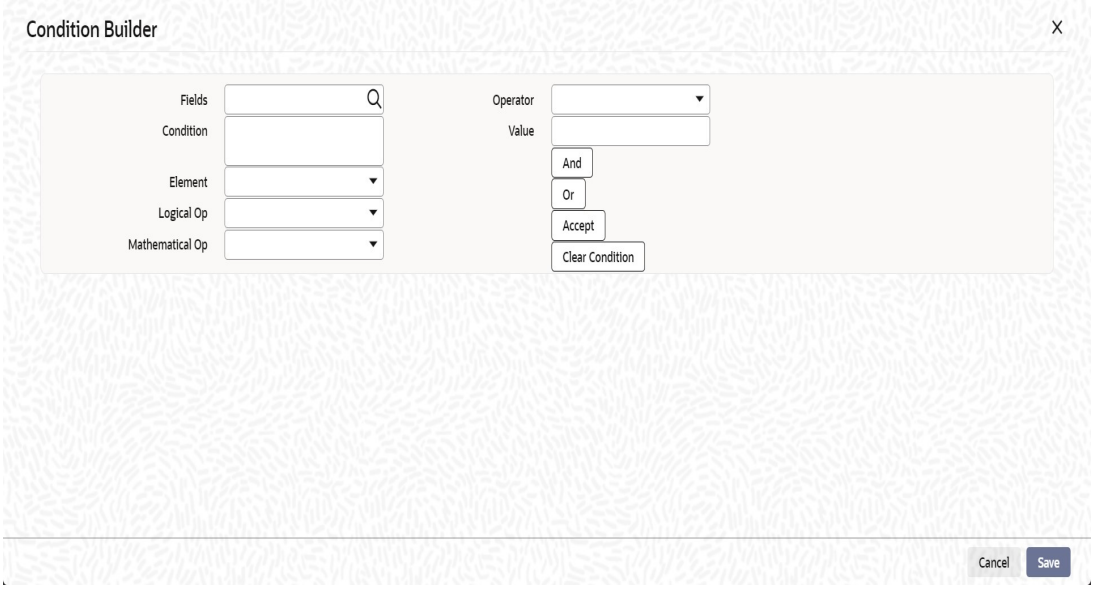
Rule

If the 'Map Type' is 'User Defined', you can create a case-result rule structure based on which the entries are posted to the appropriate account head. To create a rule, click 'Rule' button in the 'Role to Head' tab of the product screen.



You can define multiple conditions and for each condition you can specify the resultant 'Account Head'. This way you can maintain one to many mappings between an accounting role and an account head. Depending on the condition that is evaluated favourably, the corresponding account head is used for posting the entries.

To build a condition, click on ‘Condition’ button in the screen above. The ‘Condition Builder’ is displayed.



You can build the conditions using the elements (SDEs), operators and logical operators available in the screen above.

For details on building a condition using the options available in the screen, refer the section titled ‘Defining UDE Rules’ in the ‘Maintenances and Operations’ chapter of this User Manual.

Note

The system ensures that all accounting roles that are applicable for the Product and which have been used in the definition of the accounting entries are necessarily linked to an account head. If the mapping is not complete, an error message is displayed when you attempt to save the product.

4.2.5.1 Dynamic creation of accounting roles for a component

For each component you define for a product in the ‘Main’ tab, six accounting roles are dynamically created by the system. For example, if you have defined a component ‘MAIN_INT’, the following accounting roles are created:

- MAIN_INTINC -Component Income
- MAIN_INTEXP -Component Expense
- MAIN_INTRIA -Component Received in Advance
- MAIN_INTPAY -Component Payable
- MAIN_INTREC -Component Receivable
- MAIN_INTPIA -Component Paid in Advance

For a detailed list of Events, Advices, Accounting Roles and Amount Tags, refer ‘Annexure 1’ of this User Manual.

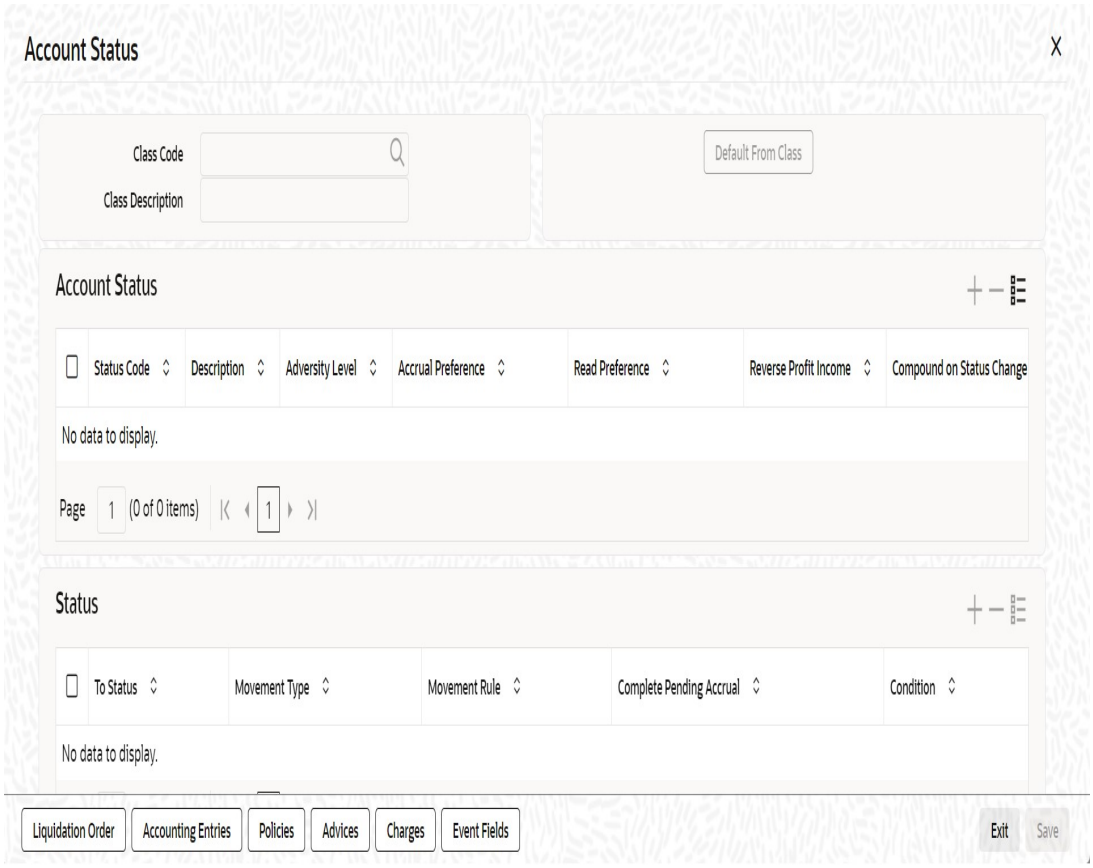
4.2.6 Account Status Button

Ideally, when setting up a product, you should identify all possible status that finances involving the product would move into.

A status can apply either to a finance installment or the entire finance account. Installment level status change preferences are maintained in the ‘Component’ screen.

For more details, refer the section titled ‘Specifying Component Details’ in this chapter.

You can maintain account level status movement preferences in the ‘Account Status’ button.



In this screen, you can specify the following:

- Define a status derivation rule to resolve a status
- Define accounting entries, advices etc. which need to be fired for a status
- Specify the liquidation order for a status
- Associate charges, if applicable, for a status
- Policies to be triggered for a status change

Status Code

When setting up a product, you should identify all possible statuses that finances involving the product would move into. By default, the ‘NORM’ (Normal) status is defined for the product. You can select the relevant status codes from the option list provided. The status codes defined through the ‘Status Codes Maintenance’ screen with ‘Status Type’ as ‘Account’ is available in this list.

When you select a status, the associated description is also displayed in the adjacent field.

Adversity Level

This signifies the adversity level of the status. The Status ‘NORM’ has an adversity level of ‘1’ and is the most favorable. This is the default status for a finance.

Accrual Preference

For a status, you have to indicate the manner in which accounting entries should be posted when the finance moves to the status. The options are:

- Stop Accrual – accruals are frozen
- Reverse Accrual – accruals till date are reversed by transferring them to an expense GL.
- Continue Accrual – accruals continue as in the previous status as per the Role to Head maintained for the status and as per the accounting entries defined.

After you specify the status codes applicable for the product, you need to specify the manner in which the status movement should occur.

From Status and To Status

When you highlight a status from the list of status codes maintained for the product, the selected status becomes the ‘From Status’.

In the option list provided for the ‘To Status’, the status codes applicable for the product is displayed. Select the relevant status into which a finance should move from the ‘From Status’.

Movement Type

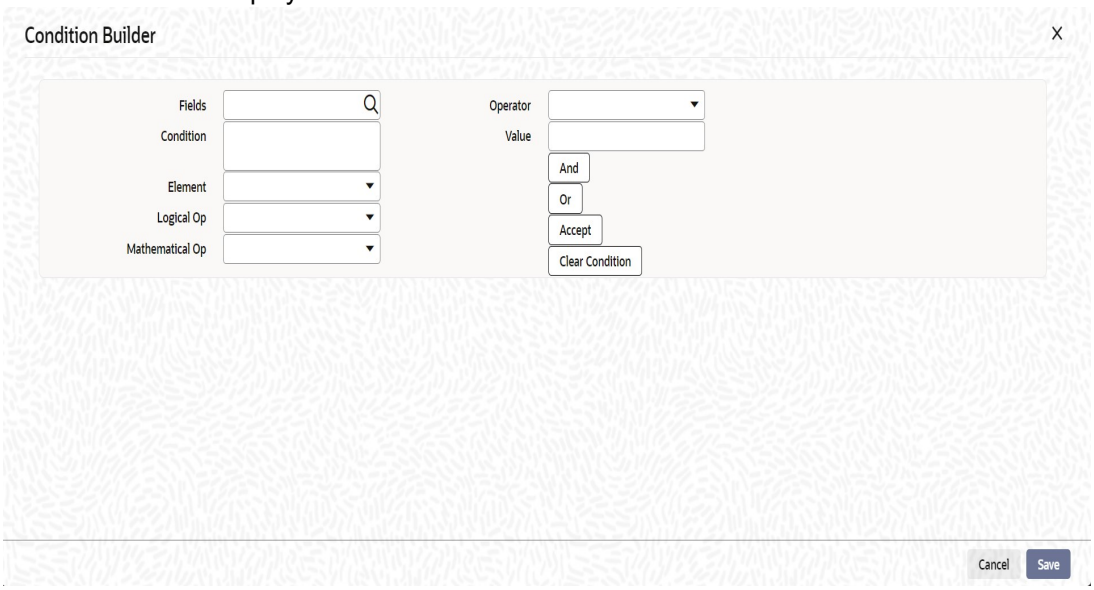
You have to indicate the type of movement of a finance from the current status (From Status) to the next status (To Status). The movement can be:

- Automatic
- Manual
- Both

Movement Rule

You have to define the status derivation rule which will determine the movement of a finance from one status to the other. This is the condition based on which the status movement occurs. If a finance satisfies all the rules defined due to which it can move to several statuses at a time, it will identify the most adverse status and move to that status.

To define a derivation rule, click on ’Condition’ button in the screen above. The ‘Condition Builder’ screen is displayed.



You can build the conditions using the elements (SDEs), operators and logical operators provided in the screen above.

For details on building a condition using the options available in the screen, refer the section titled 'Defining UDE Rules' in the 'Maintenances and Operations' chapter of this User Manual.

Complete Pending Accruals

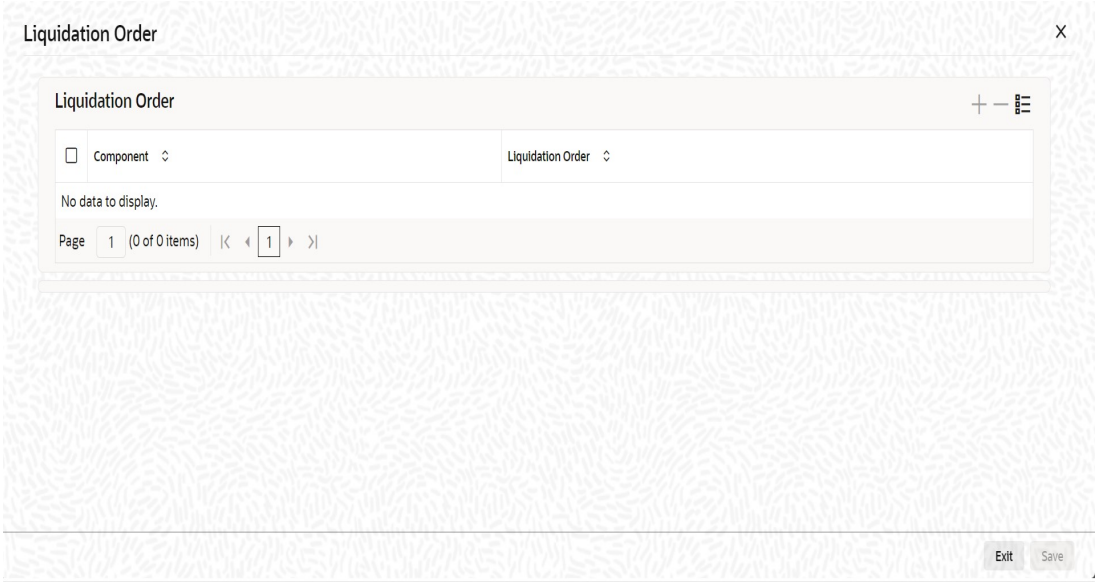
Check this box to indicate if the pending profit accruals need to be completed before the Account status changes. This is applicable only if Accrual Frequency is any one of the following:

- Monthly
- Quarterly
- Half yearly
- Yearly

This check box will not be enabled if Accrual Frequency in the 'Product Maintenance' screen is 'Daily'.

4.2.6.1 Specifying the liquidation order

You can prioritize the liquidation of the various finance components at a status level. To maintain liquidation order of components, click 'Liquidation Order' button in the 'Account Status' tab of the screen – the following screen is displayed.



When a finance attains an adverse status, you may want to allot priority to the recovery of certain components. For example, you may want to recover the Principal first and then the Profit type of components.

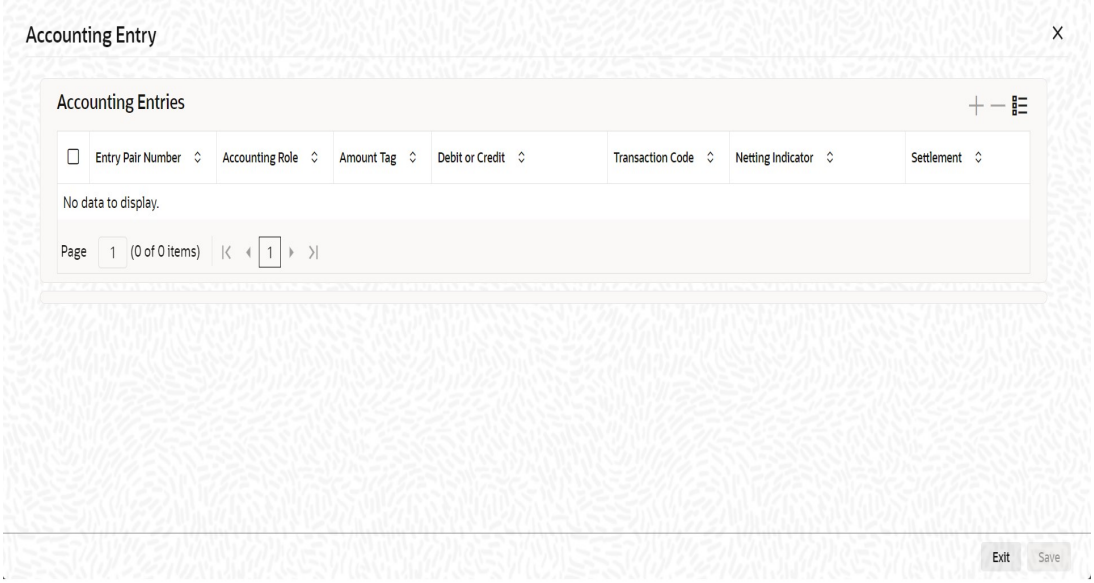
The components maintained for the product are available in the option list provided. Select a component and then specify the order of liquidation for the component.

Click on add button to maintain the liquidation order for the next component.

4.2.6.2 Specifying the accounting preferences

You can specify accounting preferences at a status level. You may have a GL structure under which finances in 'Normal' status should report. You can maintain a different structure for

finances in other status. To do this, click ‘Accounting Entries’ button in the ‘Account Status’ screen– the following screen is displayed:



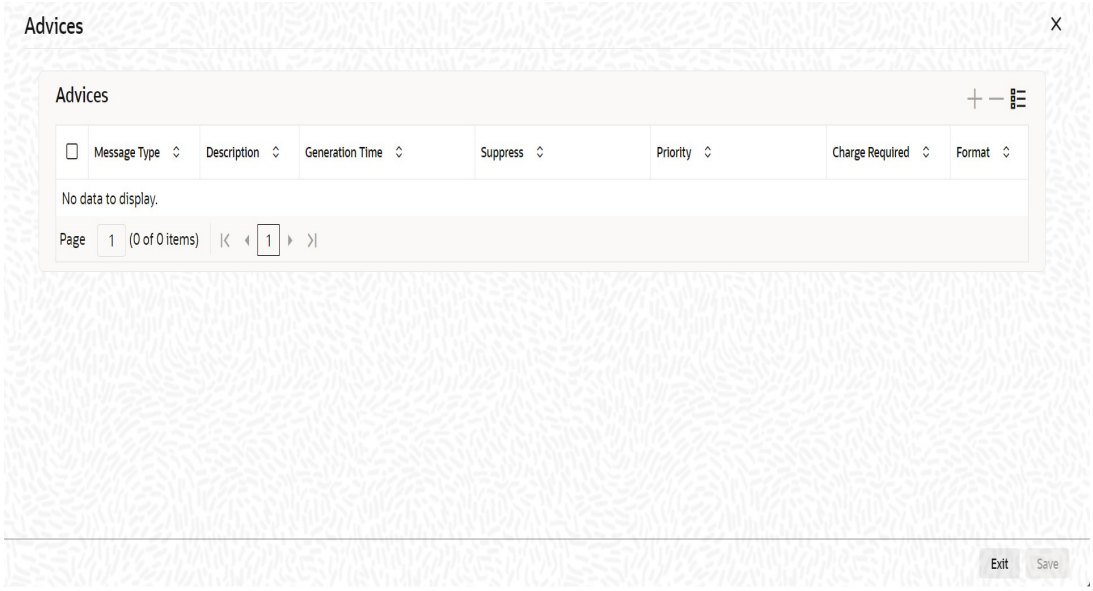
Also, for a status, you may not want to change accounting roles but change only the accounts/ GLs. The accounting roles will be the same. To achieve this, you can create a rule based ‘Role to Head’ mapping. The SDEs like ’Account Status’ can be used to create the rule and if a finance satisfies the rule i.e. moves to the status maintained in the rule, the Account Head selected for the rule is used for posting the entries.

Refer the section titled ‘Maintaining Role to Head mapping preferences’ for details on creating a ‘Role to Head’ mapping.

4.2.6.3 Specifying Advices

You can also specify the advices that should be generated when a status change occurs. For instance, when a finance moves from an ‘ACTIVE’ status to an ‘OVERDUE’ status, you can choose to send an advice to inform the customer of the status change and request for payment.

The advices can be maintained in the ‘Product Event Advices Maintenance’ screen - click ‘Advices’ button in the ‘Account Status’ tab to invoke it.

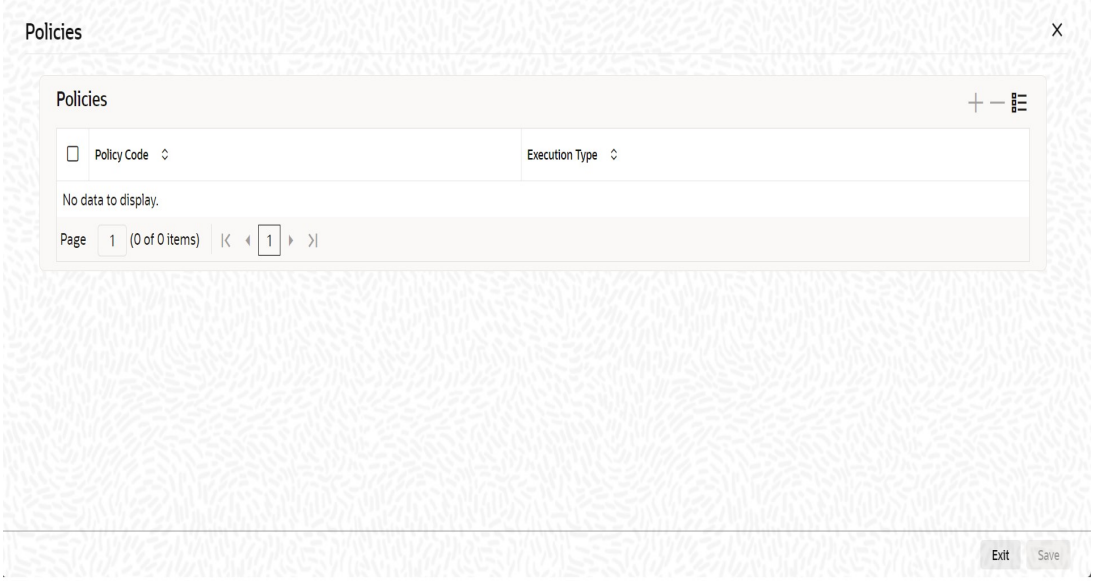


You can associate advices at an event level also.

For more details on maintaining advice preferences, refer the 'Maintaining Event details' section of this User Manual.

4.2.6.4 Specifying Policy preferences

Just as you associate policies at an installment level, you can also associate policies for a finance account status. To do this, click 'Policies' button in the 'Account Status' tab of the product screen – the following screen is displayed:



Specify the following in this screen:

Policy Code

The policies defined in the 'User Policy' screen are available in the option list provided. Policies are used to handle special validations and operations on a finance.

Execution Type

You can associate a policy at one of the following points in time in a finance-event life-cycle:

- Before Event
- After Event
- Both

The policy gets executed appropriately.

4.2.6.5 Associating charges

Whenever a finance undergoes a status change, you can apply charge on the finance. You need to associate charge components at a status level. To do this, click ‘Charges’ button in the ‘Account Status’ tab of the screen – the following screen is displayed:



The charge type of components defined for the product (in the ‘Components’ tab of the screen) are displayed in the option list. Select the component you wish to associate with the finance. The charge is applied when the finance moves to the status and is debited to the customer account.

4.2.6.6 Processing at Account Level

At the account level, when there is a change in the status, Oracle FLEXCUBE will first check if accrual is required for the components. When the accrual frequency for a component is not ‘Daily’, Oracle FLEXCUBE will validate if the installment status or the account status changes before accrual execution date. If it changes, Oracle FLEXCUBE will trigger catchup accrual for the component till the installment status and the account status change date. Subsequent to this, Oracle FLEXCUBE will process the installment status change and account status change.

Note

- An installment status change will not change the next execution date of unprocessed ACCR events.
- A status change is applicable for both manual and automatic account status
- If you delete an account level status change, it will delete the catch up accrual accounting entries also
- If you reverse an account level status change, it will reverse the catch up accrual accounting entries as well

4.2.7 Notice and Statements Button

Just as you define components that should become a part of the product, so also you can associate Notices and Statements with a product. The actual communication/

correspondence, however, is handled by the Messaging Module of Oracle FLEXCUBE. Click on ‘Notices and Statements’ button in the ‘Product Maintenance’ screen.



In this screen, you need to maintain the preferences for Billing Notices, Delinquency Notices and Statements. Also, you can associate multiple formats for the generation of notices and statements. The selection of a particular format is based on the condition.

Rule No/Condition No

You can assign a unique number for each rule/condition that is being maintained for notice and statement generation.

Condition

Define the conditions/rules for notice and statement generation. The system will evaluate the conditions and based on the one that is satisfied, the corresponding advice format is selected for notice/statement generation.

To maintain a condition, click ’Condition’ button in the screen above. The ‘Condition Builder’ is displayed.

For details on building a condition using the options available in the screen, refer the section titled ‘Defining UDE Rules’ in the ‘Maintenances and Operations’ chapter of this User Manual.

Number Days

The Number of days indicates the period before the due date, when the system starts sending the Billing/Delinquency notices to customers.

This period is defined as a specific number of days and will begin before the date the repayment becomes due.

The system will maintain the number of business days before the schedule due date while generating the Rental Advice.

Note

The system will maintain and configure 'CI_RENT_NOT' advice format which will generate the advice in the expected format. This format will be attached to 'CI_BILLNOTC' Message type

Trans Code

Specify the transaction code for auto allocation of funds here, for which the direct debit notice has to be generated.

The direct debit request preferences are captured here and this is applicable for finance accounts marked for auto GIRO (direct debit) mode of payments.

Format

For the condition defined, select the format in which the advice should be generated. The system will select the specific format of the message type when the condition maintained evaluates favourably. Frequency Days

Specify the frequency (in days) for generation of Delinquency Notices. The first notice is sent on the basis of the 'Num Days' maintained. For instance, if the 'Num Days' is four and the payment due date is 4th April 2004, the first notice will be sent on 31st March '04 (4 days before due date). Subsequent generation of the same notice is based on the frequency days maintained. If the 'Frequency Days' is '2', the second notice will be sent on 2nd April '04 i.e. the notice is sent once in two days only.

The following information is applicable to Statement generation:

Frequency

Indicate the frequency in which the Statements have to be generated. The available options:

- Daily
- Monthly
- Quarterly
- Half Yearly
- Yearly

Billing Notice Basis

Select the schedule based on which the notices should be generated, from the drop-down list. The list displays the following values:

- Principal Due Date - Select this option if notice has to be generated 'N' days prior to each Principal payment schedule due dates.
- Profit Due Date- By default this option is selected. You can edit it. Select this option if notice has to be generated based on the main profit schedule.
- Rate revision St Date - Select this option if notice has to be generated based on the rate revision schedule defined for the main profit component.

Frequency Days

The frequency captured here is used to get the next date for statement generation subsequent to the first statement. This will be used in combination with the 'Frequency' explained above.

Start Date

The date entered here is used as a reference to start generation of the statement.

Message Type

Specify the type of Statement that should be generated. Statements are of the following types:

- Profit Statements
- Finance Statements

A generic notice type is configured, to generate a notice to the customer to intimate about the up-coming rate plan window. After receiving the notice, customer can choose the different rate plan available. If customer fails to intimate about their choice of rate plan within the rate plan period, then the system will continue with the current rate plan.

4.2.7.1 Profit Rate Revision within the Rate Revision Period

The Rate Revision Notice section allows you to maintain the number of days for the generation of the advice, prior to the scheduled date of rate revision. During End of Day if the notification date is less than or equal to schedule date, a Rate Revision Advice is generated.

The four different conditions for the rate revision will be handled in Oracle FLEXCUBE as follows:

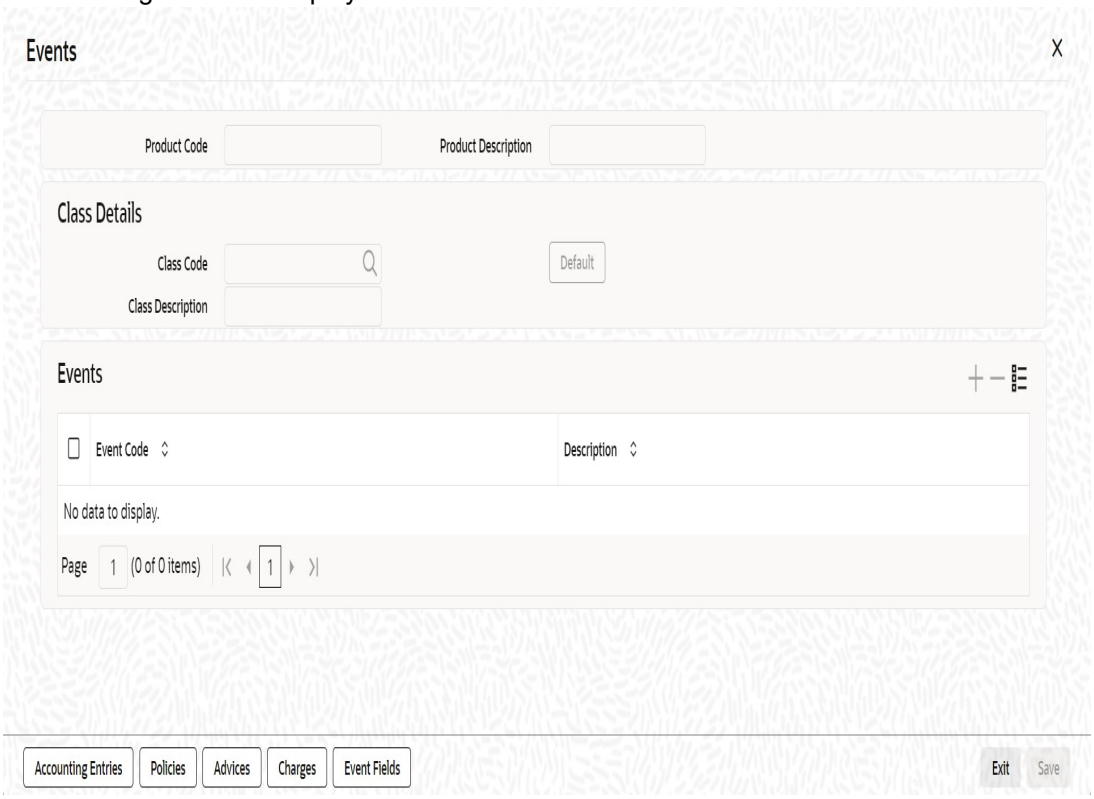
- Condition 1: Once the profit revision date is reached, the system continues to use the same profit rate code, till the next revision date.
- Condition2: If the request for change in profit rate is received a few days before the scheduled revision date, the profit rate code of the finance account is changed by value dated amendment, with the effective date as the scheduled profit revision date. On the effective date, the system changes the rate code and picks up the new profit rate
- Condition 3: If the request is for a future dated prepayment of the finance account there is no change in the profit rate , the principal is changed depending on the prepaid amount and once the payment is available in the settlement account, you can liquidate the finance manually with the requested effective date. An outstanding component breakup of prepayment compensation charges if applicable is sent to the customer.
- Condition4: If the request for profit rate revision is made much before the scheduled revision date, you can change the profit rate code of the finance account by value dated amendment with effective date as requested. The rate revision will be applicable on the total principal outstanding amount.

4.2.8 Events Button

A contract goes through different stages in its life cycle. In Oracle FLEXCUBE, the different stages a contract passes through in its life cycle are referred to as ’Events‘.

At an event, typically, you would want to post the accounting entries to the appropriate account heads and generate the required advices. When setting up a product, you can define the accounting entries that have to be posted and the advices that have to be generated at the various events in the life cycle of finances involving the product.

Therefore, for the required events you have to specify the Accounting entries, Charges, Policies and Advices. To do this, click the ‘Events’ tab in the ‘Product Maintenance’ screen – the following screen is displayed.



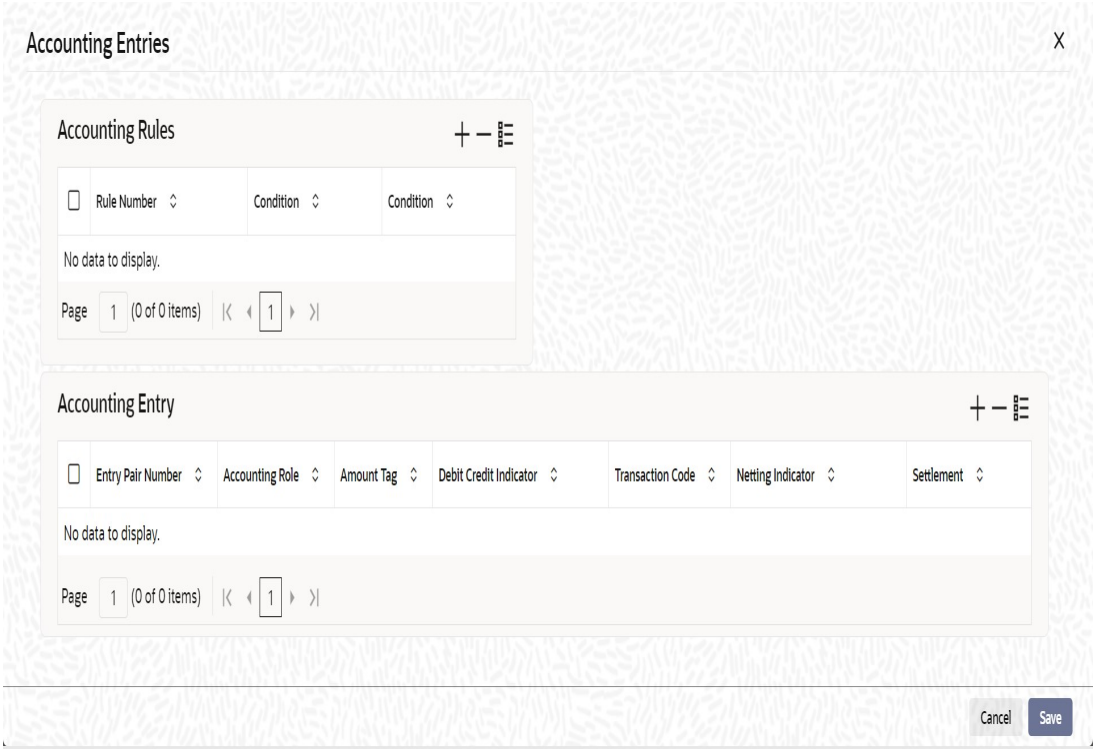
Event Code and Event Description

These are the events for which the accounting entries, advices, policies and charges will be maintained, individually. The event codes applicable for the module are available in the option list provided. This list also includes user defined events set up for the module. Select the relevant events for the product from this list.

The description for the event chosen is also displayed.

4.2.8.1 Accounting Entries

To define accounting entries for an event, click ‘Accounting Entries’ in the ‘Events’ tab – the ‘Event Acc Entry’ screen is displayed.



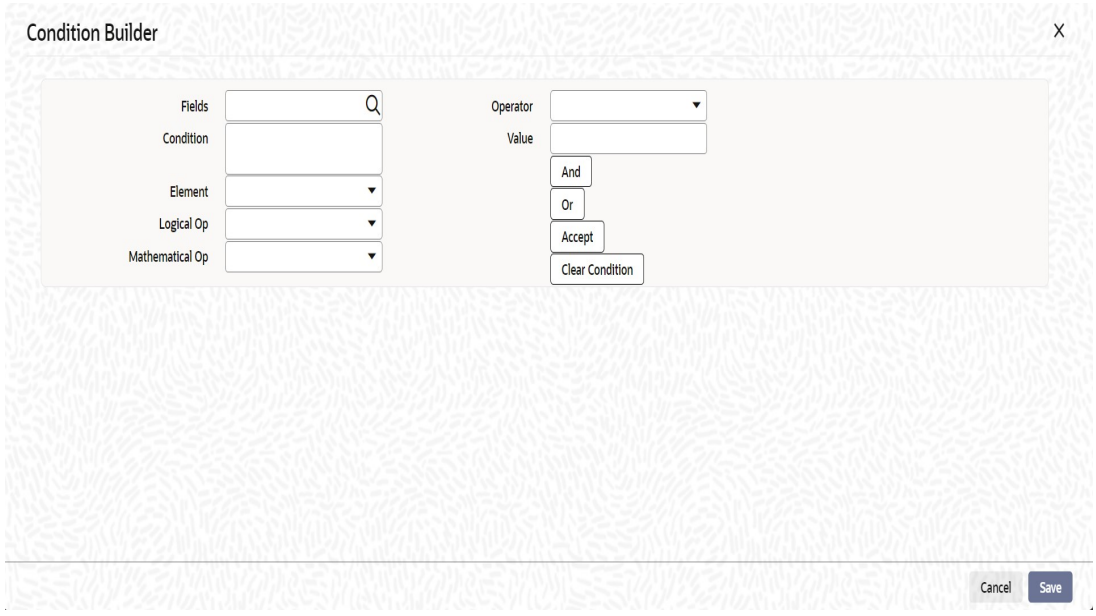
With the Rule definition builder, you can maintain different set of accounting entries for different conditions.

Rule Number

Every rule/condition you define for a product should be assigned a unique number. The rule number can consist of a maximum of 5 digits.

Rule Definition

You can use the ‘Condition Builder’ to define a rule. Click on ‘Condition’ button in the above screen to invoke it.



You can define a rule using the SDEs like Tenor, Customer Risk Category and other UDFs.

If you do no specify a rule/condition, the accounting entries become applicable to all conditions.

For details on building a condition using the options available in the screen, refer the section titled 'Defining UDE Rules' in the 'Maintenances and Operations' chapter of this User Manual.

Accounting Role

Specify the accounting role that should be used at the event. The option list displays all the accounting roles specified for the product in the 'Role To Head' tab of the 'Product Maintenance' screen. Select the role appropriate for the event.

Amount Tag

Specify the amount tag applicable for the Accounting Role. An amount tag identifies the amount/value that is actually due for a component. Depending on the components defined for the product, the system dynamically creates a set of amount tags. For instance, if the component is 'MAIN_INT', the following amount tags are automatically created:

- MAIN_INT _RESD - Component Amount Residual
- MAIN_INT_ADJ - Component Amount Adjustment
- MAIN_INT_LIQD - Component Amount Liquidated
- MAIN_INT_ROLL - Component Amount Rolled over
- MAIN_INT_CAP - Component Amount Capitalized
- MAIN_INT_ACCR - Component Amount Accrued
- MAIN_INT_DLIQ-Component Amount Paid against Due Schedules/future not-due schedules
- MAIN_INT_OLIQ-Component Amount Paid against Overdue Schedules
- COMPONENT_DP - Insurance Down Payment

The '_DLIQ' and '_OLIQ' tags will be generated only for the events LIQD and ROLL.

Select the appropriate amount tag from this list.

Debit or Credit

Here, you have to specify the type of accounting entry to be posted – the entry can be a debit entry or a credit entry.

Transaction Code

Every accounting entry in Oracle FLEXCUBE is associated with a Transaction Code that describes the nature of the entry. Specify the transaction code that should be used to post the accounting entry to the account head. You can group all similar transactions under a common transaction code. The transaction codes maintained in the 'Transaction Code Maintenance' screen are available in the option list provided.

Netting

Specify whether accounting entries should be netted at an event. You can net the accounting entries that are generated at an event by selecting 'Yes' from the drop down list. The system will then net the entries and show the resultant value in account statements. If you do not net, the entries will be shown separately in the statements.

MIS Head

An MIS Head indicates the manner in which the type of entry should be considered for profitability reporting purposes. This classification indicates the method in which the accounting entry will be reported in the profitability report. It could be one of the following:

- Balance
- Contingent Balance
- Income
- Expense

You can also link a product to an MIS Group if you do not want to define individual entities for the product.

Refer the section titled ‘Associating an MIS Group with the product’ in this chapter for more details.

Revaluation Required

Online Revaluation refers to revaluation done on transaction amounts during transaction posting, and not as part of an end-of-day process. The Revaluation profit /loss are booked to the Online ‘Profit GL’ or Online ‘Loss GL’ that you maintain for the GL being revalued.

You can opt for online revaluation by selecting the ‘Reval Reqd’ option.

Profit GL and Loss GL

If you have opted for online revaluation and the result of revaluation is a profit, the profit amount is credited to the Profit GL you select here. Similarly, if the result of revaluation is a loss, the loss amount is credited to the Loss GL you specify here.

Reval Txn Code

If you opt for online revaluation, you need to associate the transaction code to be used for booking revaluation entries. The system will use this transaction code to track the revaluation entries.

Holiday Treatment

Specify whether holiday treatment is applicable for processing accounting entries falling due on holidays. Select one of the following:

- Yes
- No

Rate Type Indicator

Select the rate type indicator used for revaluation purpose from the drop-down list. Following are the options available in the drop-down list:

- Mid
- Buy
- Sale

GAAP

Indicate the GAAP indicators for which the accounting entry is required for reporting under multi GAAP accounting. The adjoining option list shows all the GAAP indicators maintained in the system. Choose the appropriate one.

The system will then post entries into the specified books (GAAP indicators) during the different events that occur in the lifecycle of the finance. You can retrieve the balance for a certain component in an account in a specific status, for a given GAAP indicator, in a certain branch, reporting to a certain GL. The system will show the real and contingent balances accordingly.

Split Balance

Specify whether you need the balances to be split or not. If you check this option, the system will store the balance break-up for the specified GAAP indicators. You can then retrieve the

balances separately for the different GAAP indicators to which accounting entries are posted for the finance.

Balance Check in Batch

Indicate whether the balance check is required for the batch operations/online processing.

The options available are:

- Reject – The transaction is rejected if there is insufficient fund to process the transaction.
- Delinquency Tracking – The transaction is processed. If you have specified delinquency tracking for the accounting entries, the tracking is done according to the parameters you have defined for the Delinquency Product.
- Force Debit – The transaction is processed. However, no delinquency tracking is done even if the account goes into overdraft.
- Partial Liquidation – The transaction is processed. If you have specified partial delinquency, the system liquidates upto the available amount and the delinquency tracking is done on the remaining amount only.

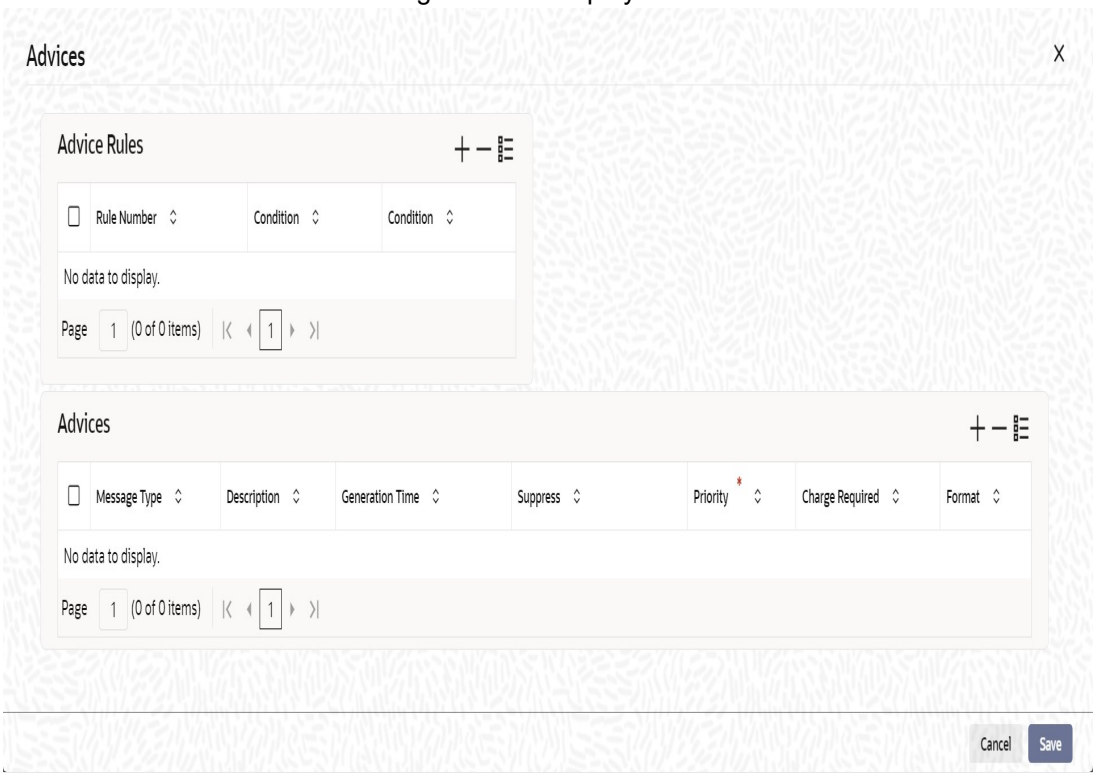
Delinquency Product

In case you have specified delinquency tracking for balance check type, you need to specify the delinquency product under which the entry is tracked. The option list displays all the delinquency product codes maintained in the Oracle FLEXCUBE. Select the appropriate from the option list.

4.2.8.2 Advices for an event

You can select the advices that should be triggered for various events. The selected advices are generated, once the product is authorized. These advices can be simple Debit /Credit advices when any payment or disbursement is made, Deal Slip advices, Rate Revision advices, Loan advices etc.

To specify the advices for an event, click 'Advices' button in the 'Events' tab of the 'Product Maintenance' screen – the following screen is displayed.



The following advice details have to be maintained in the screen:

Advice Name

Select an advice from the option list provided. The advices applicable for the module are available in this list. When you select an advice, the description is displayed in the adjacent field.

Trigger

The 'Trigger' indicates the appropriate time at which the advice is to be generated. You can indicate whether the advices specified for the product should be generated when the event takes place (Input) or at authorization.

Suppress

This option may be used if you want to suppress the generation of some advices.

Priority

You can indicate the importance of the advice generation. The priority may be:

- High
- Medium
- Low

Charges

You may check this option to collect charges for advice generation.

You can specify a definite format for advice generation. The formats maintained through the 'Format File Maintenance' are available in the option list. Select the appropriate format from this list.

For a detailed list of Events, Advices, Accounting Roles and Amount Tags, refer 'Annexure 1' of this User Manual.

4.2.8.3 User Defined Policies

Policies are user defined validations that will be fired when any event is triggered. These can even be policies which govern the firing of an event under certain conditions.

For instance, if an operation called payment is being done and the customer is paying an amount greater than his current overdue and one additional installment, you can associate a policy to disallow the payment. Therefore, you have to associate policies to an event.

Click on ‘Policies’ button in the ‘Events’ tab of the screen to define the policies that should be executed for an event.



You can select the appropriate policy from the option list provided. The policies defined in the ‘User Policy’ screen are available in this list. You should also specify the instance when the policy should be triggered for the event. The options are:

- Before Event
- After Event
- Both

4.2.8.4 Charges

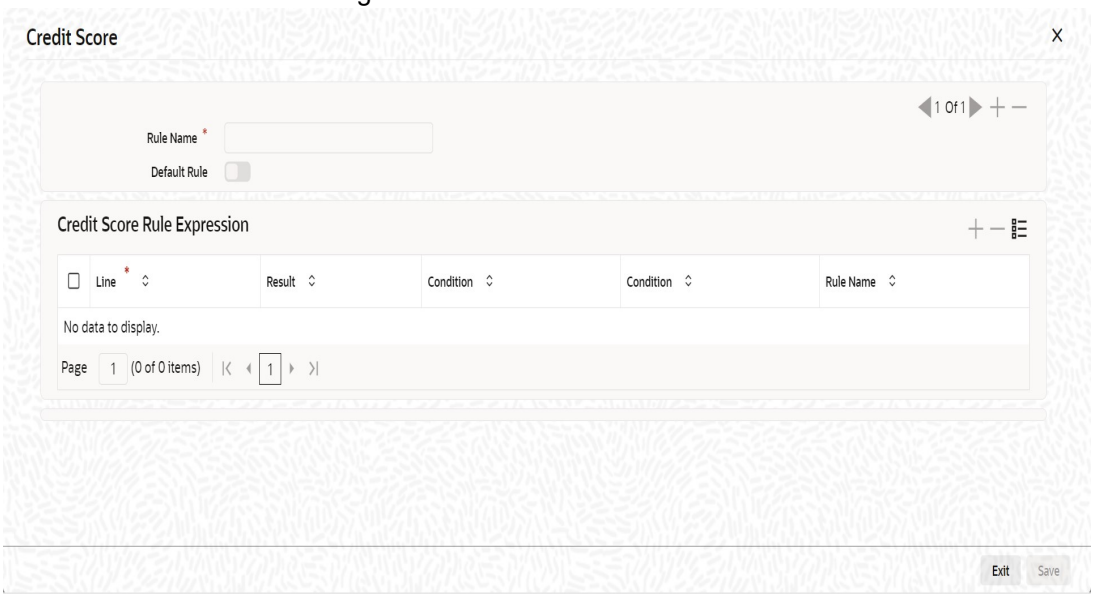
You can associate charges to an event. Linking a charge to an event implies calculating the value of the charge. To associate charges, click ‘Charges’ button in the ‘Event’ tab of the screen.



The charge type of components defined for the product (in the ‘Components’ tab of the screen) are displayed in the option list. Select the component you wish to associate with the event.

4.2.9 Credit Score Button

You can maintain Credit score details in the ‘Credit Score’ screen. Click on ‘Credit Score’ button in the ‘Islamic Financing Product’ screen to invoke this screen.

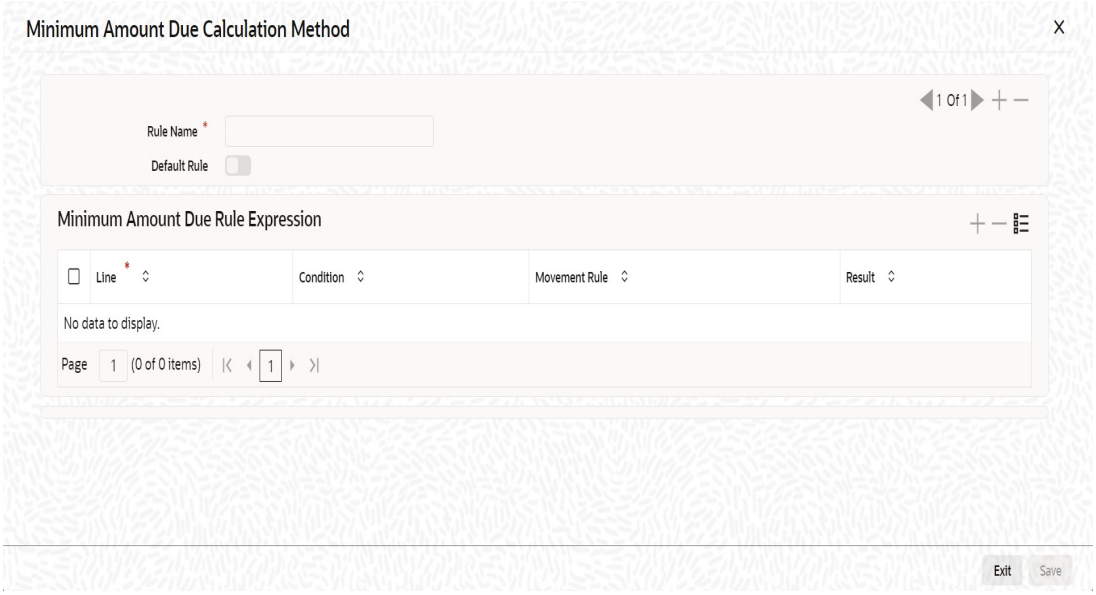


Rule

Select the Rule that you wish to associate with the product from the option list. The questions that have been defined for the Rule selected are displayed. Based on the score for each of the answers you select, the final credit score is computed. You can link only one Rule to a product.

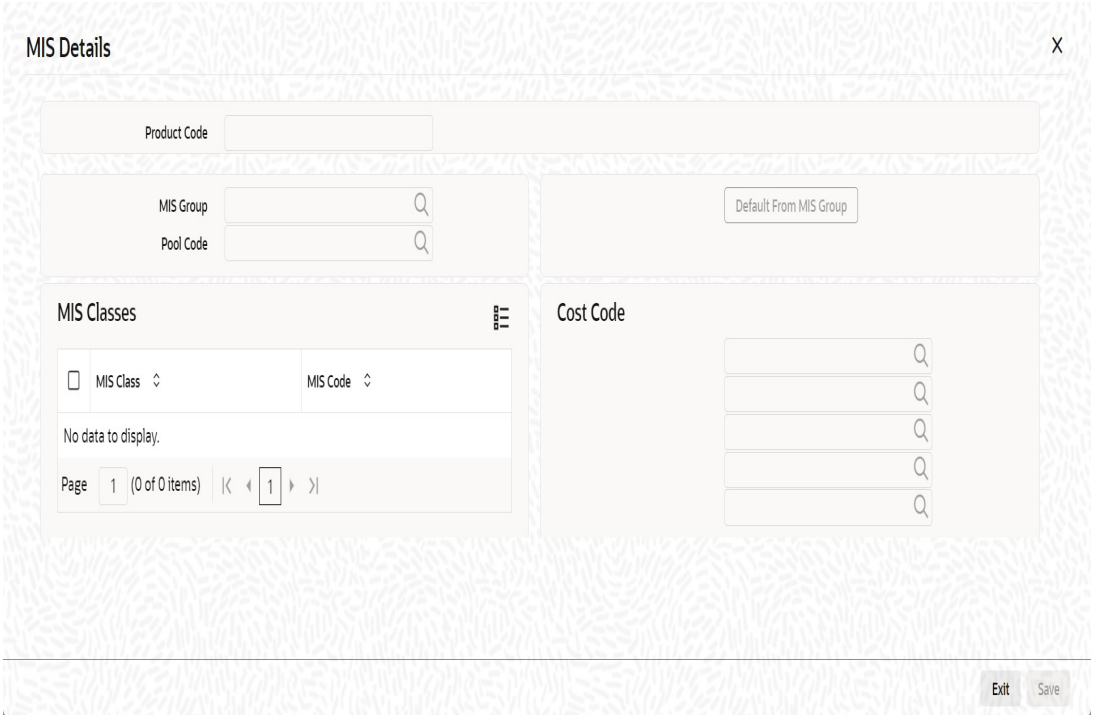
4.2.10 Minimum Amount Due Method Button

You can invoke this screen by clicking on ‘Minimum Amount Due Calculation Method’ button on the Islamic Product Financing screen.



4.2.11 MIS Button

You can associate MIS details with a product in the ‘MIS Details’ screen. Click ‘MIS’ button in the ‘Product Maintenance’ screen to invoke it.



In this screen, you can associate an ‘MIS Group’ to which the product should be linked (if it is applicable; if not, you can define the individual entities under which the product should be reviewed).

To associate a group, check the ‘Link Group’ option. If a group is linked, the entities defined for the group will be displayed. Only the Transaction MIS Code will be applicable to a product. The specific MIS entity (in the form of an MIS Code) will be picked up by default only if you have defined them for the group. If not, you have to indicate the appropriate MIS code for each applicable MIS class.

4.2.12 Fields Button

UDFs are additional fields that are available for use depending on the bank’s requirement. You can define UDFs in the ‘Product UDF Mapping (CLDPRUDF’)’ screen by clicking on the ‘Fields’ button.

Refer the section ‘CL Product UDF Maintenance’ in the Retail Lending User Manual.

4.3 IRR Application on Finances

This section contains the following topics:

- Section 4.3.1, "Processing of IRR Application on Finances"
- Section 4.3.2, "Recalculation of IRR with new effective date"

4.3.1 Processing of IRR Application on Finances

The internal rate of return is the profit rate received for an investment consisting of payments (negative values) and income (positive values) that occur at regular periods. It is computed for a series of cash flows represented by the numbers in values. These cash flows may not

be even, as they would be for an annuity. IRR is computed only when the cash flows occur at regular intervals, such as monthly or annually.

IRR is closely related to NPV - Net Present Value. The rate of return calculated by IRR is the profit rate corresponding to a 0 (zero) NPV. NPV measures the additional market value that the management expects the project to create (or destroy) if it is undertaken. It is computed using a discount rate and a series of future payments (negative values) and income (positive values).

IRR for finance accounts (where applicable) is calculated when the YACR event is triggered and the corresponding batch is run. You need to set up certain specific accounting entries for this event.

Refer the chapter titled 'Annexure A: Accounting Entries and Advices' in this User Manual for the details of the accounting entries.

The system identifies the acquisition type of the product during account creation. For the account, it derives the acquisition type based on the following parameters:

For asset accounts (finances), if:

- Inflow>Outflow, then Acquisition type will be 'Discount'
- Inflow=Outflow, then Acquisition type will be 'Par'
- Inflow<Outflow, then Acquisition type will be 'Premium'

It calculates the constant yield or IRR during the initial disbursement of account using the following formula:

$$\left[\sum_{i=1}^{N} \frac{CF_i}{(1+IRR)^{\left(\frac{d_i-d_1}{D}\right)}}\right]=0$$

Where:

- **N** - Number of cashflows including the net cash flow on the contract value date (Initial disbursement record)
- **CF_i** - i^{th} Cashflow
- **IRR** - Internal Rate of Return for the contract
- **d_i** - Date of i^{th} Cashflow
- **d_1** - Date of 1^{st} Cashflow (the first disbursement date)
- **d_i-d_1** - Number of Days based on the Numerator Daycount Method
- **D** - Denominator Daycount Method

The IRR is computed in an iterative method by taking the contract profit rate as the initial guess. In case of finance amendment and prepayment, the cash flows are re-computed and used for IRR calculation post amendment/prepayment. The formula used for recomputation is the same as that used for the initial computation.

4.3.2 Recalculation of IRR with new effective date

In case of Bearing and Amortized accounts, IRR recalculation will be done using a new effective date, during the following events:

- Manual disbursement
- Value Dated Amendment with schedule redefinition
- Prepayment
- Floating Rate Revision
- Value Dated Increase of Principal
- Value Dated Maturity Date Change
- Value Dated Rate Revision
- Rollover
- Version reversal
- Up-front fee Amendment

For such accounts, s new charge is levied on the following events:

- Value Dated Amendment Initiation (VAMI)
- Rollover (ROLL)
- Partial prepayment (MLIQ)
- Account status change (STCH)
- Installment status change (STSH)

In case of Discounted accounts, IRR will be re-calculated using a new effective date, during the following events:

- Rollover
- Up-front fee Amendment

For such accounts, a new charge is levied on the following events:

- Value Dated Amendment Initiation (VAMI)
- Rollover (ROLL)
- Partial prepayment (MLIQ)

During the event 'Value Dated Amendment with Schedule Re-definition', IRR is recalculated with the currently active IRR effective date.

IRR re-calculation has to be done during reversal of partial and full prepayment, if the prepayment triggered recalculation of IRR.

In case of partial prepayment, if the payment value date is less than or equal to an existing IRR effective date, then IRR will be recalculated as of the earliest IRR effective date and all future dated IRR will be deleted.

IRR re-calculation does not happen in following cases:

- Regular Payment
- Overdue Payment
- Reversal of Regular Payment
- Reversal of Overdue Payment

Note

– Catch-up of discount accrual during various events like amendment leads to recalculation (i.e. principal change/maturity date change/rate change/schedule

redefinition), rate revision, liquidation, rollover, reversal of prepayment, etc. This is similar to the catch-up of profit liquidation in this module.

- During full repayment, outstanding accruals are passed unconditionally with the YACR event.
- During full prepayment, if there is a charge associated for the LIQD liquidation event, the charge amount will be populated with %LIQD amount tags.
- During foreclosure of the account the same processing as that of discount is followed for premium. This means that either complete pending accrual or refund happens based on the preference specified at the product level in the 'IRR Accrual Preference' screen. This implies that either the unaccrued discount for the entire tenor of the account will get accrued (in case of 'Complete Accrual' preference) or the refund happens to the customer for the unaccrued amount (in case of 'Refund' preference).
- In case of 'Par' acquisition type, there is no refund. Only the pending accruals are completed.

4.3.2.1 Processing during the account status change

During status change the system:

- Makes all discount accrual accounting roles available for transfer
- Identifies the balances to be transferred as 'Premium TBA – Premium Accrued' and 'Discount TBA – Discount Accrued'.
- Stops the discount accrual and ensures that the YACR event doesn't pass any entries when the option 'Stop Accrual' is checked for a contract.
- Reverses the balances for 'Premium Accrued' and 'Discount Accrued' when the 'Reverse Accruals' option is checked for a contract.
- Cash flow for charge components being liquidated while booking of the finance (BOOK) or initiation of the finance (INIT) are populated with due date equal to first disbursement date.
- For charge components wherein the charge currency is different from the contract currency, the charges are calculated in the specified charge currency at the product component level. These charges are liquidated during the BOOK or INIT events. The charge amount in the account currency is then arrived at based on the exchange rate as of account booking date.
- In case the charge currency not the same as the account currency, but the account currency is the same as the settlement account currency, the exchange rate input in the 'Settlements' screen will be used to convert the amount to account currency.
- IRR calculation is done during booking of the account (the BOOK event) instead of value date of the account (the INIT event) for future dated accounts.

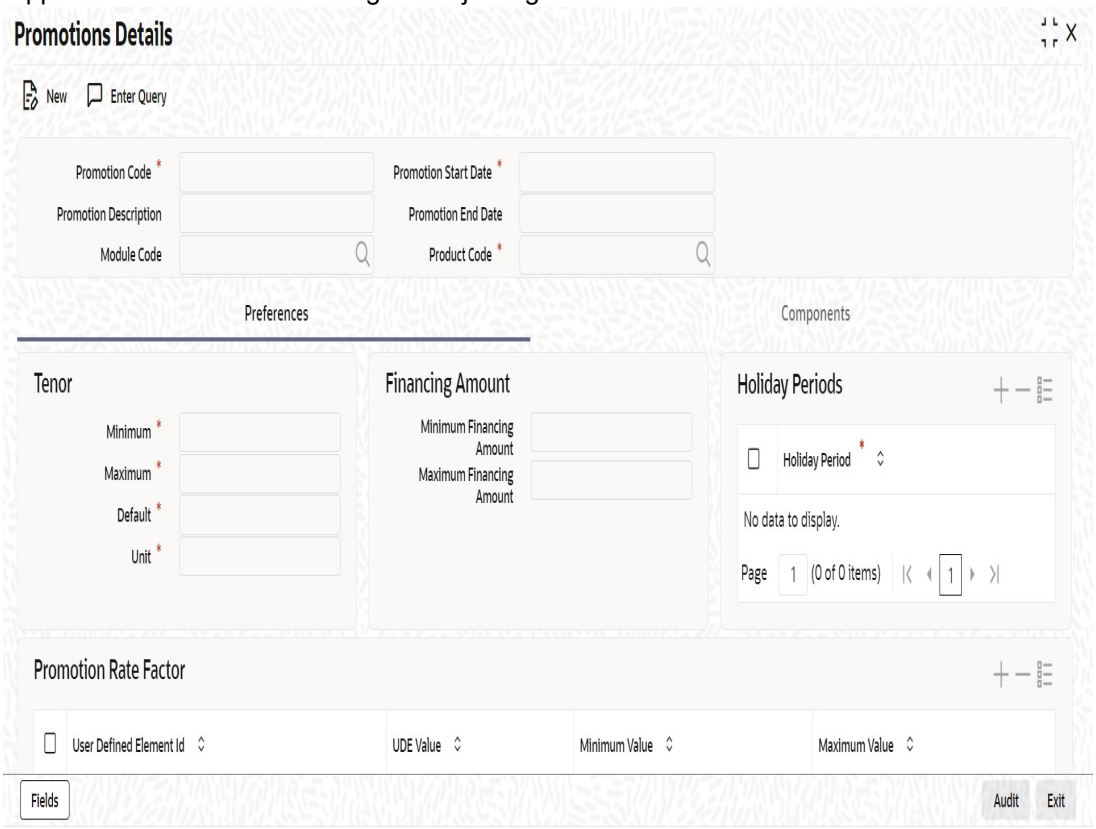
4.4 Promotion Details

This section contains the following topics:

- Section 4.4.1, "Maintaining Islamic Promotions"
- Section 4.4.2, "Preferences Tab"
- Section 4.4.3, "Components Tab"

4.4.1 Maintaining Islamic Promotions

The Islamic Financing Module maintains benefit plans. You can invoke the 'Islamic Promotions Details' screen by typing 'CIDPROMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The screen has two tabs: Preferences and Components. By default, the 'Preferences' tab is displayed when you invoke the screen.

First, capture the following basic information about the promotion:

Promotion Code

Specify a unique 4-character alphanumeric code to identify the promotion in the system.

Promotion Description

Provide a brief description of the promotion.

Module Code

Select the Module Code from the adjoining option list.

Promotion Start Date

Specify the life span of the promotion. The promotion is valid for the period maintained here.. Promotion details can be maintained for a current dated /future dated / past dated. If you do not specify an end date for the promotion, it can be used for an indefinite period and the product becomes open-ended in nature.

Promotion End Date

Specify an end date for the promotion.

Product Code

Select the Product Code from the adjoining option list.

4.4.2 Preferences Tab

As part of promotion preferences, you have to:

- Specify tenor details
- Associate holiday periods
- Select the relevant UDEs and specify their values

4.4.2.1 Tenor Preferences

You can set the minimum and maximum tenor limits for the promotion. You can also specify a standard or a default tenor.

Minimum Tenor

Specify the minimum tenor applicable for the promotion. If you associate the finance to the promotion being maintained, the tenor of the finance account should be greater than or equal to the minimum tenor specified here.

Maximum Tenor

Specify the maximum tenor for the promotion. The tenor of the finance accounts associated with the promotion should be less than or equal to the Maximum tenor that you specify here.

Default Tenor

The 'default tenor' is the tenor that is applied to the finance account upon association with the promotion. The value captured here should be greater than the minimum tenor and less than the maximum tenor. You can change the default tenor applied on a finance account during finance processing. However, the new tenor should be within the minimum and maximum tenors maintained for the promotion.

Units

The tenor details that you specify for a promotion can be expressed in one of the following units:

- Days
- Months
- Years

It is mandatory to define the tenor details before specifying the holiday periods for the promotion.

Financing Amount

Specify the minimum and maximum financing amount.

4.4.2.2 Holiday Periods

You can maintain holiday periods for the promotion. Holiday periods or repayment holidays refer to the time when customers can avail repayment holidays owing to other expenses during the period. Holiday periods are defined in the 'Holiday Period' screen and the same are available for association with the promotion being maintained.

4.4.2.3 Promotion Rate Factor

You have to specify the special profit rates that are applicable for the promotion:

UDE Id

Select the UDEs (User Data Elements) for the promotion being maintained.

UDE Value

Specify the value of the UDEs selected. The value specified here is used in the formula defined for profit calculation. The UDEs maintained for the Promotion takes precedence over the product level UDEs. At the account level, the UDEs get defaulted from the promotion in the order of priority, the highest priority promotion being applied last.

Maximum Value

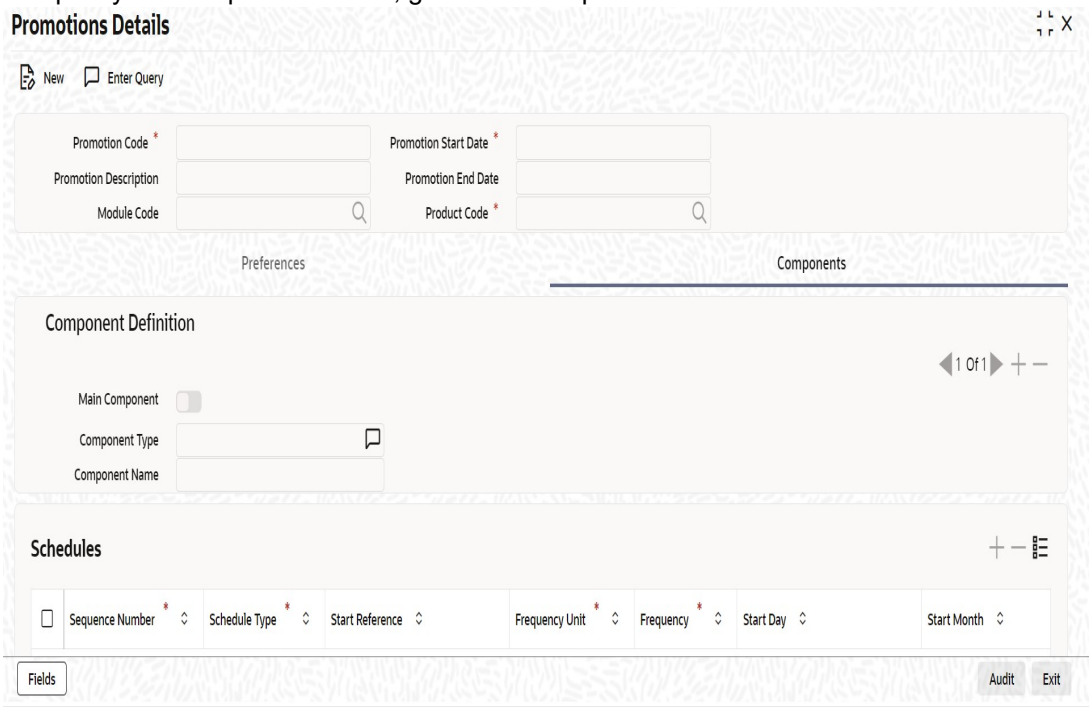
Specify the maximum value for profit rate component type.

Minimum Value

Specify the minimum value for profit rate component type.

4.4.3 Components Tab

To specify the component details, go to the 'Component' tab of the screen.



The following components are automatically defined for the promotion:

- PROFIT
- PRINCIPAL

4.4.3.1 Schedules

Maintain the schedule details for the two components in this section of the screen. These include the following:

- Sequence Number
- Schedule Type
- Start Reference
- Unit and Frequency
- Start Day
- Start Month
- Start Date
- Flag (Normal or Moratorium)

- Number of schedules
- Whether capitalization of the component is applicable or not

4.5 Computing Profit and Schedule for Islamic Banking

This section contains the following topics:

- Section 4.5.1, "Computing Profit and Schedule using a flat rate"
- Section 4.5.2, "Computing Profit and Schedule using Reducing Balance with Fixed Principal"
- Section 4.5.3, "Computing Profit and Schedule using Reducing Rate with Fixed Instalment Amount"

Note

Flat and Reducing balance with fixed principal methods of profit calculation is applicable only for Murabaha and Istisna product types.

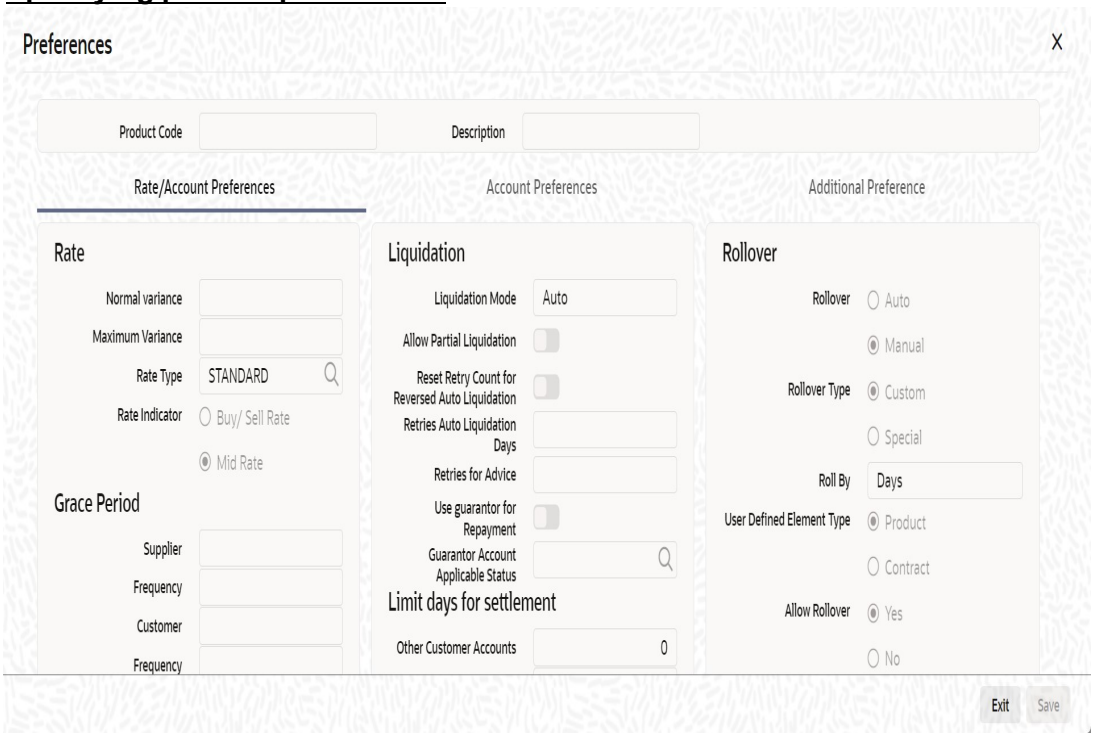
4.5.1 Computing Profit and Schedule using a flat rate

The Islamic Financing module allows you to create special products for servicing finances as per the *Shariah*. You can create separate products each with a different type of profit and schedule computation.

In this case, the system will calculate the profit using the simple Flat rate method i.e. (Principal * Flat Profit% * Tenor). The EMI will then be computed as Repayment Amount/No. of Schedules.The bullet schedule is adjusted for the rounding differences.

The total principal and profit are equally divided across repayment schedules irrespective of the schedule duration/period.After profit calculation, if IRR based schedule re-computation is required for the contract, system derives the XIRR based on the cash-flows and re-calculates the schedule breakups based on the XIRR.

4.5.1.1 Specifying product preferences



While specifying preferences for this product, you need to specify certain details as under:

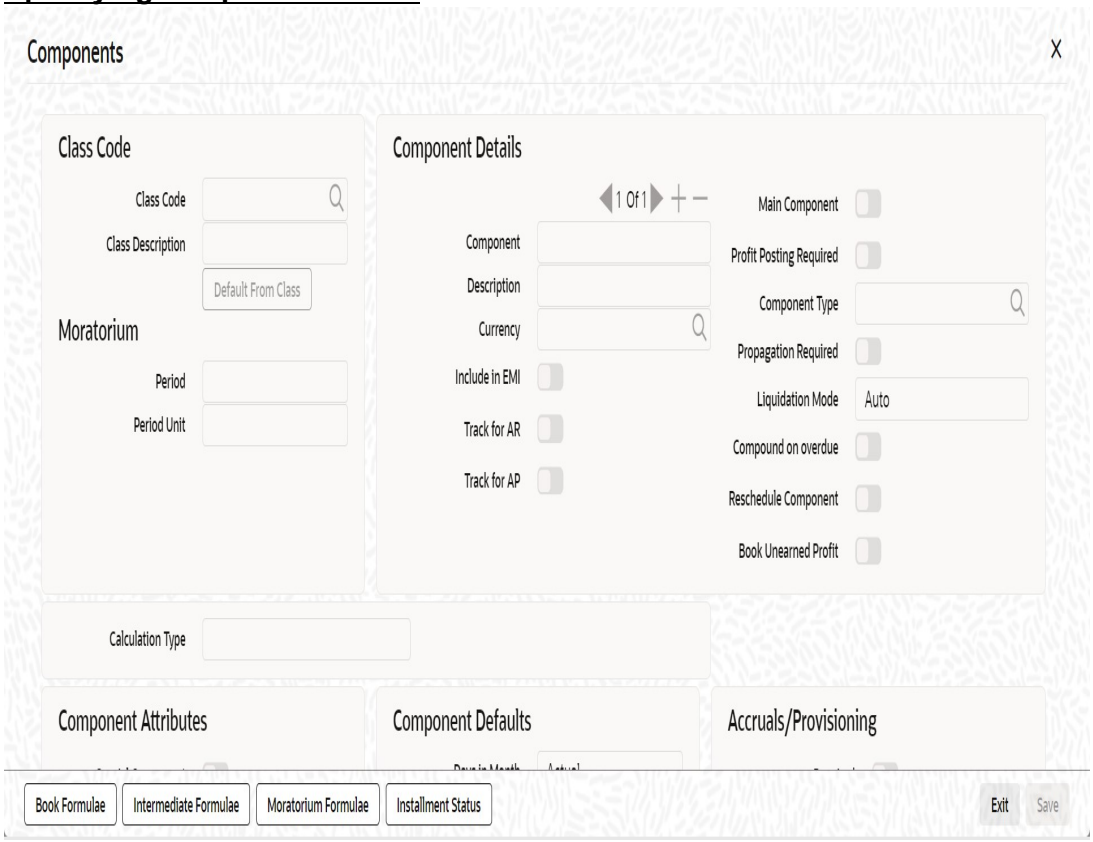
VAMI Action

Choose the option ‘Installment Changes with Equal Profit’.

Prepayment Recomputation Basis

Choose the option **‘**Advance Maturity with Equal Profit’.

4.5.1.2 Specifying component details



While specifying component details for this product, you need to specify certain details as under:

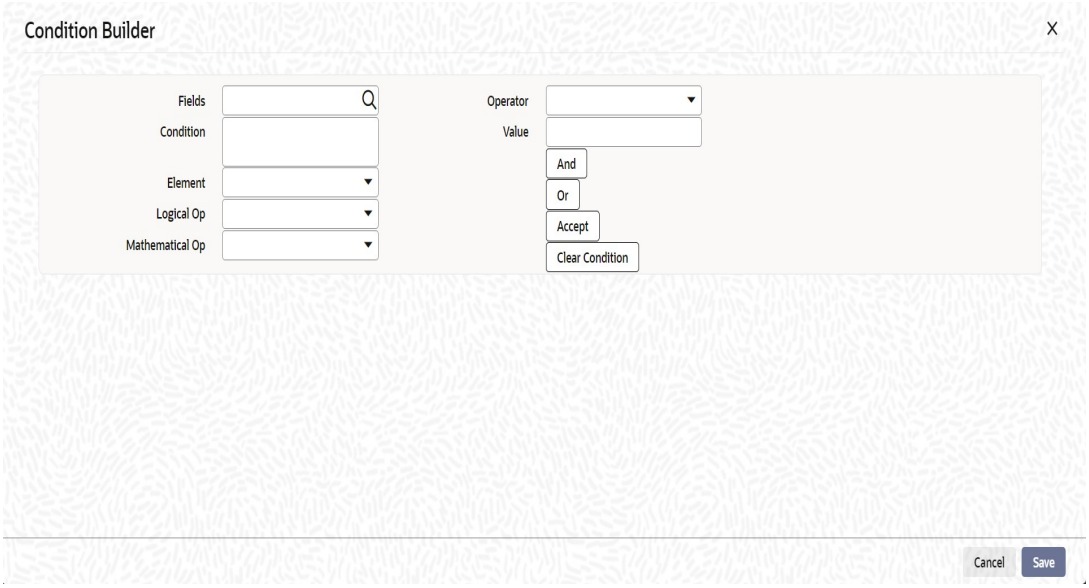
Formula Type

Select the option 'Flat'

4.5.1.3 Creating the Booked Formula

You need to create the booked formula as given below:

@FLAT(PRINCIPAL,STAFF_DIFF_RATIO,(PROFIT_RATE),DAYS,YEAR,COMPOUND_VALUE)



4.5.2 Computing Profit and Schedule using Reducing Balance with Fixed Principal

If you choose this option, the system will compute the profit and payment installment amount as under:

- The principal will be divided equally across the repayment frequency.
- The profit amount will be computed on the total outstanding principal for the first repayment schedule. From thereon, the outstanding principal will be reduced to the extent of payment made and profit will be computed on the remaining principal for the tenor.
- The yearly profit calculation will be done as total profit for the contract tenor/tenor (number of years).
- The installment amount will be computed as (total principal amount + total profit amount)/ number of payment schedules.

The total principal and profit are equally divided across repayment schedules irrespective of the schedule duration/period.After profit calculation, if IRR based schedule re-computation is required for the contract, system derives the XIRR based on the cash-flows and re-calculates the schedule breakups based on the XIRR.When we book the finance, profit and schedules are generated automatically based on the product type and calculation type.

4.5.2.1 Specifying product preferences



While specifying preferences for this product, you need to specify certain details as under:

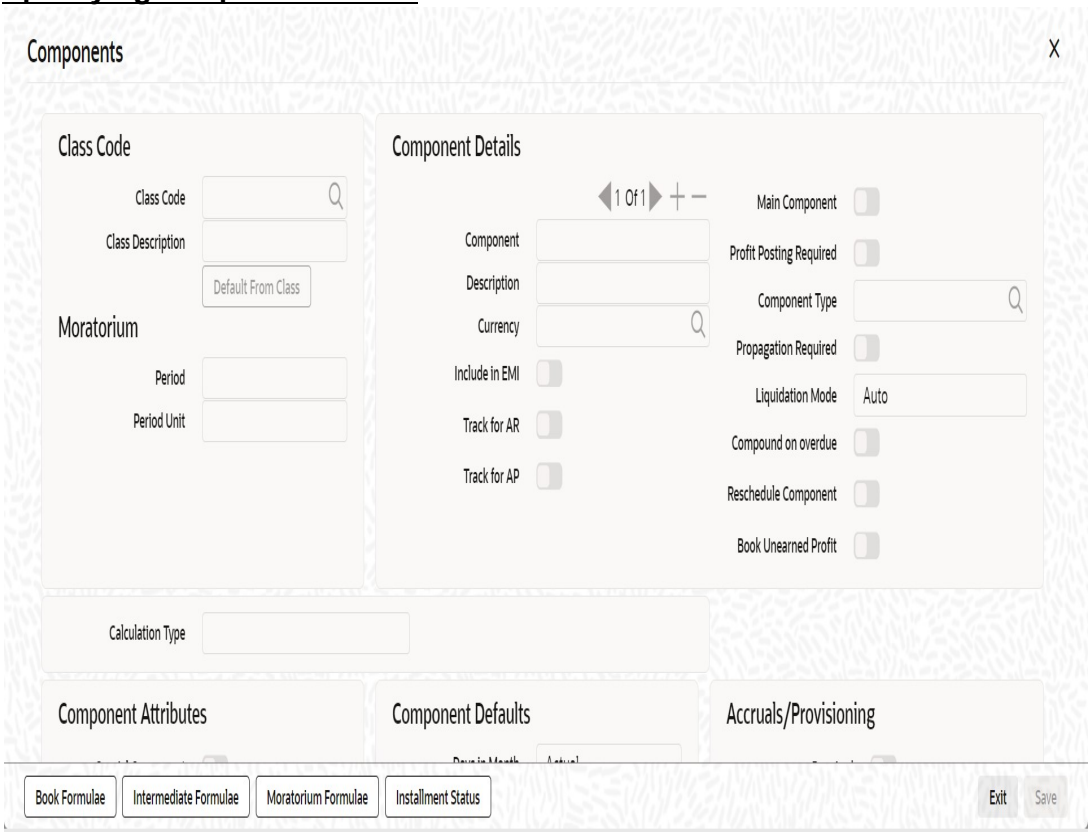
VAMI Action

Choose the option ‘Installment Changes with Equal Profit’.

Prepayment – Recomputation Basis

Choose the option ‘Advance Maturity with Equal Profit’.

4.5.2.2 Specifying component details



While specifying profit component details for this product, you need to specify certain details as under:

Formula Type

Select the option 'Simple Average'.

4.5.2.3 Creating the Booked Formula

You need to create the booked formula as given below:

@SIMPLE_AVG(PRINCIPAL_EXPECTED,STAFF_DIFF_RATIO,PROFIT_RATE,DAYS,YEAR,COMPOUND_VALUE)

4.5.3 Computing Profit and Schedule using Reducing Rate with Fixed Instalment Amount

If you choose this option, the system will compute the profit and payment installment amount as it would do for an amortized finance. Additionally, the system will also consider special type of components while computing profit for Customer grace period, Advance payment period etc.

4.5.3.1 Specifying product preferences



While specifying preferences for this product, you need to specify certain details as under:

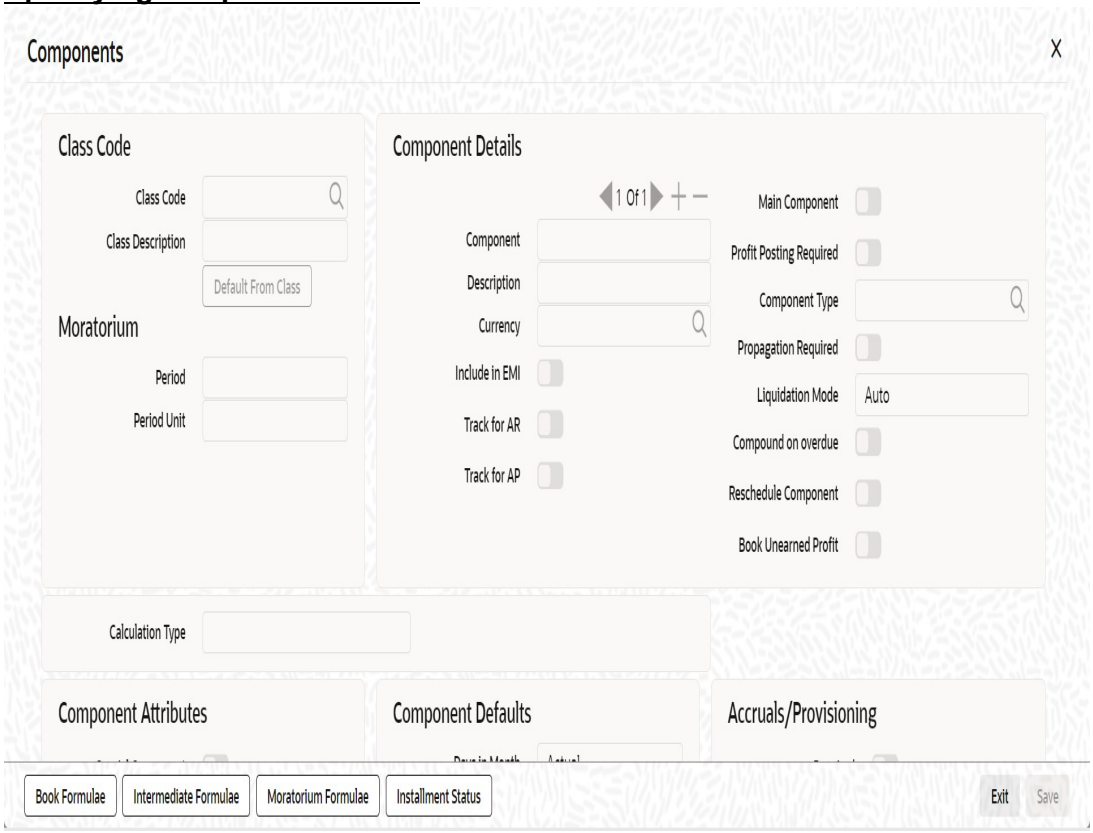
VAMI Action

Choose the option ‘Installment Changes with Equal Profit’.

Prepayment – Recomputation Basis

Choose the option ‘Advance Maturity with Equal Profit’.

4.5.3.2 Specifying component details



While specifying profit component details for this product, you need to specify certain details as under:

Formula Type

Select the option 'Amortized Reducing'.

Refer the section 'Setting up a CL product' in this chapter for details on setting up a product.
Annexure 1: Product Defaulting

4.6 Product Creation

This section contains the following topics:

- Section 4.6.1, "Creating a Default Product"
- Section 4.6.2, "Main Tab"
- Section 4.6.3, "Preferences Tab"
- Section 4.6.4, "Components Tab"
- Section 4.6.5, "Role to Head Tab"
- Section 4.6.6, "Account Status Tab"
- Section 4.6.7, "Notices & Statement Tab"
- Section 4.6.8, "Events Tab"
- Section 4.6.9, "Branch Currency Restriction Tab"
- Section 4.6.10, "Customer Category Restriction Tab"
- Section 4.6.11, "UDF Details Tab"

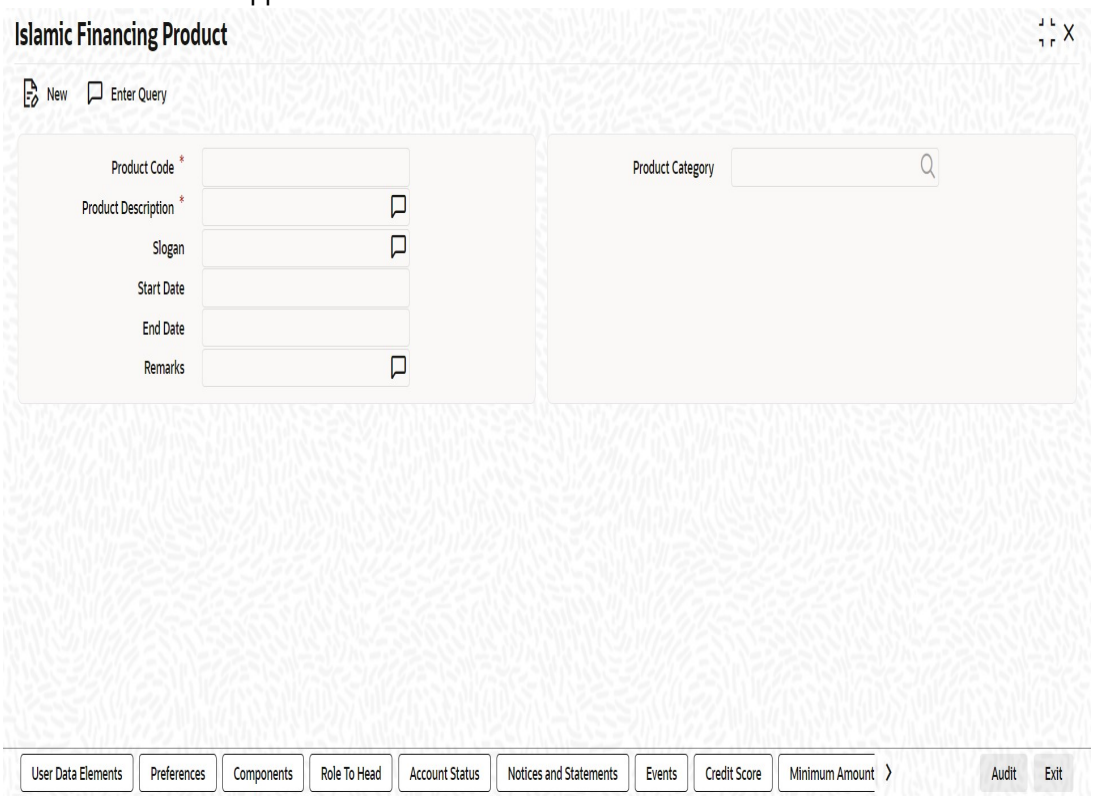
4.6.1 Creating a Default Product

Whenever you create new product, the system will create a default product for the ‘Product Code’ and ‘Product Category’ entered. The preferences of the default product are provided in this section.

The values in the product screens along with the corresponding screen snapshot are provided for reference.

4.6.2 Main Tab

After you select the ‘Product Code’, ‘Description’, and ‘Product Category’, click the ‘Default’ button. The screen appears as follows:



Default UDE

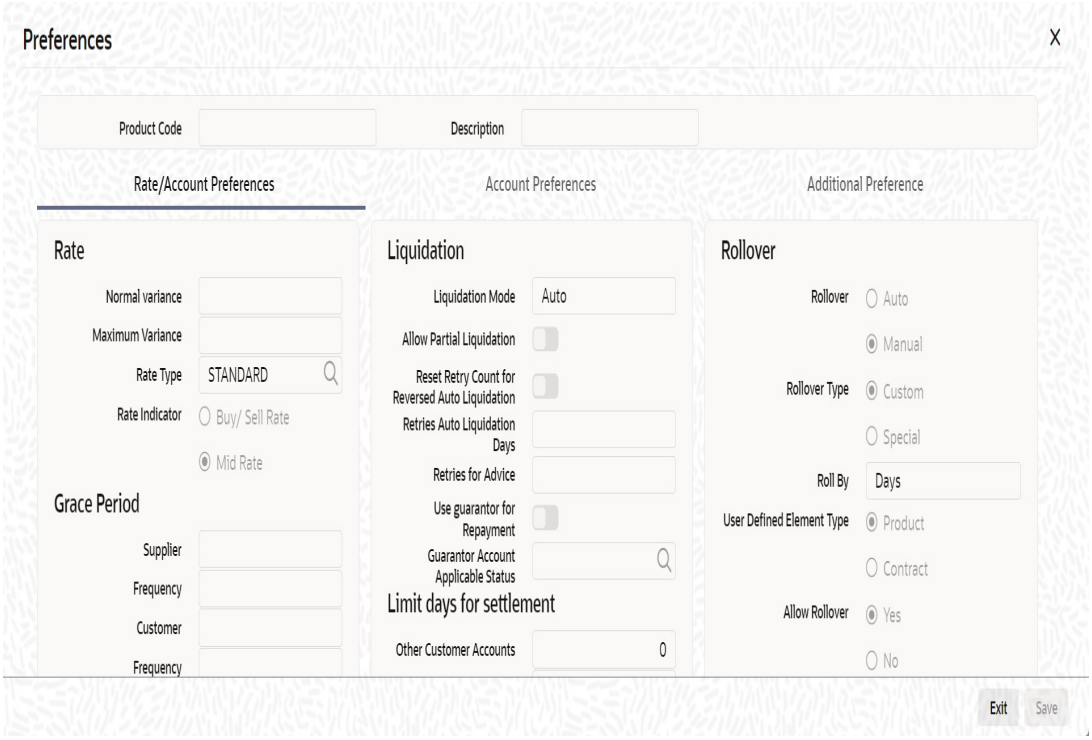
PROFIT_RATE

Default Components

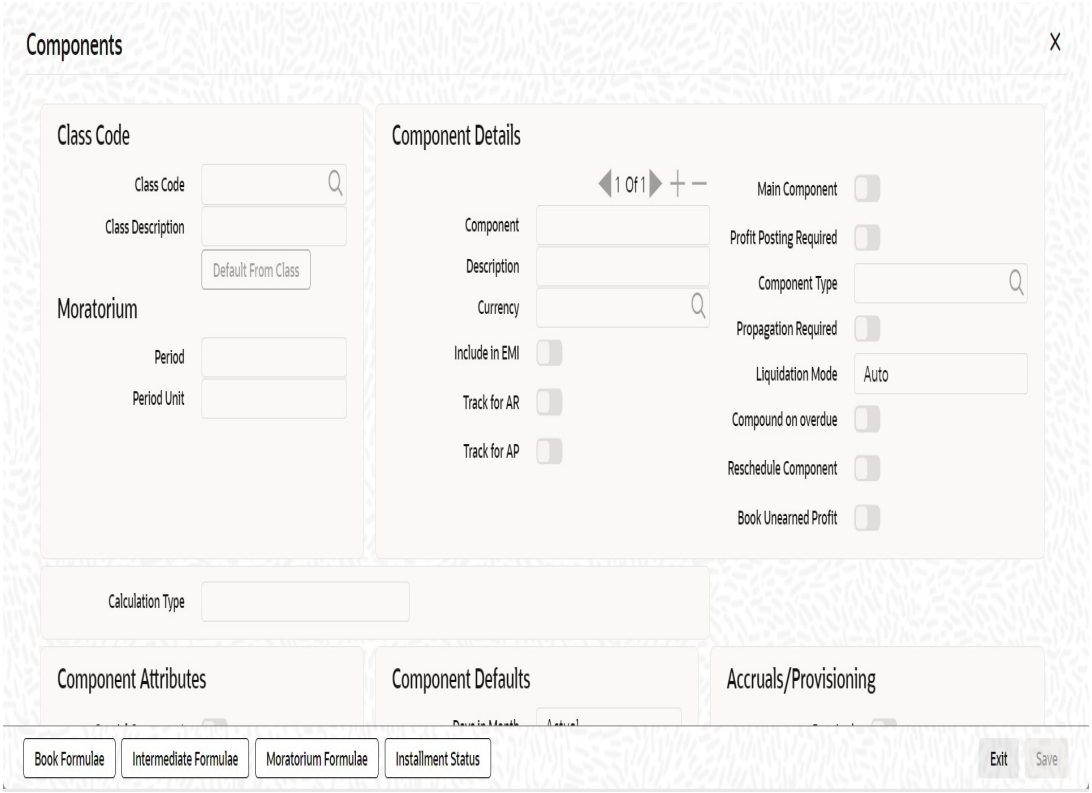
- PRINCIPAL
- MAIN_INT

4.6.3 Preferences Tab

You can change the default preferences.



4.6.4 Components Tab



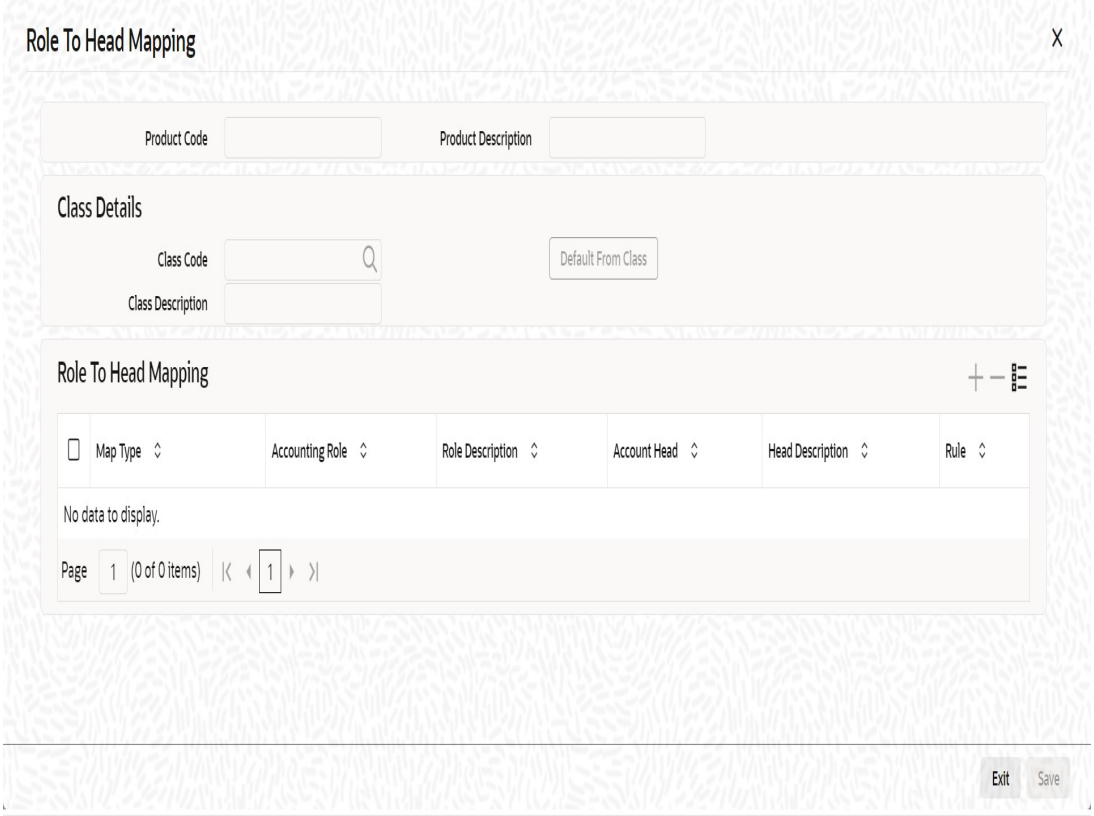
The component 'MAIN_INT' will have the following details:

- Schedule Type: Payment which indicates profit payment
- Formula Type: Simple

- Basis Element: PRINCIPAL_EXPECTED
- Booked Formula: @SIMPLE(PRINCIPAL_EXPECTED,(PROFIT_RATE),DAYS,YEAR,COMPOUND_VALUE)

The component ‘PRINCIPAL’ will have default schedule types ‘Disbursement’ and ‘Payment’ and relevant details for these schedules.

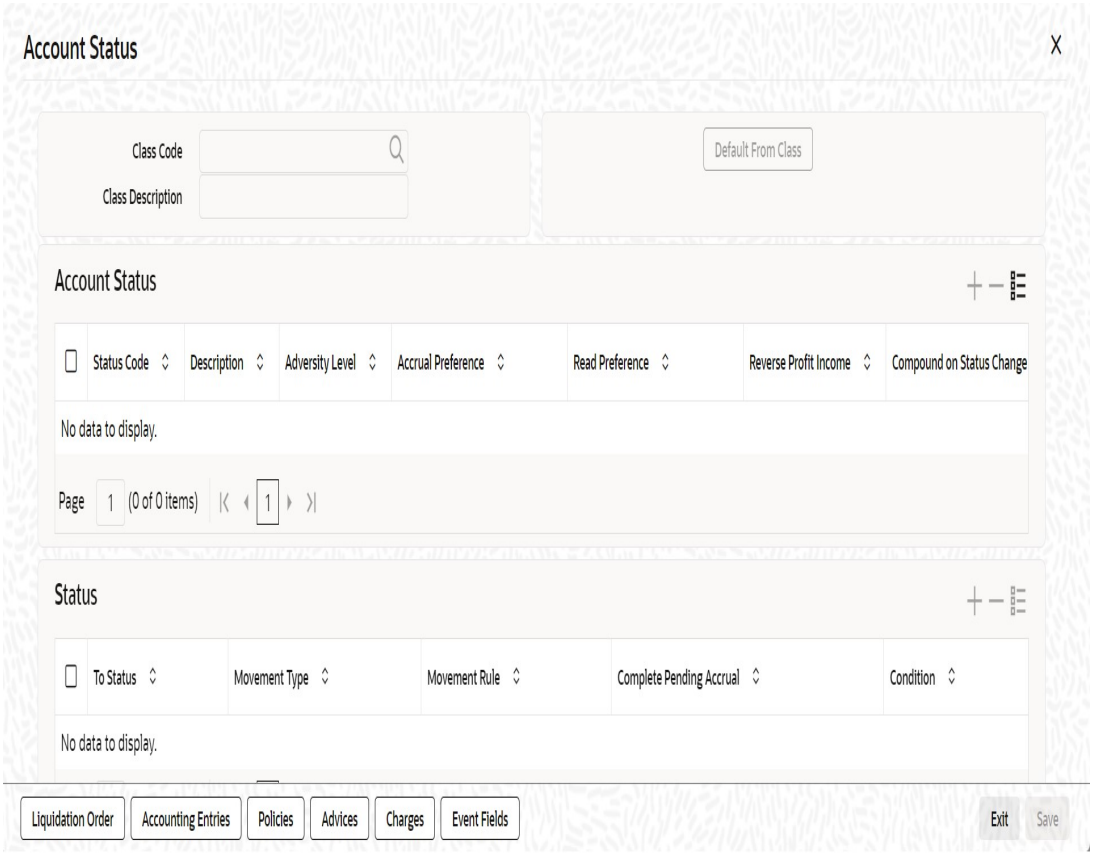
4.6.5 Role to Head Tab



The Bridge GLs default from the Branch Parameters.

- Accounting Roles: The following roles are defaulted:
  - LOAN_ACCOUNT
  - DR_SETTL_BRIDGE
  - CR_SETTL_BRIDGE
  - MAIN_INTREC
  - MAIN_INTINC
  - MAIN_INTEXP
  - PRINCIPALEXP
  - SROL_SUSPENSE
- Map Type: Static

4.6.6 Account Status Tab



The default status is 'NORM' which indicates the normal status. You can change the defaulted value and enter new status.

Liquidation order is in the order as displayed in the screen below:



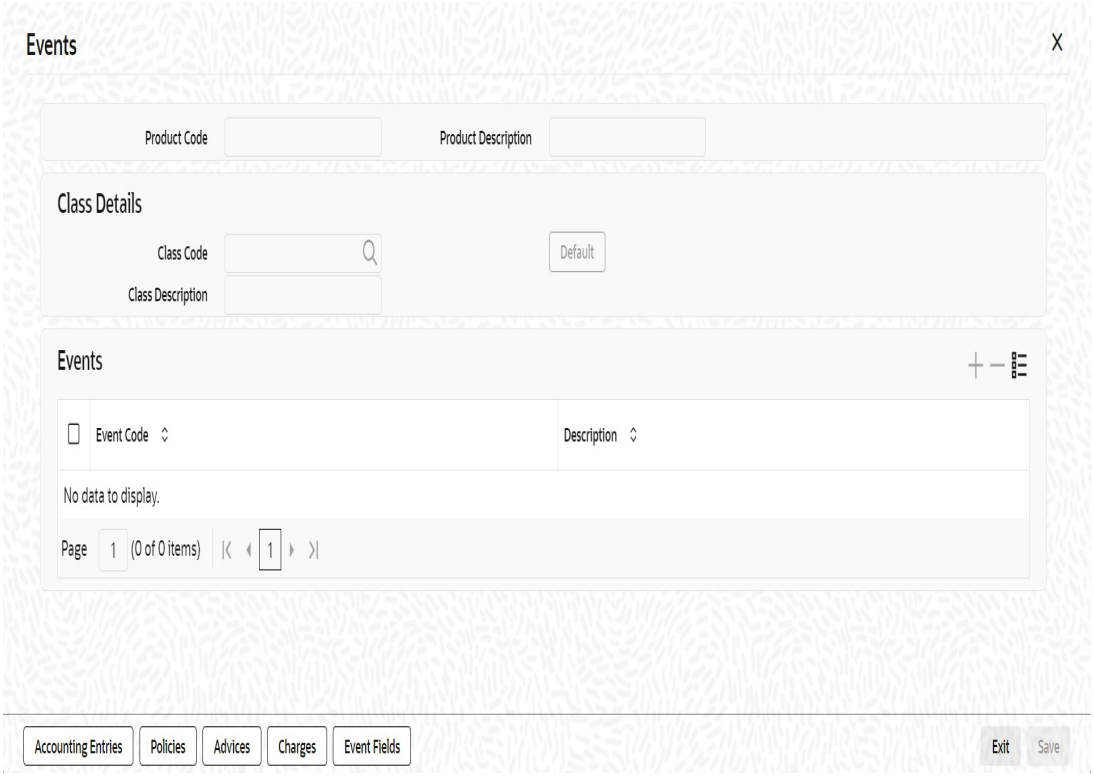
Thus, the Profit will be liquidated first and the Principal next. If funds in the repayment account are not enough to liquidate the Principal, it will be left as outstanding. You can change the default order.

For new components, you should define the liquidation order explicitly.

4.6.7 Notices & Statement Tab

No defaults.

4.6.8 Events Tab



The default events and the corresponding accounting entries are given below:

Event: BOOK (Booking of Contract/Account)

No default accounting entries for this event

Event: INIT (Account/Contract Initiation)

No default accounting entries for this event

Event: DSBR (Disbursement)

The default entries are:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCIPAL	Debit
CR_SETTL_BRIDGE	PRINCIPAL	Credit

Event: ACCR (Accrual)

The default accounting entries for this event are:

Account Role	Amount Tag	Dr/Cr
MAIN_INTREC	MAIN_INT_ACCR	Debit

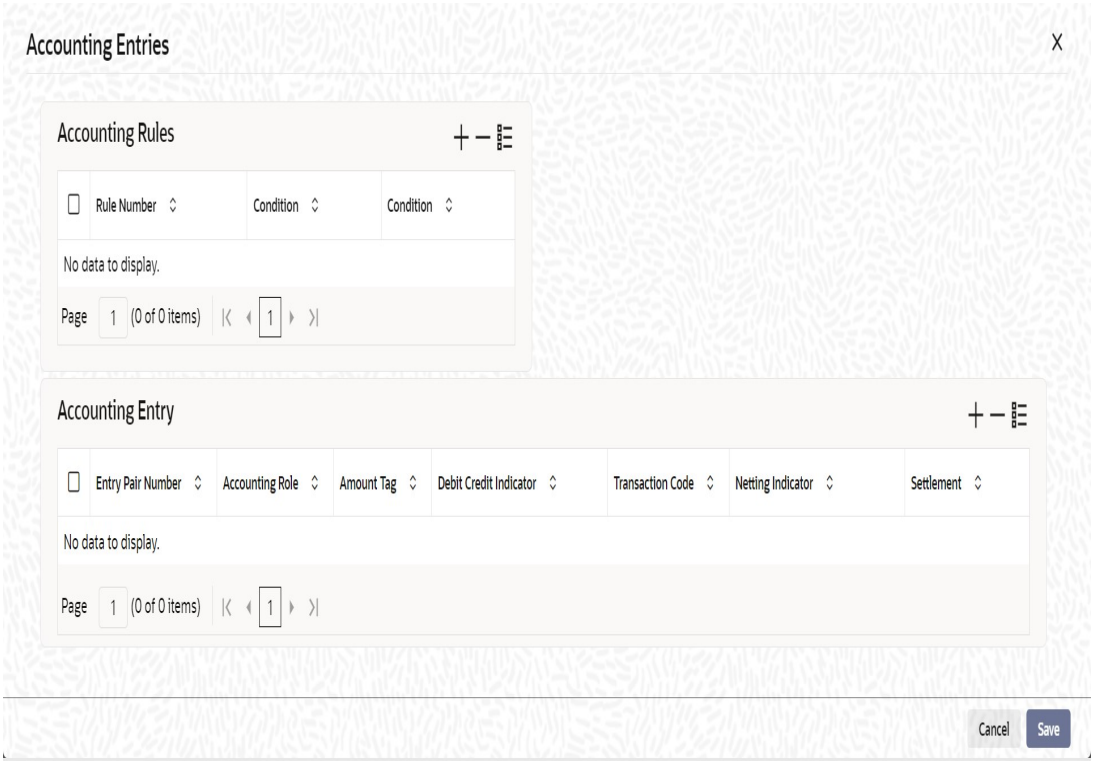
MAIN_INTINC	MAIN_INT_ACCR	Credit

Event: ALIQ & MLIQ (Auto/Manual Liquidation)

These events will be fired where the default accounting entries would be:

Account Role	Amount Tag	Dr/Cr
DR_SETTL_BRIDGE	PRINCIPAL_LIQD	Debit
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credit
DR_SETTL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INTREC	MAIN_INT_LIQD	Credit
DR_SETTL_BRIDGE	MAIN_INT_ADJ	Debit
MAIN_INTINC	MAIN_INT_ADJ	Credit
PRINCIPALEXP	PRINCIPAL_WAVD	Debit
LOAN ACCOUNT	PRINCIPAL_WAVD	Credit
User To Fill	PRINCIPAL_CLIQ	Debit
User To Fill	PRINCIPAL_CLIQ	Credit
User To Fill	MAIN_INT_LIQD	Debit
User To Fill	MAIN_INT_LIQD	Credit

A snapshot of the screen is displayed:



Event: VAMB (Value Dated Amendment Booking)

No default accounting entries for this event.

Event: VAMI (Value Dated Amendment Initiation)

The Default Accounting Entries for this event:_

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCI-PAL_INCR	Debit
CR_SET-TL_BRIDGE	PRINCI-PAL_INCR	Credi t

Event: ROLL (Rollover of Contract/Account)

The default Accounting Entries for a Rollover are:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCI-PAL_ROLL	Debit
CR_SET-TL_BRIDGE	PRINCI-PAL_ROLL	Credi t
DR_SET-TL_BRIDGE	PRINCIPAL_LIQD	Debit
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credi t
DR_SET-TL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INTREC	MAIN_INT_LIQD	Credi t

Event: BADJ (Back Dated Adjustment)

The default Accounting Entries for this event are:

Account Role	Amount Tag	Dr/Cr
PRINCIPALREC	PRINCIPAL_DRAJ	Debit
PRINCIPALINC	PRINCIPAL_DRAJ	Credi t
MAIN_INTREC	MAIN_INT_DRAJ	Debit
MAIN_INTINC	MAIN_INT_DRAJ	Credi t
DR_SET-TL_BRIDGE	PRINCI-PAL_DRLQ	Debit

PRINCIPALINC	PRINCI-PAL_DRLQ	Credit
DR_SET-TL_BRIDGE	MAIN_INT_DRLQ	Debit
MAIN_INTINC	MAIN_INT_DRLQ	Credit
PRINCIPALINC	PRINCIPAL_CRAJ	Debit
PRINCIPALREC	PRINCIPAL_CRAJ	Credit
MAIN_INTINC	MAIN_INT_CRAJ	Debit
MAIN_INTREC	MAIN_INT_CRAJ	Credit
PRINCIPALINC	PRINCI-PAL_CRLQ	Debit
CR_SET-TL_BRIDGE	PRINCI-PAL_CRLQ	Credit
MAIN_INTINC	MAIN_INT_CRLQ	Debit
CR_SET-TL_BRIDGE	MAIN_INT_CRLQ	Credit

Event: ROLB (Rollover Booking)

The accounting entries are:

Account Role	Amount Tag	Dr/Cr
DR_SET-TL_BRIDGE	SET-TLE_AMOUNT_LIQD	Debit
ROLB_SUSPENSE	SET-TLE_AMOUNT_LIQD	Credit
ROLB_SUSPENSE	SET-TLE_AMOUNT_INCR	Debit
CR_SET-TL_BRIDGE	SET-TLE_AMOUNT_INCR	Credit

Event: SROL (Special Rollover)

The default accounting entries are:

Account Role	Amount Tag	Dr/Cr
DR_SET-TL_BRIDGE	PRINCIPAL_LIQD	Debit
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credit

DR_SET-TL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INT_REC	MAIN_INT_LIQD	Credit
SROL_SUSPENSE	PRINCIPAL_S-ROL	Debit
LOAN_ACCOUNT	PRINCIPAL_S-ROL	Credit
SROL_SUSPENSE	MAIN_INT_SROL	Debit
MAIN_INT_REC	MAIN_INT_SROL	Credit

Event: REOP (Reopen of a Finance Account)

The default accounting entries for REOP are:

Account Role	Amount Tag	Dr/Cr
LOAN_ACCOUNT	PRINCIPAL	Debit
SROL_SUSPENSE	PRINCIPAL	Credit
LOAN_ACCOUNT	PRINCI-PAL_INCR	Debit
CR_SET-TL_BRIDGE	PRINCI-PAL_INCR	Credit

Event: RNOG (Renegotiation)

The default accounting entries for REOP are:

Account Role	Amount Tag	Dr/Cr
DR_SET-TL_BRIDGE	PRINCIPAL_LIQD	Debit
LOAN_ACCOUNT	PRINCIPAL_LIQD	Credit
DR_SET-TL_BRIDGE	MAIN_INT_LIQD	Debit
MAIN_INTREC	MAIN_INT_LIQD	Credit
SROL_SUSPENSE	PRINCI-PAL_RNOG	Debit
LOAN_ACCOUNT	PRINCI-PAL_RNOG	Credit

SROL_SUSPENSE	MAIN_INT_ RNOG	Debit
MAIN_INTREC	MAIN_INT_ RNOG	Credit

Event: NOVA (Novation)

The default accounting entries are:

Account Role	Amount Tag	Dr/Cr
LOAN_AC-COUNT	OUTSTAND-ING_BAL	Debit
LOAN_AC-COUNT	OUTSTAND-ING_BAL	Credit

Event: USGT (Un-Secured GL Transfer)

No default accounting entries for this event

Event: UIDB (Unearned Profit Booking)

Account Role	Amount Tag	Dr/Cr
COMPO-NENT_REC	COMPO-NENT_UINT	Debit
COMPONENT_UID	COMPO-NENT_UINT	Credit

Event: ACCR (Accrual Event Entries)

Account Role	Amount Tag	Dr/Cr
COMPO-NENT_UID	COMPO-NENT_ACCR	Debit
COMPO-NENT_INC	COMPO-NENT_ACCR	Credit

Event: MLIQ (Manual Liquidation Entries)

Account Role	Amount Tag	Dr/Cr
CUSTOMER A/C (DR_SET-TL_BRIDGE)	COMPONENT_LIQD	Debit
COMPONENT_REC	COMPONENT_LIQD	Credit
COMPONENT_UID	COMPO-NENT_UINR	Debit

COMPONENT_REC	COMPO-NENT_UINR	Credi t

Note

For all accounting entries defaulted, you have to select the appropriate Transaction Codes.

4.6.9 Branch Currency Restriction Tab

No defaults

4.6.10 Customer Category Restriction Tab

No defaults

4.6.11 UDF Details Tab

No defaults

5. Defining Islamic Product Categories and Products

You may finance your customers using different types of financing like *Mudaraba, Murabaha, Istisnaa, Musharaka, Wakala, Ijara* etc. The different types of finances can be different 'Product Categories'. A product category is used to distinguish between the various finances offered by the bank. Each of these finances is totally different and hence there is a need to categorize them.

Under a product category, you may have finances that may vary in features such as pricing, tenor, amount etc. Each variation of these services can, therefore, be considered as 'Products'.

This chapter explains the procedure for setting up product categories and products for processing Islamic finances.

This chapter contains the following sections:

- Section 5.1, "Mudaraba Product Category"
- Section 5.2, "Product Maintenance"
- Section 5.3, "Account Details"
- Section 5.4, "Creating a Murabaha Account"
- Section 5.5, "Musharaka/Istisnaa Product Category"
- Section 5.6, "Wakala Product Category"
- Section 5.7, "Tawarooq Product"

5.1 Mudaraba Product Category

This section contains the following topic:

- Section 5.1.1, "Creating a Mudaraba Product Category"

5.1.1 Creating a *Mudaraba* Product Category

You need to create the product category using 'Product Category' screen.



The following details have to be captured in this screen:

Product Category

You have to specify the name of the finance service which will identify the *Mudaraba* category uniquely in the system. The category name can consist of a maximum of 20 alphanumeric characters. The categories maintained through this screen become available for creating products under it.

Product category is mandatory to save the record in the system.

For details on maintaining policy categories, refer the section titled 'Maintaining Product Categories' in the 'Defining Product Categories and Products' chapter of this User Manual.

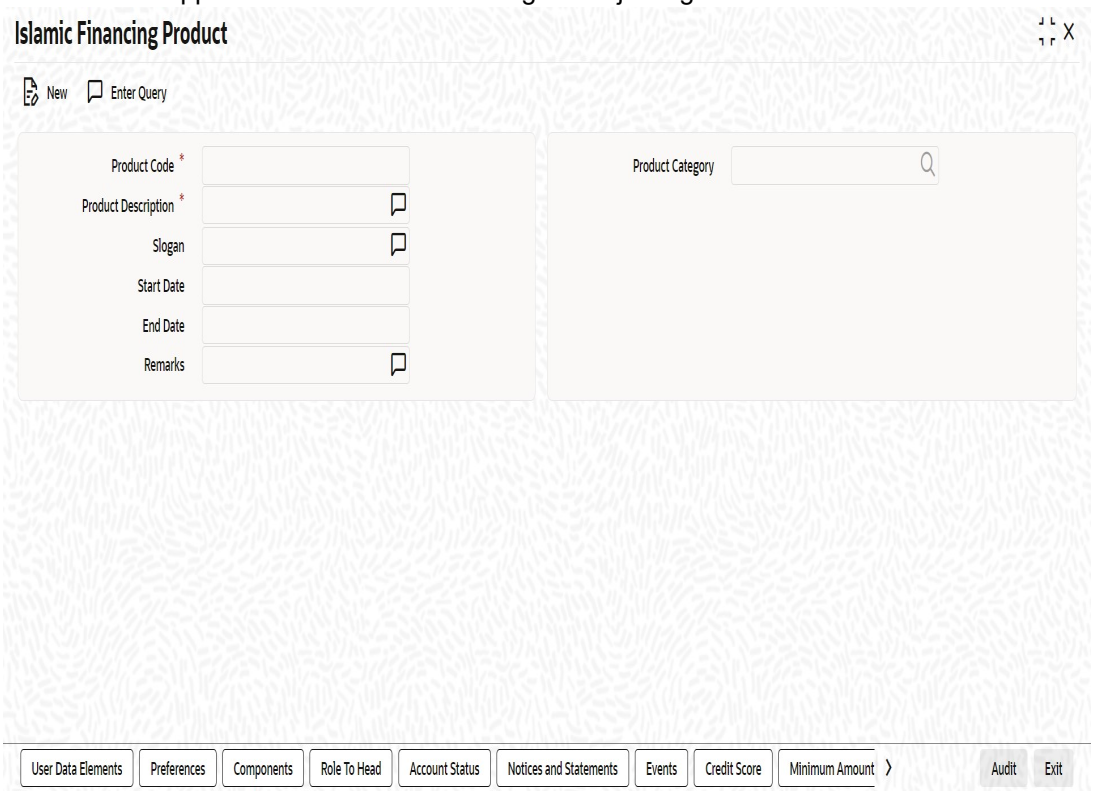
5.2 Product Maintenance

This section contains the following topics:

- Section 5.2.1, "Setting up a Mudaraba Product"
- Section 5.2.2, "Preferences Tab"
- Section 5.2.3, "Fields Button"
- Section 5.2.4, "Component Tab"
- Section 5.2.5, "Setting up Accounting Entries"

5.2.1 Setting up a Mudaraba Product

You can capture *Mudaraba* product details in the 'Product Maintenance' screen. You can invoke the 'Product Maintenance' screen by typing 'CIDPRMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Basic details include the following:

Product Code and Description

The code you enter for a product identifies it throughout the module. You can follow your own conventions for devising the code. However, it must have a minimum of four characters.

When defining a new product, you should enter a code. This code is unique across the Islamic Financing module of Oracle FLEXCUBE. For instance, if you have used VA01 for a product in this module, you cannot use it as a product code in any other module.

You should also enter a brief description of the product. This description will be associated with the product for information retrieval.

Product Category

Select the category maintained for *Mudaraba* using the 'Product Category Maintenance' screen, from the adjoining option list.In the 'Component' section, you need to specify the following details:

Component Name

Define the following components for the product:

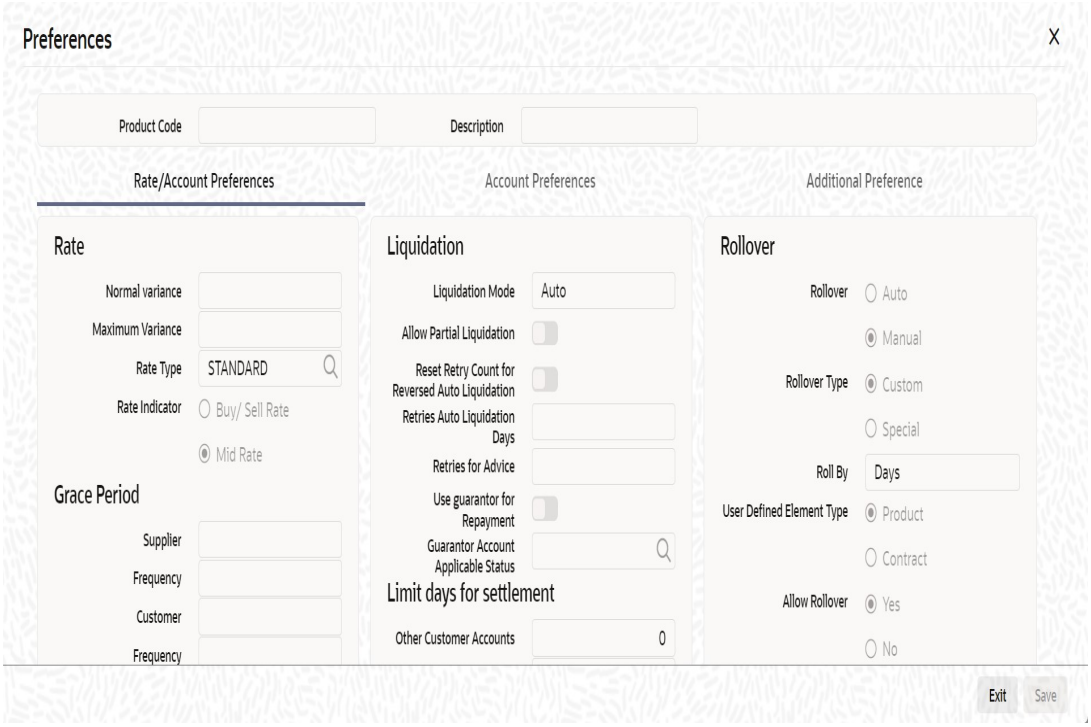
- CUST_INCENTIVE
- EXCESS_PROFIT

Description

You can add a brief description for the component that you specify for the product. For instance, you can specify 'customer incentive' and 'bank's excess profit' for the components 'CUST_INCENTIVE' and 'EXCESS_PROFIT' respectively.

5.2.2 Preferences Tab

Click on ‘Preferences’ button in the ‘Product’ screen to move to this section of the screen.



You should maintain the following preferences for the finance product:

5.2.2.1 Liquidation Preferences

Liquidation preferences include the following:

Liquidation Mode

Choose the option ‘Manual’ for *Mudaraba* products.

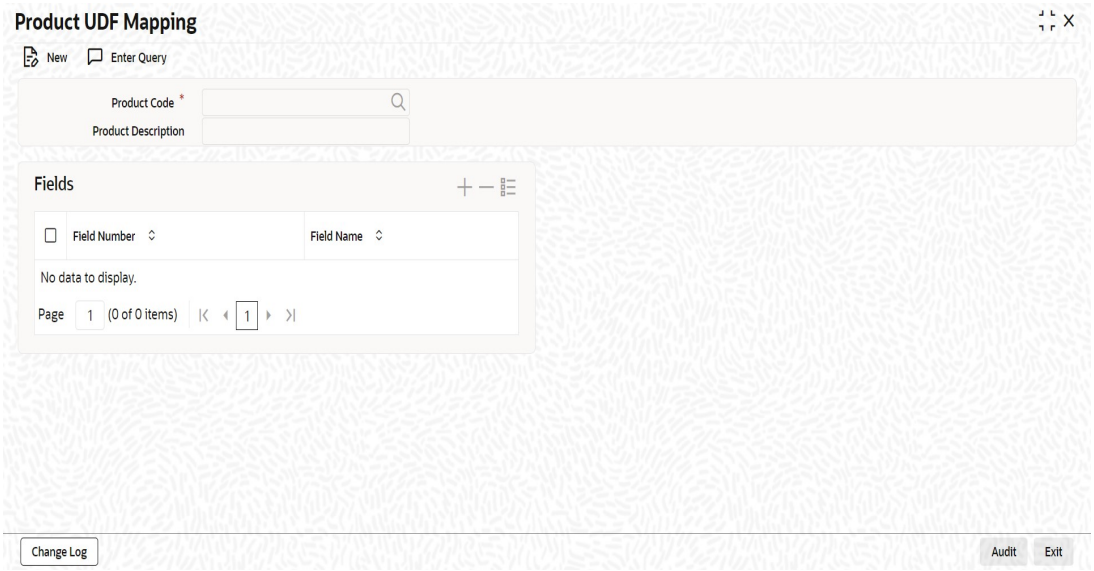
The Islamic Financing module allows you to set up specific features like supplier grace period, advance payment and first installment charges for processing *Murabaha* finances. You can create a special product for *Murabaha* with the certain attributes.



VAMI Action

Choose the option ‘Installment Changes with Equal Profit’.

5.2.3 Fields Button

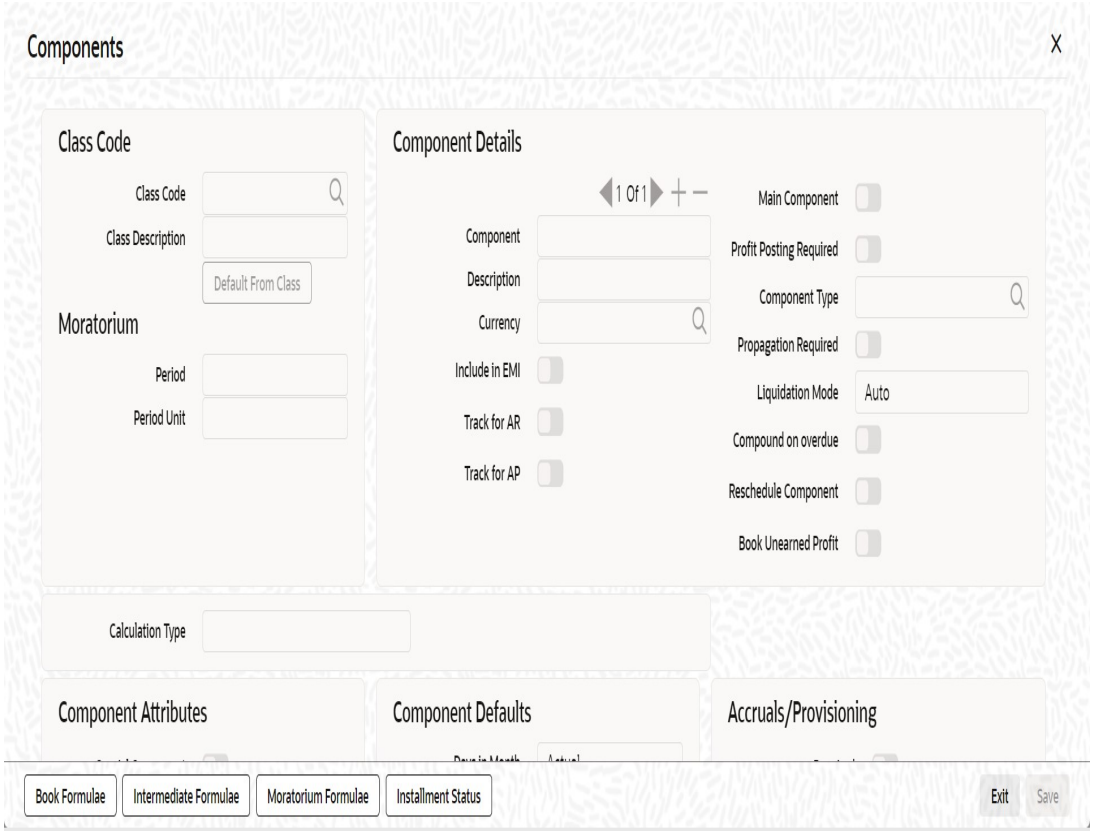


You can define User Defined Fields in ‘Product UDF Mapping’ screen (CSDPDUDF).

For details on User Defined Fields screen refer Other Maintenances chapter in Core Service User Manual.

5.2.4 Component Tab

You have already maintained the components of the product in the ‘Main’ tab of the ‘Product’ screen. The features of the components are defined in the ‘Components’ tab of the screen.



5.2.4.1 Component Definition parameters

You need to specify the following details for the component ‘CUST_INCENTIVE’. This includes the following:

Calculation Type

Choose the option ‘No schedule No formula (Ad Hoc Charges)’ from the drop-down list.

Component Type

Choose the option ‘Ad Hoc Charges’ from the drop-down list.

5.2.4.2 Component Attributes

The component attributes include the following:

Balance Type

Choose the option ‘Credit’.

Similarly, you need to specify the following details for the component ‘EXCESS_PROFIT’. This includes the following:

Calculation Type

Choose the option ‘No schedule No formula (Ad Hoc Charges)’ from the drop-down list.

Component Type

Choose the option ‘Ad Hoc Charges’ from the drop-down list.

5.2.4.3 Component Attributes

The component attributes include the following:

Balance Type

Choose the option ‘Debit’.

You need to specify the following details for the profit component:

Rate Type

You need to define the notional profit rate as a flat rate. The system will then calculate the notional profit value based on this rate.

Profit Rate

You will not be able to change the profit rate.

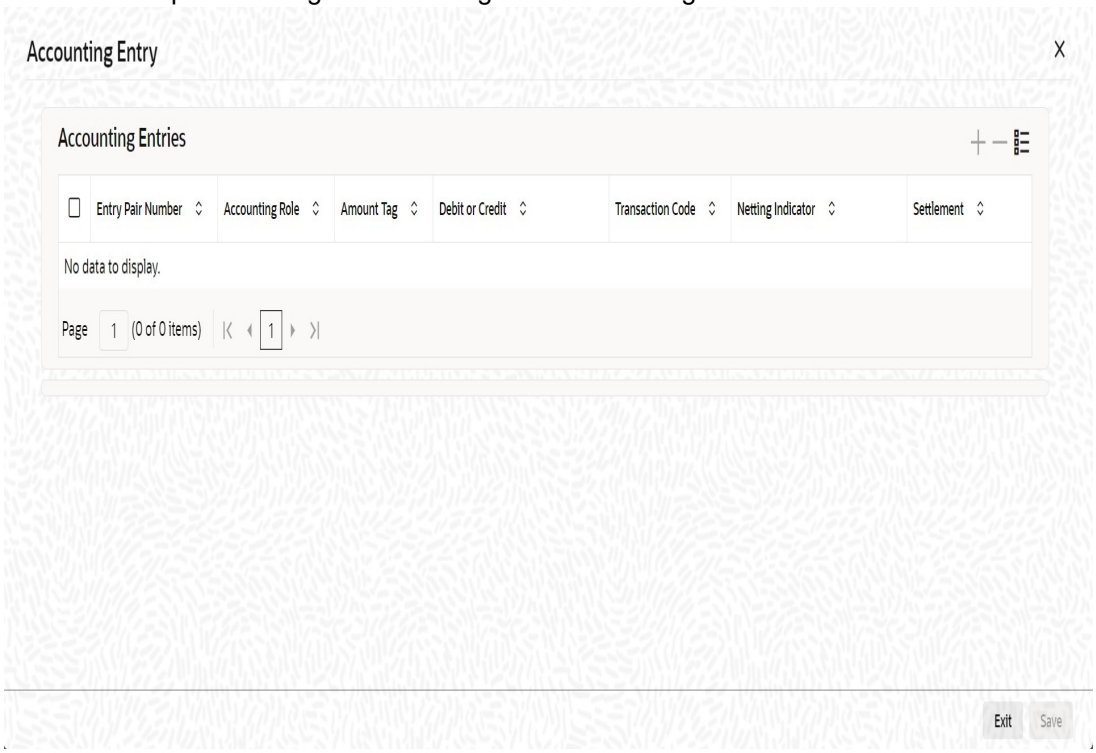
5.2.4.4 Schedule Details

Schedule Type

Choose the option ‘Bullet’ from the adjoining drop-down list.

5.2.5 Setting up Accounting Entries

You can set up accounting entries through the ‘Accounting Entries’ screen.



You need to set up the following event-wise accounting entries for profit-sharing:

DSBR

Accounting Role	Amount Tag	Dr/Cr Indicator
LOAN_ACCOUNT	PRINCIPAL (Same as Amount Financed)	Dr
DR_SETTL_BRIDGE (Customer Settlement A/c)	PRINCIPAL	Cr

ACCR

Accounting Role	Amount Tag	Dr/Cr Indicator
PROFIT REC	PROFIT_ACCR	Dr
PROFIT INC	PROFIT_ACCR	Cr

MLIQ

Accounting Role	Amount Tag	Dr/Cr Indicator
DR_SET-TL_BRIDGE	PRINCI-PAL_LIQD	Dr
LOAN_ACCOUNT	PRINCI-PAL_LIQD	Cr
DR_SET-TL_BRIDGE	PROFIT_LIQD	Dr
PROFIT REC	PROFIT_LIQD	Cr
PROFIT REC	PROFIT_WAVD	Cr
PROFIT INC	PROFIT_WAVD	Dr

ADCH

Accounting Role	Amount Tag	Dr/Cr Indicator
DR_SET-TL_BRIDGE	EXCESS_PROFIT_ADCH	Dr
PROFIT INC	EXCESS_PROFIT_ADCH	Cr
DR_SET-TL_BRIDGE	CUST_INCENT_ADCH	Dr
PROFIT INC	CUST_INCENT_ADCH	Cr

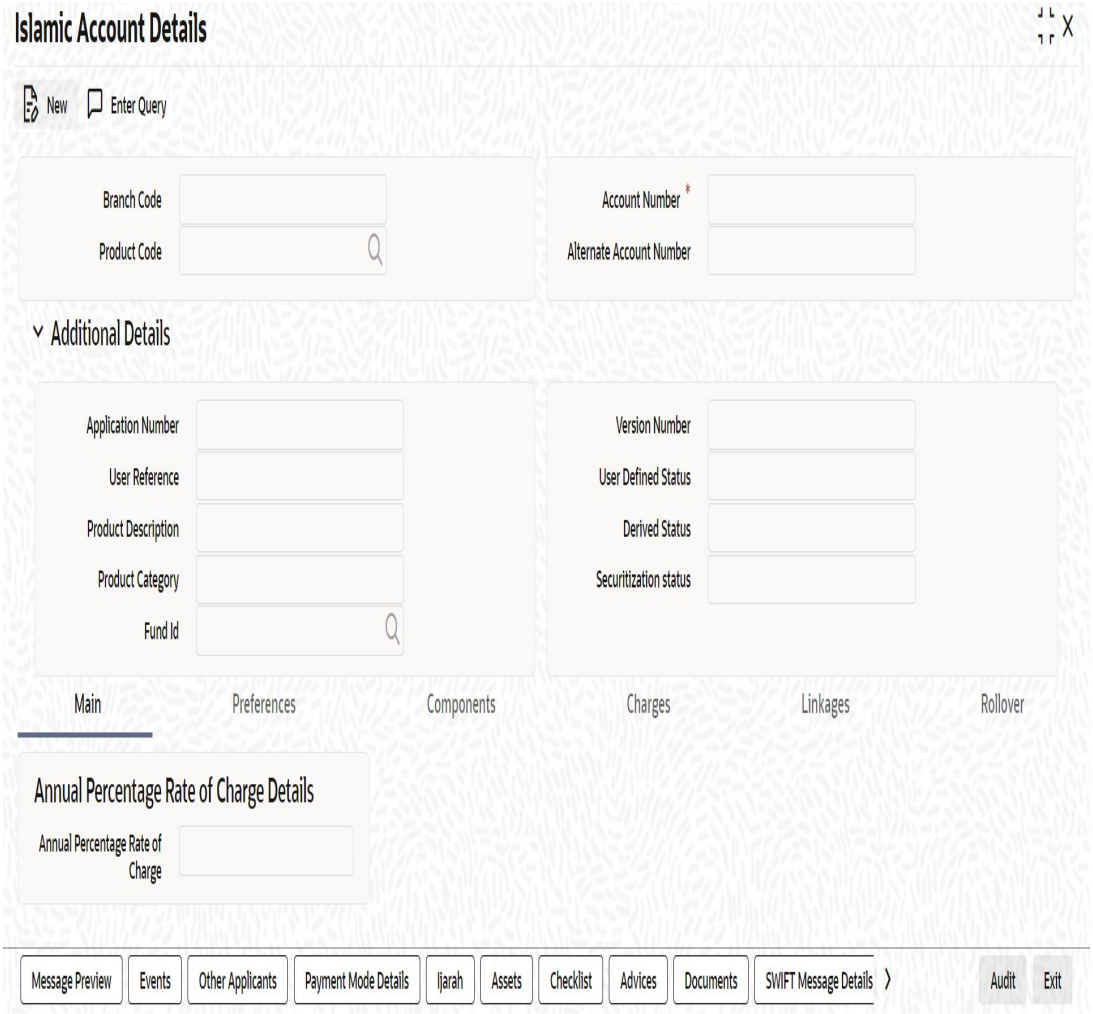
5.3 Account Details

This section contains the following topics:

- Section 5.3.1, "Creating a Mudaraba Account"
- Section 5.3.2, "Payments Details Tab"
- Section 5.3.3, "Maintaining SDE for Staff Financing"

5.3.1 Creating a *Mudaraba* Account

You can create a *Mudaraba* account using the 'Account Details' screen.



You need to specify the profit sharing details between the *Mudarib* and *Rabbul-Mal* using the 'Profit Ratio' screen. Click 'Profit Ratio' button in the 'Account Details – Main' screen and invoke this screen.



Here you have to capture the following details:

Bank Share

Specify the percentage of profit that the bank should get in case of a profitable return on the *Mudaraba* account.

Customer Share

Specify the percentage of profit that the customer should get in case of a profitable return on the *Mudaraba* account.

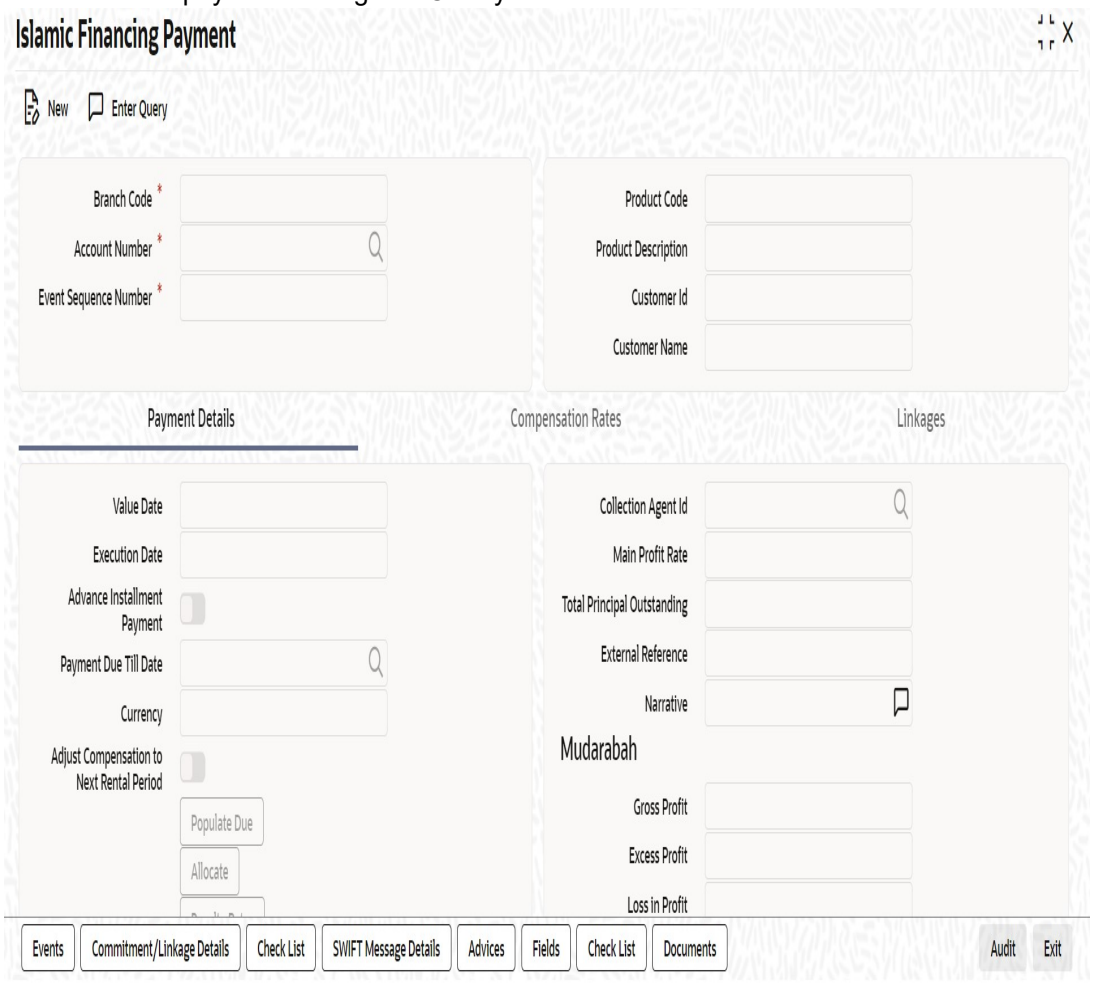
5.3.1.1 Specifying Amendment Details

During the tenor of the *Mudaraba* account, you cannot change either the profit rate or the maturity date. On the maturity date, you can change the profit rate and make it applicable as of the value date of the account. The system then recalculates the profit for the entire tenor and makes the accrual adjustments wherever necessary.

You cannot make a principal increase as part of the VAMI functionality.

5.3.2 Payments Details Tab

You can make payments using the 'CI Payment' screen.



While making a payment, you need to capture the following details:

Gross Profit

Specify the total profit made out of the project/venture that was financed through the account.

Excess Profit

The system checks the gross profit against the actual amount paid (which includes Principal + Notional Profit + Bank's share of Gross Profit Amount). Then it computes the excess profit earned as against the notional profit amount and displays the value here.

If this value is negative, you will have to specify the same value in the 'Amount Waived' field in the 'CI Payment – Component Detailed' screen for the main profit component.

Customer Incentive

Based on the gross profit specified, the system shares the gross profit amount based on the notional profit value and the bank-customer profit sharing ratio. If the bank's share is greater than the notional profit value, you can subtract the latter from the bank's share and give the excess amount (fully or partially) to the customer. You need to specify this amount that you wish to give the customer, in this field.

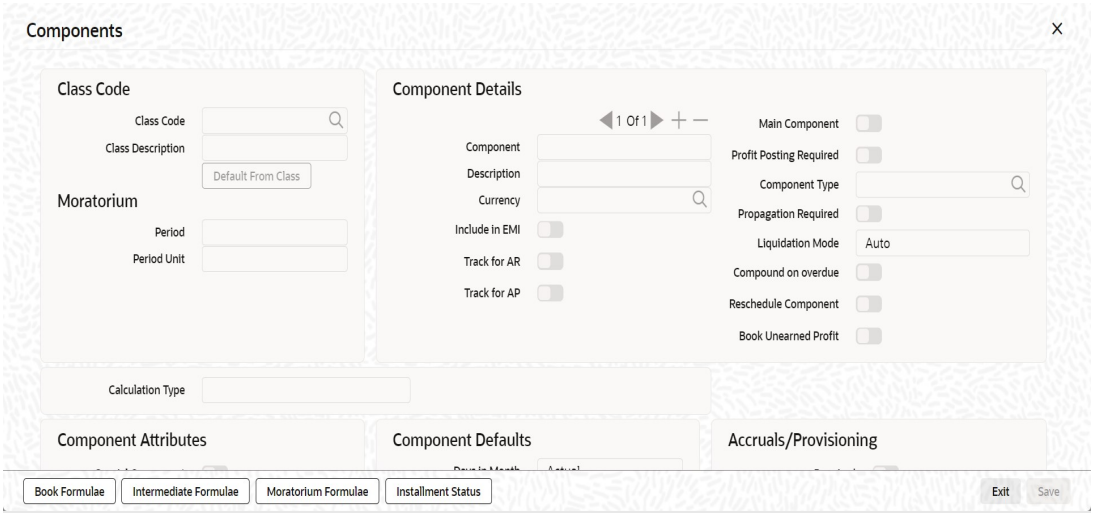
Additional Profit

Based on the customer incentive, the system calculates the additional profit as 'Excess Profit –Customer Incentive' and displays the value here.

If the bank's share is less than the notional profit, you need to calculate the shortage amount vis-à-vis the notional profit and enter the amount in the 'Amount Waived' field in the 'Account Details – Components' screen for the main profit component.

5.3.2.1 Maintaining Components

You need to maintain profit component.



Component

You need to set up the following types of components:

- Principal
- Main Profit
- Others (profit, charge, compensation etc.)

In case of balloon payments being allowed, you need to set up the following additional components:

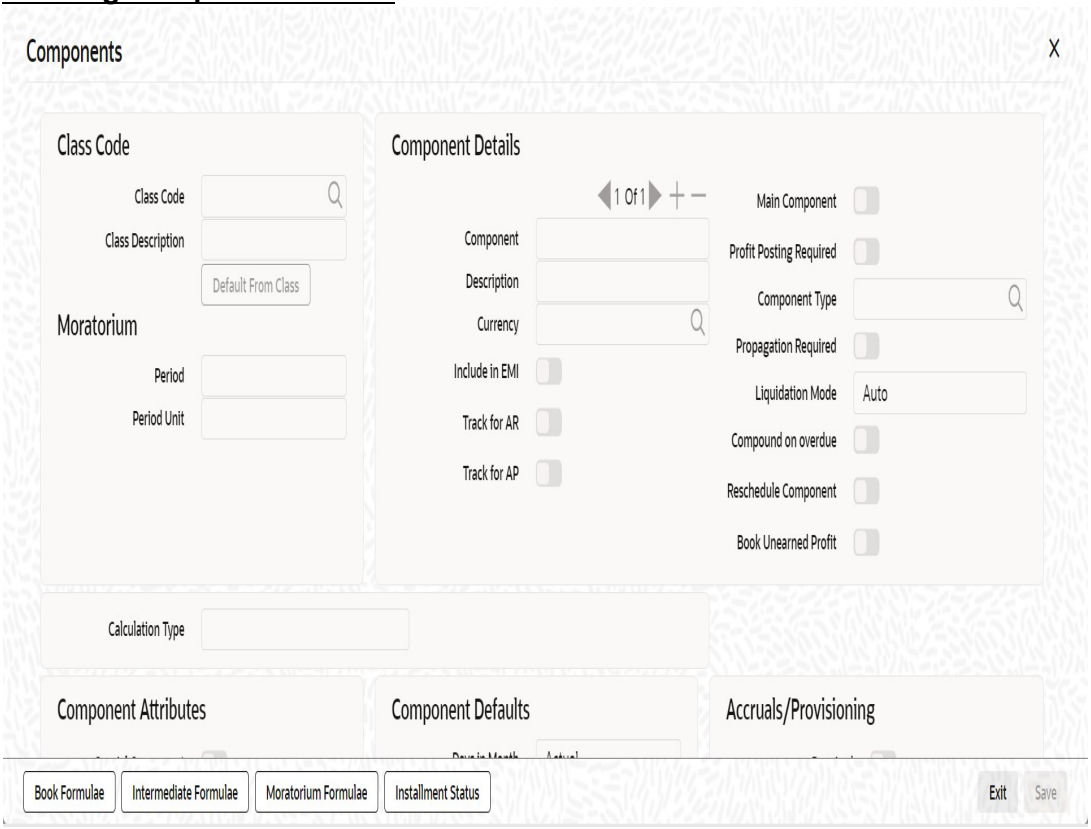
- Balloon_Principal
- Balloon_Profit

Calculation Type

Choose the options based on the component as given below:

- Main profit component - Choose the option 'Formula with Schedule'.
- Other profit component - Choose the required option available drop-down list.
- Balloon_Principal component - Choose the option 'Formula with Schedule'.
- Balloon_Profit component - Choose the option 'Formula with Schedule'.

5.3.2.2 Defining Component Details



You need to specify the details as under for the main profit component:

Main Component

Check this box.

Calculation Type

Choose the option 'Formula With Schedule'

Component Type

Select the option 'Profit'.

Formula Type

Select the option 'User Defined'.

For the other profit component, you need to specify the following:

Formula Type

Select the option 'User Defined'.

Equal Profit

Check this box.

For the charge related component, you need to specify the following details:

Formula Type

Select the option 'Simple'.

Component Type

Select the option 'Interest'

Periodicity

Choose the option ‘Daily’.

Period Unit

Specify the value as ‘1’.

For balloon payment components, you need to maintain the following preferences.

IRR Applicable

Check this box for ‘Balloon_Principal’ and ‘Balloon_Profit’ components.

Basis Element

Choose the option ‘BALLOON_AMOUNT’ for the component ‘Balloon_Profit’,

Formula Type

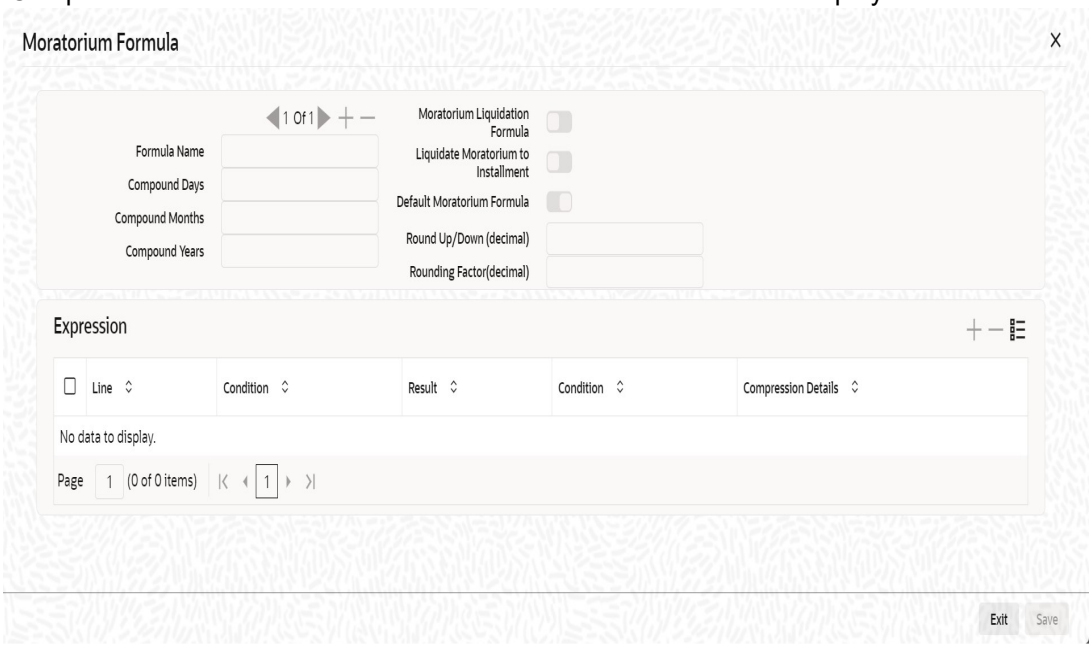
Select the option ‘Simple’.

Set up the same schedules as those for the main profit component.

5.3.2.3 Moratorium Formula

You can define the grace period as a moratorium period.

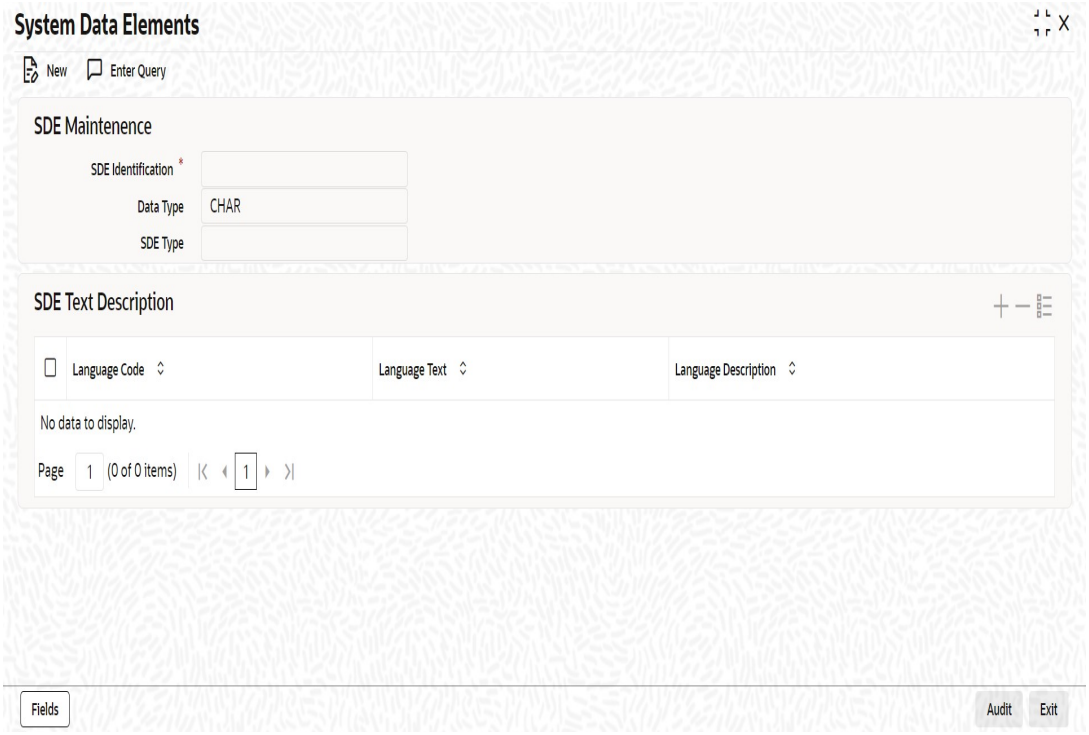
To define the moratorium formula for this period, click ‘Moratorium Liq Formula’ button in the ‘Component’ tab of the screen. The ‘Moratorium Formula’ screen is displayed:



Set up the formula as TOTAL_MORA_AMOUNT/NO_OF_RPMNT_SCHS

5.3.3 Maintaining SDE for Staff Financing

You need to define an SDE called ‘STAFF_FINANCED’ to hold the staff financed amount. You can do this using the ‘System data Elements’ screen.



Staff finance will be applicable only for the products of schedule type ‘FLAT RATE’.

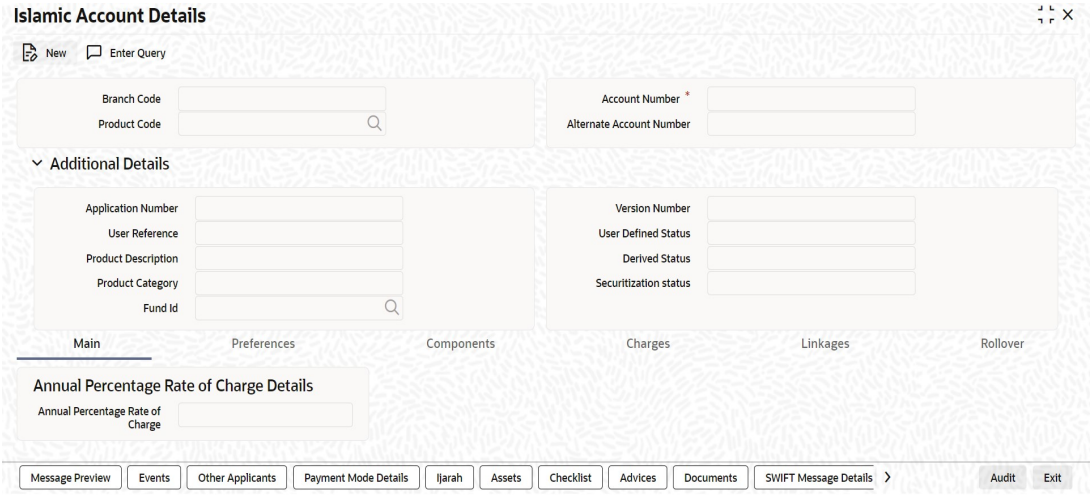
Refer the chapter ‘Defining Product Categories and Products’ in this User Manual for further details about creating a product.

5.4 Creating a *Murabaha* Account

This section contains the following topics:

- Section 5.4.1, "Advance Payment Button"
- Section 5.4.2, "Main Tab"
- Section 5.4.3, "Capturing Staff Financing Details"
- Section 5.4.4, "Maintaining Account Class"
- Section 5.4.5, "Setting up Accounting Entries"

You can create numerous accounts under the *Murabaha* product using the 'Account Details' screen.

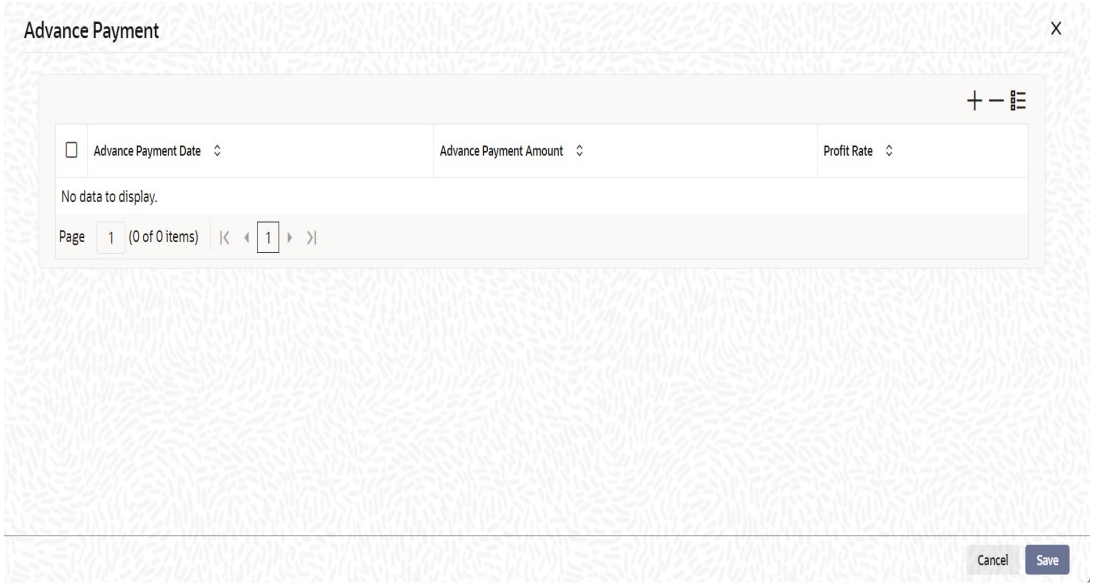


For a *Murabaha* account, you can provide the following facilities:

- Advance payment
- Supplier and customer grace period
- Charge at first installment
- Staff financing

5.4.1 Advance Payment Button

Click 'Advance Payment' button and invoke the 'Advance Payment Details' screen.



Here you can specify the following details:

Advance Payment Date

Specify the date on which payment is made to the vendor. This date cannot be equal to or greater than the finance start date. But it should be greater than previous advance payment date.

Advance Amount

Specify the amount being paid in advance on the corresponding dates. However, the sum of all the advance payments should not be greater than the net finance amount.

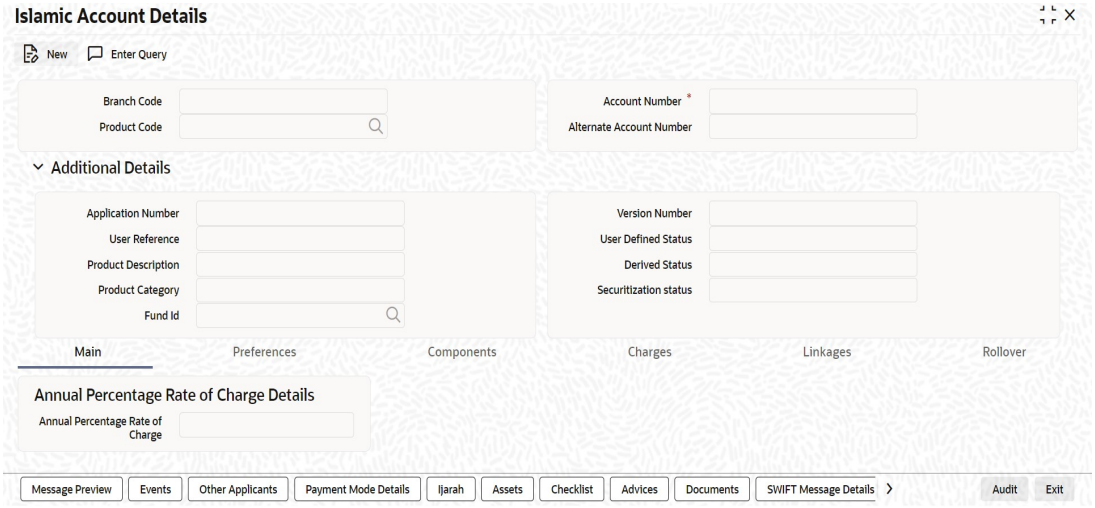
Profit Rate

Specify the profit rate for advance payment.

> **Note**
>
> You need to capture these details before you click ‘Exit’ button in the ‘Account Details – Main’ screen.

5.4.2 Main Tab

Based on the product set-up, the system picks up the UDE values to be used in the moratorium formula for the grace period. You can view the UDEs and also amend their values in the ‘Main’ tab.



5.4.2.1 Components Tab

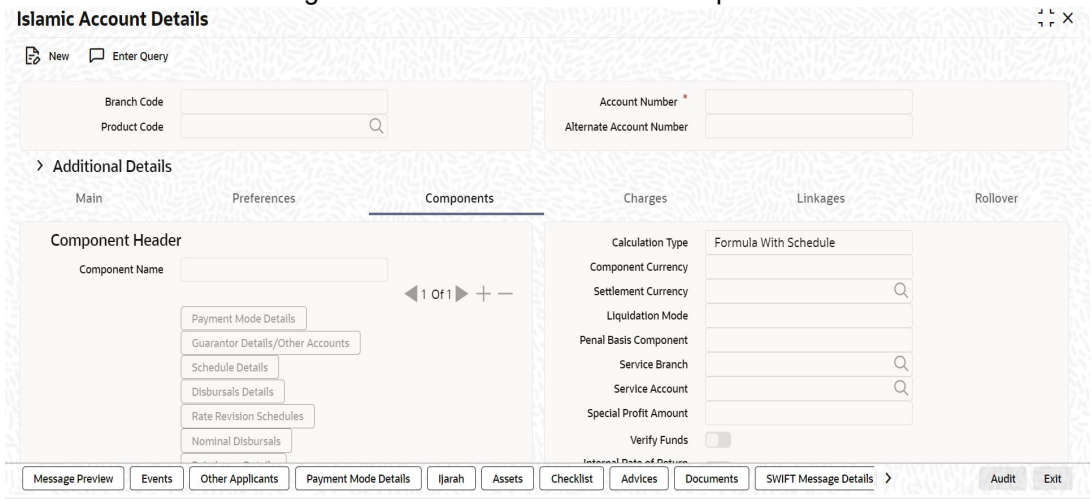
Based on the product set-up, the system identifies the component for calculating the charge to be levied on the first installment. In the Account Details – Components’ screen, you need to specify the following details:

Special Profit Amount

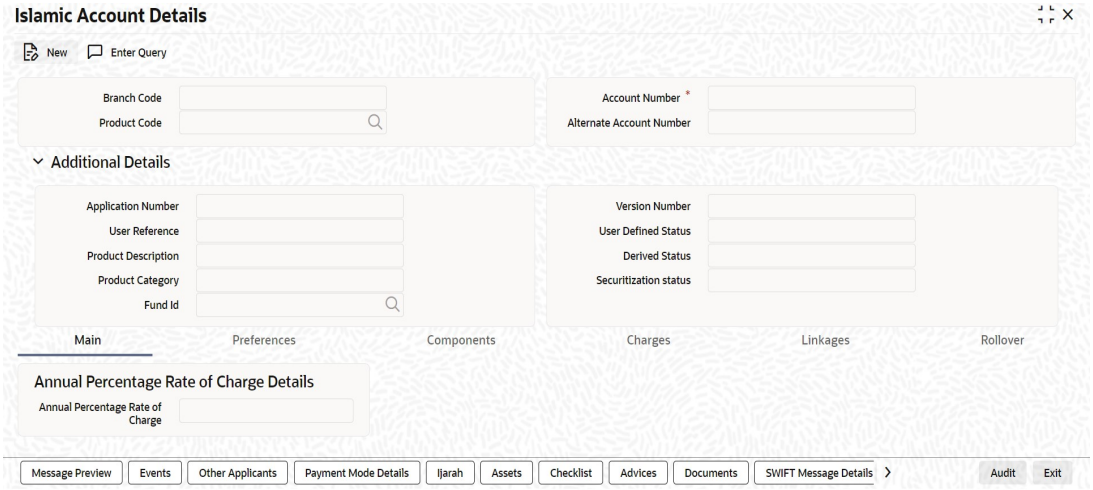
Select the corresponding component and enter the charge amount in this field.

Schedule Amount

Enter the same amount against the first schedule of the component.



5.4.3 Capturing Staff Financing Details



In the 'Account Details – Main' screen, you need to enter the following detail:

Staff Finance

Specify the amount that needs to be disbursed as part of staff financing. This amount cannot exceed the net financed amount. This amount will be exempted from profit calculation. The system will deduct this amount from the net finance amount and then compute the profit.

5.4.4 Maintaining Account Class

To maintain a product class, the following setup needs to be made.

- For a current account class type an account class type is maintained
- The Account class should not belong to *Mudarabah* Account Class Type

5.4.5 Setting up Accounting Entries

You need to set up the following accounting entries:

ACCR

Accounting Role	Amount Tag	Dr/Cr Indicator
COMPO-NENT_UID	COMPO-NENT_ACCR	Dr
COMPO-NENT_INC	COMPO-NENT_ACCR	Cr

MLIQ

Accounting Role	Amount Tag	Dr/Cr Indicator
CUSTOMER A/C (DR_-SETTL_BRIDGE)	COMPONENT_LIQD	Dr
COMPONENT_REC	COMPONENT_LIQD	Cr
COMPONENT_UID	COMPONENT_UINR	Dr
COMPONENT_REC	COMPONENT_UINR	Cr

UIDB

Accounting Role	Amount Tag	Dr/Cr Indicator
COMPO-NENT_REC	COMPO-NENT_UINT	Dr
COMPONENT_UID	COMPO-NENT_UINT	Cr

DSBR

Accounting Role	Amount Tag	Dr/Cr Indicator
LOAN ACCOUNT	PRINCIPAL	Dr
OD_ BRIDGE_GL	PRINCIPAL	Cr

ALIQ

Accounting Role	Amount Tag	Dr/Cr Indicator
OD_BRIDGE_GL	PRINCI-PAL_LIQD	Dr
LOAN ACCOUNT	PRINCI-PAL_LIQD	Cr
DR SETTLE BRIDGE(OD Account)	PROFIT_LIQD	Dr

PROFIT REC	PROFIT_LIQD	Cr

Advices

Advice	Type	Description
CL_AC-C_SIM_ADV	CL_ENQUIRY	Account Simulation Advice
CL_INIT_ADV	CL_INIT_ADV	Account Initiation
CL_AMD_ADV	CLAMDADV	Cl Amendment Advice
CL_INT_STMT	CL_INT_STMT	Interest Statement

5.5 *Musharaka/Istisnaa* Product Category

This section contains the following topics:

- Section 5.5.1, "Creating a Musharaka/Istisnaa Product Category"
- Section 5.5.2, "Setting up a Musharaka/Istisnaa Product"

5.5.1 Creating a *Musharaka/Istisnaa* Product Category

In order to process finance transactions that involve construction of the underlying asset, you can set up a product category for *Istisnaa* and *Musharaka* under construction. *Istisnaa* is a housing loan with multiple disbursement schedules during the construction period. You can calculate the upfront profit booking based on the projected amount released or the profit booking based on actual disbursements.

In home finance *Musharaka* refers to diminishing partnership. The customer forms a partnership with the Bank for the purchase of a property. Upon acquisition, the house/property will be rented out to the Customer. The Bank receives compensation in the form of rent, which is based on a mutually agreed fair market value. The Customer will agree to buy additional shares from Bank on a monthly basis to ensure that Bank's share reduces to zero by the end of the loan tenor.

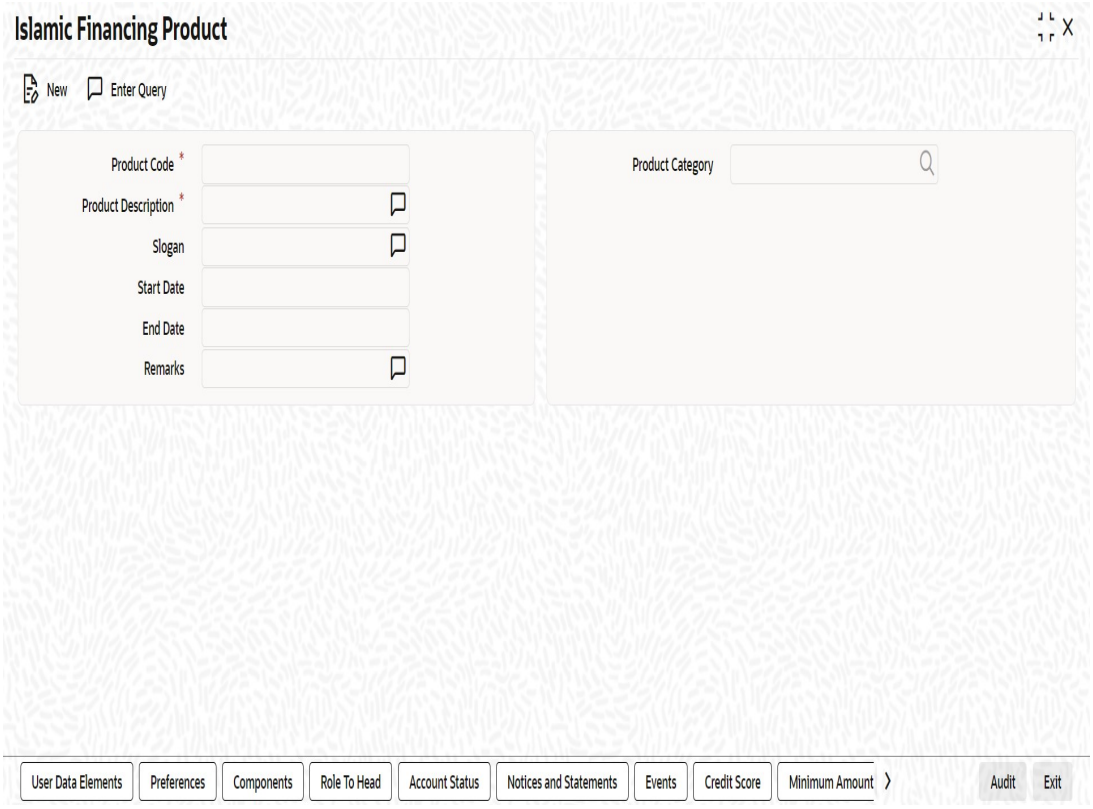
When *Musharaka* is used in House under construction, the finance deal becomes a combination of *Musharaka* and *Istisnaa* agreements. The under construction period will be *Istisnaa* and upon completion of the house/property, the Diminishing *Musharaka* arrangement will take over and the *Istisnaa* will be terminated.

To invoke the ‘Product Category Maintenance’ screen from the Application Browser, select Islamic Financing, click on Product Category Maintenance and select Detailed under it.

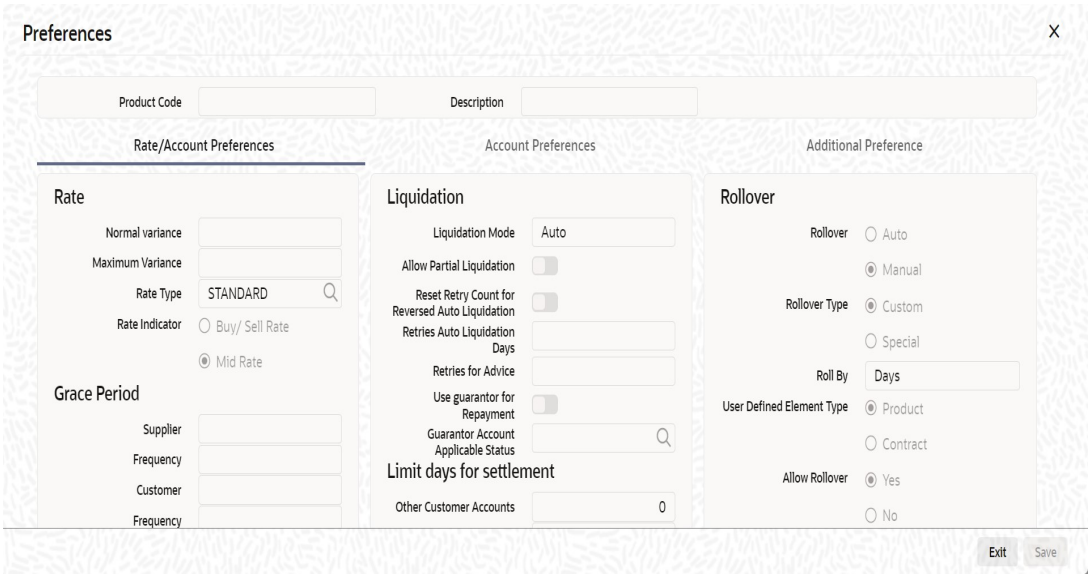


5.5.2 Setting up a Musharaka/Istisnaa Product

Under the desired product category, you can set up a product to cater to the generic needs of the finance transactions of *Istisnaa* and *Musharaka*.



For processing multiple disbursements during the construction period, you need to set up disbursement schedules using the ‘Product Maintenance - Preference’ screen.



The profit amount can be calculated for the construction period and apportioned across the main profit disbursement schedules.

UDE for Construction Period UIDB

Specify the UDE from the option list, which will be used for calculation of UIDB.

You need to maintain variable rate financing for under construction period as well as post construction period.

Treatment of variable rate financing for under construction period:

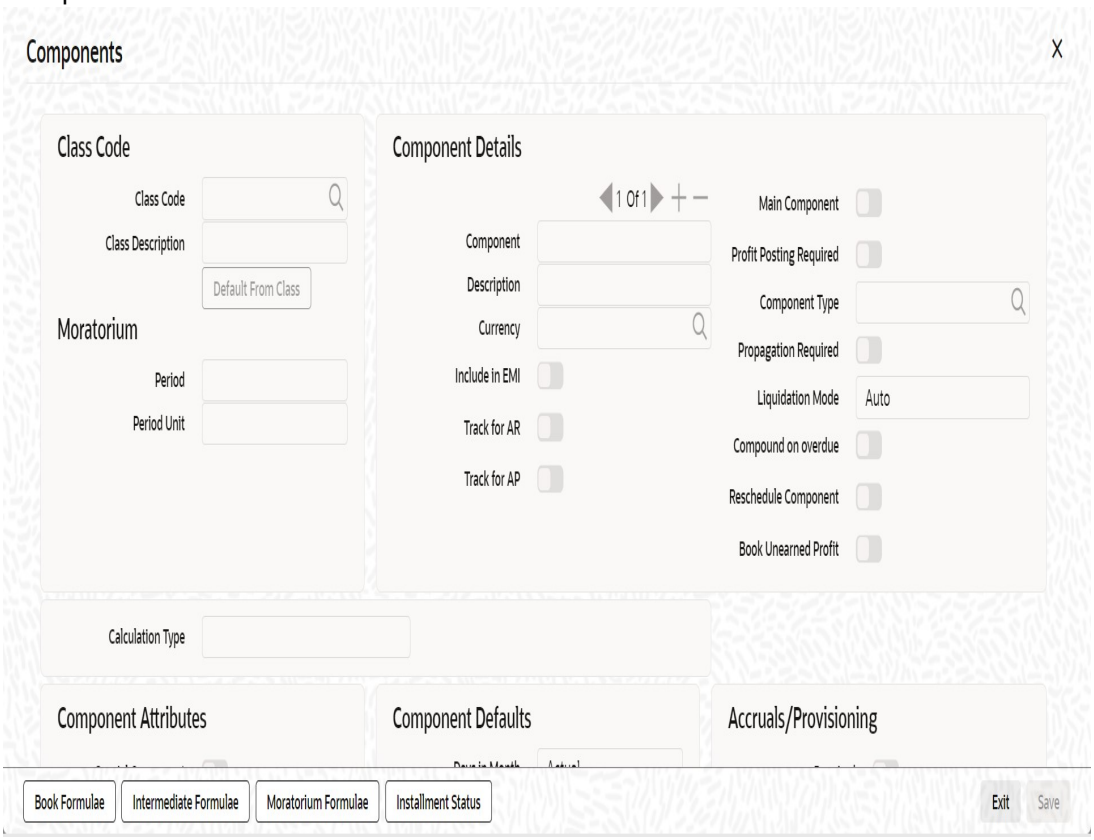
- Two UDEs(Rate) will have to be used for moratorium period:
  - Fixed Rate UDE- (Maintained at ceiling rate) **-** This UDE can be used for UIDB computation and has to be specified in 'UDE for Construction Period UIDB' field
  - Floating Rate UDE – (Caped on ceiling rate) **-** This UDE can be used for schedule computation and has to be specified in Moratorium formula

Treatment of variable rate financing for post construction period:

- An additional Rebate component will have to be maintained, which will compute the Profit using the floating Rebate rate. If the rebate rate remains less than the profit rate, the difference will be given as a rebate to the customer.
- Two UDEs(Rate) will have to be used for re-payment period:
  - Fixed Rate UDE- (Maintained at ceiling rate- Profit Rate) **-** This UDE can be used for UIDB computation as well as schedule computation. This will be used in formula for re-payment period.
  - Floating Rate UDE - (Caped on Profit rate) **-** This UDE can be used in defining formula for Rebate component

You need to manual disbursement product with 'Construction Period Profit Basis' as 'Actual' and 'Cap on nominal' option should be selected.

As the repayment for these transactions is normally done after a window period post construction, you can create a moratorium period using the 'Product Maintenance - Component' screen.



5.6 Wakala Product Category

This section contains the following topics:

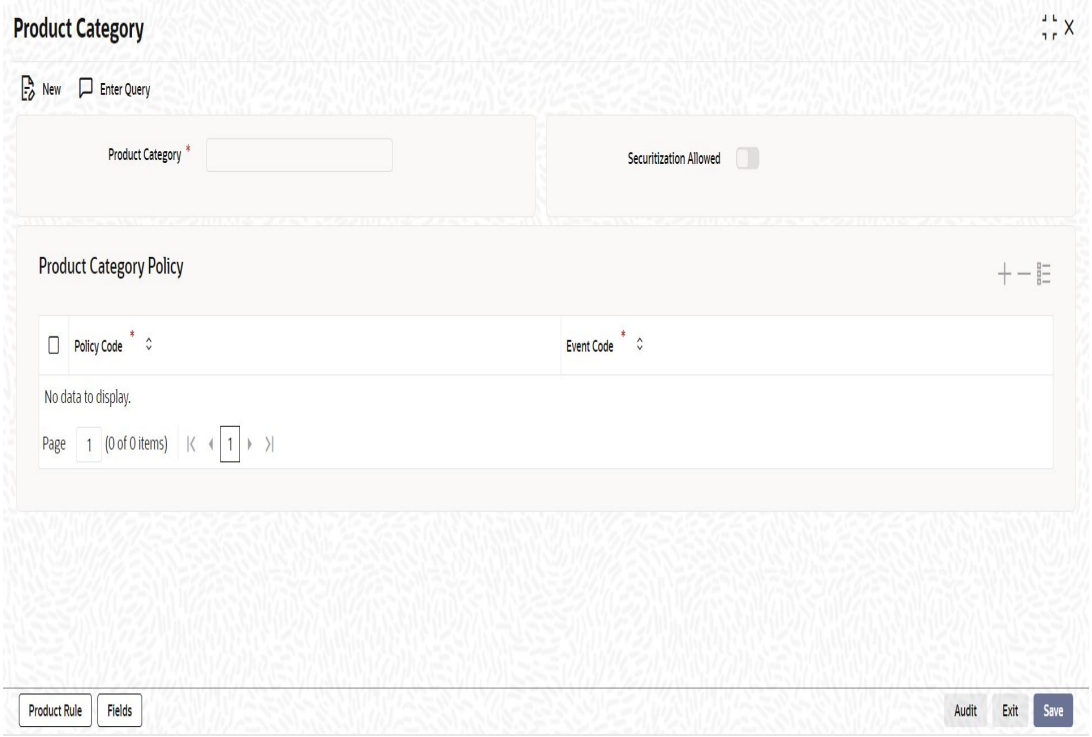
- Section 5.6.1, "Creating a Wakala Product Category"
- Section 5.6.2, "Setting up a Wakala Product"
- Section 5.6.3, "Preferences Tab"
- Section 5.6.4, "Component Tab"
- Section 5.6.5, "Setting up Accounting Entries and Accounting Roles"
- Section 5.6.6, "Creating a Wakala Account"

5.6.1 Creating a *Wakala* Product Category

Wakala is an agency contract, where the business is managed by an agent appointed by the owner of the principal. The bank finances the customer with advance money, for that the customer will not have to pay any profit during this period. The fee for the *Wakala* period will be recovered from the customer when the *Wakala* gets converted into a *Murabaha* contract. No profit, fee or charges are made during the *Wakala* transaction period. Normal tenor of a *Wakala* contract will be of one week to 10 days.

On saving the *Murabaha* account, the system automatically liquidates all the linked *Wakala* accounts and on reversal of *Murabaha* account, the system automatically reverses all the liquidation entries of linked *Wakala* accounts.

In order to process finance transactions, you can set up a product category for *Wakala* and *Wakala* to *Murabaha* under construction.

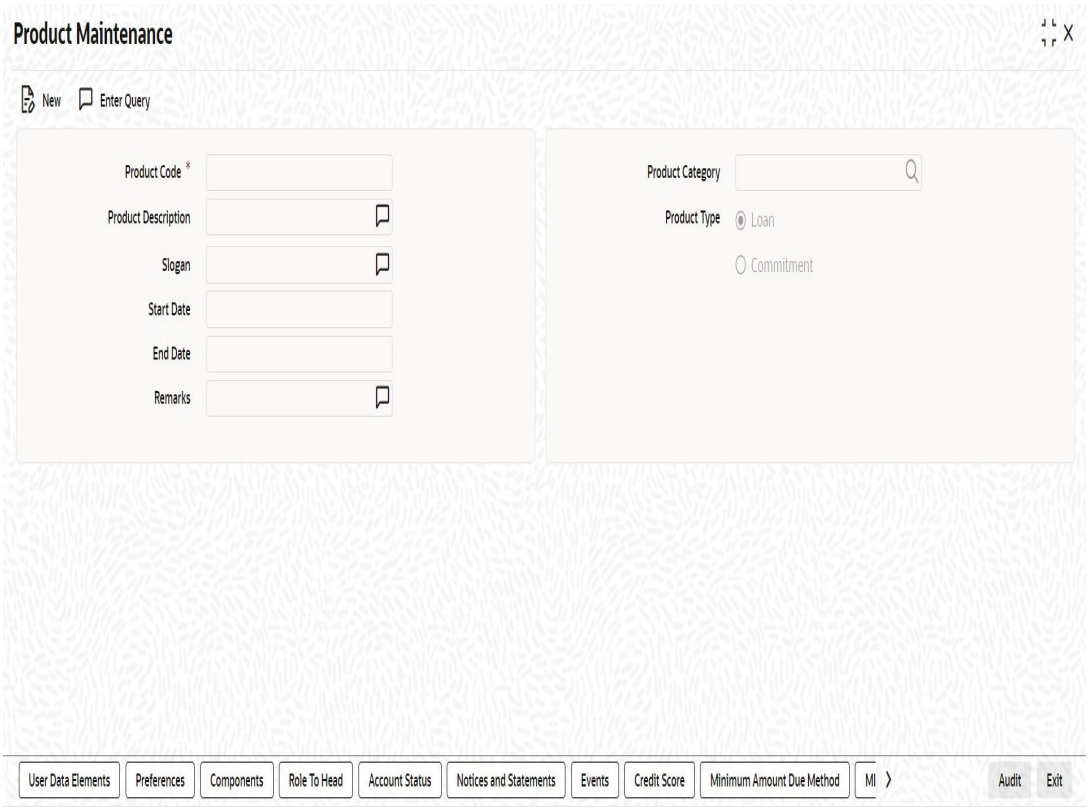


Product Category

You have to specify one of the names of the finance service which will identify the *Wakala* to *Murabaha* or *Wakala* category uniquely in the system.

5.6.2 Setting up a *Wakala* Product

Under the desired product category, you can set up a product to cater to the generic needs of the finance transactions of *Wakala* and *Wakala* to *Murabaha*. You can capture *Wakala* product details in the 'Product' screen. To invoke this screen, select Islamic Financing, choose Product and then, Detailed under it.

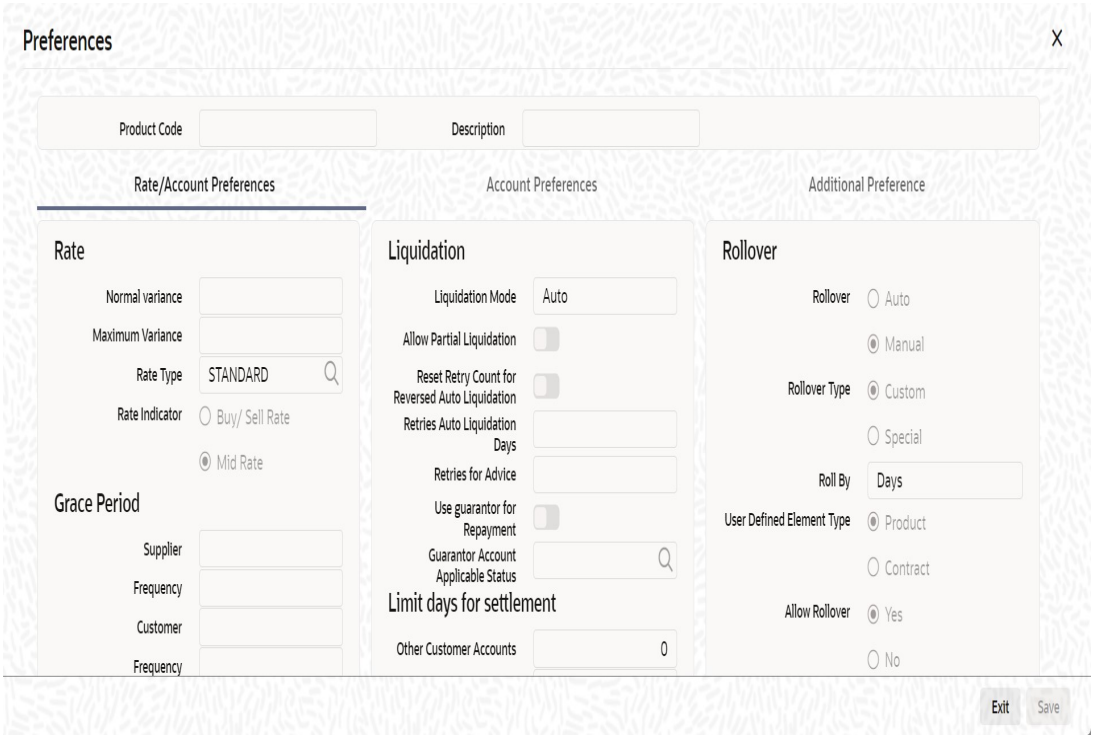


Product Category

Select the category maintained for *Wakala* transactions from the option list.

5.6.3 Preferences Tab

Click ’Preferences’ tab in the ‘Product’ screen to move to this section of the screen.

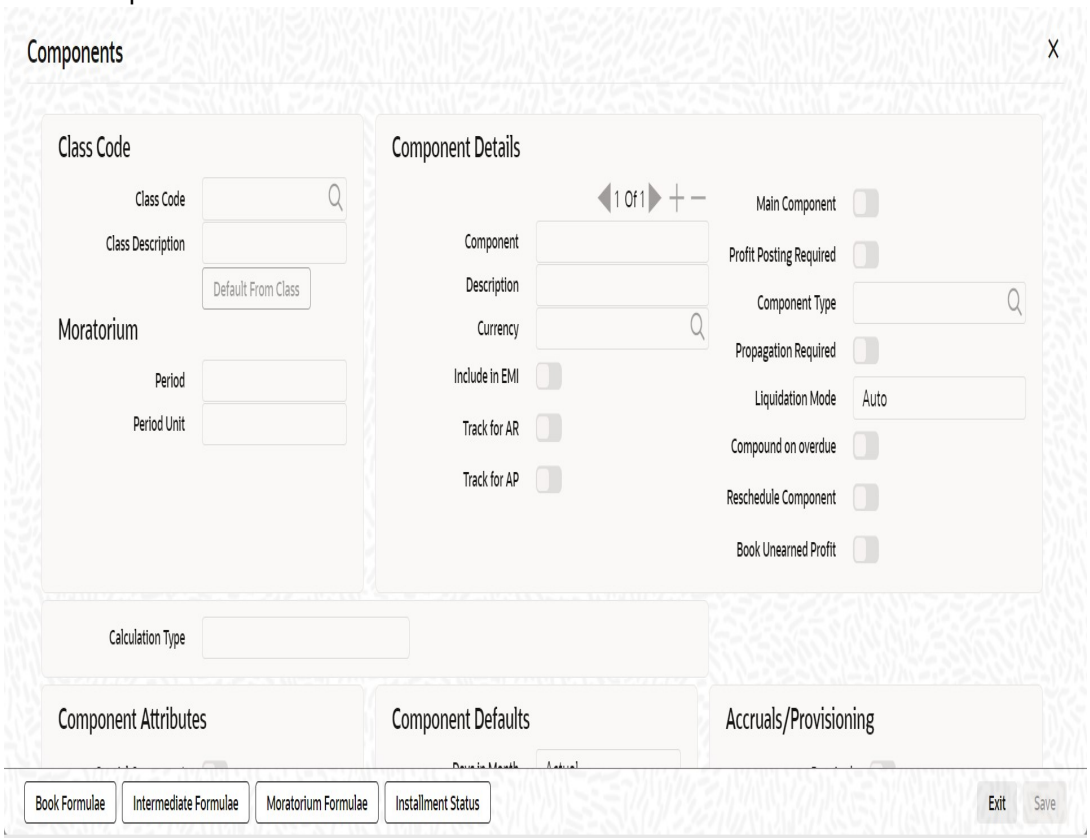


Disbursement Mode

Choose the option ‘Auto’ for the WAKALATOMURABAHA product.

5.6.4 Component Tab

Click ‘Components’ tab in the ‘Product’ screen to move to this section of the screen.



You should maintain the following preferences for the finance product:

Calculation Type

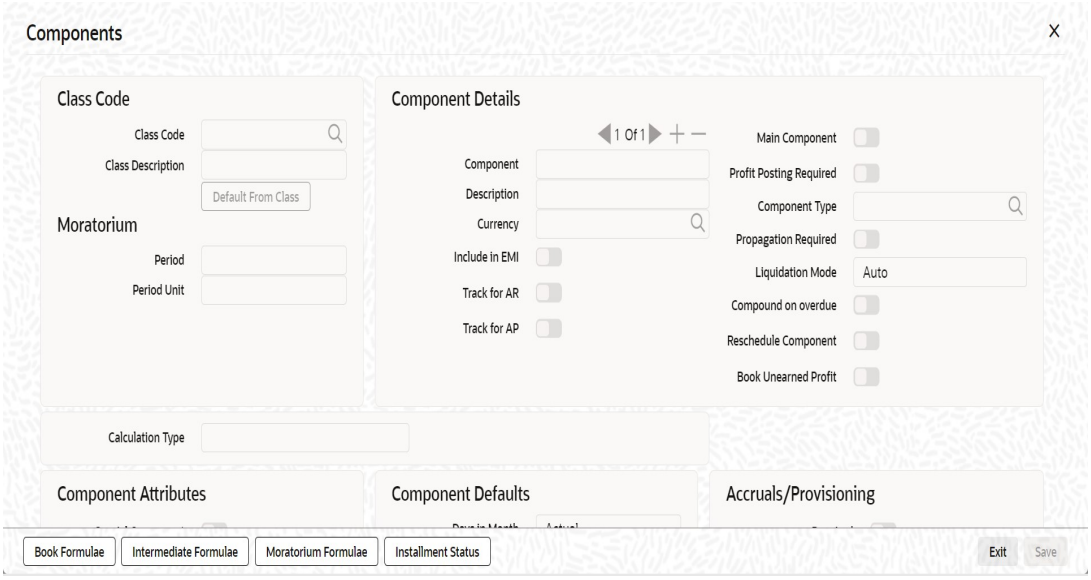
Choose the option’ No Schedule No Formula’ for the profit component from the drop down list.

Formula Type

Choose the option ‘User defined’ from the drop-down list.

Accruals Provisioning

The check box ‘Accrual required’ is disabled for the *Wakala* products.



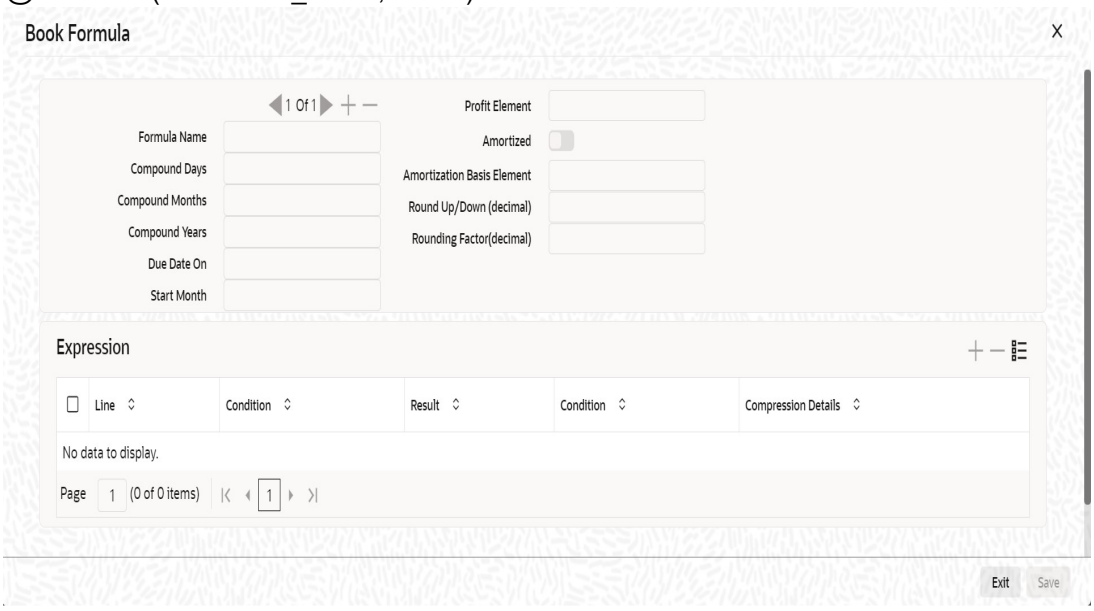
Equal Profit

Check this box.

5.6.4.1 Creating the Booked Formula

You need to create the booked formula as given below:

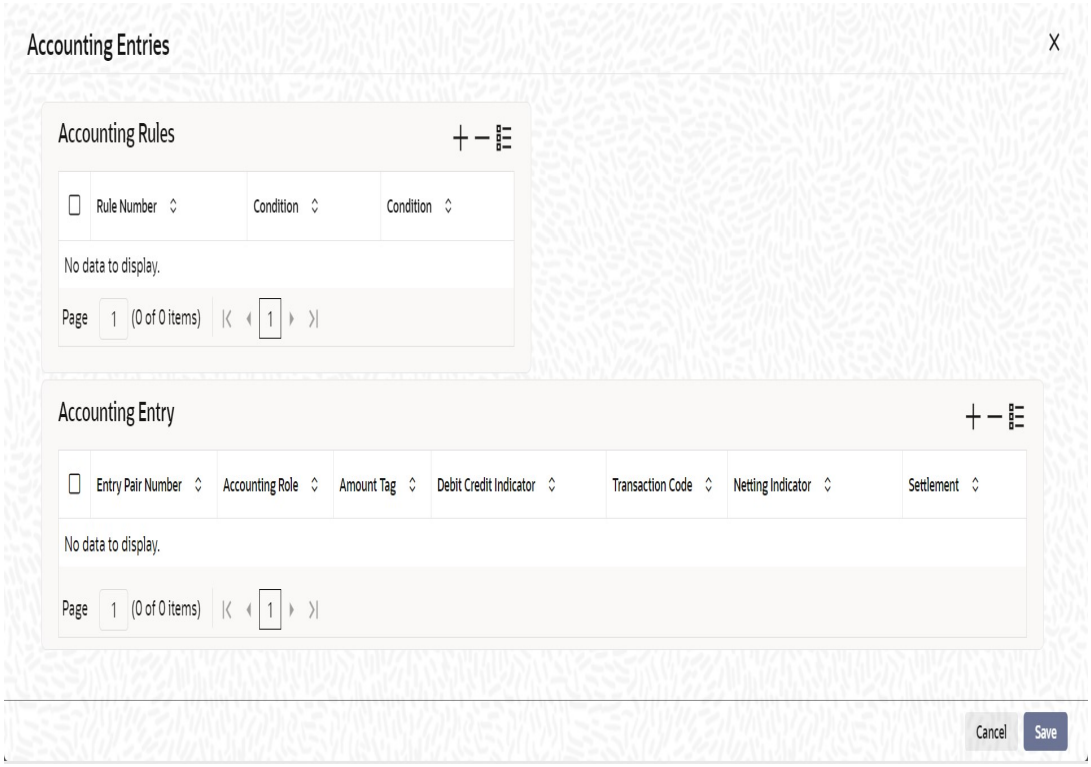
@WAKALA (INTEREST_RATE, YEAR)



The System will perform the below validations when a *Wakala* Account is linked to Wakala to *Murabaha* Account:

- Whether the amount financed is equal for both *Wakala* and *Murabaha* accounts or not
- Whether the customer for both *Wakala* and *Murabaha* accounts are same or not
- Whether the Currency and Branch for both *Wakala* and *Murabaha* accounts are same or not

5.6.5 Setting up Accounting Entries and Accounting Roles



5.6.5.1 Accounting Roles

You need to set up the following accounting roles for the *Wakala* product:

Accounting Role	Description
WAKALA_ASSETGL	Real Asset for *Wakala* account
WAKALA_SUSPGL	Suspense GL for *Wakala-Murabaha*

5.6.5.2 Accounting Entries

You need to set up the following event-wise accounting entries for *Wakala* contract:

DSBR

The following accounting entries are passed for this event for *Wakala* product:

Accounting Role	Amount Tag	Dr /Cr
WAKALA_ASSETGL	PRINCIPAL	Dr
CR_SETTL_BRIDGE	PRINCIPAL	Cr

The following accounting entries are passed for this event for the *Murabaha* product (which is under 'WAKALA TO MURABAHA' Product Category):

Accounting Role	Amount Tag	Dr /Cr
LOAN_ACCOUNT	PRINCIPAL	Dr
WAKALA_SUSPGL	PRINCIPAL	Cr

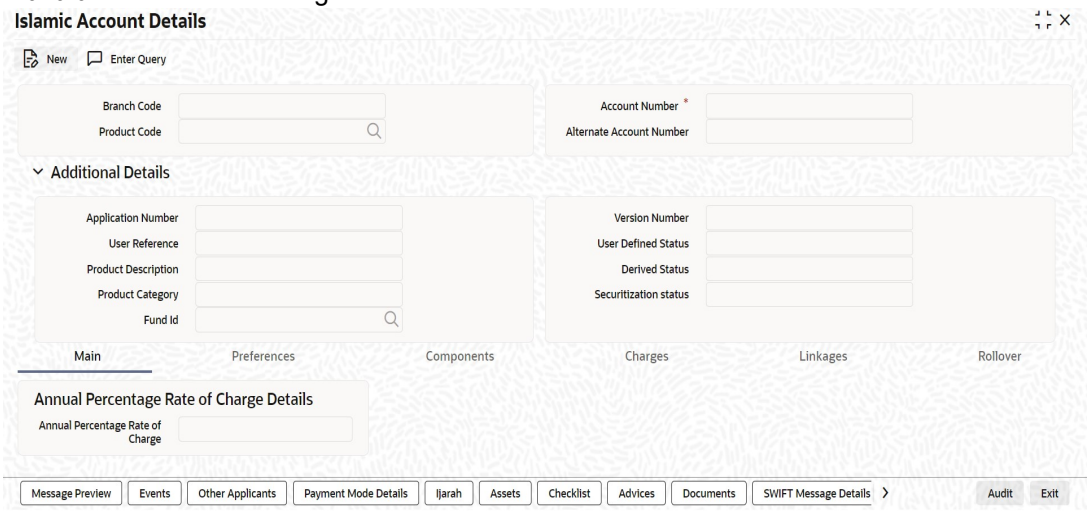
MLIQ

The following accounting entries are passed for this event for the *Wakala* product:

Accounting Role	Amount Tag	Dr /Cr
WAKALA_SUSPGL	PRINCIPAL_LIQD	Dr
WAKALA_ASSETGL	PRINCIPAL_LIQD	Cr

5.6.6 Creating a *Wakala* Account

You can create a *Wakala* account using the 'Account Details' screen. You can maintain *Wakala* Transaction as single disbursement.



Product Code

The *Murabaha* account must be booked under '*WAKALA*TO*MURABAHA*' product category.

5.7 Tawarooq Product

This section contains the following topics:

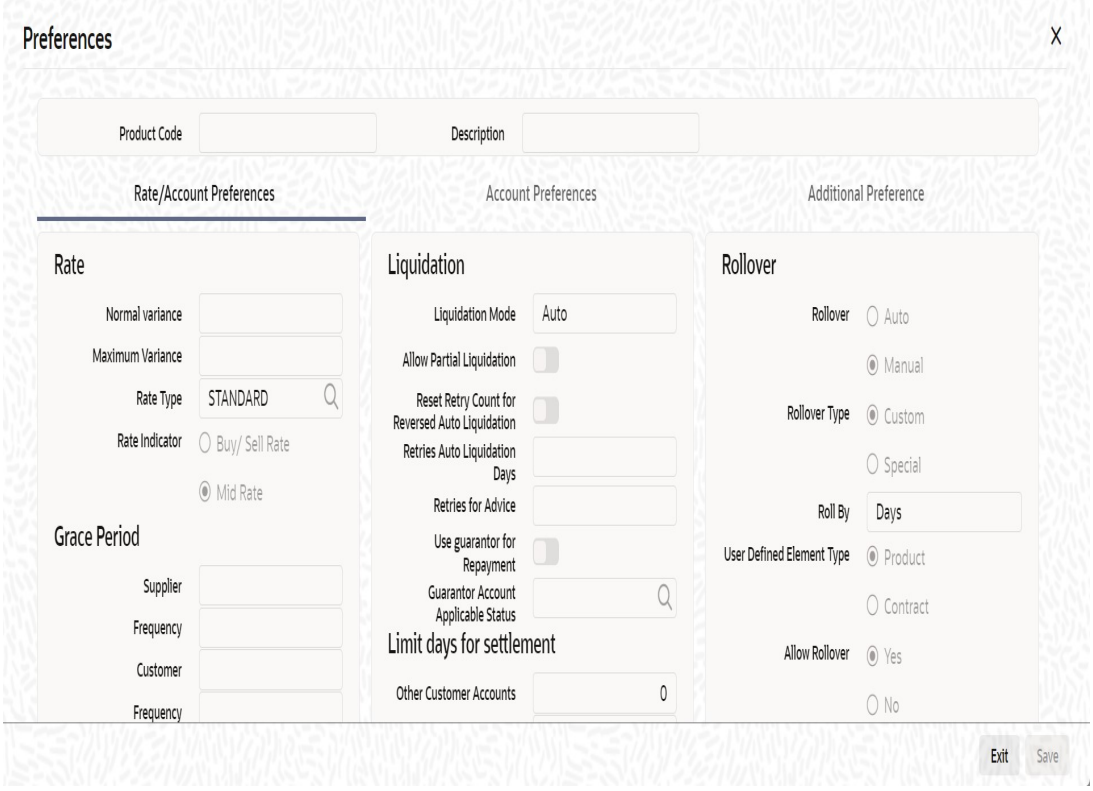
- Section 5.7.1, "Creating a Tawarooq Product"
- Section 5.7.2, "Components Tab"
- Section 5.7.3, "Setting up Accounting Entries"
- Section 5.7.4, "Processing Tawarooq Accounts"

5.7.1 Creating a *Tawarooq* Product

Tawarooq is a finance contract for buying an underlying commodity from a dealer on behalf of the customer and then at the request of the customer advising the dealer to sell the same. The sale proceeds of the disposed asset by the dealer will be paid to the customer.

As part of *Tawarooq* transaction the customer (counter Party) in need of money approaches a bank. The bank sells an asset to the customer which was bought from the Dealer already on a differed payment basis. The customer sells the asset to the dealer and obtains the cash from him in which commission of the dealer is levied.

You can capture *Tawarooq* product detils in the ‘Product’ screen. To invoke this screen, click on Islamic Financing in the Application browser, select Product and click on Detailed under it.

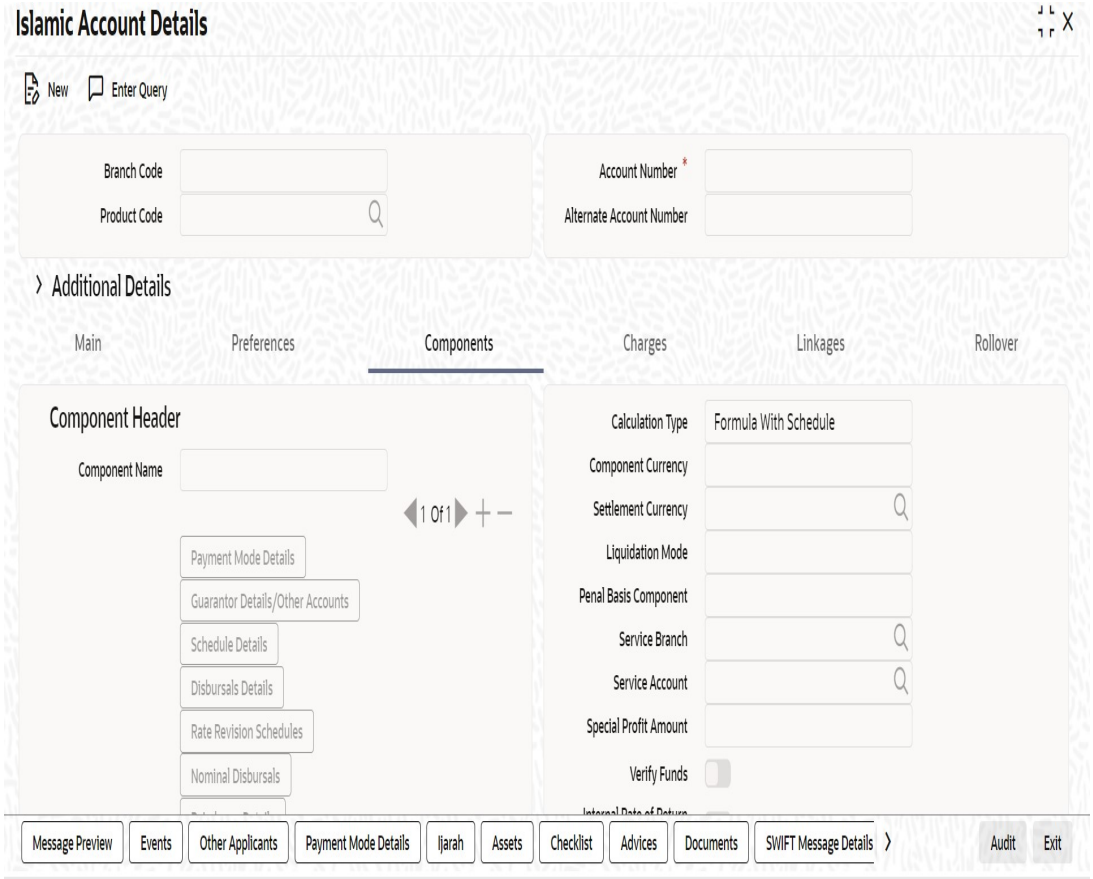


Product Category

Select the category maintained for *Tawarooq* transactions from the option list.

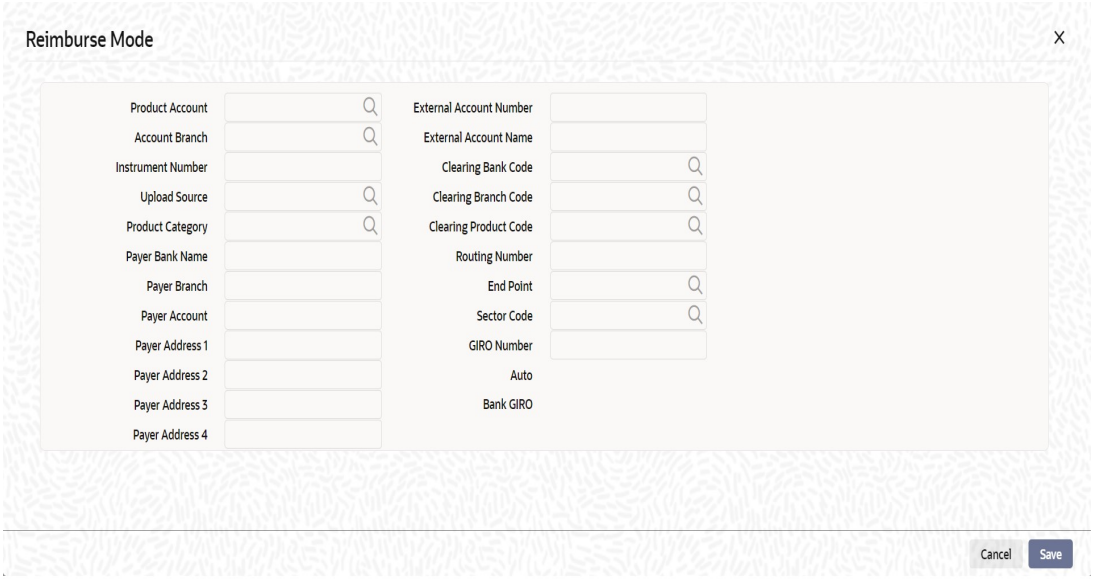
5.7.2 Components Tab

Click 'Components' tab in the 'Product' screen to move to this section of the screen.



The Reimbursement Mode Details button is used to capture the reimbursement settlement details of the dealer account.

Click on the 'Reimb Mode Details' button the following screen will be launched.



5.7.3 Setting up Accounting Entries

You need to set up the following event-wise accounting entries for the *Tawarooq* account:

BOOK

Accounting Role	Amount TAG	Dr/Cr Indicator
DEALERWIPACC	Principal	Dr Dealer Receivable Account
CR_SET-TL_BRIDGE	Principal	Cr Dealer

DSBR

Accounting Role	Amount TAG	Dr/Cr Indicator
DR_SET-TL_BRIDGE	Principal	Dr Dealer
CR_SET-TL_BRIDGE	Principal	Cr Customer
LOAN_ACCOUNT	Principal	Dr Asset GL
DEALERWIPACC	Principal	Cr Dealer Receivable Account
DR_SET-TL_BRIDGE	CHG_INC	Dr Customer
CHGINC	CHG_INC	Cr Charge Income

UIDB

Accounting Role	Amount TAG	Dr/Cr Indicator
PROFIT_REC	Profit _UINT	Dr Profit Receivable
PROFIT_UID	Profit _UINT	Cr Profit Upfront (UID)

ACCR

Accounting Role	Amount TAG	Dr/Cr Indicator
PROFITREC	Profit_Accr	Dr Profit Upfront (UID)
PROFIT_UID	Profit_Accr	Cr Profit income

ALIQ

Accounting Role	Amount Tag	Dr/Cr Indicator
DR_SET-TL_BRIDGE	Princi-pal_liqd	Dr Customer
LOAN_ACCOUNT	Princi-pal_liqd	Cr Asset GL

DR_SET-TL_BRIDGE	Profit_LIQD	Dr Customer
PROFITREC	Profit_LIQD	Cr Profit receiva-ble

Advices for *Tawarooq*

Advice	Type	Description
CL_INIT_ADV	CL_INIT_ADV	Account Initiation Advice

5.7.4 Processing *Tawarooq* Accounts

The processing of *Tawarooq* contract is done as follows:

- During disbursement, the system will compute profit and pass the accounting entry with the UIDB event. The system also disburses the amount of the asset to the customer and passes the accounting entries.
- In case of pre-payment, the system will compute the accrued interest and then adjust the balance against the principal. The Upfront Profit will also be recalculated.
- The system will not keep track of underlying asset associated with the contract.
- If the dealer account is maintained at sale confirmation, the account is picked up while passing the accounting entries for a reimbursement account, else the reimbursement account maintained at the account level will be picked up.

6. Types of Islamic Finances

Oracle FLEXCUBE supports creation of finance accounts for the following product categories:

- Murabaha
- Ijarah
- Istisnaa
- Mudarabah
- Musharaka
- Tawarooq

This chapter contains the following sections:

- Section 6.1, "Murabaha Account Input"
- Section 6.2, "Ijarah Account Input"
- Section 6.3, "Istisnaa Account Input"
- Section 6.4, "Mudarabah Account Input"
- Section 6.5, "Musharaka Account Input"
- Section 6.6, "Tawarooq Account Input"

6.1 Murabaha Account Input

Murabaha financing is a contract between a customer and the bank, wherein the bank purchases goods upon request of the client, who makes deferred payments that cover the costs and at an agreed profit margin for the bank.

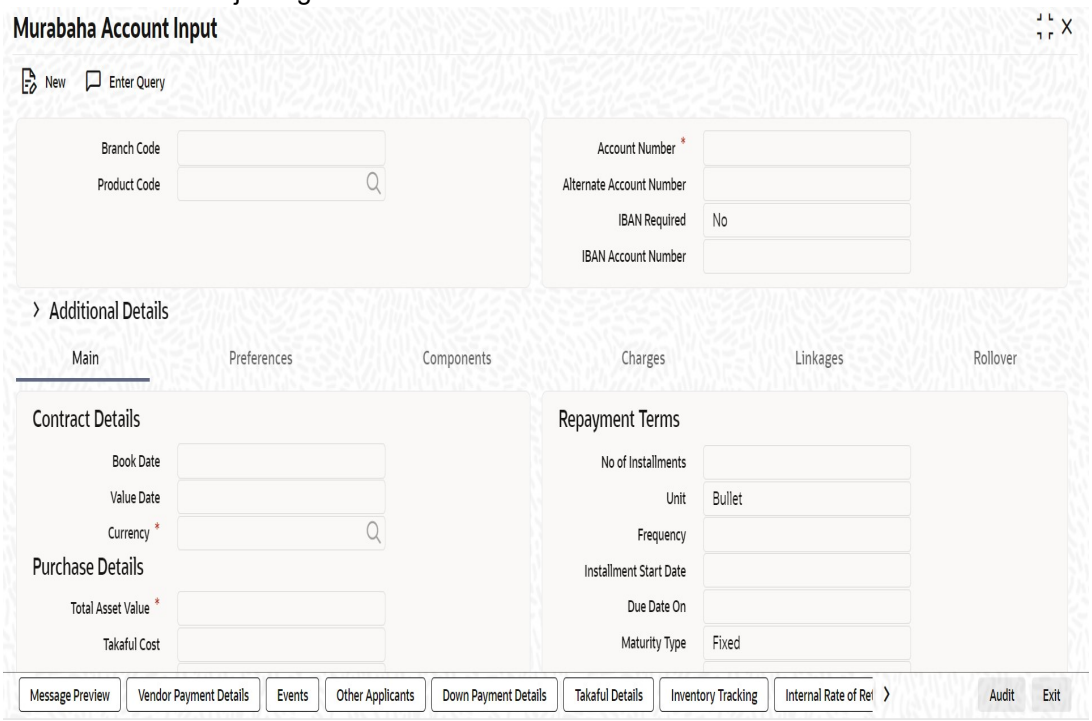
On completion of the agreed payments, the ownership of the goods is transferred to the customer. This finance may or may not be linked to physical fixed assets.

This section contains the following topics:

- Section 6.1.1, "Creating Murabaha Accounts"
- Section 6.1.2, "Main Tab"

6.1.1 Creating *Murabaha* Accounts

You can create and modify *Murabaha* accounts using '*Murabaha* Account Details' screen. To invoke this screen, type 'CIDMURAC' in the field at the top right corner of the application tool bar and click the adjoining arrow button.



This section contains the details that are specific to Murabaha accounts. For further details and field information, refer to the section 'Account Main Details/Light Finances' under chapter 'Account Creation' of 'Islamic Financing' user manual.

You can specify the following details:

Branch Code

The system displays the branch code of the current branch.

Product

Specify the product code. The option list displays all valid product codes maintained in the 'Product Definition' screen.

Click 'P' button to populate the Product Category, Value Date and Maturity Date. Based on the product code selected, the main screen will display all these values.

Account

Specify the account number. If you have set the required parameters at the branch level, the system automatically generates the account number. If the parameter is not set, you need to capture it manually.

Alternate Account Number

Enter the alternate account number. This can be the account number of this account as maintained in the existing system from which Oracle FLEXCUBE received the data.

Additional Details

Application Number

The system displays the Application Number in this field.

Note

This is applicable only if the origination of the finance is in Oracle FLEXCUBE or is interfaced.

Product Category

The system displays the product category in this field.

User Reference

Specify the user reference number. This number can be used to identify the account.

User Defined Status

Specify the status of the account.

Derived Status

The system displays the derived status of the account.

Securitization Status

Select the securitization status from the drop-down list.

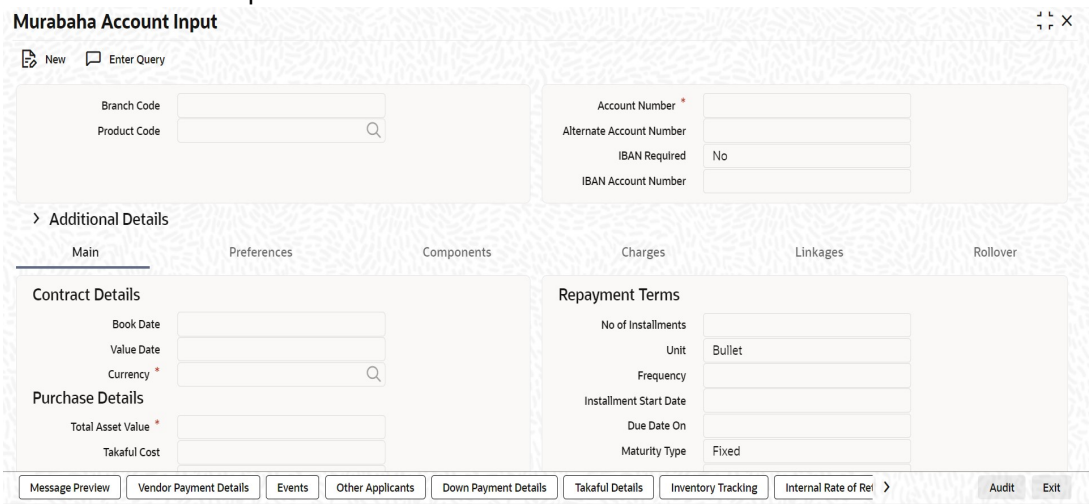
Contract Stage

Select the contract stage from the drop-down list. The options available are:

- Negotiation
- Post Construction
- Under Construction

6.1.2 Main Tab

Click ‘Main’ tab to capture the main details of the account.



Specify the following details:

Contract Details

Book Date

Specify the book date of the finance in this field using the date button. You can use the date button to choose the date from the calendar.

Value Date

Specify the value date of the finance. You can use the date button to choose the date from the calendar.

Purchase Details

Total Asset Value

Specify the total asset value.This is a mandatory input.

Takaful Cost

Specify the takaful cost here.

Maintenance/Other Cost

Specify the maintenance or other cost here.

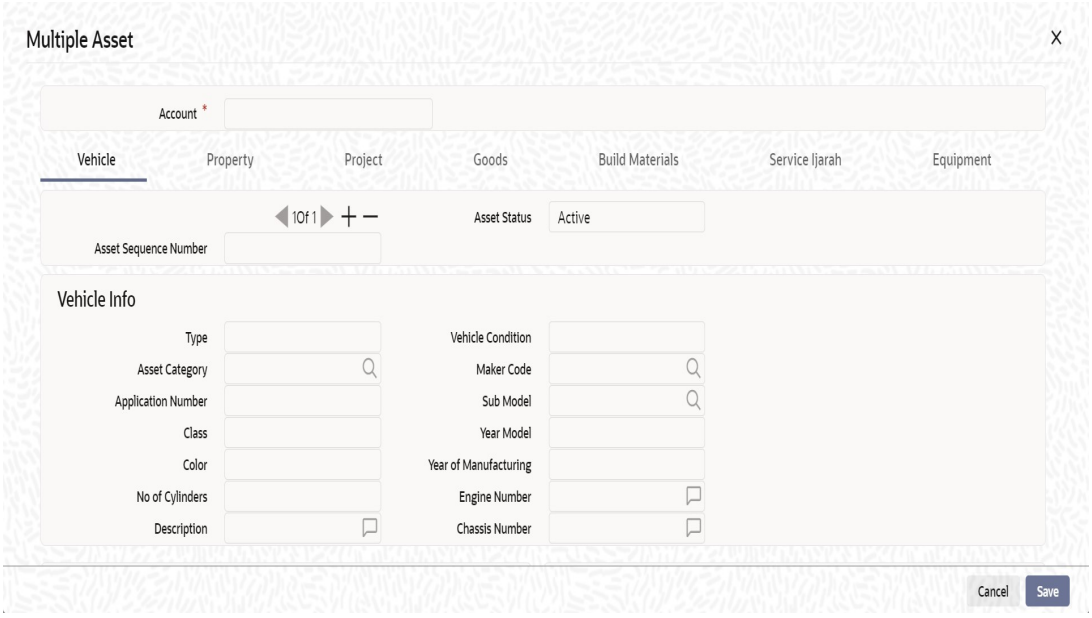
Asset Type

Select the type of asset from the drop-down list. The list displays the following values:

- Home
- Vehicle
- Others

6.1.2.1 Capturing Multiple Asset Details

Click ‘Multiple Asset’ button under ‘Asset Details’ to capture the additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. In case of a *Murabaha* account, the following screen is displayed.



For a detailed explanation of the fields in this screen, refer to the section ‘Multiple Asset Details’ in chapter ‘Account Creation’ of this user manual.

Sale Details

Buyer Customer ID

Specify the customer ID. You can choose the required customer ID from the option list. When you choose it from the option list, the system displays a new screen ‘Find Customer Details’. You can enter search criteria in this screen. For example, you can enter the customer name

or number and click on the ‘Search’ button. The system then fetches you all the details corresponding to the customer name or account. Select the required customer ID and click OK button.

Customer Name

Based on the customer ID selected, the system displays the name of the customer.

Total Sale Value

Specify the total sale value.

Financing Details

Down Payment Amount

Specify the down payment amount details. This amount will be derived from total asset value, by applying the down payment percentage to it.

Down Payment %

Specify the

Amount Financed

The financed amount is displayed here. Amount finance will be derived as:

Amount Finance = Total Asset Value + Total Cost + Maintenance/Other Cost - Down payment Amount.

Staff Finance

Specify the staff finance amount here. You need to enter this if “Staff Finance Allowed” box is checked at product level.

Repayment Terms

Number of Installments

Specify the number of installments. This is the number of times the schedule is repeated for a chosen frequency. If the frequency is ‘Monthly’ and number is ‘1’, it implies once a month.

Unit

Enter the installment unit for the component for the schedule. The units of frequency definition can be Daily, Weekly, Bullet, Monthly, Quarterly, Half Yearly or Yearly.

Select the unit of the schedule from the option list.

Frequency

This is the number of times the schedule will repeat for a unit. If it is 2 and the unit is ‘Monthly’, it implies twice a month.

Installment Start Date

Specify the start date of the installment. This may be used to schedule an installment on a particular date of the month.

Maturity Type

Select the type of maturity from the drop-down list. The system displays the following values:

- Fixed
- Call

Maturity Date

Select the scheduled maturity date of the finance from the adjoining calendar.The tenor can also be entered to compute the Finance Maturity Date.

Tenor

Specify the loan tenor.

Grace Period

Customer Grace Period

Specify the customer grace period.

Frequency

Select the frequency of grace period from the drop-down list. The list displays the following values:

- Days
- Months
- Yearly

Supplier Grace Period

The system displays the supplier grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and explode the schedules from the 'Components' tab. The modified schedules will be displayed after explode.

Frequency

The system displays customer grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and explode the schedules from the 'Components' tab. The modified schedules will be displayed after explode.

Select the frequency of grace period from the drop-down list. The list displays the following values:

- Days
- Months
- Yearly

Other Details

Wakala Reference

Specify the reference number of the *Wakala* contract.

Future D/P Receivable

Your customer need not pay the entire down payment amount in a single installment. The customer can pay it in parts. In such cases, you can specify the amount to be received in the future from the customer. The aggregate of down payments received and 'Future D/P Receivable' should be equal to the 'Down Payment' amount.

Note

Amount specified in this field cannot exceed the total down payment amount for the contract. This field should be operationally controlled, because the system does not track the 'Future D/P Receivable' amount which is received from the customer.

Total Amount

Specify the sum of the financed amount and down payment.

Balloon + Principal

Specify the sum of the balloon amount and principal amount.

Balloon Payment Details

Balloon %

Specify the balloon percentage value between 0 to 100.

Balloon Amount

The system calculates the balloon amount based on the amount financed and balloon percentage.

Balloon Rollover Required

Check this check-box if the balloon amount is required to be rolled over.

Rollover Instalments

Specify the required number of instalments for the balloon rollover period.

Rollover Unit

Select the type of balloon rollover instalments. The list displays the following values.

- Monthly
- Quarterly
- Half yearly
- Yearly

Exclude Instalment from Balloon

Check this box to exclude the regular instalments in the balloon schedule.The last schedule due will be the balloon amount. If this check box is selected then balloon rollover facility is not allowed.

If the check box is not selected, the balloon amount is added to regular schedule due for the last instalment.

Note

- If the check box is not selected, the balloon amount is added to regular schedule due for the last instalment.
- Balloon functionality is provided only to Murabaha accounts with flat rate profit method.
- Once the account is created and authorized, balloon profits is not recalculated.
- The balloon amount and details cannot be amended through VAMI after authorization.

Calculating Balloon Repayment

Balloon without Rollover

For Balloon without rollover, the balloon amount should be paid as bullet payment on the maturity date.

If the last schedule includes regular instalments plus balloon, then:

- The system calculates balloon profit based on the IRR from cash flows for a regular finance without balloon amount.
- The balloon profit is then equally divided across all the repayment schedules.
- If XIRR based schedule definition is opted, entire schedule breakup is recalculated using XIRR.

If the last schedules only balloon, then:

- The system calculates balloon profit based on the IRR from cash flows for a regular finance without balloon amount.
- The remaining Non-Balloon cash flows are plotted across normal repayment schedules with flat rate method. The last schedule due contains only the balloon amount as due and does not include the regular instalment dues.
- If XIRR based schedule definition is opted, entire schedule breakup is recalculated using XIRR.

Balloon with Rollover

For Balloon with rollover, the balloon amount should be divided across multiple schedule dates.

- The system calculates balloon profit based on the IRR from cash flows for a regular finance without balloon amount.
- The remaining Non-Balloon cash flows are plotted across normal repayment schedules with flat rate method.
- Balloon principal amount is divided across the balloon rollover repayment schedules. The balloon profit is equally divided across regular repayment schedules.
- Rollover period profit is calculated using flat rate method and divided across balloon rollover period.
- If XIRR based schedule definition is opted, entire schedule breakup is recalculated by using the XIRR.

Note

- The balloon principal due dates and amounts will be automatically derived by the system during account creation, when balloon facility is required.
- System will put the balloon amount due on the maturity date of the finance contract in case of balloon without rollover.
- System will build the balloon rollover period schedules upfront during account creation in case of balloon with rollover.
- The “BALLOON_IRR_RATE” SDE derives the balloon profit rate based on the IRR from cash flows when the finance is a regular finance without balloon amount..

Product Level Balloon Components

BALLOON_PROFIT_NR - This component will hold the balloon period profit for the normal (no rollover) period. The profit is derived based on the IRR when BALLOON_IRR_RATE SDE is used.

The UDE value is captured manually when a balloon rate is input instead of a system derived rated based on IRR.

BALLOON_PROFIT_WR - This component will hold the balloon period profit for the balloon rollover period. This profit is derived based on flat rate on the balloon amount.

Note

- Once the account is created and authorized, balloon profits will not be recalculated and the balloon amount cannot be amended through VAMI.
- During VAMI and maturity date change, the balloon amount will not change. However the remaining principal and profit will be redistributed across the new schedules.
- Balloon functionality is provided only to Murabaha accounts with flat rate profit method.
- If Murabaha account with balloon amount is rescheduled, then the balloon effect will be lost. The system will then generate the new schedules based on the rescheduling details.
- The sum of main principal and balloon principal is the total principal outstanding for rescheduling.The main profit and balloon profits are rescheduled.
- During deferment of Murabaha account with balloon amount, the balloon effect will still remain. In case of deferment by number of days or number of schedules, the balloon schedules will also move.
- UIDB support and accrual support will be provided for balloon period profits separately.
- When IRR based re-computation is opted, system will re-calculate the schedule component break-ups retaining the total due unchanged.

Cost Details

Currency

Specify the currency of the account. The option list displays all valid currency codes maintained in the system. Choose the appropriate one.

Amount Financed

Specify the total principal amount of the finance.

Note

If the checkbox ‘Calculate Gross Principle’ is checked, then the amount financed is the gross principal.

Sale Value

Total Sale Value

The system displays the total of principal and profit amount as of initiation date. If the box ‘Recompute schedule on IRR’ is checked in the ‘Product Maintenance’ screen for the linked product and balloon amount is provided, the system will compute this value as the sum of principal, normal profit, balloon principal and balloon profit.

URBOUN

Down Payment

Specify the finance amount paid by the customer upfront – Owners contribution. In case of *Ijarah* contracts, for a financial lease the down payment will be considered entirely towards the principal. In case of an operational lease, the entire down payment will be considered as income. Note that the down payment amount cannot be amended after authorization.

Effective Date

You can specify the following detail here:

Effective Date

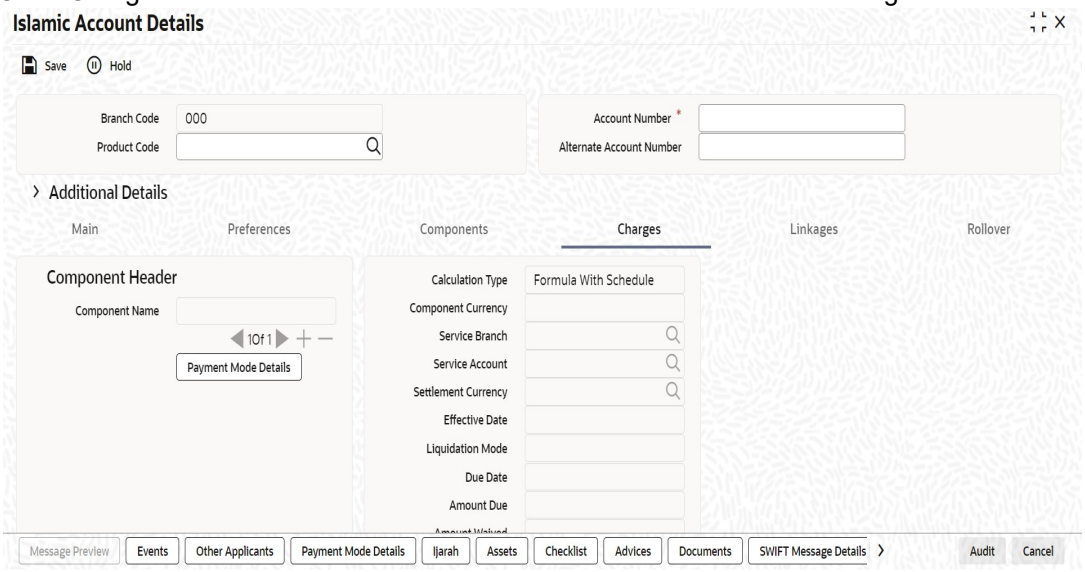
The effective date is used to pick the UDE value and apply it for the given period. The system displays this date from the General UDE maintenance screen.

For a product + currency combination, if the UDE values are not maintained for the effective date, then the system defaults '0'. You can edit it. You can maintain different effective dates for the same UDE with different values. For instance, you can give different effective dates for different rate types maintained for the moratorium UDE.

For further information on the other tabs of the screen, refer to the section 'Account Main Details/Light Finances' under chapter 'Account Creation' of 'Islamic Financing' user manual.

6.1.3 Charges Button

Click 'Charges' tab in 'Islamic Account Details' screen to invoke the following details:



You can specify the following details:

Component Header

Component Name

Specify the component name.

Click '+' button to specify other necessary details.

Calculation Type

The system displays the type of calculation.

Component Currency

The system displays the currency associated with the component. The component currency is defaulted from the Product level.

Settlement Currency

Specify the settlement currency code. Alternatively, you can select settlement currency code from the option list. The list displays all settlement currency code maintained in the system.

Effective Date

Select the effective date from the adjoining calendar.

Service Branch

Specify the service branch code. Alternatively, you can select service branch code from the option list. The list displays all service branch code maintained in the system.

Service Account

Specify the service account number. Alternatively, you can select service account number from the option list. The list displays all service account number maintained in the system.

Due Date

The system displays the due date.

Amount Due

The system displays the due amount.

Amount Waived

The system displays the amount waived.

Details

Event Code

The system displays the event code.

Amount Settled

The system displays the amount settled.

Schedule Date

The system displays the schedule date.

6.2 Ijarah Account Input

Ijarah is a lease contract wherein the bank purchases property or capital equipment and leases it to a customer. The bank may rent the property/equipment and receive the rent or invest it in the business and get a share of the profit.

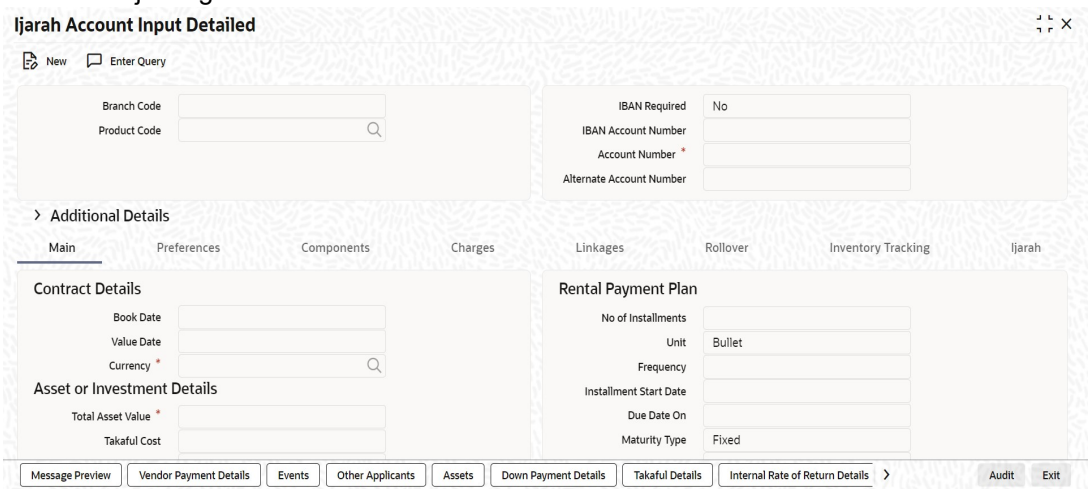
Ownership of the property or equipment passes on to the customer either during the schedules of payment or at the end of the period.

This section contains the following topics:

- Section 6.2.1, "Creating Ijarah Accounts"
- Section 6.2.2, "Main Tab"
- Section 6.2.3, "Inventory Tracking Tab"
- Section 6.2.4, "Ijarah Tab"

6.2.1 Creating *Ijarah* Accounts

You can create and modify *Ijarah* accounts using '*Ijarah* Account Details' screen. To invoke this screen, type 'CIDIJAAC' in the field at the top right corner of the application tool bar and click the adjoining arrow button.



This section contains the details that are specific to Ijarah accounts. For further details and field information, refer to the section 'Creating Murabaha Accounts' in this chapter.

6.2.2 Main Tab

Click 'Main' tab to capture the main details of the account.

Lessee Details

Customer ID

Specify the customer ID. You can choose the required customer ID from the option list.

Customer Name

Based on the customer ID selected, the system displays the name of the customer.

Lease Details

Down Payment %

Specify the percentage of down payment amount.

Down Payment Amount

Specify the down payment amount details. This amount will be derived from total asset value, by applying the down payment percentage to it.

Ijarah Amount

The Ijarah amount is displayed here.Amount finance will be derived as:

Ijarah Amount = Total Asset Value + Takaful Cost + Maintenance/Other Cost - Down payment Amount.

Asset/Investment Details

Total Asset Value

Specify the total asset value.This is a mandatory input.

Takaful Cost

Specify the takaful cost here.

Maintenance/Other Cost

Specify the maintenance or other cost here.

Asset Type

Select the type of asset from the drop-down list. The list displays the following values:

- Home
- Vehicle
- Others

Grace Period

A grace period is a period of time past the deadline for fulfilling an obligation during which a penalty that would be imposed for being late is waived.

Supplier Grace Period

Specify the supplier grace period and frequency for all contracts linked to this product, You can specify this value in terms of days, months or years. Choose the appropriate unit from the adjoining drop-down list. Based upon this period the first installment date of the finance contract will be derived. This field is applicable for *Murabaha* products only.

Frequency

Select the frequency for handover date extension from the adjoining drop-down list:

- Days
- Months
- Years

Customer Grace Period

Specify the customer grace period and frequency for all contracts linked to this product, You can specify this value in terms of days, months or years. Choose the appropriate unit from the adjoining drop-down list. Based upon this period, the first installment date of the finance contract will be derived. This field is applicable for *Murabaha* products only.

Frequency

Select the frequency for handover date extension from the adjoining drop-down list:

- Days
- Months
- Years

Forward Ijarah Construction Details

End Construction Date

The user can end the date on which the construction has been completed.

Original Construction End Date

Specify the original end date of the construction for which the customer has sought the finance.

End Construction Date

Specify the end date of the construction for which the customer has sought the finance.

Handover Applicable

The system defaults the handover applicable value based on the maintenance in the Islamic Product Preference (CIDPRMNT) screen. You can modify the defaulted value.

For forward Ijarah and Musharaka under contruction product types, if Handover Applicable flag is checked and if handover date is not available on product default then the construction end date value will be defaulted to handover date.

Handover Date

Select the handover date from the adjoining calendar. You can enter the handover date only if the Handover Applicable field is checked. The handover date can be greater than or equal to the construction end date.

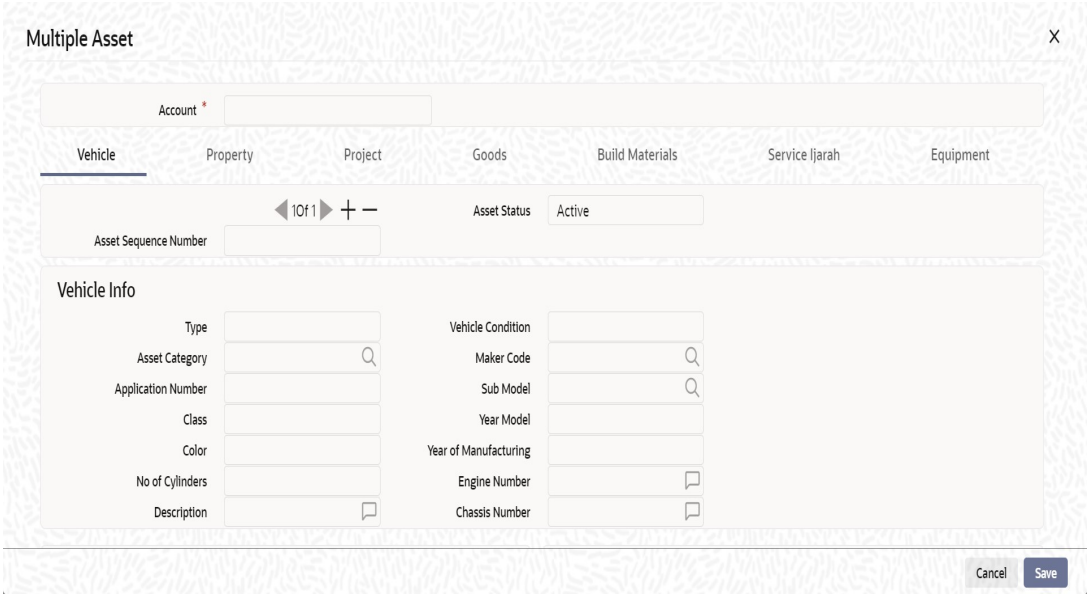
On product default, if Handover Applicable flag is checked and if handover date is not available, then the construction end date value will be defaulted to handover date. This is not applicable for Istisna.

Handed Over

The system checks this box if it is enabled in the Islamic value dated amendment screen.

6.2.2.1 Capturing Multiple Asset Details

Click 'Multiple Asset' button under 'Asset Details' to capture the additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. In case of an *Ijarah* account, the following screen is displayed.



For a detailed explanation of the fields in this screen, refer to the section 'Multiple Asset Details' in chapter 'Account Creation' of this user manual.

6.2.3 Inventory Tracking Tab

Click 'Inventory Tracking' tab to capture the details related to inventory.

For a detailed explanation of the fields in this screen, refer to the section 'Details of Inventory' in chapter 'Account Creation' of this user manual.

6.2.4 Ijarah Tab

Click '*Ijarah*' tab to capture the details specific to *Ijarah*.

For a detailed explanation of the fields in this screen, refer to the section 'Details of Ijarah' in chapter 'Account Creation' of this user manual.

For further information on the other tabs of the screen, refer to the section 'Account Main Details/Light Finances' under chapter 'Account Creation' of 'Islamic Financing' user manual.

6.3 Istisnaa Account Input

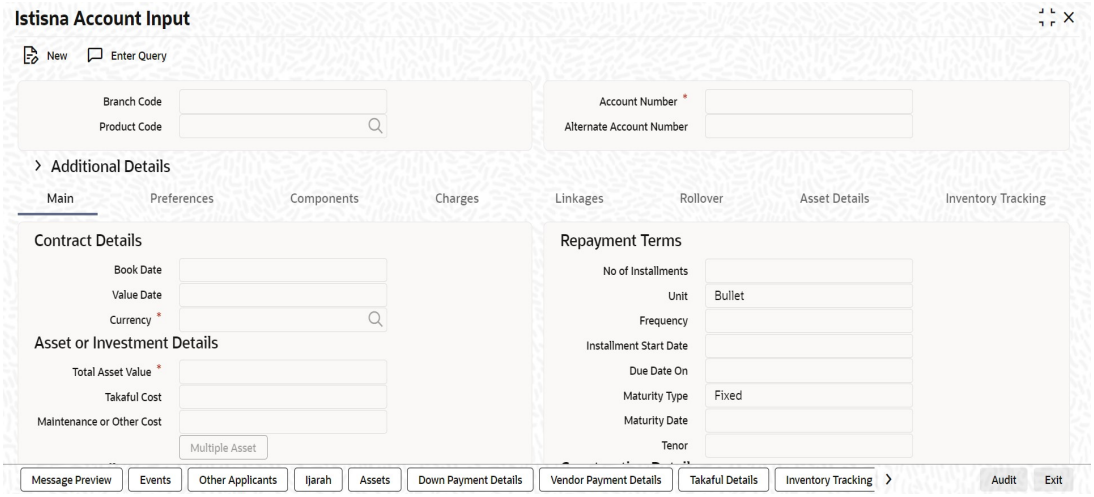
Istisnaa is similar to a regular financing for working capital. All features are similar to a *Murabaha* except that the actual delivery of goods happen at a later date after the receipt of all due payments.

This section contains the following topics:

- Section 6.3.1, "Creating Istisnaa Accounts"
- Section 6.3.2, "Main Tab"
- Section 6.3.3, "Inventory Tracking Tab"

6.3.1 Creating *Istisnaa* Accounts

You can create and modify *Istisnaa* accounts using '*Istisnaa* Account Details' screen. To invoke this screen, type 'CIDISTAC' in the field at the top right corner of the application tool bar and click the adjoining arrow button.



This section contains the details that are specific to Istisnaa accounts. For further details and field information, refer to the section 'Creating Murabaha Accounts' in this chapter.

6.3.2 Main Tab

Click 'Main' tab to capture the main details of the account.

Contract Details

You can specify the following contract details:

Book Date

The system displays the booking date.

Value Date

Select the value date from the adjoining calendar.

Currency

Specify the currency code. Alternatively, you can select currency code from the option list. The list displays all valid currency code maintained in the system.

Vendor Details

Allow Multi-Party

Check this box to allow multiple parties for the account.

Contract Status

Status

Specify the contract status. The drop-down list displays the following options:

- Negotiation
- Under Construction
- Post Construction

Choose the appropriate one.

Window of Repayment

Units

The system defaults the window of repayment units from the Islamic product preference screen. You can modify it.

Frequency

The system defaults the window of repayment frequency from the Islamic product preference screen. You can modify it.

Note

- If product default is done after entering the values in Units and Frequency fields, then the system will consider the values entered by the customer for schedule calculation.
- If the window of repayment values are amended after product default, then you should do a product default again to reflect the latest values.
- The due date of the construction period profit will be calculated as Construction Period End Date + Window of Repayment.
- The system will consider holidays for calculating the construction period schedule date based on window of repayment.
- If construction end date is not given for the contract then system will not build the construction period profit schedule even if window of repayment is specified.

The schedule for *Istisna* are as follows:

Schedules	Starts from	Ends on
Construction Period	Value Date	Construction End Date + Window of Repayment

Schedules	Starts from	Ends on
Supplier Grace Period	Construction End Date +Window of Repayment	Supplier grace period start date + Supplier grace days
Customer Grace Period	Supplier grace period end date	Customer grace period start date + Customer grace days
Normal Profit Period	Customer grace period end date	Based on schedule definition. This will be updated as maturity date.

Handover Applicable

The system defaults the handover applicable value based on the maintenance in the Islamic Product Preference (CIDPRMNT) screen. You can modify the defaulted value.

Handover Date

Select the handover date from the adjoining calendar. You can enter the handover date only if the Handover Applicable field is checked. The handover date should be greater than the construction end date.

On product default, if Handover Applicable flag is checked and if handover date is not available, then the construction end date value will be defaulted to handover date.

If handover date and construction end date are same, then the system will not build the schedule for handover period.

For *Istisna* products, system will not build the handover period schedule based on the handover date.

Handed Over

Check this box if the property is handed over.

Asset/Investment Details

Total Asset Value

Specify the total asset value.This is a mandatory input.

Takaful Cost

Specify the takaful cost here.

Maintenance/Other Cost

Specify the maintenance or other cost here.

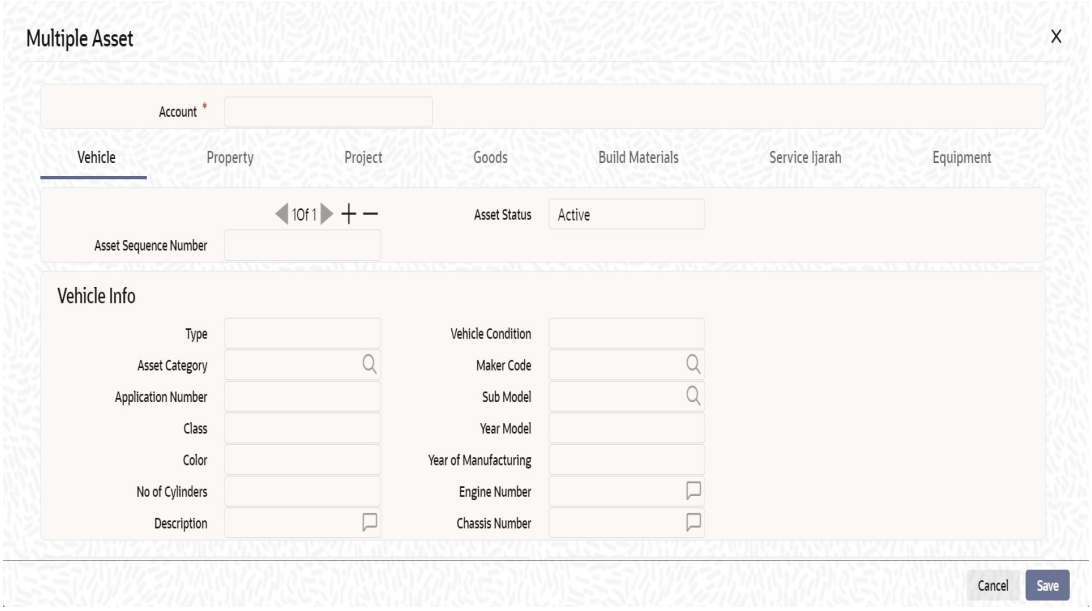
Asset Type

Select the type of asset from the drop-down list. The list displays the following values:

- Home
- Vehicle
- Others

6.3.2.1 Capturing Multiple Asset Details

Click ‘Multiple Asset’ button under ‘Asset Details’ field to capture the additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. In case of an *Istisnaa* account, the following screen is displayed.



For a detailed explanation of the fields in this screen, refer to the section ‘Multiple Asset Details’ in chapter ‘Account Creation’ of this user manual.

6.3.2.2 Capturing Party Details

Click ‘Party Details’ button under ‘Vendor Details’ to capture the details about parties linked to the account. The system displays the following screen.

For a detailed explanation of the fields in this screen, refer to the section ‘’Party Details’ in chapter ‘Account Creation’ of this user manual.

Buyer Details

Buyer Customer ID

Specify the customer ID. You can choose the required customer ID from the option list.

Customer Name

Based on the customer ID selected, the system displays the name of the customer.

Financing Details

Down Payment Amount

Specify the down payment amount details. This amount will be derived from total asset value, by applying the down payment percentage to it.

Down Payment %

Specify the percentage of down payment amount.

Amount Financed

Specify the finance amount details.Amount finance will be derived as:

Amount Finance = Total Asset Value + Takaful cost + Maintenance Cost/Other Cost - down payment amount.

Staff Finance

Specify the staff finance details.

For more details on the fields refer section titled "Creating Account Details Light Finances" in 'Account Creation' Chapter of this User Manual.

6.3.2.3 Preferences Tab

Click 'Preferences tab' to capture the preference details.

Percentage of Completion

The system displays the maximum work completion percentage specified for all the Manual Disbursements against the account. The system displays the value when we query for Istisna account.

6.3.3 Inventory Tracking Tab

Click 'Inventory Tracking' tab to capture the details related to inventory.

For a detailed explanation of the fields in this screen, refer to the section 'Details of Inventory' in chapter 'Account Creation' of this user manual.

For further information on the other tabs of the screen, refer to the section 'Account Main Details/Light Finances' under chapter 'Account Creation' of 'Islamic Financing' user manual.

6.4 Mudarabah Account Input

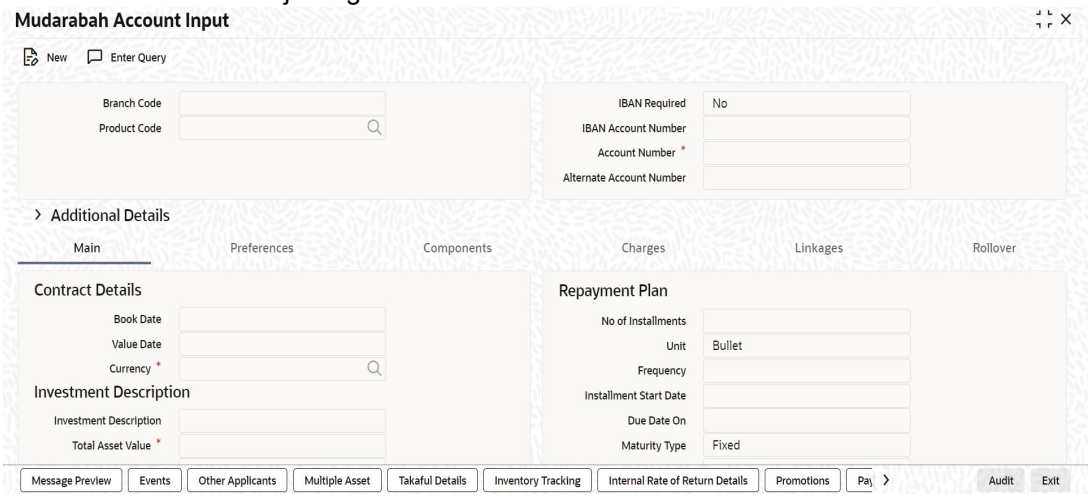
Mudarabah is a contract between the investors and the bank. The investor approaches the bank and shares the investment plans. Based on that, the bank funds the money for the business and shares the profit earned by the investor. The profit is collected as *Mudarabah* fee.

This section contains the following topics:

- Section 6.4.1, "Creating Mudarabah Accounts"
- Section 6.4.2, "Main Tab"
- Section 6.4.3, "Inventory Tracking Tab"

6.4.1 Creating *Mudarabah* Accounts

You can create and modify *Mudarabah* accounts using '*Mudarabah* Account Details' screen. To invoke this screen, type 'CIDMUDAC' in the field at the top right corner of the application tool bar and click the adjoining arrow button.



This section contains the details that are specific to Mudarabah accounts. For further details and field information, refer to the section 'Creating Murabaha Accounts' in this chapter.

6.4.2 Main Tab

Click 'Main' tab to capture the main details of the account.

Contract Details

Book Date

Specify the book date of the finance in this field using the date button. You can use the date button to choose the date from the calendar.

Value Date

Specify the value date of the finance. You can use the date button to choose the date from the calendar.

Currency

Specify the currency of the account. The option list displays all valid currency codes maintained in the system. Choose the appropriate one.

Investment Description

Investment Description

Specify a brief description of the investment.Total Asset Value

Specify the total asset value.This is a mandatory input.

Takaful Cost

Specify the takaful cost here.

Maintenance/Other Cost

Specify the maintenance or other cost here.

Asset Type

Select the type of asset from the drop-down list. The list displays the following values:

- Home
- Vehicle
- Others

Mudarib DetailsCustomer ID

Specify the customer ID. You can choose the required customer ID from the option list.

Customer Name

Based on the customer ID selected, the system displays the name of the customer.

Investment Share Details

Mudarib Share %

Specify the percentage of down payment amount.

Mudarib Share Amount

Specify the down payment amount details. This amount will be derived from total asset value, by applying the down payment percentage to it.

Rab-Al-Maal Share

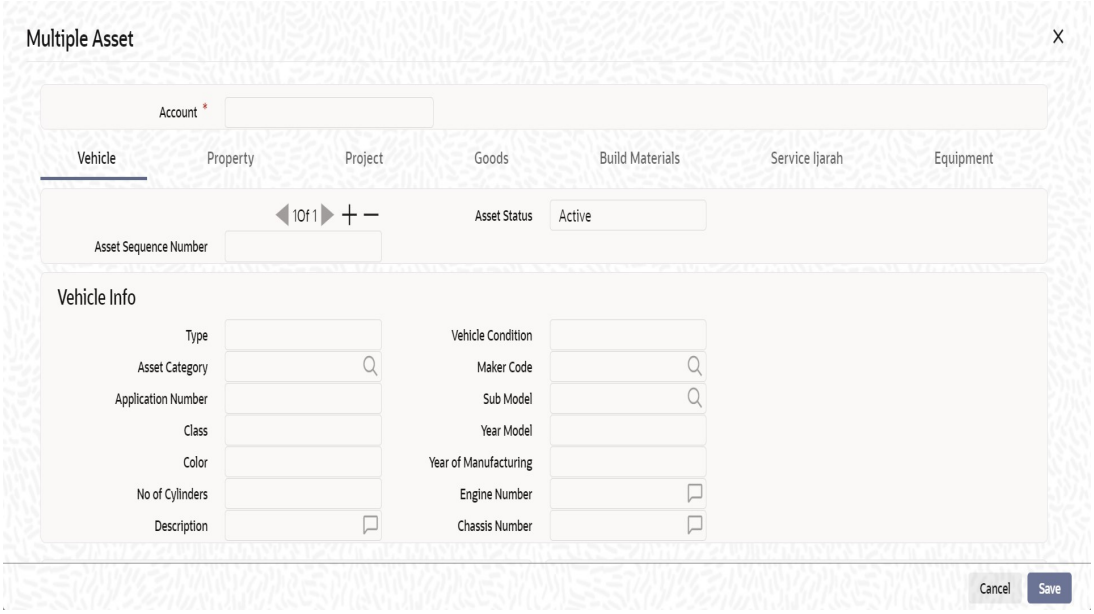
The Rab-Al-Maal amount is displayed here.

Rab-Al-Maal amount will be derived as:

Rab-Al-Maal amount = Total Asset Value + Takaful Cost + Maintenance/Other Cost - Mudarib Share amount.

6.4.2.1 Capturing Multiple Asset Details

Click ‘Multiple Asset’ button under ‘Asset Details’ to capture the additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. In case of a *Mudarabah* account, the following screen is displayed.



For a detailed explanation of the fields in this screen, refer to the section ‘Multiple Asset Details’ in chapter ‘Account Creation’ of this user manual.

6.4.3 Inventory Tracking Tab

Click ‘Inventory Tracking’ tab to capture the details related to inventory.

For a detailed explanation of the fields in this screen, refer to the section ‘Details of Inventory’ in chapter ‘Account Creation’ of this user manual.

For further information on the other tabs of the screen, refer to the section ‘Account Main Details/Light Finances’ under chapter ‘Account Creation’ of ‘Islamic Financing’ user manual.

6.5 Musharaka Account Input

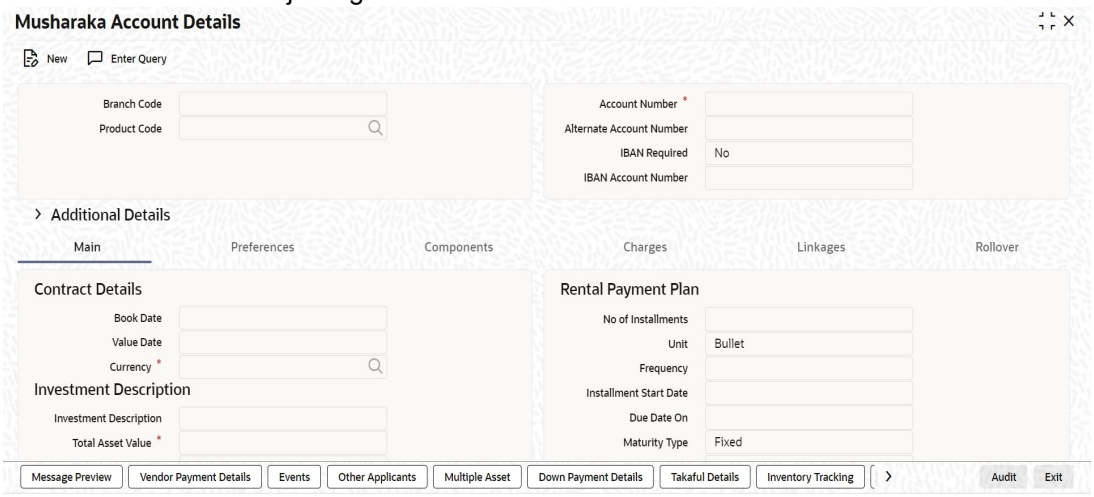
Musharaka financing is the participation of the bank in a venture by a company or a customer. The customer and the bank together raise the capital, usually the working capital, for the venture. Bank and the customer share the profits and losses as per to mutually agreed proportions.

This section contains the following topics:

- Section 6.5.1, "Creating Musharaka Accounts"
- Section 6.5.2, "Main Tab"
- Section 6.5.3, "Inventory Tracking Tab"

6.5.1 Creating *Musharaka* Accounts

You can create and modify *Musharaka* accounts using ‘*Musharaka* Account Details’ screen. To invoke this screen, type ‘CIDMUSAC’ in the field at the top right corner of the application tool bar and click the adjoining arrow button.



This section contains the details that are specific to Musharaka accounts. For further details and field information, refer to the section ‘Creating Murabaha Accounts’ in this chapter.

6.5.2 Main Tab

Click ‘Main’ tab to capture the main details of the account.

Contract Details

Book Date

Specify the book date of the finance in this field using the date button. You can use the date button to choose the date from the calendar.

Value Date

Specify the value date of the finance. You can use the date button to choose the date from the calendar.

Currency

Specify the currency of the account. The option list displays all valid currency codes maintained in the system. Choose the appropriate one.

Investment Description

Investment Description

Specify a brief description of the investment.

Total Asset Value

Specify the total asset value.This is a mandatory input.

Takaful Cost

Specify the takaful cost here.

Maintenance/Other Cost

Specify the maintenance or other cost here.

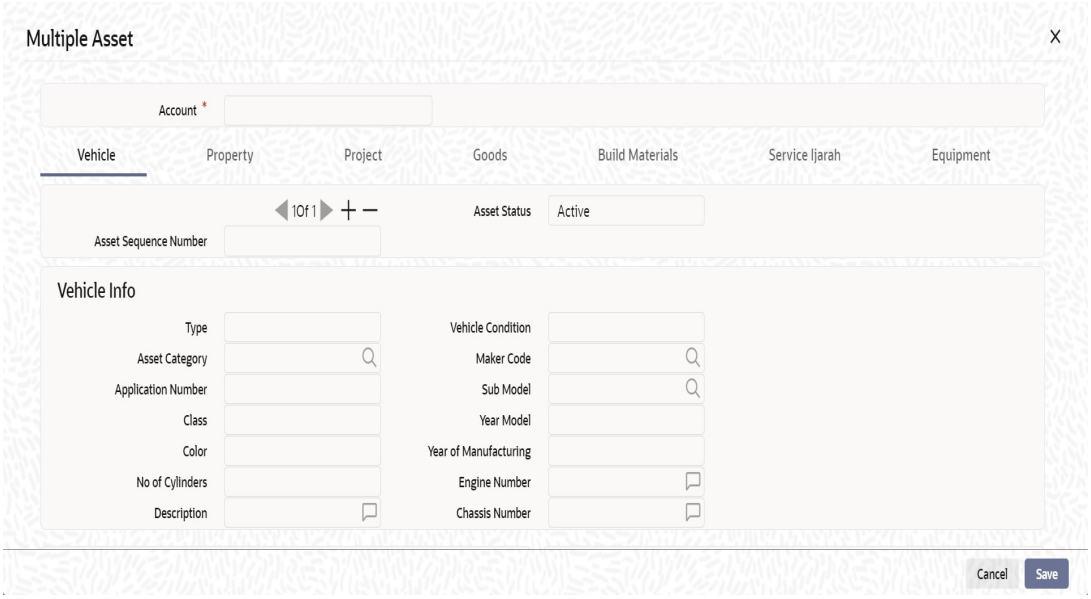
Asset Type

Select the type of asset from the drop-down list. The list displays the following values:

- Home
- Vehicle
- Others

6.5.2.1 Capturing Multiple Asset Details

Click ‘Multiple Asset’ button under ‘Asset Details’ to capture the additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. In case of a *Musharaka* account, the following screen is displayed.



For a detailed explanation of the fields in this screen, refer to the section ‘Multiple Asset Details’ in chapter ‘Account Creation’ of this user manual.

Customer Details

Customer ID

Specify the customer ID. You can choose the required customer ID from the option list.

Customer Name

Based on the customer ID selected, the system displays the name of the customer.

Investment Sharing Details

Customer Share %

Specify the percentage of down payment amount.

Customer Share Amt

Specify the down payment amount details. This amount will be derived from total asset value, by applying the down payment percentage to it.

Bank Share

The financed amount is displayed here.The bank's share will be derived as:

Bank's Share = Total Asset Value + Takaful Cost + Maintenance/Other Cost - Customer Share Amount.

Current Investment Ratio
Bank Share

The system displays the percentage of principal amount contributed by the bank.

Customer Share

The system displays the percentage of principal amount contributed by the customer.

Musharaka Under Construction Details

Original Construction End Date

The system displays.original construction end date.

Construction End Date

Select the construction end date from the adjoining calendar.

The nominal disbursement schedule end date should not be greater than construction end date. Principal disbursements should not happen beyond this date.

Note

System considers the construction end date for calculating the maturity date and tenor when moratorium schedules are defined for construction period.

Handover Applicable

The system defaults the handover applicable value based on the maintenance in the Islamic Product Preference (CIDPRMNT) screen. You can modify the defaulted value.

Handover Date

Select the handover date from the adjoining calendar. You can enter the handover date only if the Handover Applicable field is checked. The handover date can be greater than or equal to the construction end date.

On product default, if Handover Applicable flag is checked and if handover date is not available, then the construction end date value will be defaulted to handover date.

For *Istisna* products, system will not build the handover period schedule based on the handover date.

Handed Over

Check this box if the property is handed over.

Grace Period

Customer Grace Period

Specify the customer grace period.

Frequency

Select the frequency of grace period from the drop-down list. The list displays the following values:

- Days
- Months
- Yearly

Supplier Grace Period

The system displays the supplier grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and explode the schedules from the 'Components' tab. The modified schedules will be displayed after explode.

Frequency

The system displays customer grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and explode the schedules from the 'Components' tab. The modified schedules will be displayed after explode.

Select the frequency of grace period from the drop-down list. The list displays the following values:

- Days
- Months
- Yearly

6.5.3 Inventory Tracking Tab

Click 'Inventory Tracking' tab to capture the details related to inventory.

For a detailed explanation of the fields in this screen, refer to the section 'Details of Inventory' in chapter 'Account Creation' of this user manual.

For further information on the other tabs of the screen, refer to the section 'Account Main Details/Light Finances' under chapter 'Account Creation' of 'Islamic Financing' user manual.

6.6 Tawarooq Account Input

Tawarooq is a finance contract between the bank and the customer for buying an underlying commodity from a dealer. At the request of the customer, the bank advises the dealer to sell the commodity at a profit or loss. The sale proceeds of the assets so disposed by the dealer will be paid to the customer.

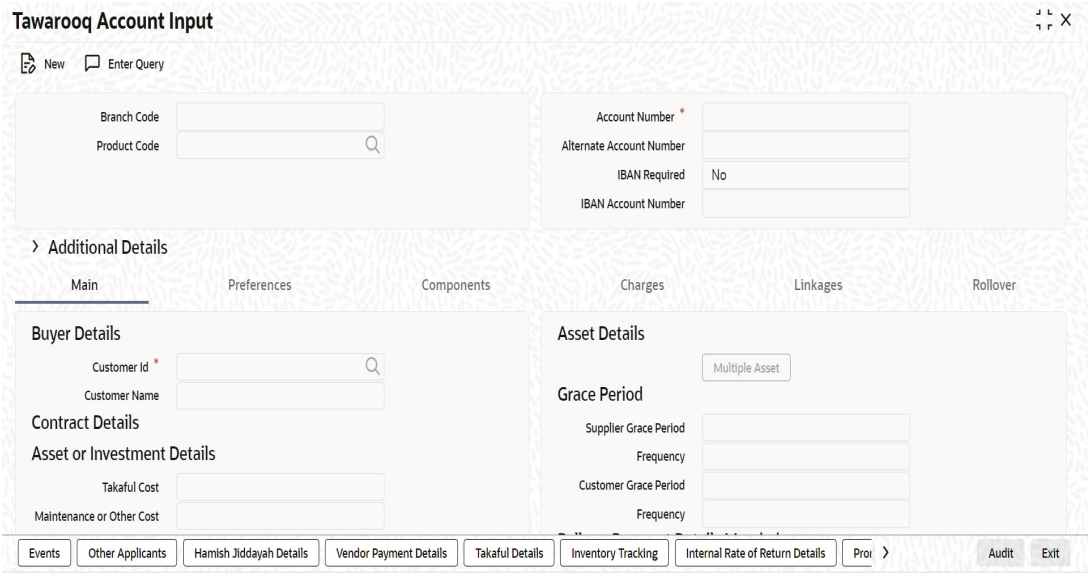
There cannot be any financing transaction without an underlying commodity.

This section contains the following topics:

- Section 6.6.1, "Creating Tawarooq Accounts"
- Section 6.6.2, "Main Tab"
- Section 6.6.3, "Inventory Tracking Tab"

6.6.1 Creating *Tawarooq* Accounts

You can create and modify *Tawarooq* accounts using '*Tawarooq* Account Details' screen. To invoke this screen, type 'CIDTAWAC' in the field at the top right corner of the application tool bar and click the adjoining arrow button.



This section contains the details that are specific to Tawarooq accounts. For further details and field information, refer to the section 'Creating Murabaha Accounts' in this chapter.

6.6.2 Main Tab

Click 'Main' tab to capture the main details of the account.

Buyer Details

Customer ID

Specify the customer ID. You can choose the required customer ID from the option list.

Customer Name

Based on the customer ID selected, the system displays the name of the customer.

Cost Details

Currency

Specify the currency of the account. The option list displays all valid currency codes maintained in the system. Choose the appropriate one.

Amount Financed

Specify the total principal amount of the finance.

Down Payment

Specify the finance amount paid by the customer upfront – Owners contribution. In case of *Ijarah* contracts, for a financial lease the down payment will be considered entirely towards the principal. In case of an operational lease, the entire down payment will be considered as income. Note that the down payment amount cannot be amended after authorization.

Contract Status

Status

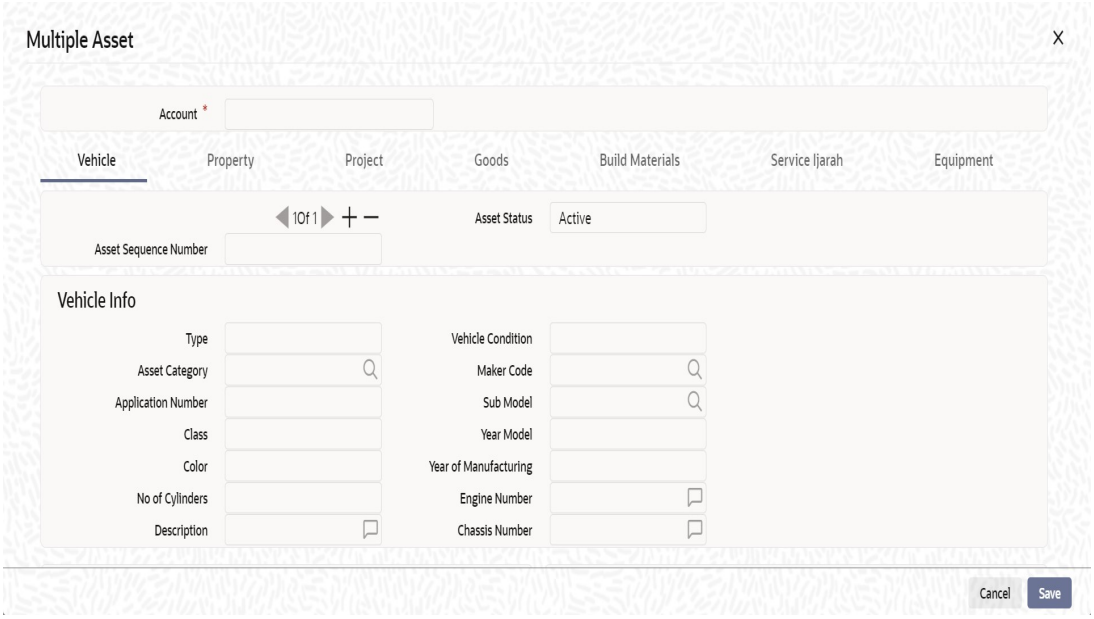
Specify the contract status. The drop-down list displays the following options:

- Negotiation
- Under Construction
- Post Construction

Choose the appropriate one.

6.6.2.1 Capturing Multiple Asset Details

Click 'Multiple Asset' button under 'Asset Details' to capture the additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. In case of a *Tawarooq* account, the following screen is displayed.



For a detailed explanation of the fields in this screen, refer to the section 'Multiple Asset Details' in chapter 'Account Creation' of this user manual.

6.6.3 Inventory Tracking Tab

Click 'Inventory Tracking' tab to capture the details related to inventory.

For further information on the other tabs of the screen, refer to the section 'Account Main Details/Light Finances' under chapter 'Account Creation' of 'Islamic Financing' user manual.

7. Account Creation

Finance Accounts in the Islamic Financing module represent the receivable accounts that you create while disbursing finance. These accounts derive their feature from the Finance Product. Finance Accounts are mapped to the Asset GL through the accounting Role LOAN_ACCOUNT. This role has to be mapped to the respective Asset GL of the Bank. You can override some product features at the account level

This chapter contains the following sections:

- Section 7.1, "Account Details/Light Finances"
- Section 7.2, "Ar Rahnu Account Details"
- Section 7.3, "Down Payment Details"
- Section 7.4, "Down Payment in Cash"
- Section 7.5, "Murabaha Cash Payment"
- Section 7.6, "Inactive Account Details"
- Section 7.7, "Finance Simulation"

.The system allows you to do the following actions on the Finance accounts:

- Account Main Details Maintenance/Light Finances
- Liability details and UDE Values Maintenance
- Account Preferences/Defaults
- Account Component schedules
- Charges Maintenance and Settlement details
- Linkages Information
- Events, Events Due and Events Overdue

7.1 Account Details/Light Finances

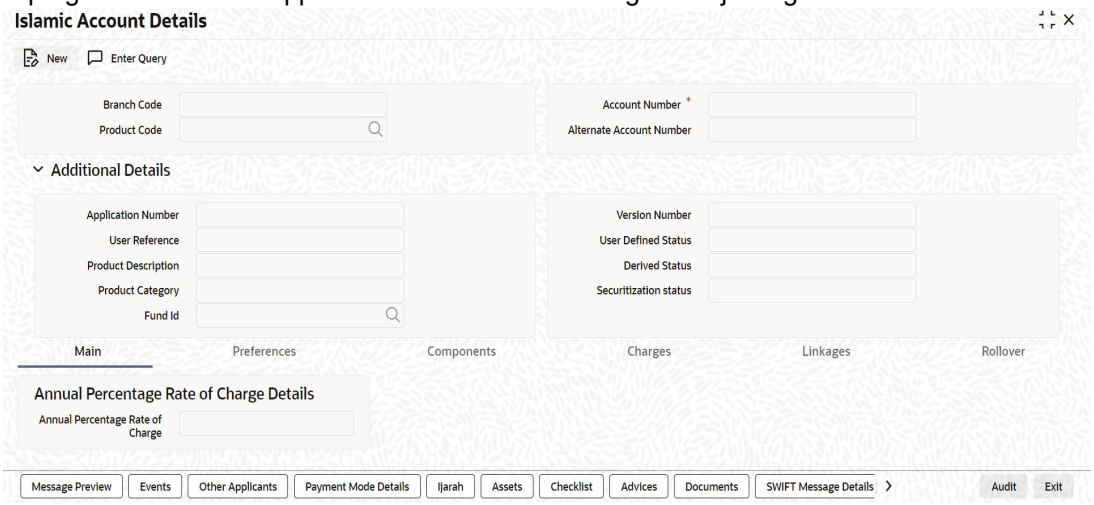
This section contains the following topics:

- Section 7.1.1, "Creating Account Details/ Light Finances"
- Section 7.1.2, "Main Tab"
- Section 7.1.3, "Preferences Tab"
- Section 7.1.4, "Components Tab"
- Section 7.1.5, "Guarantor Details/ Other Accounts Button"
- Section 7.1.6, "Charges Tab"
- Section 7.1.7, "Linkage Tab"
- Section 7.1.8, "Rollover Tab"
- Section 7.1.9, "Events Button"
- Section 7.1.10, "Other Applicants Button"
- Section 7.1.11, "Payment Mode Button"
- Section 7.1.12, "Multiple Asset Button"
- Section 7.1.13, "Ijarah Button"
- Section 7.1.14, "Asset Button"
- Section 7.1.15, "Advices Button"

- Section 7.1.16, "Documents Button"
- Section 7.1.17, "SWIFT Message Details Button"
- Section 7.1.18, "Down Payment Details Button"
- Section 7.1.19, "Vendor Payment Details Button"
- Section 7.1.20, "Takaful Details Button"
- Section 7.1.21, "Inventory Tracking Button"
- Section 7.1.22, "Advance Payment Button"
- Section 7.1.23, "Internal Rate of Return Details Button"
- Section 7.1.24, "GL Query Button"
- Section 7.1.25, "Installment Query Button"
- Section 7.1.26, "Statistics Button"
- Section 7.1.27, "Securitization Details Button"
- Section 7.1.28, "Promotions Button"
- Section 7.1.29, "Collaterals Button"
- Section 7.1.30, "Party Details Button"
- Section 7.1.31, "Block Details Button"
- Section 7.1.32, "Manual Disbursals Button"
- Section 7.1.33, "Multi Finance Button"
- Section 7.1.34, "MIS Button"
- Section 7.1.35, "Fields Button"
- Section 7.1.36, "Events Button"
- Section 7.1.37, "Viewing Summary for CL Accounts"

7.1.1 Creating Account Details/ Light Finances

The account screen accepts the Customer, Currency and Amount Financed and creates a Light Finance. This is a default Finance that takes all other details from the defaults the product provides. For creating simple accounts in the Islamic Financing module, you can follow this simple process. These Finances are called Light Finances in the Islamic Financing module. You can invoke the 'Islamic Account' screen by typing 'CIDACCNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following in the Account Details screen:

Branch Code

The system displays the branch code.

Product Code

Specify the product code. Alternatively, you can select product code from the option list. The list displays all valid product code maintained in the 'Product Definition' screen.

Account Number

Specify the account number of the customer.

Alternate Account Number

Specify the alternate account number. It can be an account number in the existing system from which the account has migrated to Oracle FLEXCUBE.

Additional Details

Application Number

Specify the application number.

> **Note**
>
> This is applicable only if the origination of the finance is in Oracle FLEXCUBE or is interfaced.

User Reference

Specify the user reference number.

Product Description

The system displays the description for the selected product code.

Product Category

The system displays the product category in this field.

Version Number

The system displays the current Version Number of the account. A new version number is created when changes like Roll over, Amendment are made to a finance.

User Defined Status

Specify the user defined status.

Derived Status

Specify the derived status.

Securitization status

Select the securitization status from the drop-down list. The list displays the following values:

- Blank – Indicates account is not involved in securitization, that is not part of the securitization pool
- Marked for securitized – Indicates finance account is part of securitization contract (on batch); however, the securitization batch is not executed yet.
- Securitized – Indicates the successful completion of batch process.

Fund ID

Specify the fund ID. Alternatively, you can select fund ID from the option list. The list displays the valid fund ID maintained in the system.

7.1.2 Main Tab

Click ‘Main’ tab in ‘Islamic Account Details’ screen.

Contract Details

You can specify the following contract details:

Book Date

The system displays the booking date.

Value Date

Select the value date from the adjoining calendar.

Currency

Specify the currency code. Alternatively, you can select currency code from the option list. The list displays all valid currency code maintained in the system.

Asset/Investment Details

Total Asset Value

Specify the total asset value.This is a mandatory input.

Takaful Cost

Specify the takaful cost here.

Maintenance/Other Cost

Specify the maintenance or other cost here.

Asset Type

Select the type of asset from the drop-down list. The list displays the following values:

- Home
- Vehicle
- Others

Customer Details

You can specify the following customer details:

You can specify the following customer details:

Customer ID

Specify the customer ID. Alternatively, you can select the customer ID from the option list. The system displays all valid customer ID maintained in the system.

Customer Name

The system displays the name of the customer for the selected customer ID.

Total Sale Value

Specify the total sale value.

The system displays the total of principal and profit amount as of initiation date. If ‘Recompute schedule on IRR’ field is checked in the ‘Product Maintenance’ screen for the linked product and if you specify the balloon amount, the system will compute this value as the sum of principal, normal profit, balloon principal and balloon profit.

Financing Details

Down Payment Amount

Specify the down payment amount details. This amount will be derived from total asset value, by applying the down payment percentage to it.

Down Payment %

Specify the percentage of down payment amount.

Amount Financed

The financed amount is displayed here.Amount finance will be derived as:

Amount Finance = Total Asset Value + Total Cost + Maintenance/Other Cost - Down payment Amount.

Staff Finance

Specify the staff finance details.

Repayment Terms

No of Installments

Specify the number of installment for repaying the loan.

Unit

Select the unit of repayment from the drop-down list. The list displays the following values:

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

Frequency

Specify the frequency of repayment of loan.

Installment Start Date

Select the installment start date from the adjoining calendar.

Due Date On

Specify the installment due date.

Maturity Type

Select the type of maturity from the drop-down list. The system displays the following values:

- Fixed
- Call

Maturity Date

Select the scheduled maturity date of the finance from the adjoining calendar.The tenor can also be entered to compute the Finance Maturity Date.

Tenor

Specify the loan tenor.

Note

If you enter the tenor or maturity date for the account before doing the product default then system will not default the details from product but will consider the details you have entered for schedule calculation. In this case all the schedules will be built so as to fit within the tenor or maturity date that you have entered.

During account save, if repayment details are provided, then the profit schedules will be build based on the following details:

- Number of Installments
- Unit
- Frequency
- Installment start date

Profit B schedules will be built based on the provided details. Installment start date will be the first due date for the profit B schedule, other consecutive schedules will be built based on the end date of Profit A.

The installment start date entered has to be greater than the profit A schedule end date. Profit A schedules like construction period, handover period or grace period are built before the installment start date.

EMI Amount

Specify the EMI amount details.

First Pay By Date

Select the first payment date from the adjoining calendar.

Other Details

Future D/P Receivable

Specify the future D/p receivable details.

Wakala Reference

Specify the Wakala reference number. Alternatively, you can select wakala reference number from the option list. The list displays all valid Wakala reference number maintained in the system.

Note

While booking the *Murabaha* account the system will calculate the profit amount for the *Wakala* period, which is linked with *Wakala* account.

Total Principal Outstanding

The system displays the total outstanding principal details.

Net Principal

The system displays the net principal details.Calculate Gross Principal

Check this box to calculate the gross principal.

Click ‘Product Default’ button to view the product details.

Balloon Payment Details MurabahaBalloon %

Specify the balloon percentage value between 0 to 100.

Balloon Amount

The system calculates the balloon amount based on the given balloon percentage and amount financed.

Balloon Rollover Instalments

Specify the required number of instalments for the balloon rollover period.

Balloon Rollover Unit

Select the type of balloon rollover instalments. The list displays the following values.

- Monthly
- Quarterly
- Half yearly
- Yearly

Exclude Instalment from Balloon

Check this box to exclude the regular instalments in the balloon schedule.The last schedule due will be the balloon amount. If this check box is selected then balloon rollover facility is not allowed.

If the check box is not selected, the balloon amount is added to regular schedule due for the last instalment.

Note

- Balloon functionality is provided only to Murabaha accounts with flat rate profit method.
- Once the account is created and authorized, balloon profits is not recalculated.
- During save of accounts belonging to Murabaha product category system validates whether the latest balloon installment details are considered for the schedule generation and throws an error if not considered.

Balloon Rollover Required

Check this check-box , if the balloon amount is required to be rolled over.Grace Period

Customer Grace Period

Specify the customer grace period.

Frequency

Select the frequency of grace period from the drop-down list. The list displays the following values:

- Days
- Months
- Yearly

Supplier Grace Period

The system displays the supplier grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and

explode the schedules from the ‘Components’ tab. The modified schedules will be displayed after explode.

Frequency

The system displays customer grace period and frequency for *Murabaha* contracts maintained at the product level, based upon this period the first installment date of the finance contract will be derived. However you can modify it. After modification you can edit and explode the schedules from the ‘Components’ tab. The modified schedules will be displayed after explode.

Select the frequency of grace period from the drop-down list. The list displays the following values:

- Days
- Months
- Yearly

Construction Details Istisnaa/Forward Ijarah/Musharaka UC

Original Construction End Date

The system displays original construction end date.

Construction End Date

Select the construction end date from the adjoining calendar.

The nominal disbursement schedule end date should not be greater than construction end date. Principal disbursements should not happen beyond this date.

Note

System considers the construction end date for calculating the maturity date and tenor.

Window of Repayment

The system defaults the window of repayment units from the Islamic product preference screen. You can modify it.

Frequency

The system defaults the window of repayment frequency from the Islamic product preference screen. You can modify it.

Handover Applicable

The system defaults the property handover value based on the maintenance in the Islamic Product Preference (CIDPRMNT) screen. You can modify the defaulted value.

Handover Date

Select the handover date on which the property is scheduled to be handed over from the adjoining calendar.

This date should be greater than or equal to the construction end date.

If there is no payment schedule on this date, the system will display an error message while saving the account.

Handed Over

Check this box if the property is handed over.

Musharaka/Mudarabah Contribution Details

Bank Share %

Specify the percentage of bank share.

Customer Share %

Specify the percentage of customer share.

Effective Date

Effective Date

Select the effective date from the adjoining calendar.

The effective date is used to pick the UDE value and apply it for the given period. The system displays this date from the ‘General UDE Maintenance’ screen.

For a product + currency combination, if the UDE values are not maintained for the effective date, then the system defaults ’0‘. You can edit it. You can maintain different effective dates for the same UDE with different values. For instance, you can give different effective dates for different rate types maintained for the moratorium UDE.

User Defined Element Values

The UDE values for each account are maintained here. After clicking the ‘Product Default’ button, the UDE values default from the UDE values maintenance for the Product, Currency, effective dates combination. The system disables this section. These can be overridden by providing account level UDE values. For this, you need to click the ‘Edit User Defined Element’ button. After changing the details, the system re-computes the schedules. On saving the contract, the system prompts the changed details.

However the UDE are only those defined at the product level. No new UDEs can be introduced at the account level.

The system checks whether the UDE values fall within the minimum and maximum limits specified for the UDEs linked to the product. If a UDE value falls outside the permissible limits, the system will throw an error message,

If there are no product level UDE values maintained, the system will default the UDE value to Zero. However, at the time of saving, if UDE values are zero or any invalid value, then an override will be raised with an appropriate error message. If required this can be configured as an error message. In case of an ERROR, you will have to give a valid value. While if it is an OVERRIDE, you can overlook the message and continue and if it is for an ONLINE AUTHORIZATION the parameter should be authorized appropriately.

Click ‘Edit User Defined Element’ button to edit the user defined element value.

Note

- If you keep grace period and frequency as blank, system will take the values from the product and default the schedules.
- If you do not want the grace period schedules at account level even though grace period is maintained at product level, then you need to input '0' value in the grace period field of main tab.

User Defined Element ID

Specify the user defined element ID. Alternatively, you can select user defined element ID from the option list. The list displays all valid UDE ID maintained in the system

User Defined Element Values

Specify the Actual Value for the UDE based on the effective Date.

The value specified here should fall within the minimum and maximum limits maintained for the UDE linked to the underlying product.

Note

Input to this field is mandatory if you maintain a UDE.

Rate Code

Specify the rate code for the Floating Rates if any and the spread on it applicable. Alternatively, you can select rate code from the option list. The list displays all valid rate code maintained in the system.

Code Usage

Select the Code usage from the drop-down list. The list displays the following values:

- Automatic - For automatic usage of code
- Periodic - For periodic usage of code

Rate Basis

Select the rate basis from the drop-down list. The list displays the following values:

- Not Applicable
- Per Annum
- Per Month
- Quote Basis

Resolved Value

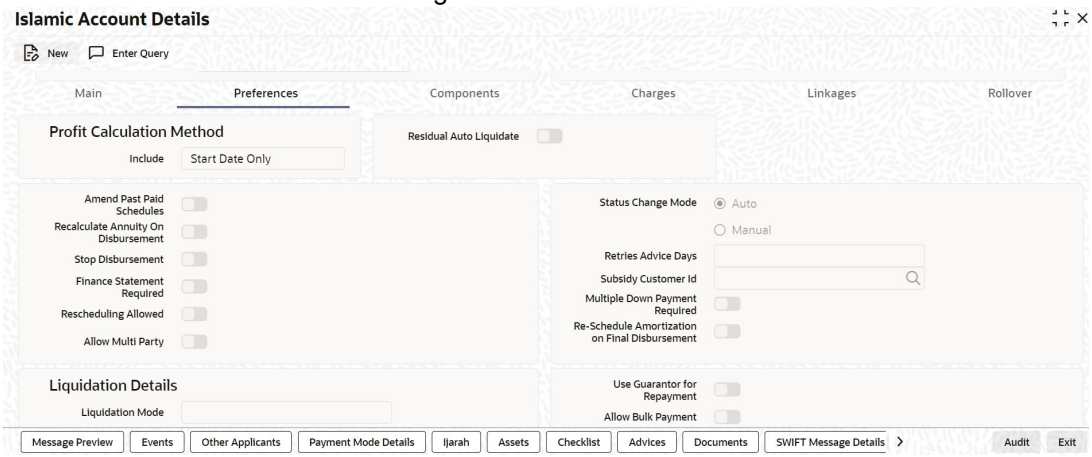
The system displays the final value of a UDE. The system calculates the resolved value as follows:

Resolved value = Rate code value taken from Floating Rate Maintenance + the spread [UDE Value].

7.1.3 Preferences Tab

The defaults are maintained by the bank. Depending upon the combination of various preferences, the bank can have various account preferences. The defaults primarily are

based on product definition and can be overridden. Click ‘Preferences’ tab in ‘Islamic Account Details’ screen to invoke the following screen:



You can specify the following details:

Amend Past Paid Schedule

This preference determines if you can modify any feature such as profit rate, installment amount which affects already paid schedules. If you select this is option then the paid schedules are recalculated and liquidations on them are recognized as pending as appropriate.

Recalculate Annuity On Disbursement

Check this box to recalculate the annuity amount on disbursement.

Stop Disbursement

Check this box to stop the disbursement.

Finance Statement Required

Check this box if finance statement is required.

Rescheduling Allowed

Check this box if rescheduling is allowed.

Allow Multi Party

If you select this option, the system will allow you to capture of contractor details.

This is applicable for *Istisna* Accounts only. You can capture the contractor details by clicking ’Party Details’ button in the ‘Account Details’ screen to invoke the ‘Party Details’ screen. It will show the contractor details.

Status Change Mode

Select the mode of status change. The options are as follows:

- Auto
- Manual

Retries Advice Days

The system displays the number of retries for an advice maintained in the product maintenance level. You can amend this value.

The value should be less than the value maintained for ‘Retries Auto Liquidation Days’.

Subsidy Customer Id

Specify the subsidy customer ID. Alternatively, you can select customer ID from the option list. The list displays all valid customer ID maintained in the system.

Multiple Down Payment Required

Check this field to do multiple down payments.

You can check this field only when 'Auto Disbursement' option is selected at product level.

Re-Schedule Amortization on Final Disbursement

Check this box to re-schedule the amortization on final disbursement.

Liquidation Details

Liquidation Mode

Select the mode of liquidation from the drop-down list. The list displays the following values:

- Auto
- Manual
- Component

Reset Retry Count for Reversed Auto Liquidation

Check this box to reset retry count for reversed auto liquidation.

Partial Liquidation

Check this box to allow partial liquidation.

Retries Auto Liquidation Days

When auto liquidation option is chosen and funds are not available, the number of times the system can retry auto liquidation is determined by this field.

If blank, the number of retries is infinite.

Retries Advice Days

The system defaults the number of retries for an advice from the product maintenance level. You can amend this value.

The value should be less than the value maintained for 'Retries Auto Liquidation Days'.

Liquidate Back Valued Schedules

Check this box to liquidate the back valued schedules.

If you select this option, on initiation of a back value dated finance, all the schedules with a due date less than the system date will be liquidated.

Close Collateral

Check this box if you need to close the collateral automatically on full payment, during auto liquidation.

Use Guarantor for Repayment

This is defaulted from product level. If this box is checked it indicates that the guarantor account can be used for settlement. You can edit this field. .

Allow Bulk Payment

Check this box to allow bulk payment.

Allow Block for Salary

Check this box to allow block for salary.

Note

- On salary credit to the account, system blocks the due amount. The due amount is computed by taking the exchange rate available on the application date.
- During liquidation the blocked amount in salary account is released and the due is settled. The total available balance in the account is considered for settlement of the dues.
- Because of exchange rate variance if there is any difference between the blocked amount and the due amount and if the balance in the account is not sufficient, then the cover account if maintained is considered for settlement.

Limit Days for Settlement

On settlement processing, system considers the limit days maintained at account level for the guarantor accounts and other CASA accounts for settlement.

Other Customer Accounts

Specify the limit days for considering other customer accounts for settlement.

Guarantor Accounts

Specify the limit days for considering guarantor accounts for settlement.

Track Receivable

If you select this option, it tracks the amount to be liquidated as a receivable if funds are not available. So upon any subsequent credit, the receivables are blocked and allocated to the pending liquidation.

Auto Liquidation

Check this box to allow auto liquidation.

Credit Details

Rule Name

Specify the Rule name. Alternatively, you can select rule name from the option list. The list displays all valid rules maintained in the system.

Automated Score

The system defaults the automated score.

Credit Score

Specify the credit score.

Click ‘Score’ button to display the credit score.

Finance Notices

Finance Settlement Request

Check this box to request for finance settlement.

Notice Date

The system displays the notice date.

Expected Closure Date

The system displays the expected closure date.

Takaful Details

Takaful Required

Check this box if Takaful details are required.

Takaful Company

Specify the Takaful company name. Alternatively, you can select Takaful company name from the option list. The list displays all valid Takaful company name from the option list.

Provisioning Preference

You can define the provisioning preference of loan accounts by selecting the required option in Provisioning Mode.

Provisioning Mode

Select the Provisioning Mode preference of loan accounts from the drop-down list. The list displays the following options:

- Not Applicable
- Auto
- Manual

The provisioning mode option will get defaulted from Product level. However, you can switch between Auto to Manual mode or vice versa, but cannot change the mode as “Not Applicable” if defined as either Auto or Manual mode.

It is mandatory to select the provisioning mode as either ‘Auto’ or ‘Manual’ if CL product is created with a provision component. If CL product does not have provision component, then provisioning mode should be selected as 'Not Applicable'.

Renegotiation Details

Maximum Renegotiations

Specify the maximum number of renegotiation allowed for the account.

Note

If maximum renegotiation is not maintained, the system will perform renegotiation without any restrictions. If the maximum renegotiation value is given as ‘zero’, system will display an override message in the first renegotiation itself.

Renegotiation No

The system displays the renegotiation count. This is the number of renegotiations that are already performed on the account.

Credit Bureau Details

Credit Bureau Agency Code

Specify the credit bureau agency code. Alternatively, you can select agency code from the option list. The list displays all valid agency code maintained in the system.

External Credit Score

Specify the external credit score.

Holiday Periods

Period

Specify the holiday period. Alternatively, you can select holiday period from the option list.The list displays all valid holiday period maintained in the holiday period maintained in the system.

Intermediary Details

You can capture the Intermediary Details at the finance account level to keep track of the accounts created through Intermediaries. Islamic account details screen allows linking of multiple intermediaries to a single finance. In case of multiple intermediaries, you need to maintain the applicable intermediary percentage against the finance.

Intermediary Code

Specify the intermediary code. Alternatively, you can select intermediary code from the option list.The list displays all valid intermediary code maintained in the holiday period maintained in the system.

You can link multiple intermediaries along with the respective percentage for the individual intermediary against the finance amount.

Intermediary Name

The system displays the intermediary name for the selected intermediary code.

Intermediary Ratio

The system displays the intermediary ratio. You can amend this value.

Note

Sum of intermediary's ratio need not be equal to 100.

Overdraft Details

Use Existing Over Draft Account

Check this box to use existing over draft account details.

Overdraft Branch

Specify the overdraft branch code.

Overdraft Account

Specify the overdraft account details.

Overdraft Rebate Rate

Specify the overdraft rebate rate.

Overdraft Rate Code

Specify the overdraft rate code.

Amount Block Details

Amount Blocked

Check this box to indicate whether any amount block has to be created on the settlement account during the disbursement of the finance.

Amount

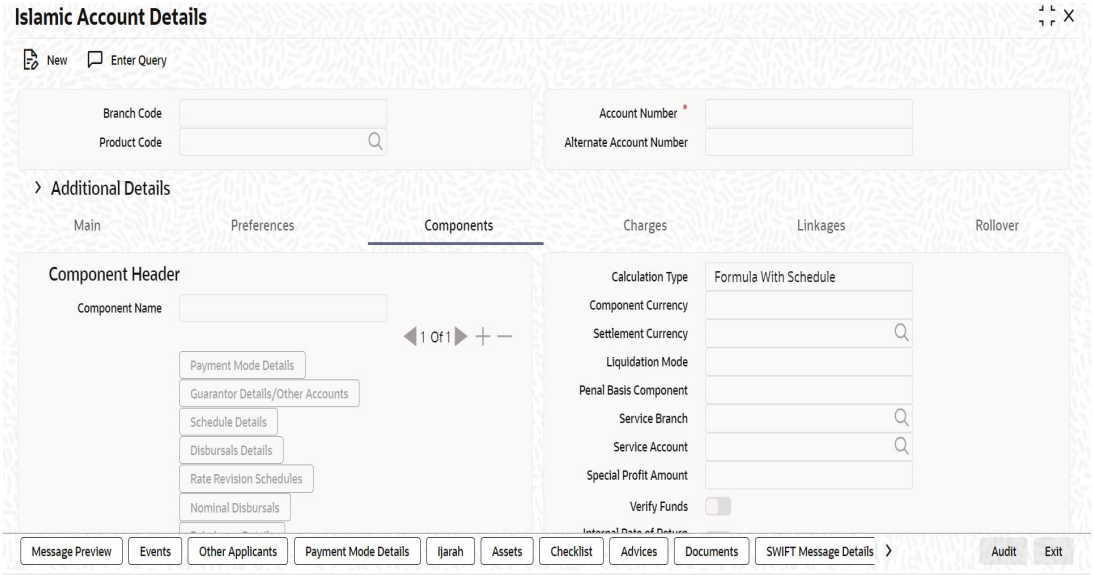
Specify the amount that needs to be automatically blocked.

Remarks

Specify the remarks for the amount blocked.

7.1.4 Components Tab

Clicking against ‘Components’ tab in the ‘Account Details’ screen invokes the following screen:



You can specify the following details for the components:

Component Name

The components defined for the selected product get defaulted here.

Calculation Type

The system displays the calculation type.

Component Currency

The system displays the currency associated with the component. The component currency is defaulted from the Product level.

Settlement Currency

The system display the settlement currency code.

Liquidation Mode

The system defaults the mode of liquidation from the product level. However you can modify the same to indicate the mode of liquidation of the component from the drop-down list. The following options are available for selection:

- Auto
- Manual

> **Note**
>
> This is applicable only if ‘Liquidation mode’ is selected as ‘Component’ at the account preference level.

Penal Basis Component

The system displays the basis for calculating compensation component in this field.

Service Branch

The system displays the service branch code.

Service Account

The system displays the service account details.

Special Profit Amount

Enter the amount for the special profit in this field.

When a value-dated change is made to decrease the account maturity date, outstanding amount in profit and principal is equally divided and added to the remaining schedules. In such cases, the system displays the outstanding profit amount in this field.

Verify Funds

The system selects this box in the product level in this field.

Internal Rate of Return Applicable

The system selects this box in the product level in this field.

Special Component

The system selects this box in the product level in this field.

Main component

The system selects the component of the finance designated as main component in the product level in this field.

Equal Profit

The system selects this box in the product level in this field.

Schedule Definition

Schedule Type

Select the type of schedule from the drop-down list. The list displays the following values:

- Revision
- Payment
- Disbursement

Schedule Flag

Select the schedule flag from the drop-down list. The list displays the following values:

- Normal
- Moratorium

Note

- If moratorium period is maintained then the moratorium schedules are generated based on construction end period. Moratorium schedule end date should be same as provided construction period end date (Construction end date + window of repayment).
- During account creation, system performs validation to verify if the moratorium schedule end date is same as construction period end date.
- During account creation, if construction end date is same as handover date, then the handover schedules will not be built.

Formula

Specify the formula.

First Due Date

Select the first due date from the adjoining calendar.

Schedule Start Date

Select the schedule start date from the adjoining calendar.

No of Schedules

Specify the number of schedules.

End Date

Select the end date from the adjoining calendar.

Frequency

Specify the frequency details.

Units

Select units from the drop-down list. The list displays the following values:

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

Due Date On

Select due date from the adjoining calendar.

Amount

Specify the amount details

EMI Amount

Specify the EMI amount.

Compound Days

Specify the compound days.

Compound Months

Specify the compound days.

Compound Years

Specify the compound days.

Days in Month

Select the days in month from the drop-down. The list displays the following values:

- Actual
- 30 (Euro)
- 30 (US)

Years

Select the years from the drop-down. The list displays the following values:

- 360
- 365
- Actual

Down Payment Amount

Specify the down payment amount.

Down Payment Mode

Select the mode of down payment from the drop-down list. The list displays the following values:

- Account
- GL Account
- Own Account

Payable Account

Specify the payable account.

Exchange Rate

Specify the exchange rate.

Payable Account Currency

Specify the payable account currency code.

Payment Mode Details

The system defaults the values from the payment mode details specified in the 'Account Details - Main' screen. However, you can modify this if you have checked the option 'Allow Corporate Access' in 'Branch Parameters – Detail View' screen. The options for debit mode are CASA, Credit Card, Debit Card, Clearing, External Account, Electronic Pay Order, Internal Check, Instrument, GIRO and Cash/Teller.

The options for credit mode are CASA, Clearing, External Account, Instrument, and Cash/ Teller.

The values in these modes are:

- CASA
  - Branch: Click on the option list to choose the branch in which the customer account resides. . Double click on a branch to select it.
- Account: Click on the option list to choose the account in the branch selected. Double click on an account to select it. Credit Card / Debit Card
  - Card Number: This field captures either the Credit No or the Debit No details based on the selection.

The card must be a valid card whose number can be checked with a modulo logic or maintenance file.

- Clearing Network
  - Clearing Bank Code: Click on the option list to select the bank code as per clearing maintenance. Double click on a bank code to select it.
  - Clearing Branch Code: Click on the option list to select the clearing bank branch. Double click on a branch code to select it.
  - Instrument No: Enter the number on the instrument presented for clearing in this field. Double click on a value to select it.
  - Routing No: Enter the routing number of the branch selected for clearing in this field.

- Clearing Product Code: Click on the option list to choose a product code if the clearing is using a Oracle FLEXCUBE clearing product. Double click on a branch to select it.
- End Point: This field picks up the end point maintained in the clearing system.
- Sector Code: Click on the option list to choose the clearing sector code. Double click on a sector code to select it.

- External Account
  - Clearing Bank Code: Click on the option list to choose the external bank code as per clearing maintenance.
  - Clearing Branch Code: Click on the option list to choose the external bank branch used for clearing.
  - Ext Acc No: Enter the external account number in this field.
  - Ext Acc Beneficiary Name: Enter the name of the beneficiary of the external account in this field.
- GIRO
  - Auto/Manual GIRO – Select Auto GIRO for automatic direct debit or else select Manual.
  - Bank/Plus GIRO – Select the GIRO clearing system used, which can be either Bank or Plus.
  - GIRO Number – This is applicable only for corporate customers and not for individual customers. You have to enter the GIRO number.
  - Payer Bank Name – Specify the name of the bank from which the amount is paid.
  - Payer Branch - Specify the branch from which the amount is paid.
  - Payer Account - Specify the account from which the amount is paid.
  - Payer Bank Address - Specify the address of the bank from which the amount is paid.
- Instrument / Cash / Teller
  - AC Branch: Click on the option list to choose branch where the account is serviced. Double click on a branch to select it.
  - Product or Account: If the payment mode is Account, this field specifies the CASA/ GL account to be debited. If the payment is through Instrument/Cash, it denotes the teller product to be used.

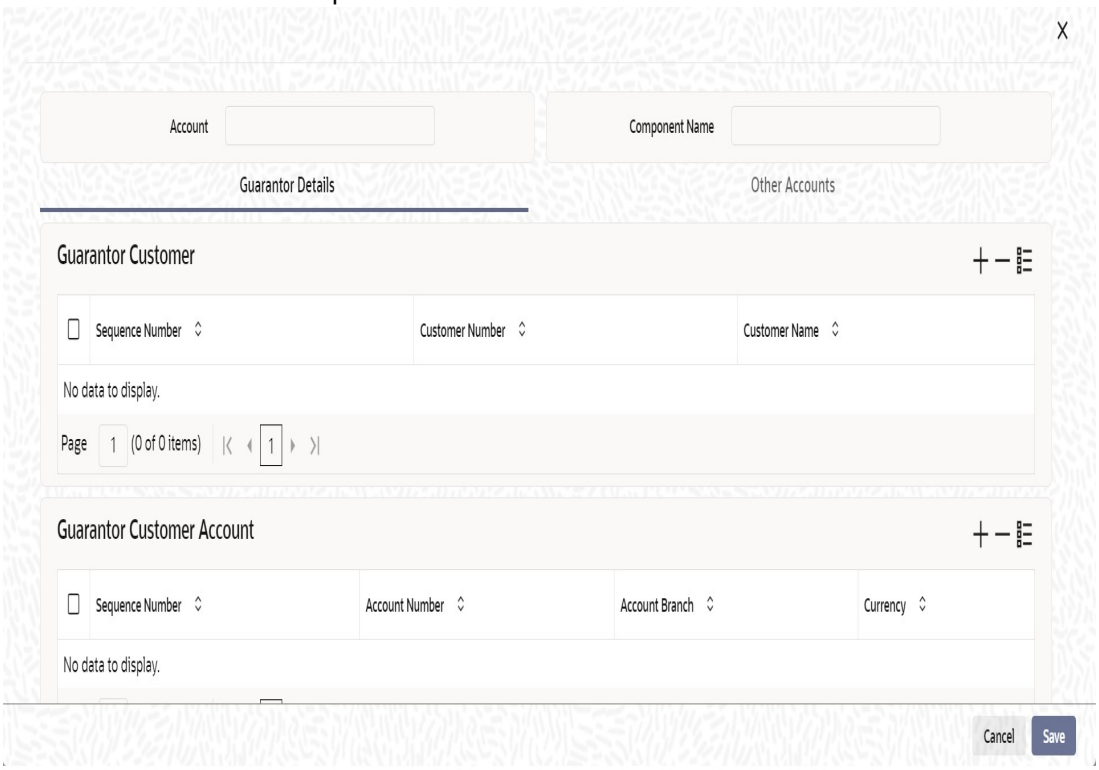
Note

The system will allow you to specify the credit and debit payment modes only if you have checked the option ‘Allow Corporate Access’ in the ‘Branch Parameters – Detail View’ screen. If you have not checked the option, the system will default the values as maintained in the fund branch account. You will not be allowed to modify this.

7.1.5 Guarantor Details/ Other Accounts Button

While booking an account, you can capture the guarantor’s accounts along with the default settlement account. In case of insufficient funds in the default settlement account during any liquidation event, the system will utilize funds from the customer’s current or savings account. If funds are still insufficient, the system will look into the guarantor’s accounts instead. You can have multiple guarantors for an account. The system will check for funds in all the accounts of one guarantor and go to the other only if the schedule is not liquidated fully.

You can capture the guarantor and guarantor account details in the ‘Guarantor Details’ screen. To invoke this screen, you need to click ’Guarantor Details/ Other Details’ button in the ‘Account Details – Component’ screen



Account

The system displays the account details.

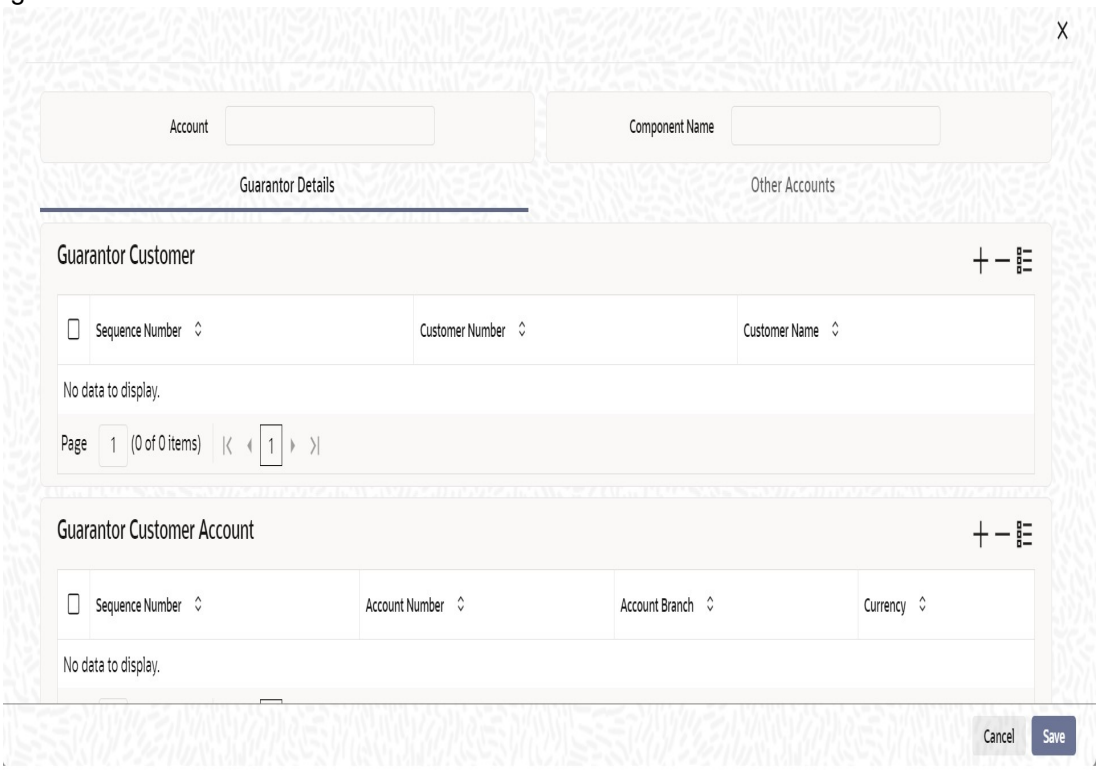
Component Name

The system displays the name of the component.

Guarantor Details Tab

Here you need to specify details of the guarantor accounts that have to be considered for settlement. These accounts will be considered only if the schedule amount has not been covered by the funds available across all current and savings accounts belonging to the

guarantor CIF specified in the above section. Click ‘Guarantor Details’ tab to specify the guarantor details.



Guarantor Customer

Sequence No

This is a display only field. It will indicate the order in which the guarantor’s accounts will be considered for settlement, until the full settlement amount gets covered by the funds available.

Customer Number

Specify the customer number. Alternatively, you can select customer number from the option list. The list displays all valid customer number maintained in the system.

Customer Name

The system displays the customer name.

Guarantor Customer Account

Sequence No

This is a display only field. It will indicate the order in which the guarantor’s accounts will be considered for settlement, until the full settlement amount gets covered by the funds available.

Account Number

Here you can specify the account number that should be considered as the guarantor account for settlement. You can select the account number from the option list which will display all open Current and Savings Accounts.

This account will be debited if the other accounts belonging to guarantor CIF ids are not able to meet the required amount.

Note

Advice generation for guarantor's accounts, if debited, will be processed following split settlements process.

Account Branch

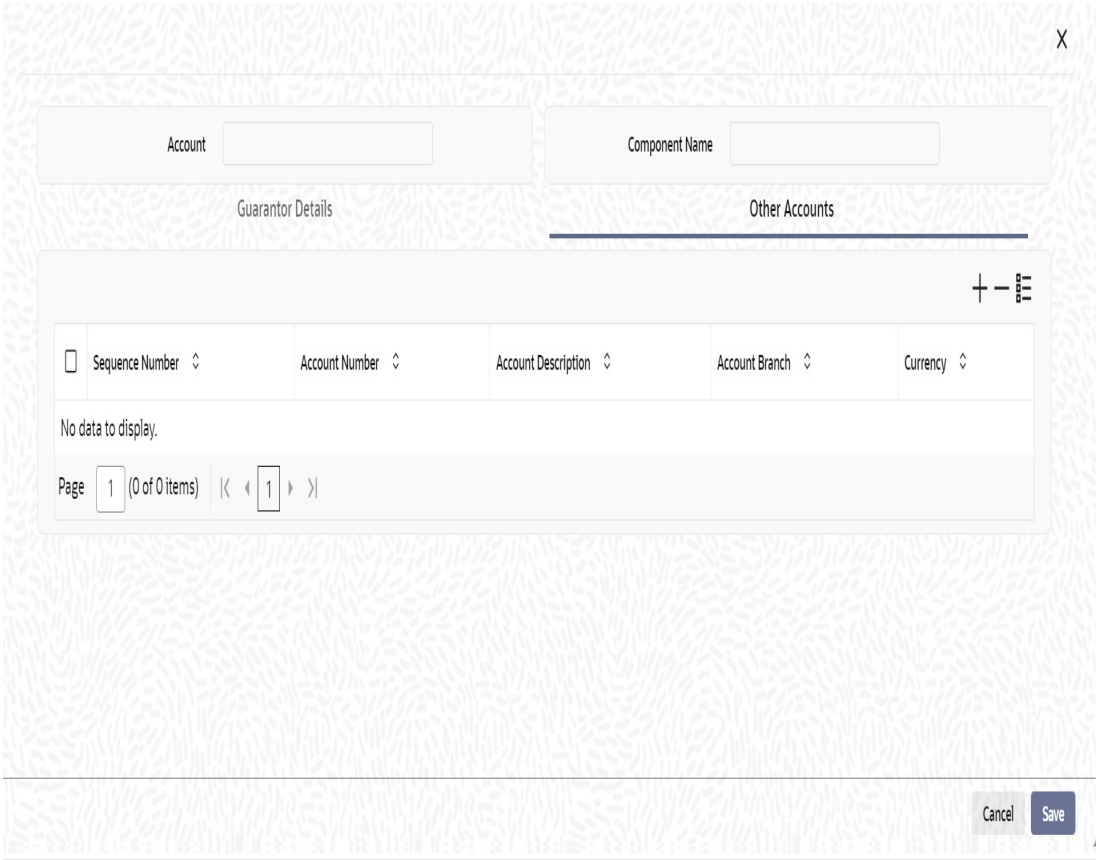
The system displays the branch in which the chosen account resides.

Currency

This is a display only field. The guarantor account currency will be defaulted here.

Other Accounts Tab

Here you need to specify details of the account number that have to be considered for settlement. If funds are not available in the primary settlement account, the system will consider the guarantor accounts and other accounts belonging to the counter-party after a certain specified period from schedule date.



Sequence Number

The system displays the sequence in which the mapped account should be considered for settlement.

Account Number

Specify the account number. Alternatively, you can select account number from the option list. The list displays all open and active current and savings account where the customer is the primary holder.

Account Description

The system displays the description for the selected account number.

Account Branch

The system displays the branch of the selected customer account number.

Currency

The system displays the currency code of the selected customer account number.

The system will check for duplicate entry and also will validate if the mapped accounts are mapped in debit settlement mode tab of the settlement mode sub screen. If yes, then the system will display an error message.

Processing Settlement Payment

The system should consider primary settlement account and guarantor account for liquidation after limit days maintained for guarantor accounts.

You can specify the period after which the system should consider guarantor accounts for settlement.

Settlement by guarantor accounts and other customer accounts is applicable only for auto liquidation.

During liquidation, if the fund is insufficient in the primary settlement account (after considering cover accounts) then the system will consider other guarantor accounts and other customer accounts for settlement as follows:

(Assuming the days maintained for other accounts to be N1 and days maintained for guarantor accounts to be N2)

Up to N1 days, the system will consider Primary settlement account

After N1 days, the system will consider Customer other current/savings accounts depending on the sequence maintained

After N2 days, the system will consider Guarantor CIF's current/savings accounts on the sequence maintained

Holiday treatment will not be applied for applying the limit days.

The settlement processing for different combinations of the various account parameters are given in a tabular format as follows:

Application Date – Schedule Date	Verify Funds (Component level)	Partial Liquidation (Account level)	Liquidation Processing
< Limit Days for other customer accounts(N1)	Y	Y	Check whether funds are available in the primary settlement account. If it is not sufficient, then partial liquidation will happen for the available amount, and the rest of the amount will be marked for track receivable in primary On any credit on the primary settlement account, the amount will be blocked in the account and will be marked as receivable. On EOD the amount will be liquidated.
	Y	N	Check whether funds are available in the primary settlement account. If it is not sufficient, then the entire liquidation amount will be marked for track receivable in primary settlement account. The amount which is available in primary settlement account will be blocked as receivable. On any credit on the primary settlement account, the amount will be blocked in the account and will be marked as receivable. On EOD the amount will be liquidated only if full due amount is available.
	N	Y/N	The amount will be force debited from the primary settlement account. If the amount is not sufficient the account will go overdraft. If due to some reason the debit fails (like the override AC-OVD02 is marked as error or overdraft facility is not available for the account) track receivable will not be marked. On the next liquidation date if the number of days between the liquidation dates and the due date is less than N1 days the system will consider only primary settlement account for liquidation.

Application Date – Schedule Date	Verify Funds (Component level)	Partial Liquidation (Account level)	Liquidation Processing
>=Limit days for other customer accounts(N1) and < Limit Days for guarantor(N2)	Y	Y	Check whether funds are available in the primary settlement account. If it is not sufficient, you need to check in the secondary accounts. If funds are available in the secondary account for the due amount, liquidation will happen by debiting the customer account. If the amount is not sufficient, partial liquidation will happen for the available amount. The track receivable marked if any, for the primary settlement account will be updated for the unpaid amount.
	Y	N	Check whether funds are available in the primary settlement account. If not sufficient, will check in the secondary accounts. If funds are available in the secondary account for the due amount liquidation will happen by debiting the customer account. If the amount is not sufficient, liquidation will not happen. The track receivable marked if any, for the primary settlement account will be updated for the unpaid amount if any.
	N	Y/N	The amount will be force debited from the primary settlement account. If the amount is not sufficient the account will go overdraft. If due to some reason the debit fails (like the override AC-OVD02 is marked as error or overdraft facility is not available for the account) track receivable will not be marked. On the next liquidation date if the number of days between the liquidation date and the due date is greater than or equal to N1 days and less than N2 days the system will consider primary settlement account and other current and savings accounts of the customer which are mapped to the CI account in the order of sequence for liquidation.

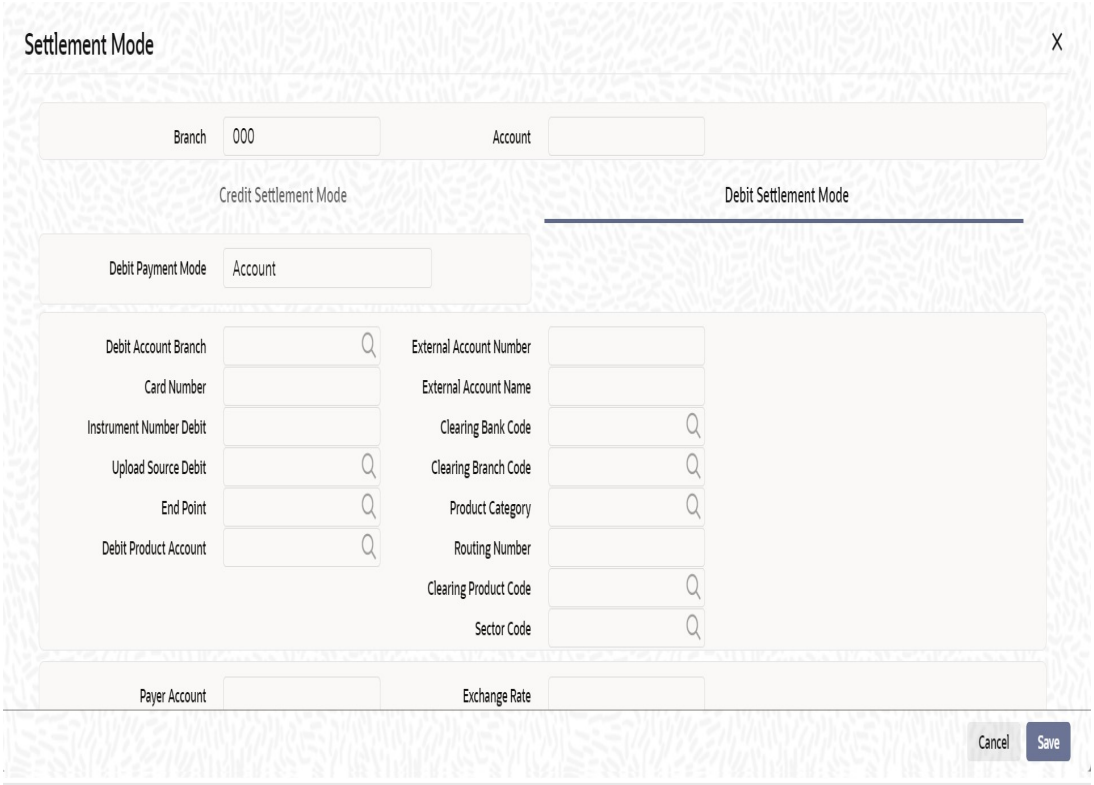
Application Date – Schedule Date	Verify Funds (Component level)	Partial Liquidation (Account level)	Liquidation Processing
>= Limit Days for Guarantor(N1)	Y	Y	If the fund is not sufficient in primary settlement account (including cover account) system will check secondary accounts and guarantor accounts If funds are available in the secondary account or guarantor accounts for the due amount, liquidation will happen by debiting the corresponding account. If the amount is not sufficient, partial liquidation will happen for the available amount. The track receivable marked if any, for the primary settlement account
	Y	N	If the fund is not sufficient in primary settlement account (including cover account) system will check in secondary accounts and guarantor accounts. If funds are available in the secondary account or guarantor account for the due amount, liquidation will happen by debiting the corresponding account. If the amount is not sufficient, liquidation will not happen. The track receivable marked if any, for the primary settlement account will be updated for the unpaid amount if any.
	N	Y/N	The amount will be force debited from the primary settlement account. If the amount is not sufficient the account will go overdraft. If due to some reason the debit fails (like the override AC-OVD02 is marked as error or overdraft facility is not available for the account) track receivable will not be marked. On the next liquidation date if the number of days between the liquidation date and the due date is greater than or equal to N2 days the system will consider primary settlement account, other current and savings accounts of the customer and guarantor account which are mapped to the CI account in the order of sequence for liquidation

The above mentioned changes are applicable for the following function IDs:

- Account Amendment [CIDACCVM]
- Ar-Rahnu Account Input [CIDARANT]
- Islamic Finance Ijarah Account Input [CIDIJAAC]
- Istisna Account Input [CIDISTAC]
- Mudarabah Account Input [CIDMUDAC]
- Murabaha Account Input [CIDMURAC]
- Tawarooq Account Input [CIDTAWAC]
- Musharaka Account Input [CIDMUSAC]
- Rollover Input [CIDMNROL]
- Payment [CIDPYMNT]
- Disbursement Input [CIDMNDSB]
- Sale Confirmation Details [CIDTSALE]

7.1.5.1 Settlement Mode

Click 'Debit Settlement Mode' tab after clicking 'Payment Settlement Mode' button in the 'Account Details – Components' screen.



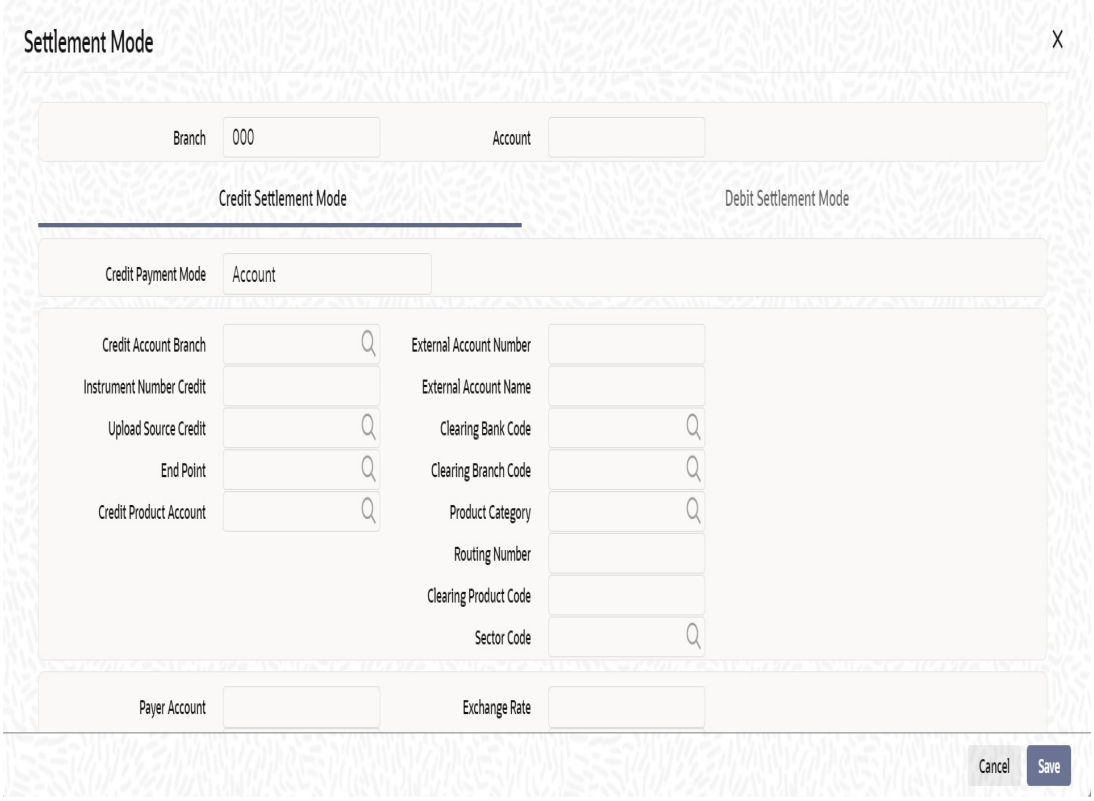
Dr Prod Ac

Specify the product/account used to debit the finance account in this field.

Dr Acc Brn

Click on the option list to choose the branch of the customer account which is to be debited. Double click on a value to select it.

Click 'Credit Settlement Mode' tab after clicking 'Payment Settlement Mode' button in the 'Account Details – Components' screen



Here you need to specify the following details:

Cr Prod Ac

Enter the details of the product/account used to credit the finance account in this field.

Cr Acc Brn

Click on the option list to select the branch of the customer account which is to be credited from the list of values.

Double click on a value to select it.

Service Branch

Click on the option list to select the branch the services the customer account.

Double click on a value to select it.

Service Account

Click on the option list to select the account in the service branch.

Double click on a value to select it.

All modes except CASA needs service account. Adjustments, etc. will be settled through this account.

IRR Applicable

Check this option to indicate that the component is to be considered for IRR calculation for the account. This field is applicable to profit, charge and fee components. For adhoc charge, charge, compensation and prepayment compensation components, the value will be defaulted from the product level and you will not be able to modify it.

This field will not be available for input if ‘Accrual Required’ and ‘IRR Applicable’ are left unchecked at the product level.

Note

- For bearing type of component formula this option will be enabled only if ‘Accrual Required’ is checked for the component at the product level.
- For discounted or true discounted type of component formula this option will be allowed irrespective of whether the ‘Accrual Required’ option is checked or not at the product component level.
- If the option ‘Accrual Required’ is unchecked and ‘IRR Applicable’ is checked, then discounted component will be considered as a part of total discount to be accrued for Net Present Value (NPV) computation.
- If both ‘Accrual Required’ and ‘IRR Applicable’ are checked, then discounted component will be considered for IRR computation.
- Upfront Fee component will be considered for IRR only when ‘Accrual Required’ and ‘IRR Applicable’ both are checked.
- For upfront fee component, if ‘IRR Applicable’ is checked, then ‘Accrual Required’ has to be checked.

Funded during Rollover

Select this option if the component can be funded during the rollover process.

Funded During INIT

This field indicates if the component can be funded during the INIT event.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For more details on customer specific exchange rates, refer the section titled ‘Specifying Pricing Benefit Details’ in Relationship Pricing user manual.

7.1.5.2 Maintaining Schedule Details

Specify the following details.

Type

Select the type of schedule from the option list. Schedule can be a payment, a disbursement or a rate revision schedule.

Schedule Flag

Select the option for the Schedule flag from the option list.

The options are Normal or Moratorium.

Select the option Moratorium if there are no scheduled repayments for the component for the Moratorium period. However the component is accrued for a certain Moratorium period.

Formula

Enter the formula used to compute the component for that schedule.

First Due Date

Enter the first due date for the schedule for the component. The first due date can be defined based on the value date for the finance or a calendar date.

> **Note**
>
> Amortization schedule start date added with a given frequency in 'Maturity Details' screen, will give the first due date.

No.

Enter the number of times the schedule is repeated for a chosen frequency for the schedule. If the Frequency is Monthly and Number is 1, it implies once a month.

Freq

This implies the number of times the schedule will repeat for a Unit. If it is 2 and the Unit is Monthly, it implies twice a month.

Unit

Enter the installment unit for the component for the schedule. The units of frequency definition can be Daily, Weekly, Bullet, Monthly, Quarterly, Half Yearly or Yearly.

Select the unit of the schedule from the option list.

Due Date On

This option may be used to schedule an installment on a particular date of the month.

End Date

End date for the component for the schedule will be computed from the start date, frequency, unit and number for the schedule

Amount

The amount of payment done, disbursement or repayment, is displayed in this field.

Capi

Select this option if the schedule amounts are to be capitalized.

> **Note**
>
> The system by default does not select this option.

Waive

Select this option to specify if you need to allow a waiver of the component payments for the schedule.

> **Note**
>
> The system by default does not select this option.

A schedule can be either applicable or capitalized or waived.

Down Payment Amount

Specify the down payment amount for each schedule.

7.1.5.3 Schedule Details

Click 'Explode' button to view the following Schedule details:

Schedule No

The system generates and displays a sequential schedule number for installments.

Due Date

The system displays the due date of the payments and disbursements in this field.

Amount Due

The system displays the amount due for the schedule in this field.

Amount Settled

The system displays the settlement amount for the schedule in this field.

Emi Amount

The EMI that should be repaid in this schedule is displayed in this field.

Amort Prin

The system displays the principal that has to be amortized in this field. This field will be relevant for the Profit component that is being amortized.

Accrued Amount

In this field, the system displays the amount accrued for the component for the schedule.

Capit

The flag is used to display that the schedule installment is capitalized.

Waive

Select this option to indicate if this particular amount which is due will be waived or not.

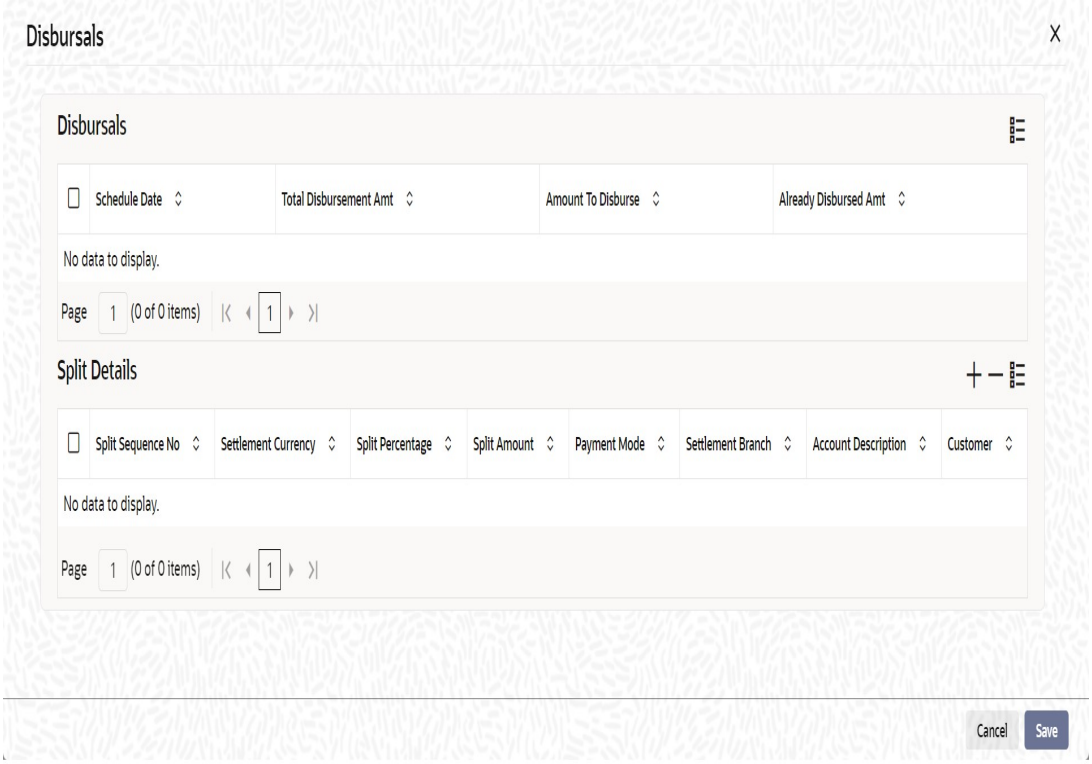
7.1.5.4 Editing the Default Schedule

In case of a forward *Ijarah* having property handover, you need to manually edit the exploded payment schedules for the main profit component. Click 'Edit' button to make any change to the scheduling and after you have made changes, click 'Explode' button to see the changes made.

If you select any component and click 'Edit' button, you can make changes to the schedules which are defaulted from the product to the account. You will have to specify repayment schedules for the profit component during the moratorium period and the handover period.

If you click the 'Explode' button, other components will get adjusted according to change made to any of the attribute. The system will also compute the Internal Rate of Return (IRR) on clicking this button. If the box 'Recompute schedule on IRR' is checked for the linked product, the system will recalculate schedules based on IRR.

Select the Principal Component. Click on 'Disbursals' to see the Disbursal schedule. This gives the list of Schedules for the disbursements and their corresponding Disbursement amounts.



You can check the details of the due date of the schedule and the Amount to be disbursed from the ‘Schedule Due Date’ field and the ‘Amount To Disburse’ field respectively.

In this screen, you can also enter the following details of a contractor for each of the disbursals done:

Purpose

Specify the purpose of disbursement from the option list. This can also be maintained in the field ‘Type’ in the ‘Limits Type maintenance’ screen.

CIF Id

Specify the CIF for each contractor from the option list.

Amount

Specify the amount to be disbursed against the CIF Id for the purpose mentioned.

Note

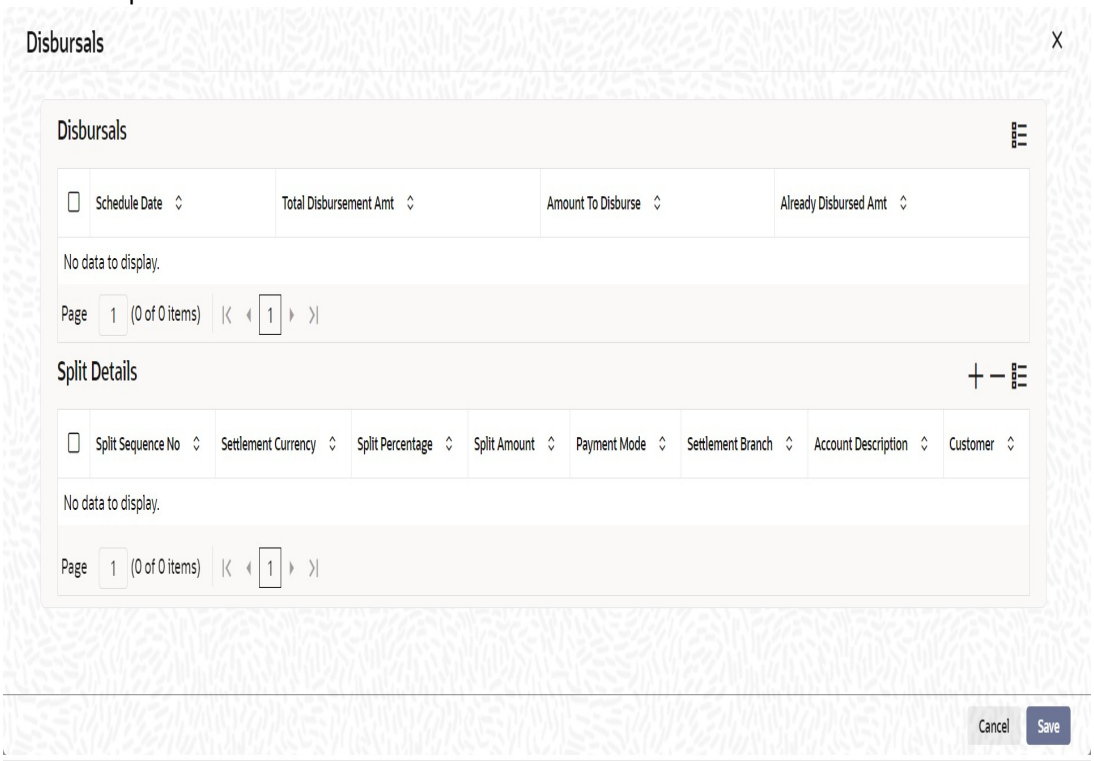
- You can override the settlement details at the ‘Manual Disbursement’ screen
- The system displays an override if the disbursement is done before the projected schedule date
- The system displays an override if the disbursement amount given for a particular contractor is more than the projected amount specified for that schedule.
- The system throws an error if the disbursement amount for a particular contractor is more than the sum of the entire projected amount given for a contract.
- In case of auto-disbursement, if the box ‘ Handover Applicable’ is not checked, the system will not allow final disbursement.

7.1.5.5 Schedule- wise Split Settlement for Auto Disbursement

Oracle FLEXCUBE allows you maintain split details for schedule-wise auto disbursement in a finance account, only if you have set the disbursement mode to 'Auto' in the Account Preferences tab of the Islamic Financing Product screen

In the Islamic Account (CIDACCNT) screen, click 'Product Default' button after entering product code, customer ID, currency and the amount, to default the product level component and schedule details of the selected product in the component tab of the account details screen.

You can view the disbursement schedule and maintain the schedule- wise finance split details for auto disbursement in the Disbursal screen. To do this, first select the principal component in the component tab and then click on 'Disbursals' button.



The system displays the list of Schedules for the disbursements and their corresponding Disbursement amounts.

Schedule Due Date

The system displays the due date of the schedule.

Total Disbursement Amt

The system displays the total disbursement amount for the specified finance account.

Amount to Disburse

The system displays the amount to be disbursed.

Already Disbursed Amt

The system displays the amount which has been disbursed.

Note

Oracle FLEXCUBE allows auto disbursal only for the principal component.

Split Details

You can maintain the following split details:

Percentage

Specify the split percentage of the disbursement amount.

> **Note**
>
> The system displays an error, if the information on amount or percentage is missing.

Amount

Specify the split amount for the schedule. Split amount is calculated based on the percentage and the disbursal amount.

If you specify only the amount and not the percentage, the system calculates the percentage of the amount to be disbursed and displays it in the percentage field.

> **Note**
>
> – The system validates if the amount and percentage are not entered and if split for the same disbursement schedule is available
> – If one disbursement schedule maintains one split with percentage and other split with amount, system maintains either amount or percentage for the disbursement schedule.
> – If the total amount is less than the amount to disburse for the schedule, system adjusts the rest of the amount in last split of the particular schedule and percentage gets calculated based on the amount.
> – The system displays an error, if you specify an amount greater than that of the disbursement schedule
> – The system displays an error, if the total amount or total percentage maintained exceeds the amount to disburse or 100 percent.

Settlement Account Branch

Specify the branch of the customer account. The adjoining option list displays the list of valid open branches maintained in the system. You can choose the appropriate one.

Settlement Account Number

Specify the settlement account number. The adjoining option list displays the valid accounts maintained for the given branch. You can choose the appropriate one.

Split sequence number

The sequence number for each split is auto generated by the system on save.

Payment Mode

The system displays ACC as the payment mode for disbursal.

Settlement Account Currency

Once you choose the account number, the currency of the settlement account gets defaulted.

Customer

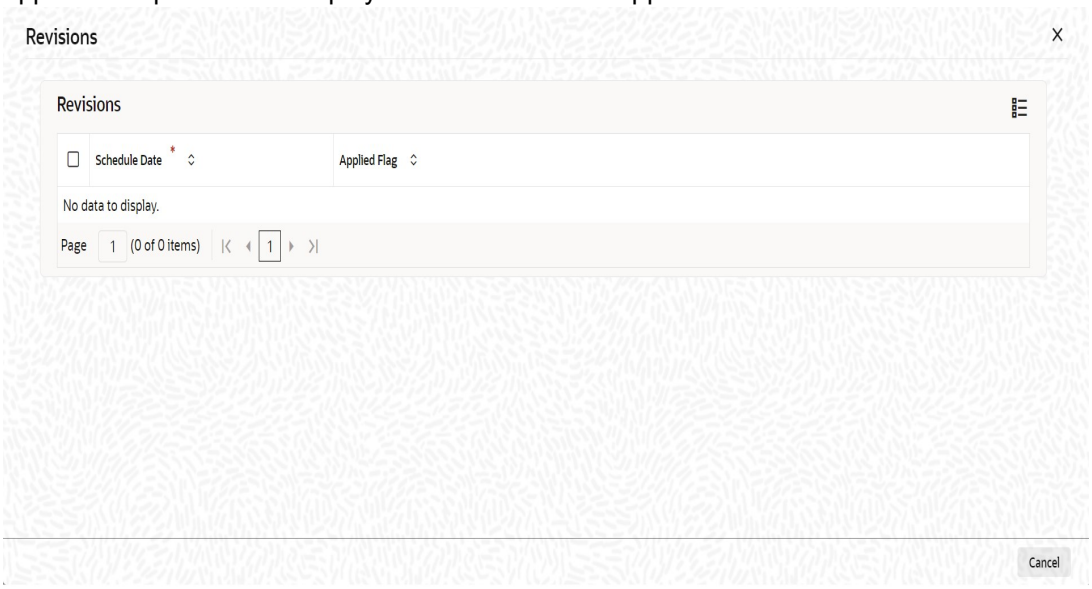
Once you choose the account number, the customer id gets defaulted.

It is mandatory to re-enter the split settlement details during VAMI, if there is a change in the disbursement schedule. For the disbursed schedules, the split settlement amendment would be ignored during VAMI.

During BOD, the system checks the finance split settlement details before taking the Credit Settlement details of the principal component. The credit settlement details of the principal component /Service account would be considered only in the absence of split settlement details for that particular schedule.

7.1.5.6 Rate Revision Schedule

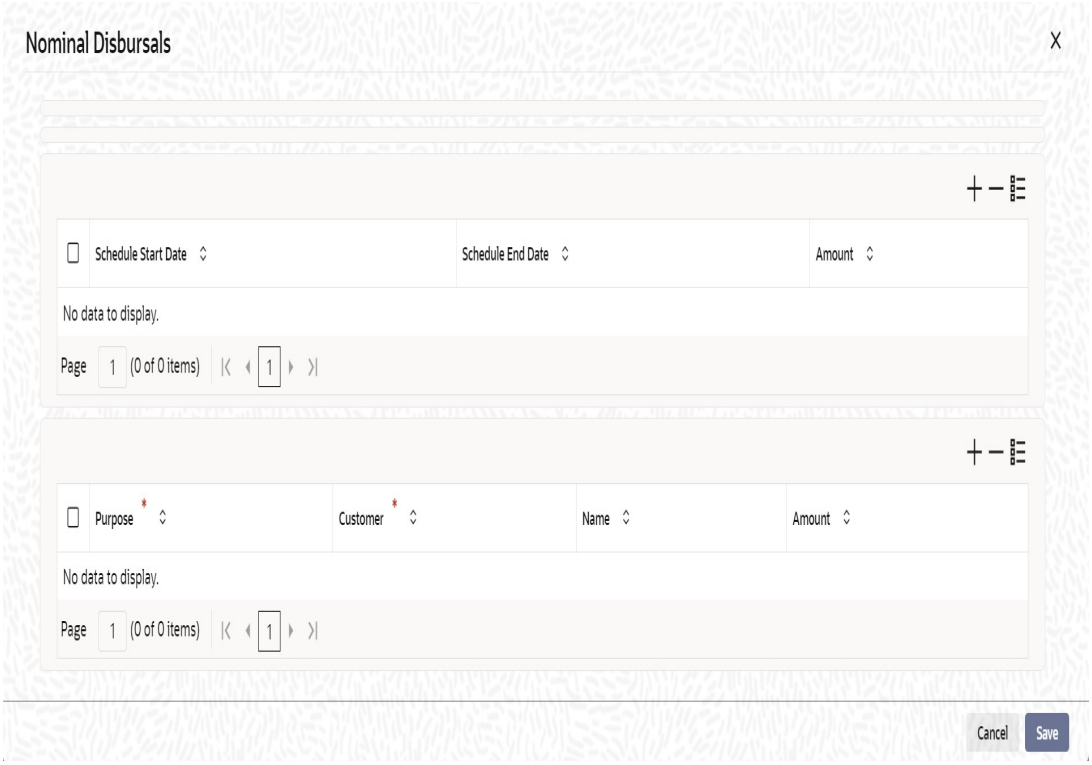
Select a component which has rate revision defined. To view the details of the Rate revision schedule, click on the 'Revisions' button. This lists the details of the revisions done on the Components. This lists the revision date against the component name. This also has an application option which displays if the revision was applied or not.



You can check the details of the name of the component that is revised and the date when it has been revised from the field Component name and Revision date respectively.

7.1.5.7 Maintaining Nominal Disbursal Schedules for Principal Component

If you select the 'Construction Period Profit Basis' as 'Nominal' in the 'Product Maintenance' screen, then it is mandatory to maintain nominal disbursal schedules. Click on the 'Nominal Disbursals' button to capture nominal disbursals.



Start date

The start date of the Disbursement Schedule is defaulted from the product. However, you can modify this date. The nominal schedule start date should not be lesser than the value date.

End date

The end date of the Disbursement Schedule is defaulted from the product. However, you can modify this date.

The nominal disbursement schedule end date should not be greater than the construction end date.

Amount

The system equally divides the amount financed across number of disbursal schedules and displays it in this field the following scenario.

- If disbursement mode is ‘manual’ and the construction period profit basis is ‘nominal’
- However, you can modify the disbursal amount in case the construction period profit basis is ‘nominal’ and the disbursement mode is ‘manual’.

Purpose

Specify the purpose of disbursement from the option list. This can also be maintained in the field ‘Type’ in the ‘Limits Type maintenance’ screen.

CIF Id

Specify the CIF for each contractor from the option list.

Amount

Specify the amount to be disbursed against the CIF Id for the purpose mentioned.

Note

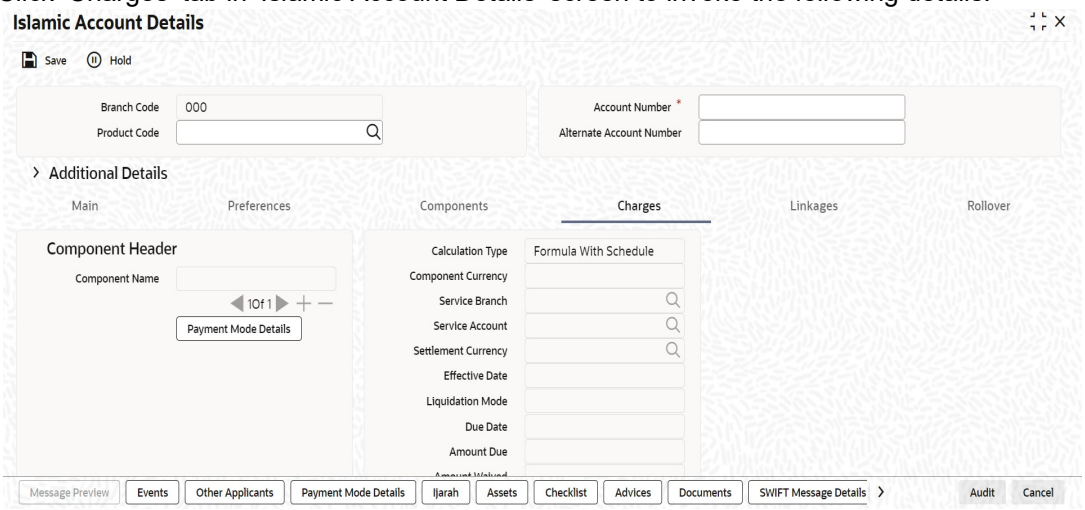
– You can override the settlement details at the ‘Manual Disbursement’ screen

- The system displays an override if the disbursement is done before the projected schedule date
- The system displays an override if the disbursement amount given for a particular contractor is more than the projected amount specified for that schedule.
- The system throws an error if the disbursement amount for a particular contractor is more than the sum of the entire projected amount given for a contract.
- Nominal disbursement is applicable for Forward *Ijarah*, *Istisna* and *Musharaka* under construction product categories. On product default, the nominal disbursement schedules will be defaulted to these product categories. The system allows you to modify the values once defaulted.

7.1.6 Charges Tab

This module is used for calculating and applying charges on an account. To calculate the charges that we would like to levy on an account, we have to specify the basis on which we would like to apply charges. For instance, we may want to apply charges on the basis of the debit turnover in an account. When we define a Charge product, we have to specify the Charge basis. When we apply the charge product on an account or an account class, charges for the account will be calculated on this basis

Click 'Charges' tab in 'Islamic Account Details' screen to invoke the following details:



You can specify the following details:

Component Header

Component Name

Specify the component name.

Click '+' button to specify other necessary details.

Calculation Type

The system displays the type of calculation.

Component Currency

The system displays the currency associated with the component. The component currency is defaulted from the Product level.

Settlement Currency

Specify the settlement currency code. Alternatively, you can select settlement currency code from the option list. The list displays all settlement currency code maintained in the system.

Effective Date

Select the effective date from the adjoining calendar.

Service Branch

Specify the service branch code. Alternatively, you can select service branch code from the option list. The list displays all service branch code maintained in the system.

Service Account

Specify the service account number. Alternatively, you can select service account number from the option list. The list displays all service account number maintained in the system.

Due Date

The system displays the due date.

Amount Due

The system displays the due amount.

Amount Waived

The system displays the amount waived.

Details

Event Code

The system displays the event code.

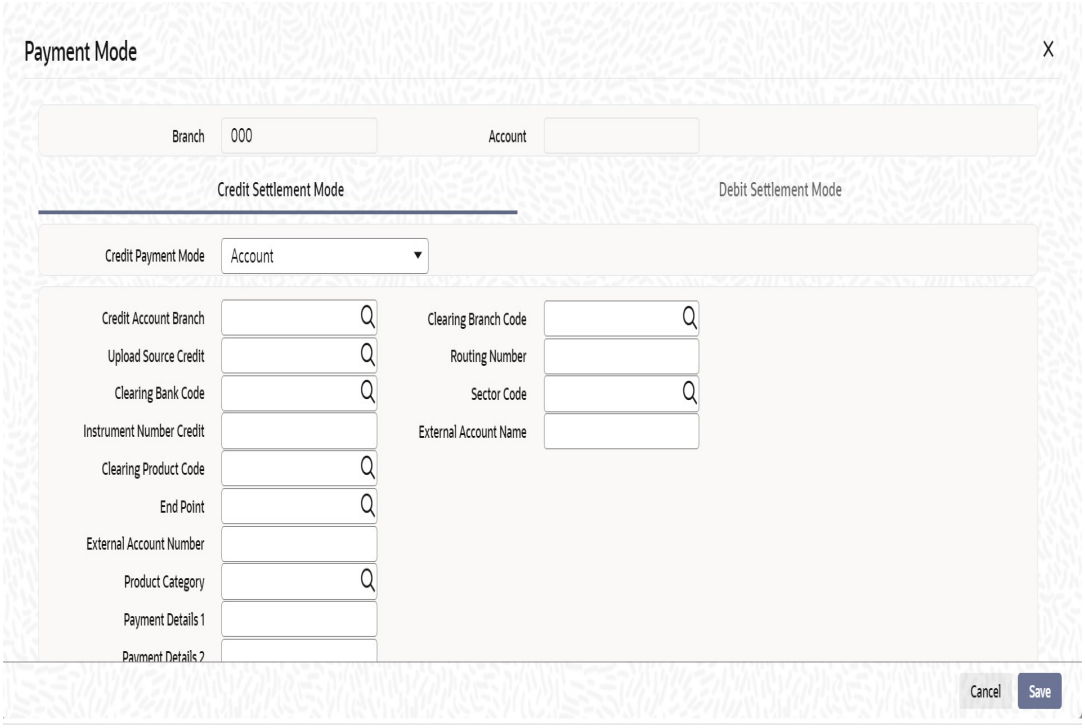
Amount Settled

The system displays the amount settled.

Schedule Date

The system displays the schedule date.

Click ‘Payment Mode Details’ button to invoke the following screen.



You can specify the following details:

Branch

The system displays the branch code.

Account

The system displays the account details.

Settlement Sequence Number

Specify the settlement sequence number. Alternatively, you can select settlement sequence number from the option list. The list displays all valid settlement sequence number maintained in the system.

7.1.6.1 Credit Settlement Mode Tab

Click ‘Credit Settlement Mode’ tab in ‘Settlement Mode’ screen to specify the following details:

Credit Payment Mode

Select the mode of credit payment from the drop-down list. The list displays the following values:

- Account
- Credit Card
- Clearing
- Debit Card
- External Account
- Electronic Pay Order
- GIRO
- Internal Cheque
- Instrument
- Cash/ Teller

Credit Product Account

Specify the credit product account number. Alternatively, you can select credit product account number from the option list. The list displays all valid credit product account number maintained in the system.

Credit Account Branch

Specify the credit account branch code. Alternatively, you can select credit account branch code from the option list. The list displays all valid credit account branch code maintained in the system.

Instrument Number Credit

Specify the instrument number of the credit payment.

Upload Source Credit

Specify the upload source code for the credit payment. Alternatively, you can select upload source code for the credit payment from the option list. The list displays all valid upload source code maintained in the system.

End Point

Specify the end point details. Alternatively, you can select end point details from the option list. The list displays all valid end point details maintained in the system.

External Account Number

Specify the external account number.

External Account Name

Specify the external account name.

Clearing Bank Code

Specify the clearing bank code. Alternatively, you can select clearing bank code from the option list. The list displays all valid clearing bank code maintained in the system.

Clearing Branch Code

Specify the clearing branch code. Alternatively, you can select clearing branch code from the option list. The list displays all valid clearing branch code maintained in the system.

Product Category

Specify the product category. Alternatively, you can select product category from the option list. The list displays all valid product category maintained in the system.

Routing Number

Specify the routing number.

Clearing Product Code

Specify the clearing product code. Alternatively, you can select clearing product code from the option list. The list displays all valid clearing product code maintained in the system.

Sector Code

Specify the sector code. Alternatively, you can select sector code from the option list. The list displays all valid sector code maintained in the system.

GIRO Number

Specify the GIRO number.

Payer Account

Specify the payer account number.

Payer Bank Code

Specify the payer bank code.

Payer Branch

Specify the payer branch code.

Payer Bank Address 1

Specify the payer bank address.

Payer Bank Address 2

Specify the payer bank address.

Payer Bank Address 3

Specify the payer bank address.

Payer Bank Address 4

Specify the payer bank address.

Auto GIRO

Select the auto GIRO that you are maintaining. The options are as follows:

- Auto
- Manual

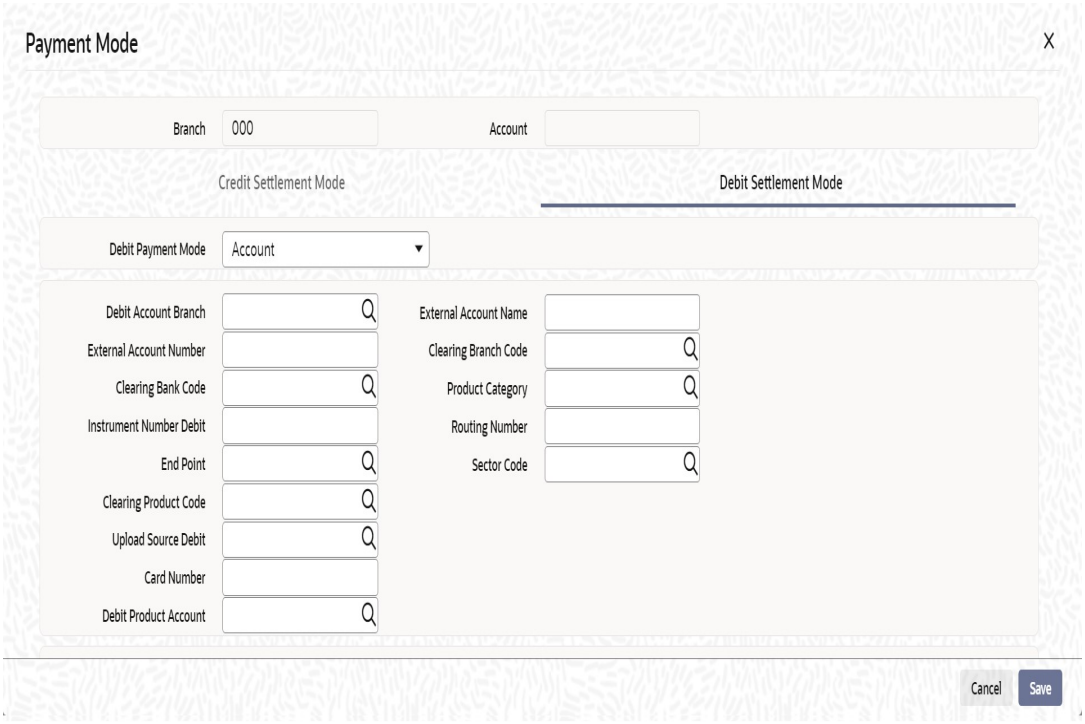
Bank GIRO

Select the bank GIRO that you are maintaining. The options are as follows:

- Bank GIRO
- Plus

7.1.6.2 Debit Settlement Mode Tab

Click 'Debit Settlement Mode' tab in 'Settlement Mode' screen to invoke the following screen:



You can specify the following details:

Debit Payment Mode

Select the mode of debit payment from the drop-down list. The list displays the following values:

- Account
- Credit Card
- Clearing
- Debit Card
- External Account
- Electronic Pay Order
- GIRO
- Internal Cheque
- Instrument
- Cash/ Teller

Debit Product Account

Specify the debit product account number. Alternatively, you can select debit product account number from the option list. The list displays all valid debit product account number maintained in the system.

Debit Account Branch

Specify the debit account branch code. Alternatively, you can select debit account branch code from the option list. The list displays all valid debit account branch code maintained in the system.

Instrument Number Debit

Specify the instrument number of the debit payment.

Upload Source Debit

Specify the upload source code for the debit payment. Alternatively, you can select upload source code for the debit payment from the option list. The list displays all valid upload source code maintained in the system.

End Point

Specify the end point details. Alternatively, you can select end point details from the option list. The list displays all valid end point details maintained in the system.

External Account Number

Specify the external account number.

External Account Name

Specify the external account name.

Clearing Bank Code

Specify the clearing bank code. Alternatively, you can select clearing bank code from the option list. The list displays all valid clearing bank code maintained in the system.

Clearing Branch Code

Specify the clearing branch code. Alternatively, you can select clearing branch code from the option list. The list displays all valid clearing branch code maintained in the system.

Product Category

Specify the product category. Alternatively, you can select product category from the option list. The list displays all valid product category maintained in the system.

Routing Number

Specify the routing number.

Clearing Product Code

Specify the clearing product code. Alternatively, you can select clearing product code from the option list. The list displays all valid clearing product code maintained in the system.

Sector Code

Specify the sector code. Alternatively, you can select sector code from the option list. The list displays all valid sector code maintained in the system.

GIRO Number

Specify the GIRO number.

Payer Account

Specify the payer account number.

Payer Bank Code

Specify the payer bank code.

Payer Branch

Specify the payer branch code.

Payer Bank Address 1

Specify the payer bank address.

Payer Bank Address 2

Specify the payer bank address.

Payer Bank Address 3

Specify the payer bank address.

Payer Bank Address 4

Specify the payer bank address.

Bank GIRO

Select the bank GIRO that you are maintaining. The options are as follows:

- Bank GIRO
- Plus

Auto GIRO

Select the auto GIRO that you are maintaining. The options are as follows:

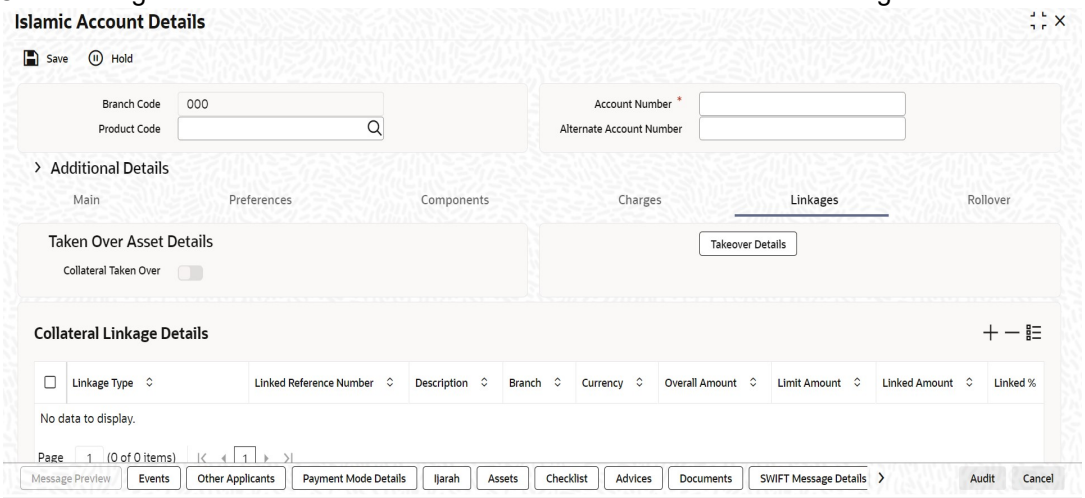
- Auto
- Manual

7.1.7 Linkage Tab

At the time of Finance account capture, the Linkages to securities backing the finance are captured. They include:

- The reference number of the Collateral, New Collateral, Local Collateral, Collateral Pool, Facility, Line, Account, Amount block, Guarantee Collection Bill is linked.
- The amount which is attributed to the particular reference number is also captured.
- The account input screen captures the Linkages as shown below

Click ‘Linkage’ tab in ‘Islamic Account Details’ screen to invoke the following screen:



You can specify the following details:

TakenOver Asset Details

Collateral TakenOver

Check this box to take over collateral details.

Collateral Linkage Details

Linkage Type

Select the linkage type from the drop-down list. The list displays the following values:

- Collateral – Select if you need to link the account to existing collateral.
- Collateral Pool – Select if you need to link the account to collateral pool.
- Facility – Select if you need to link the account to a facility.
- Local Collateral – Select if you need to link the account to local collateral.
- New Collateral – Select if you need to link the account to new collateral.

Linked Ref No

Specify the linked reference number. Alternatively, you can select linked reference number from the option list. The list displays all valid linked reference number maintained in the system.

Note

If you maintain ‘Linkage Type’ as ‘New Collateral’ and maintain linkage reference number, then the system displays an error message.

Description

The system displays the description for the selected linked reference number.

Branch

The system displays the branch code in which the linkage is maintained.

Currency

The system displays the currency code maintained for linkage.

Overall Amount

Specify overall amount of the collateral if you have selected ‘Linkage Type’ as ‘New Collateral’. The system displays values of different parameters based on the linkage type.

- If the linkage type is ‘Collateral’, then the system displays the collateral value as the overall amount.
- If the linkage type is ‘New Collateral’, then the system displays the new collateral value as the overall amount.
- If the linkage type is ‘Local Collateral’, then the system displays the local collateral value as the overall amount.
- If the linkage type is ‘Collateral Pool’, then the system displays the pool amount as the overall amount.
- If the linkage type is ‘Facility’, then the system displays the effective line amount as the overall amount.

Collateral Category

The system displays the collateral category if the ‘Linkage Type’ is maintained as ‘Collateral’. You need to specify collateral category if the ‘Linkage Type’ is ‘New Collateral’, from the adjoining option list. Alternatively, you can select collateral category from the option list. The list displays all valid collateral category maintained in the system.

Hair Cut %

The system displays the percentage of hair cut for the collateral, if the ‘Linkage Type’ is maintained as ‘Collateral’. You need to specify ‘Hair Cut %’ if the ‘Linkage Type’ is ‘New Collateral’. Alternatively, you can select Hair Cut % from the option list. The list displays all valid Hair Cut % maintained in the system.

Limit Amount

The system displays the following as limit amount based on the selected linkage type, on saving the finance account:

- If the ‘Linkage Type’ is ‘New Collateral’, then the system displays the value computed after applying Hair Cut percentage on the amount.
- If the ‘Linkage Type’ is ‘Collateral’, then the system displays the limit amount of the selected collateral as the limit amount of the account.
- If the ‘Linkage Type’ is either ‘Collateral Pool’ or ‘Facility’, then the system displays the overall amount as the limit amount of the account.

Linked Amount

The system displays the linked amounted computed after applying the linked percentage on the limit amount, on saving the finance account.

Linked %

Specify linked percentage you want to apply on the limit amount of the account.

Utilization Order No

Specify a valid order in which you need to utilize the linkage linked to the account. The system utilizes the linkage in an ascending order.

Utilized Amount

Utilized amount of the account is displayed here.

Commitment Product

The system displays the commitment product of the selected collateral, if the ‘Linkage Type’ is maintained as ‘Collateral’. You need to specify a valid commitment product, which is open and authorized if the ‘Linkage Type’ is ‘New Collateral’.

New Collateral

The system displays the new collateral details.

Taken Over

Check this box if the collateral is taken over.

Note

While saving an account:

- The system generates a unique collateral code for the collateral, automatically created. This unique code is the finance account number concatenated with a three digit unique number.
- The system validates if the Amount Financed is greater than the Linked Amount of the Collateral Linkage Details Block.
- If the amount is greater, then the system will auto track the remaining amount against the Liability ID of the customer.
- If the Liability ID does not have sufficient available balance, then the system displays the override message as 'The liability does not have enough available balance. Do you want to continue?'.
- If the 'Linkage Type' is 'New Collateral', then the system creates and authorizes the collateral with 'Collateral Type' as 'Normal' and assigns the Liability ID of the customer. However, you can manually create collateral with different type and link it to the account.

When an account is deleted, the system re-instates the collateral if it is utilized by the account and closes the collateral that was created new, automatically.

Commitment Details

You can maintain the following commitment details here:

Linkage Sequence Number

Specify the linkage sequence number.

Linkage Type

The system displays one of the following linkage type:

- Line
- Deposit
- Guarantee
- Amount Block
- CASA Account
- Collateral Pool
- Local Collateral
- New Collateral

Customer ID

Specify the customer ID. Alternatively, you can select customer ID from the option list. The list displays all valid customer ID of the customer to be used for corresponding linkage type.

A customer can either be the primary applicant or any of the other applicants for which the linkage type has been maintained.

Linkage Branch

Specify the linkage branch. Alternatively, you can select linkage branch code from the option list. The list displays all valid linkage branch code maintained in the system.

Linked Reference

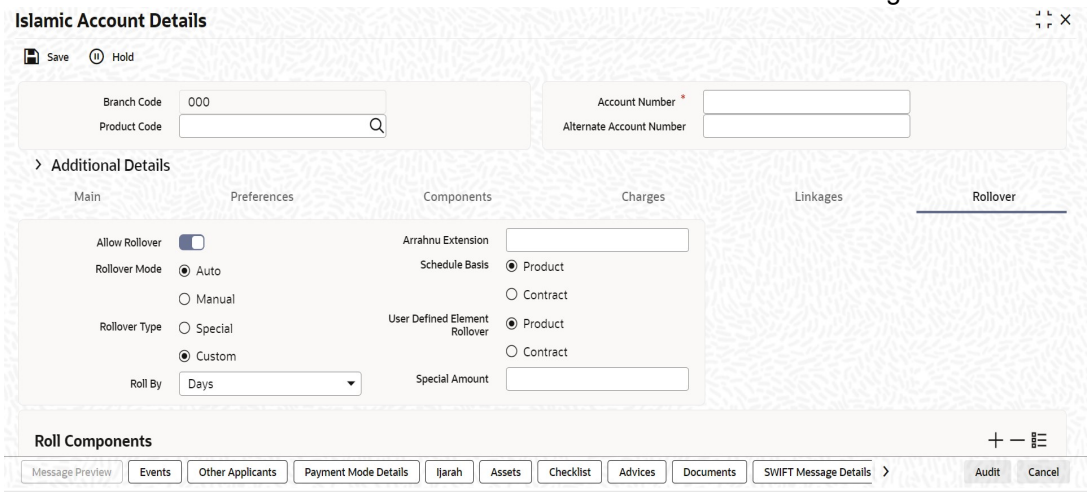
Specify the linked reference number. Alternatively, you can select linked reference number from the option list. The list displays all valid linked reference number maintained in the system.

Linkage Amount

Specify the linkage amount.

7.1.8 Rollover Tab

Click 'Rollover' tab in 'Islamic Account Details' screen to invoke the following screen.



You can specify the following details:

Allow Rollover

Check this box to allow rollover.

Rollover Mode

Select the rollover mode that you are maintaining. The options are as follows:

- Auto
- Manual

Rollover Type

Select the rollover type that you are maintaining. The options are as follows:

- Special
- Custom

Roll By

Select the roll by details from the drop-down list. The list displays the following values:

- Days
- Months
- Quarters
- Semi Annual
- Years

Ar-Rahnu Extensions

Specify the number of extensions or rollovers you want to allow for the Ar-rahnu account.

The system validates the following parameters while saving an Ar-Rahnu account:

- The Linked % of the linkage types ‘New Collateral’ and ‘Collateral’ should be 100. If not 100, then the system displays the error message as ‘The Linked % of the linkage type ‘New Collateral’ and ‘Collateral’ should be 100’.
- The Amount Financed and the Linked Amount of the Collateral Linkage Details Block should be equal. If not equal, then the system displays the error message as ‘The amount financed should be equal to the sum of linked amount of collateral linkage details’.
- The number of schedules for the principal disbursement must be maintained as ‘1’. If not, then the system displays the error message as ‘For Arrahnu Account the Principal Disbursement schedule should be 1’ while saving the product.
- The liquidation mode of the principal component is maintained as Manual. If it is maintained as auto, then the system displays the error message as ‘The liquidation mod of PRINCIPAL component should be manual for Ar-Rahnu products’.
- The number of rollovers should be less than or equal to Ar-Rahnu Extensions. If the number of rollovers is greater, then the system displays the override message as ‘The number of Ar-Rahnu extensions exceed the Ar-Rahnu extensions maintained at account level’ while saving the rollover.
- The ‘Allow Rollover’ must be maintained as 'Yes'. If maintained as 'No', then the system displays the following error message as ‘For Ar-Rahnu products the Rollover Allowed must be selected’ while saving the account.
- The ‘Rollover Mode’ must be maintained as 'Manual'. If maintained as 'Auto', then the system displays the error message as ‘For Ar-Rahnu the rollover should be manual’ while saving the account.
- You can maintain SDEs and UDEs specific to Ar-Rahnu accounts at ‘Islamic Financing Product’ level.

While manually disbursing an Ar-Rahnu product category account, the system validates if the disbursement amount is equal to the amount financed. If the they are not equal, then the system displays the error message as ‘For ARRAHNU accounts the full amount financed should be disbursed’.

Ar-Rahnu extensions or re-pledge are processed through account rollover, because when a part of the financed amount is paid, the remaining amount is converted as a new financing account.

Schedule Basis

Select the schedule basis that you are maintaining. The options are as follows:

- Product
- Contract

User Defined Element Rollover

Select the user defined element rollover details that you are maintaining. The options are as follows:

- Product
- Contract

Special Amount

Specify the special amount.

Roll Components

The system displays the roll components details.

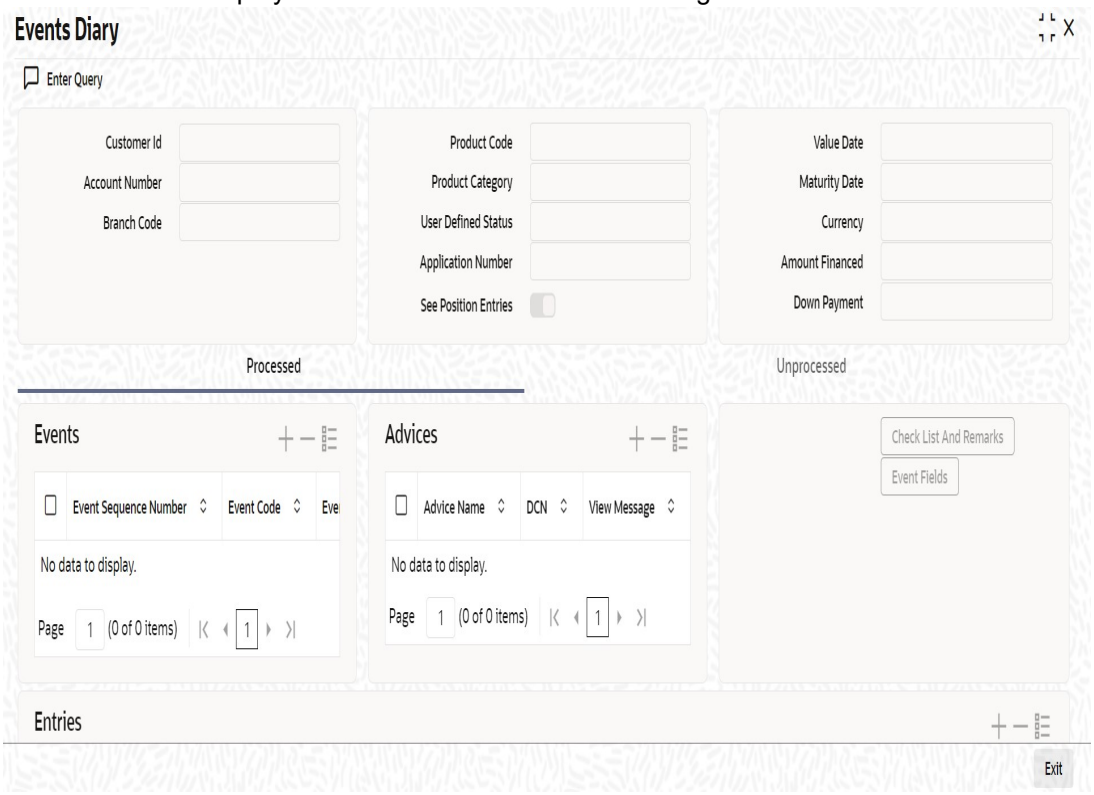
7.1.9 Events Button

Click ‘Events’ button in ‘Islamic Account Details’ screen to invoke the following screen.

An ‘event’ may be defined as any action starting from application entry to collections. This module captures the details of events applicable to the account.

7.1.9.1 Processed Events Tab

The processed events are all the events which have already taken place. This displays the details like the sequence number of the event. The date on which the event was processed, the value date, the event code, a brief description of the event by clicking on ‘Events’ button. The screen also displays the details of the events according to the events selected.



The following details are displayed:

Branch Code

The branch code of the account maintained in the valid tables of consumer lending is displayed here.

Account Number

Applicant’s account number, which is auto generated if it is so maintained under the branch parameter is displayed here.

Application Number

The application number captured at the time of finance initiation is displayed here.

Customer id

Applicant’s customer Id is displayed here.

Product Code

Product code of the product associated with the account, defaulted from Product definition is displayed here.

Product Category

The product category availed by the customer is displayed here.

Amount Financed

The total finance amount is displayed here.

Ccy

Currency in which the transaction will be conducted for the account is displayed here.

Down payment Amount

The amount paid by the customer upfront is displayed here. This is used for information only.

Maturity Date

Maturity date for the finance account is displayed here.

Value Date

Value date for the account is displayed here.

User Defined Status

The user defined status for the account is displayed here.

Events

Seq No

The sequence number for the account is displayed here.

Processed Date

The date on which the event takes place is displayed here. It is the same as system date.

Execution Due Date

The date of execution of the events as maintained in the valid table that is captured during application entry is displayed here.

Code

The event code is displayed here.

Description

A description for the event occurred is displayed here.

Advices

DCN

A system generated number for reference is displayed here.

Msg Type

The type of advice generated for the event is displayed here. This is applicable only if maintained at the product level for the particular event.

Entries

Dr/Cr

This field indicates if the event occurring is a Debit or Credit event.

Branch

The branch in which the event occurred is displayed here.

Account Number

The number of the account affected by the event as maintained in the valid table is displayed here.

Ac Ccy

The currency involved in the event is displayed here.

Event Fcy Amount

Foreign currency amount involved with the event, if any.

Exch Rate

Exchange rate associated with the account is displayed here.

Event Lcy Amount

Local currency amount involved with the event, if any is displayed here. These events are maintained in the Event entries table.

Value Date

Value date for the event as maintained in the valid date captured during the application entry is displayed here.

Transaction Date

Event transaction date is displayed here. It is same as the system date

Entry FCY Amt

Netted entry log for the foreign currency amount is displayed here. These values are stored in the daily logs.

Entry LCY Amt

Netted entry log for the local currency amount is displayed here. These values are stored in the daily logs.

Trn Code

Transaction code is displayed here.

Amount Tag

Amount tag for the transacted amount is displayed here.

Event Seq Number

Event sequence number is displayed here.

Event

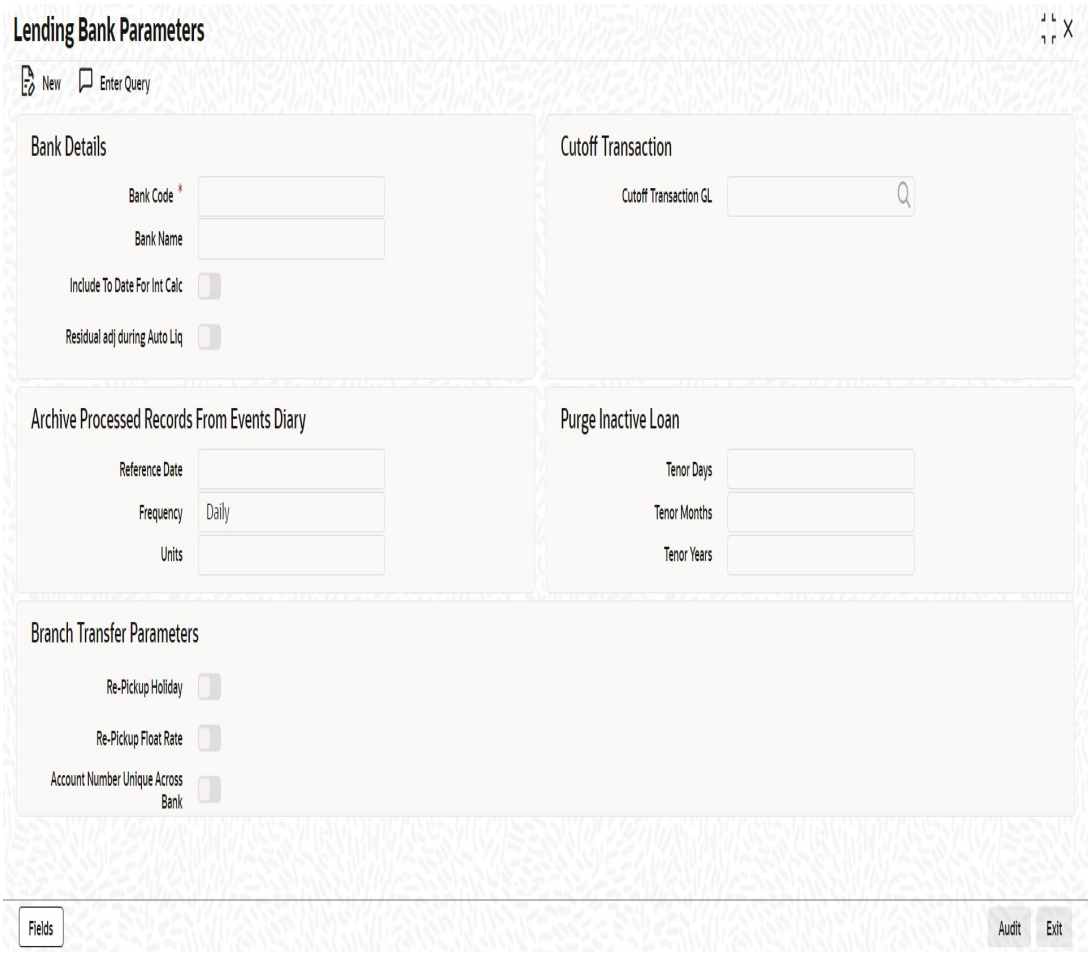
Event name and identifier are displayed here.

GAAP indicator

Generally Accepted Accounting Principles (GAAP) applicable for the accounting entry is displayed here.

7.1.9.2 Archiving Processed Events

You can archive processed records from the events diary using the ‘Retail Lending - Bank Parameters’ screen.



In this screen, you can specify the following parameters to archive processed events:

Reference Date

This is the first date on which the archival will be initiated. If this date is NULL, no archival will be done.

Frequency

This is the frequency for archival. The options in the drop down list are:

- Daily
- Monthly
- Yearly

Unit

This is a numeric value. Let us suppose you select the frequency as Daily and Unit as 5. In this case archival will be done every 5^{th} day.

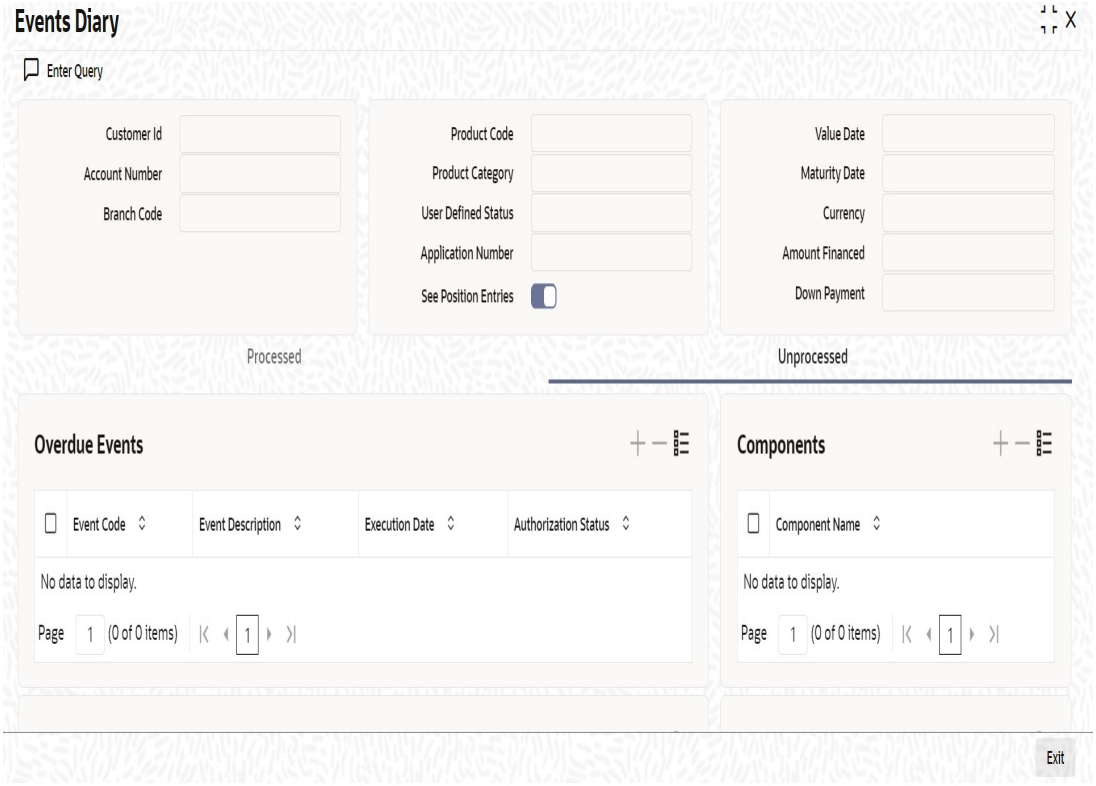
A batch process will execute the archival by end of day. However, if you do not specify the parameters, archival will not be executed.

Note

A batch process will execute the archival by end of day. However, if you do not specify the above parameters, archival will not be executed.

7.1.9.3 Unprocessed Tab

The Unprocessed event screen has all the details of the overdue and the Due events for the account.



Overdue Events

An event which has crossed the due date becomes an overdue event. The number of days after the due date is used by the bank to calculate compensation for the event.

The following Overdue event details are displayed:

Event Code

Unique event code is displayed here.

Execution Date

Date on which event occurred is displayed here.

Event Desc

Brief event description is displayed here.

Components

Component Name

Name of the component affected by the event is displayed here.

Due Events

The date on which the event is supposed to take place is the due date of the event. In case of repayments, the customer is informed by the bank regarding the due date.

The following details are displayed:

Event Code

Unique event code is displayed here.

Execution Date

Date on which event should have occurred is displayed here.

Event Desc

Brief event description is displayed here.

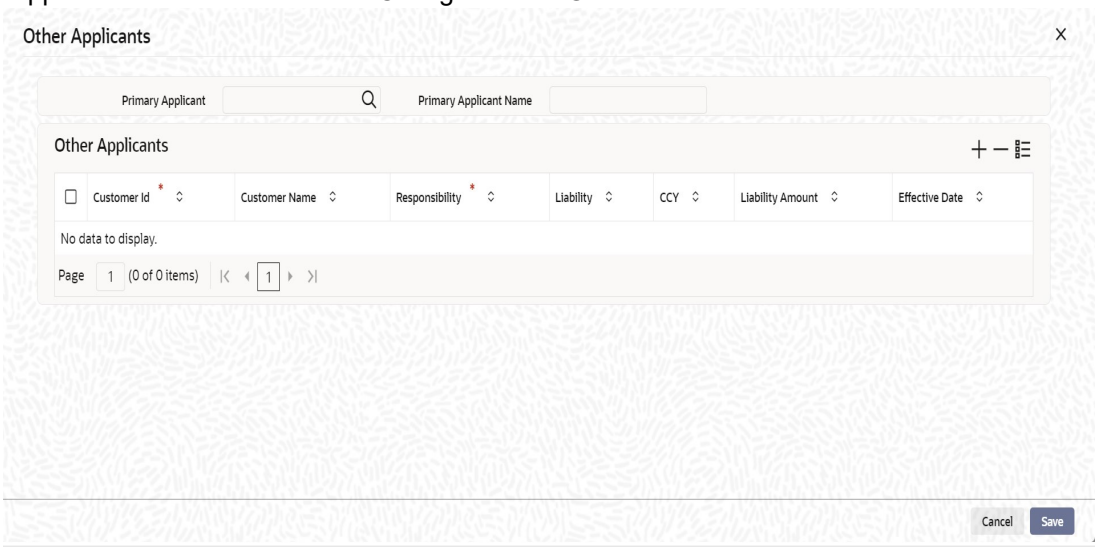
Components

Component Name

Name of the component affected by the event is displayed here.

7.1.10 Other Applicants Button

The details of the liability parties to the account are maintained in this screen. Other Applicants of a finance include Co-signers and Guarantors.



You can specify the following details of the Co-applicants:

Customer ID

To select the customer ID of the co-applicant, click on the option list. A list of customer IDs is displayed. Select the customer ID of the co-applicant.

Customer Name

After you enter the name of the Customer, the system displays the name of the customer in this field.

Responsibility

In this field, you can select the details of the co-applicants and their responsibility as a Co-signer or as a guarantor from the option list. You can enter the details like the guarantor, co-signer, main addressee, advice notice receiver, and borrower etc., who is relevant to a joint account relationship. During initiation of the account, the primary customer is defaulted to 'Borrower' with 100% Liability and value date as the effective date. Your are allowed to maintain multiple applicants (customer id) for a finance with the same responsibility (Borrower).

Note

While there is no processing impact, the difference will become important when the original debtor is absconding and the finance is unpaid etc.

Liability

In this field, you can enter the contribution of the co-applicants to the Finance. You can specify the Liability of the co-applicant if any, in case of a Finance default. You can also specify the percentage of profit split among different co-applicants. It is not made mandatory to maintain 'Liability %' for the responsibility 'Borrower'. There could be borrowers with 0% liability.

Note

The sum of 'Liability %' for all the customers of a finance to be equal to 100%

CCY

The system displays the currency code.

Liability Amount

The system calculates and displays the upper limit of the liability in terms of the amount in this field. You may override the computed value.

Effective Date

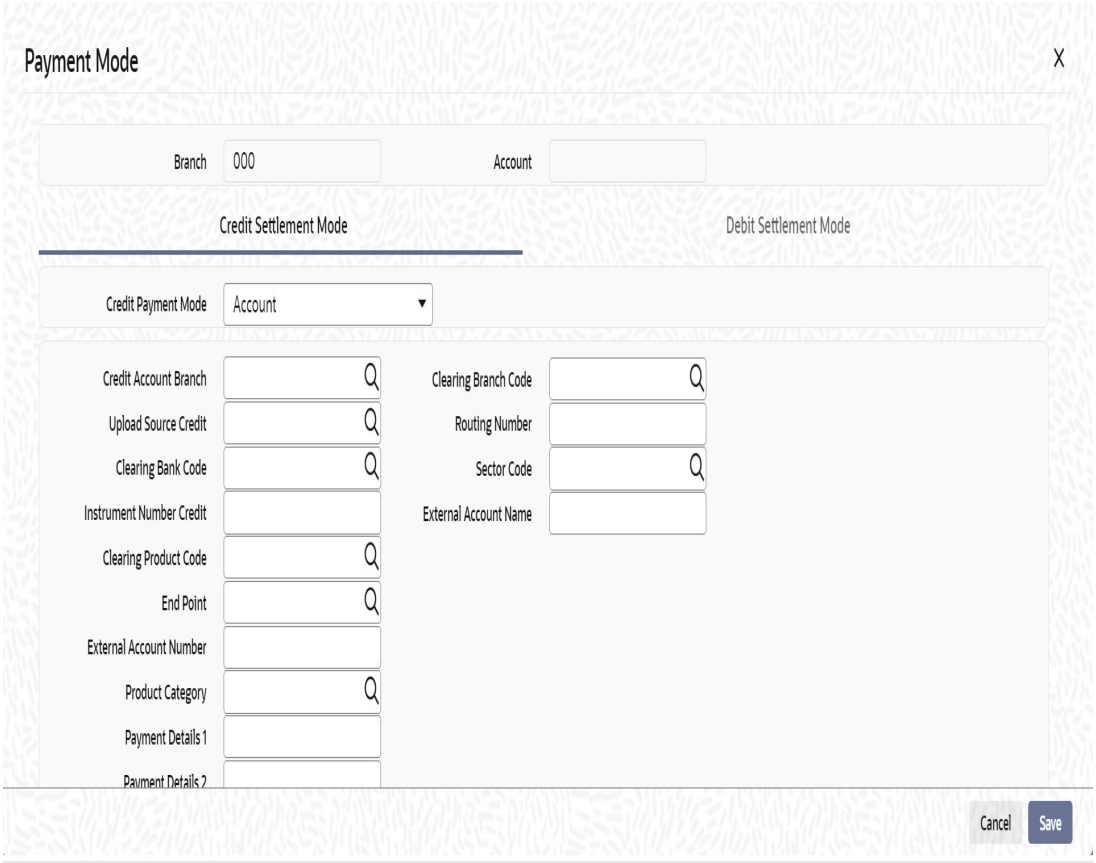
This field is used to capture the date from which the % profit split among co-applicants of the finance will be taken into consideration. During the initiation of the finance, the value date of the finance will be defaulted as the effective date. During VAMI, the same effective date will be retained, you can however edit it.

Note

The effective date can not be a date prior to the finance initiation date. It is also necessary that there is one record for the initiation date. The effective date for all the applicants is the same.

7.1.11 Payment Mode Button

You can specify the mode of bill payment in Oracle FLEXCUBE. Click ‘Payment Mode Details’ button on the ‘Islamic Account Details’ screen to invoke ‘Payment Mode’ screen.



Here, you can capture the following details.

7.1.11.1 Credit Settlement Mode Tab

Click ‘Credit Settlement Mode’ tab in ‘Payment Mode’ screen to specify the following details:

You can specify the following details:

Branch

The system displays the branch code.

Account

The system displays the account details.

7.1.11.2 Credit Settlement Mode Tab

Click ‘Credit Settlement Mode’ tab in ‘Settlement Mode’ screen to specify the following details:

Credit Payment Mode

Select the mode of credit payment from the drop-down list. The list displays the following values:

- Account
- Credit Card
- Clearing
- Debit Card

- External Account
- Electronic Pay Order
- GIRO
- Internal Cheque
- Instrument
- Cash/ Teller

Note

The system will allow you to specify the settlement details only if you have checked the option ‘Allow Corporate Access’ in the ‘Branch Parameters – Detail View’ screen. If you have not checked this option, the system will default the values as maintained in the fund branch account. You will not be allowed to modify this.

Credit Account Branch

Specify the credit account branch code. Alternatively, you can select credit account branch code from the option list. The list displays all valid credit account branch code maintained in the system.

Upload Source Credit

Specify the upload source code for the credit payment. Alternatively, you can select upload source code for the credit payment from the option list. The list displays all valid upload source code maintained in the system.

Clearing Bank Code

Specify the clearing bank code. Alternatively, you can select clearing bank code from the option list. The list displays all valid clearing bank code maintained in the system.

Instrument Number Credit

Specify the instrument number of the credit payment.

Clearing Product Code

Specify the clearing product code. Alternatively, you can select clearing product code from the option list. The list displays all valid clearing product code maintained in the system.

End Point

Specify the end point details. Alternatively, you can select end point details from the option list. The list displays all valid end point details maintained in the system.

External Account Number

Specify the external account number.

Product Category

Specify the product category. Alternatively, you can select product category from the option list. The list displays all valid product category maintained in the system.

Credit Product Account

Specify the credit product account number. Alternatively, you can select credit product account number from the option list. The list displays all valid credit product account number maintained in the system.

Clearing Branch Code

Specify the clearing branch code. Alternatively, you can select clearing branch code from the option list. The list displays all valid clearing branch code maintained in the system.

Routing Number

Specify the routing number.

Sector Code

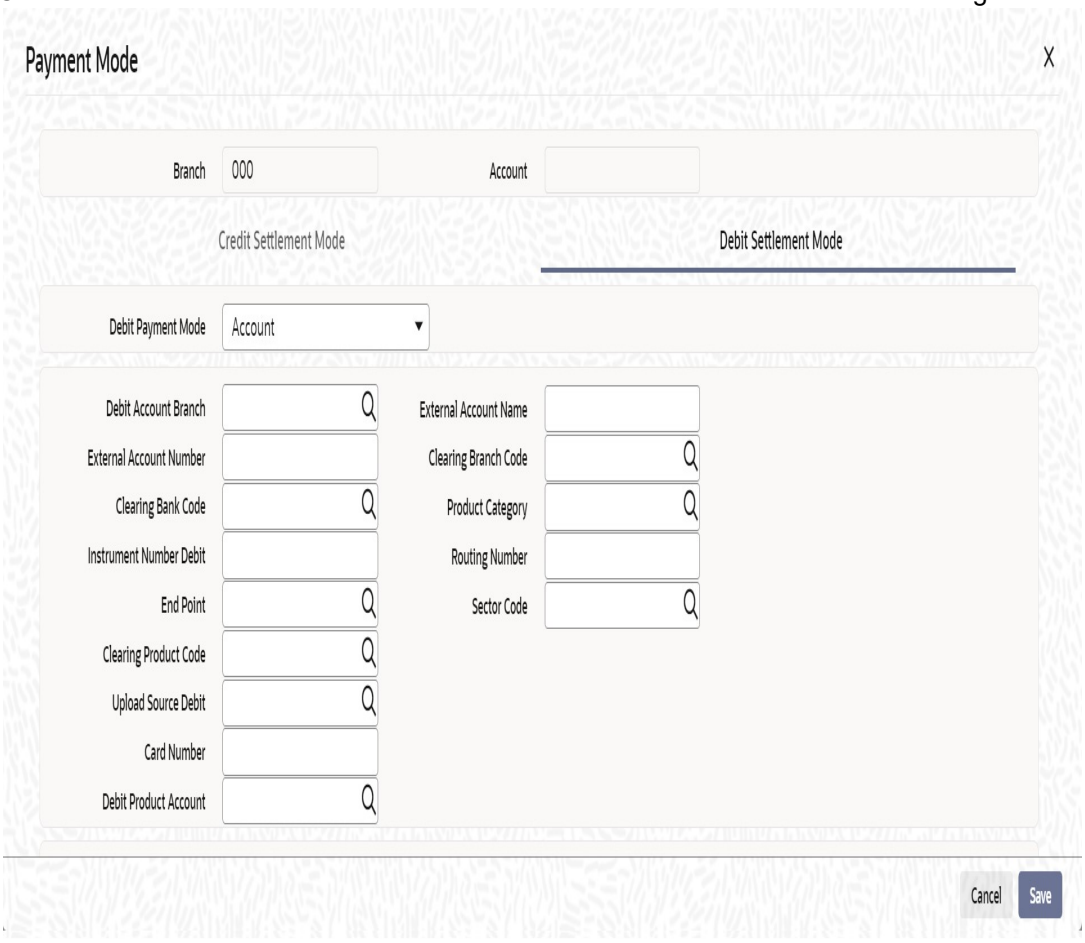
Specify the sector code. Alternatively, you can select sector code from the option list. The list displays all valid sector code maintained in the system.

External Account Name

Specify the external account name.

7.1.11.3 Debit Settlement Mode Tab

Click 'Debit Settlement Mode' tab in 'Settlement Mode' screen to invoke the following screen:



You can specify the following details:

Debit Payment Mode

Select the mode of debit payment from the drop-down list. The list displays the following values:

- Account
- Credit Card
- Clearing
- Debit Card
- External Account
- Electronic Pay Order
- GIRO

- Internal Cheque
- Instrument
- Cash/ Teller
- PDC

Note

If the Debit Settlement mode is selected as PDC, then the other debit settlement details are not maintained.

If the debit Settlement is PDC then the liquidation mode of the component should be manual.

The Debit Settlement can be chosen as PDC only when contract is amortized.

Note

The system will allow you to specify the debit payment mode only if you have checked the option ‘Allow Corporate Access’ in the ‘Branch Parameters – Detail View’ screen. If you have not checked the option, the system will default the values as maintained at the fund level. You will not be allowed to modify this.

Debit Account Branch

Specify the debit account branch code. Alternatively, you can select debit account branch code from the option list. The list displays all valid debit account branch code maintained in the system.

External Account Number

Specify the external account number.

Clearing Bank Code

Specify the clearing bank code. Alternatively, you can select clearing bank code from the option list. The list displays all valid clearing bank code maintained in the system.

Instrument Number Debit

Specify the instrument number of the debit payment.

End Point

Specify the end point details. Alternatively, you can select end point details from the option list. The list displays all valid end point details maintained in the system.

Clearing Product Code

Specify the clearing product code. Alternatively, you can select clearing product code from the option list. The list displays all valid clearing product code maintained in the system.

Upload Source Debit

Specify the upload source code for the debit payment. Alternatively, you can select upload source code for the debit payment from the option list. The list displays all valid upload source code maintained in the system.

Card Number

Specify the card number.

Debit Product Account

Specify the debit product account number. Alternatively, you can select debit product account number from the option list. The list displays all valid debit product account number maintained in the system.

External Account Name

Specify the external account name.

Clearing Branch Code

Specify the clearing branch code. Alternatively, you can select clearing branch code from the option list. The list displays all valid clearing branch code maintained in the system.

Product Category

Specify the product category. Alternatively, you can select product category from the option list. The list displays all valid product category maintained in the system.

Routing Number

Specify the routing number.

Sector Code

Specify the sector code. Alternatively, you can select sector code from the option list. The list displays all valid sector code maintained in the system.

Payer Bank Name

Specify the payer bank name.

Payer Account

Specify the payer account number.

Payer Branch

Specify the payer branch code.

Payer Bank Address 1

Specify the payer bank address.

Payer Bank Address 2

Specify the payer bank address.

Payer Bank Address 3

Specify the payer bank address.

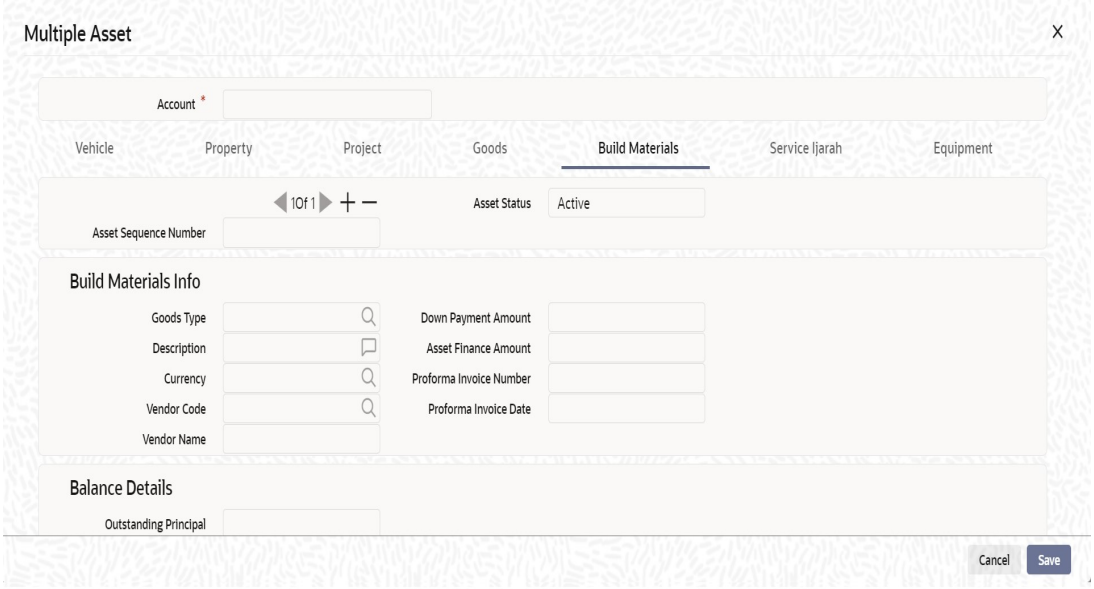
Payer Bank Address 4

Specify the payer bank address.

7.1.12 Multiple Asset Button

Click ‘Multiple Asset’ button to capture additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the account and displays the appropriate screen. For instance, if the asset type defined for

the linked product is ‘Building Info’ then the following screen will be displayed on clicking this button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

7.1.12.1 Capturing Building Material Information

Goods Type

Select the type of goods by clicking on the option list. The different types of goods that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Description

Specify a description for the building material to be financed.

Down Payment

Specify the amount paid as down payment.

Currency

Specify the currency of the account.

Asset Finance Amount

Specify the amount financed for the asset.

Vendor Code

Select the vendor code from the option list. This list displays all vendor codes maintained through the ‘Vendor Maintenance’ screen.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

Proforma Invoice Number

Specify the invoice number here.

Proforma Invoice Date

Specify the date of invoice creation here.

7.1.12.2 Capturing Balance Details

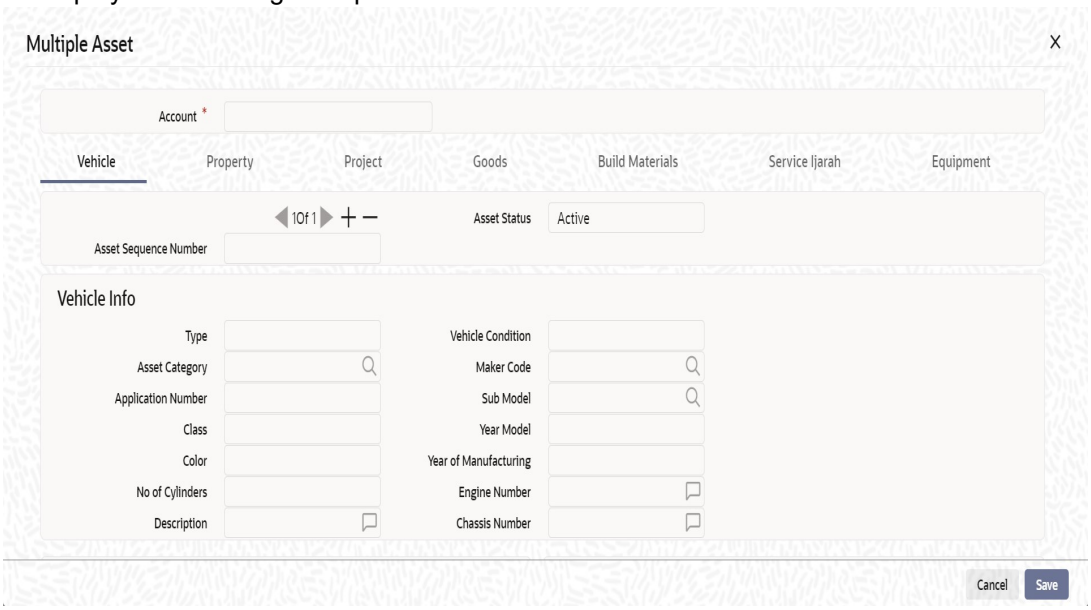
Outstanding Principal

The outstanding principal on the finance contract for this building material is displayed here.

Outstanding Profit

The outstanding profit on the finance contract for this building material is displayed here.

If the asset type defined for the linked product is 'Vehicle Info', then the following screen will be displayed on clicking 'Multiple Asset' button.



Here you can capture the following details:

Account Number

The account number is defaulted from the 'Account Details - Main' screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are 'Active' and 'Settled'. During account initiation the status will be 'Active'. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to 'Settled'. An asset can only be completely settled. No partial payment is allowed.

Capturing Vehicle Information

Asset Type

Select the type of asset from the drop-down list. The options available are:

- New - New Asset
- Used - Used Asset

Asset Category

Select the category to which the asset belongs from the option list. This list displays all options maintained using the 'Limits Type Maintenance' screen.

Application Number

Specify the application number for the asset here.

Color

Specify the color of the vehicle.

Class

Specify the class of the vehicle.

Number of Cylinder

Specify the number of cylinders for the vehicle. This has to be a numeric value.

Vehicle Condition

Describe the condition of the vehicle.

Vehicle Description

Enter a description for the vehicle. For example: Car, Van etc.

Make

Select the code indicating the make of the vehicle from the option list. All the vehicle maker codes, that you have maintained in the 'Vehicle Maker Details' screen, are listed for selection.

Sub Model

Select the sub-model of the vehicle from the adjoining option list. This list displays all models maintained using the 'Vehicle Maker Details' screen.

Year Model

Specify the year when the model was first launched.

Year of Manufacture

Specify the year in which the vehicle was manufactured.

Engine Number

Specify the engine number of the vehicle here. This can be an alphanumeric value.

Chassis Number

Specify the chassis number of the vehicle here.

Specifying Registration Details

Type

Specify the registration type here. You can choose from the following values in the adjoining drop-down list:

- S – Self
- TP – Third Party
- N - None

Name

Specify the name in which the vehicle is registered.

Emirate

Select the emirate in which the vehicle was registered, from the option list. All the emirates maintained using the 'Limits Type Maintenance' screen will be listed for you to select.

Registration Number

Specify the registration number of the vehicle here.

Date

Specify the date on which the vehicle was registered.

Delivery Date

Specify the date on which the vehicle was delivered.

Specifying Vendor Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the 'Vendor Maintenance' screen, are listed for you to select.

Vendor Name

Once the Vendor code is selected the corresponding vendor name is defaulted here.

Agent Sales Staff Name

Specify the name of the agent sales staff.

Agent Name

Specify the name of the agent.

Agent Branch

Specify the agent branch.

Specifying Amount Details

Currency

Specify the currency of the account.

Requested Amount

Specify the amount requested to be financed.

% Amt Financed/Appraised Value

Specify the percentage of amount financed that is appraised.

Specifying Appraiser Details

Appraiser Name

Specify the name of the appraiser here.

Appraised Value

Specify the value appraised.

Appraisal Date

Specify the date on which the appraisal was done.

Specifying Total Amount Details

Down Payment

Specify the amount paid as down payment.

Vehicle Value

Specify the value of the vehicle.

Maintenance Cost

Specify the maintenance cost of the vehicle.

Insurance Amount

Specify the insurance amount for the vehicle.

Asset Finance Amount

Specify the amount financed for the asset.

Specifying Insurance Details

Insured By Bank

Check this box to indicate that the asset is insured by the bank.

Insurance Company

Select the name of the company through which the assets is insured.

Premium Amount

Specify the premium amount to be paid for the insurance.

Specifying Balance Details

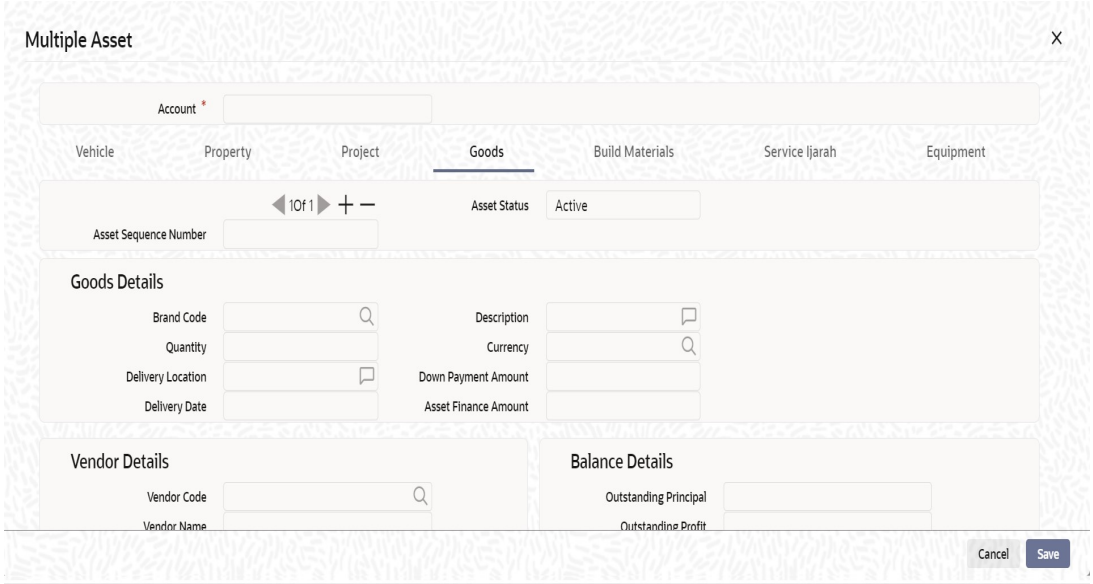
Outstanding Principal

The outstanding principal on the account for this vehicle is displayed here.

Outstanding Profit

The outstanding profit on the account for this vehicle is displayed here.

If the asset type defined for the linked product is ‘Goods Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

Goods Details

Brand

Select the brand of the goods by clicking on the option list. The different brands that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Description

Specify a description for the goods brand.

Quantity

Specify the quantity of good here.

Delivery Location

Specify the location where the goods have to be delivered.

Delivery Date

Specify the date on which the goods have to be delivered.

Currency

Specify the account currency here.

Down Payment

Specify the amount paid as down payment.

Asset Finance Amount

Specify the amount financed for the asset.

Specifying Vendor Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the ‘Vendor Maintenance’ screen, are listed for you to select.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

Specifying Balance Details

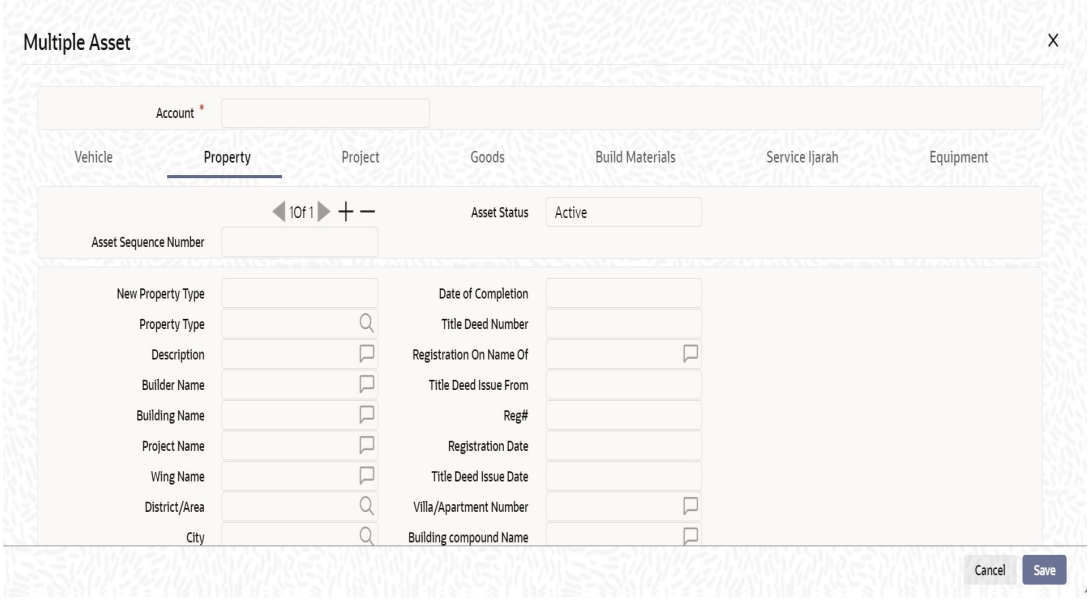
Outstanding Principal

The outstanding principal on the account for the goods is displayed here.

Outstanding Profit

The outstanding profit on the account for the goods is displayed here.

If the asset type defined for the linked product is ‘Property Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

7.1.12.3 Capturing Property Details

Property Type New

Select if the property is new or old. The options available are:

- Y - Yes
- N - No

Type of Property

Select the type of property from the option list. The types of properties that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Description

Specify a description for the property.

Builder Name

Specify the name of the builder of the property.

Project Name

Specify the name of the project.

Building Name

Specify the name of the building for which finance is taken

Wing Name

Specify the name of the wing in which the property is.

District/Area (Hoz Raqam)

Select the district or area within the selected Emirate by clicking on the option list. The different districts within the Emirates that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

City

Select the city where the property is by clicking on the option list. The different cities that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Area in another Country

Select the area in another country where the property is by clicking on the option list. The different areas in another country that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Plot Number

Specify the plot number here.

Property Status

Specify the status of the property financed.

Property Area

Specify the area of the property.

Property Usage

Specify the usage of the property here. For example: Primary, Secondary etc.

Date of Completion

Specify the date of completion of the property construction.

Title Deed Number

Specify the title deed number. This has to be an alphanumeric value.

Registered on Name

Specify on whose name the property is registered.

Title Deed Issued From

Specify from where the title deed was issued.

Registration Number

Specify the registration number of the property here.

Date

Specify the date on which the property was registered.

Title Deed Issue Date

Specify the date on which the title deed was issued.

Villa/Apartment Number

Specify the number of the villa or the apartment.

Building Compound Name

Specify the name of the compound in which the building is located.

Street Name

Specify the name of the street in which the property is located.

PO Box

Specify the post office box number of the location where the property is located.

Emirate

Select the Emirate where the property is by clicking on the option list. The Emirates that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Area within Emirate

Specify the area within the selected Emirate by clicking on the option list. The different areas with Emirate that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Country

Specify the country where the property.

Mortgage Degree

Specify the degree of mortgage of the property.

Lot Number

Specify the lot number of the property.

7.1.12.4 Specifying Vendor Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the 'Vendor Maintenance' screen, are listed for you to select.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

7.1.12.5 Specifying Amount Details

Currency

Specify the currency of the account.

Requested Amount

Specify the amount requested for finance.

Down Payment

Specify the amount paid as down payment.

Property Value

Specify the value of the property here.

Insurance Value

Specify the amount for which the property is insured.

Asset Finance Amount

Specify the amount financed for the asset.

7.1.12.6 Specifying Insurance Details

Insurance Company

Select the name of the company from which insurance coverage is taken for the property.

Insurance Paid By

Specify by whom the insurance for the property is paid.

Premium Amount

Specify the premium amount to be paid for the insurance.

Insured Name

Specify on whose name the insurance is taken.

Insurance Expiry Date

Specify the date on which the insurance expires.

7.1.12.7 Specifying Evaluator Details

Name

Specify the name of the evaluator in this field.

Value

Specify the evaluation value in this field.

Date

Specify the date of evaluation in this field.

7.1.12.8 Specifying Balance Details

Outstanding Principal

The outstanding principal on the finance contract for this property is displayed here.

Outstanding Profit

The outstanding profit on the finance contract for this property is displayed here.

Vendor Type

Select the vendor type from the drop-down list. The options available are:

- C - Contractor
- N - Consultant
- P - Project Manager

Chosen By

Select by whom the property is chosen from the drop-down list. The options available are:

- B - Bank
- C - Customer

Code

Select the vendor code from the options list available.

Name

The name of the vendor is displayed here.

Account Value

Specify the value of the account here.

Date

Specify the date of the contract here.

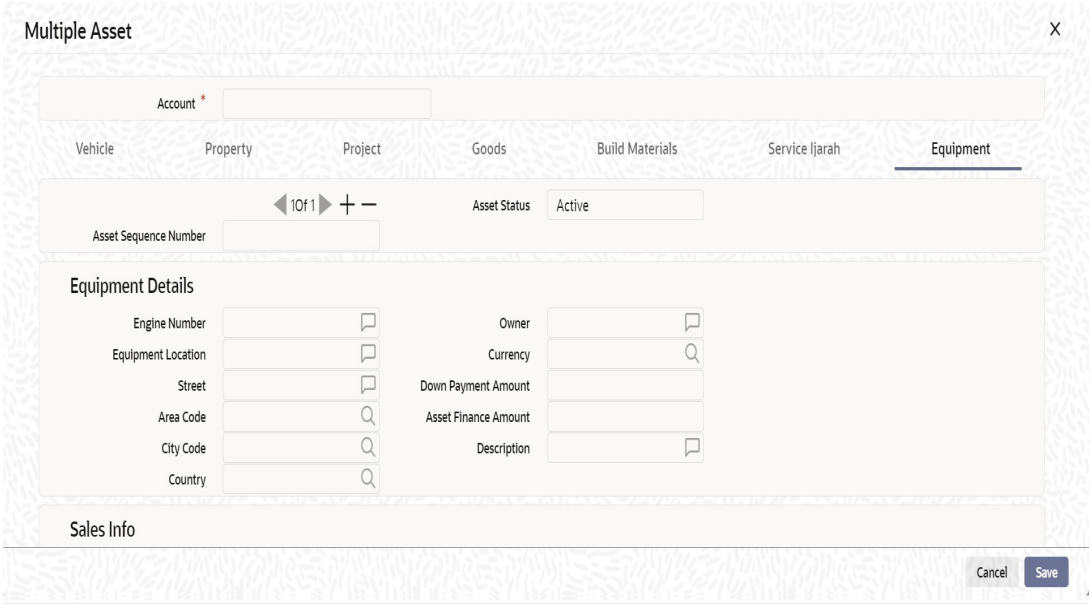
Construction Start Date

Specify the date on which the construction of the property started.

Proposed Completion Date

Specify the proposed date of completion of the property.

If the asset type defined for the linked product is ‘Equipment Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

7.1.12.9 Specifying Equipment Details

Engine Number

Specify the engine number of the equipment here.

Equipment Location

Specify the location where the equipment is.

Street

Specify the name of the street where the equipment is.

Area

Select the area where the equipment is from the option list. The different areas that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

City

Select the city where the equipment is from the option list. The different cities that you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Country

Select the country where the equipment is from the option list. The different countries that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Owners

Specify the name of the person who owns the equipment.

Description

Enter a description for the equipment.

Currency

Specify the currency of the account.

Down Payment

Specify the amount paid as down payment.

Asset Finance Amount

Specify the amount financed for the asset.

7.1.12.10 Specifying Seller Details

Vendor Code

Select the vendor code from the option list. All the vendor codes maintained using the 'Vendor Maintenance' screen is listed for you to select.

Vendor Name

The vendor name corresponding to the vendor code selected is displayed here.

Selling Date

Specify the date on which the equipment was sold.

Invoice Date

Specify the date on which the invoice was created.

Invoice Number

Specify the invoice number here.

7.1.12.11 Specifying Balance Details

Outstanding Principal

The outstanding principal on the account for this equipment is displayed here.

Outstanding Profit

The outstanding profit on the account for this equipment is displayed here.

7.1.12.12 Specifying Evaluator Details

Name

Specify the name of the evaluator here.

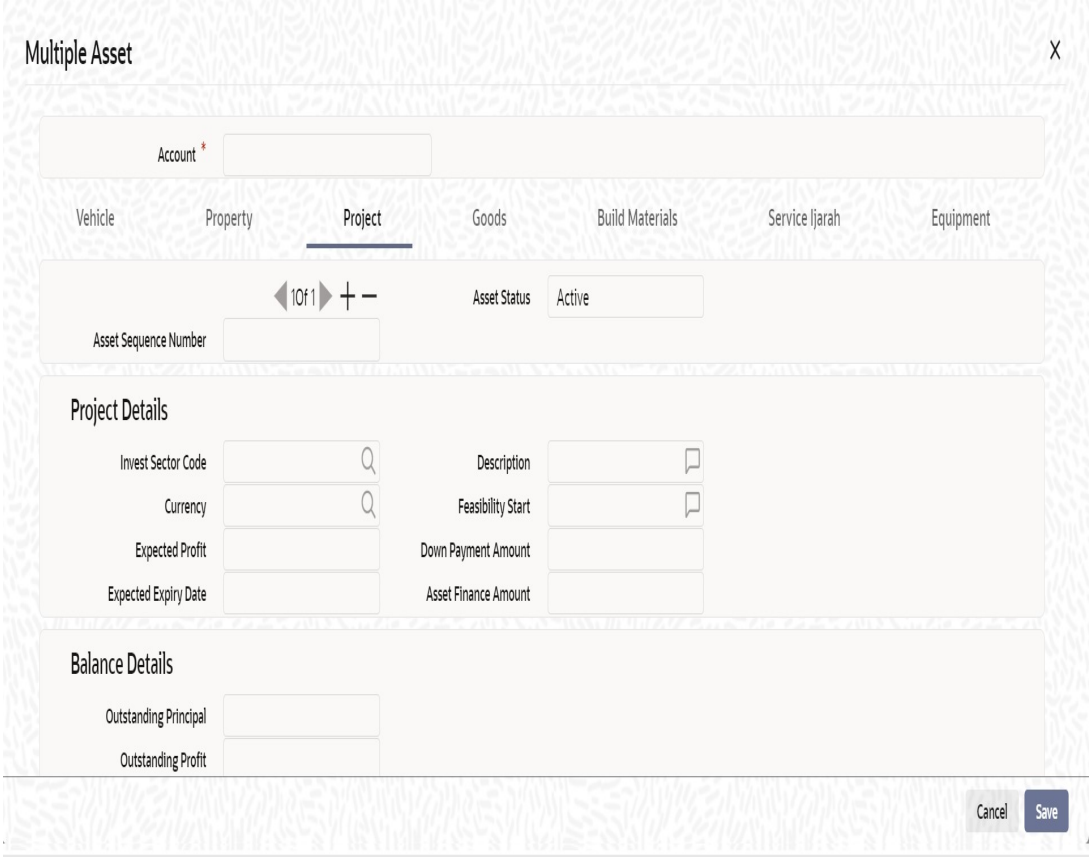
Value

Specify the evaluated value of the equipment.

Date

Specify the date of evaluation.

If the asset type defined for the linked product is ‘Project Info’, then the following screen will be displayed on clicking ‘Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘Active’ and ‘Settled’. During account initiation the status will be ‘Active’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘Settled’. An asset can only be completely settled. No partial payment is allowed.

7.1.12.13 Specifying Project Details

Sector of Investment

Select the sector of investment from the option list. The different sectors of investment which you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Currency

Specify the currency of the account.

Feasibility Study Initiator

Specify the name of the person initiating the feasibility study.

Expected Profit

Specify the expected profit for the project here.

Down Payment

Specify the amount paid as down payment.

Expected Expiry Date

Specify the expected expiry date of the project here.

Asset Finance Amount

Specify the amount financed for the asset.

7.1.12.14 Capturing Outstanding Details

Outstanding Principal

The outstanding principal on the account for this project is displayed here.

Outstanding Profit

The outstanding profit on the account for this project is displayed here.

Vendor

Select the vendor type from the drop-down list. The options available are:

- C - Contractor
- N - Consultant
- P - Project Manager

Chosen By

Select the entity that chose the project, from the drop-down list. The options available are:

- B - Bank
- C - Customer

Code

Specify the vendor code here. The option list displays all vendor codes maintained through the ‘Vendor Maintenance’ screen.

Name

The system displays the vendor name here based on the code specified.

Account Value

Specify the value of the finance here. This will be same as the total finance amount.

Date

Specify the date of the account here.

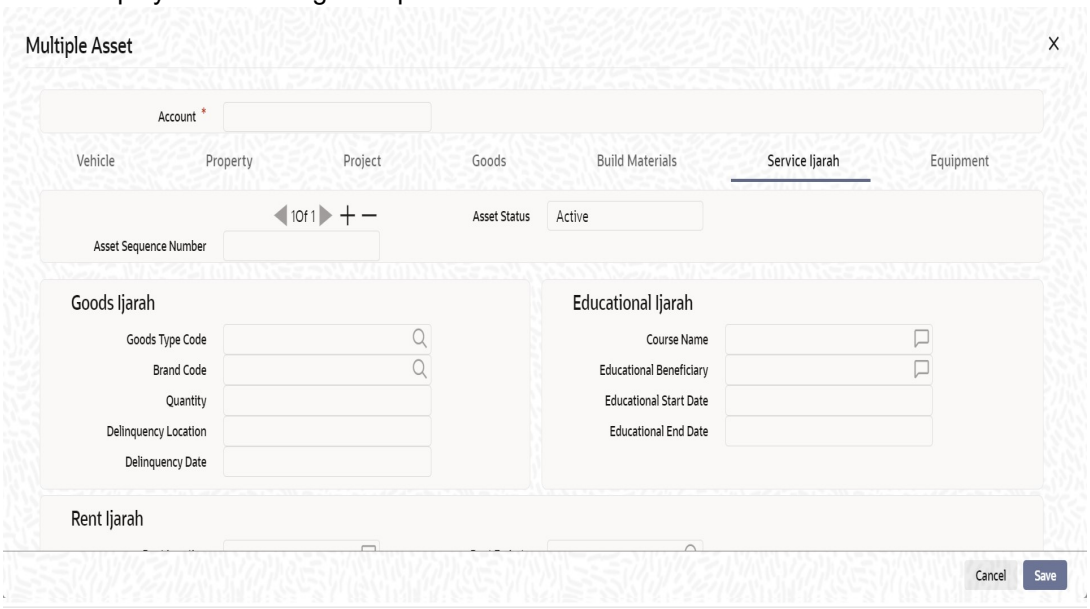
Construction Start Date

Specify the date on which construction had started.

Proposed Completion Date

Specify the proposed date of completion of the project.

If the asset type defined for the linked product is ‘Service *Ijarah* Info’, then the following screen will be displayed on clicking ’Multiple Asset’ button.



Here you can capture the following details:

Account Number

The account number is defaulted from the ‘Account Details - Main’ screen.

Asset Sequence Number

The system generates a sequence number for the asset and displays it here.

Status

The status of the asset is displayed here. The statuses available are ‘A’ (Active) and ‘S’ (Settled). During account initiation the status will be ‘A’. Once the prepayment of the asset begins the asset will be completely settled. Then the status will change to ‘S’. An asset can only be completely settled. No partial payment is allowed.

7.1.12.15 Specifying Goods *Ijarah* Details

Type of Goods

Select the type of goods here from the option list. The different types of goods which you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Brand

Select the brand of the goods here from the option list. The different brands of goods which you have maintained using the ‘Limits Type Maintenance’ screen will be listed here for selection.

Quantity

Specify the quantity of goods here.

Delivery Date

Specify the date on which the goods should be delivered.

Delivery Location

Specify the location where the goods have to be delivered.

7.1.12.16 Specifying Educational *Ijarah* Details

Course Name

Specify the name of the course here.

Beneficiary

Specify the name of the beneficiary here.

Start Date

Specify the date on which the course starts.

End Date

Specify the date on which the course ends.

7.1.12.17 Specifying Rent *Ijarah* Details

Rent Location

Specify the location of the rented building.

Unit Number

Specify the unit number of the rented building.

Description

Specify a description for the rented property.

Plot Number

Specify the plot number of the rented building.

Building Name

Specify the name of the rented building.

Project Name

Specify the project name of the rented building.

Area within Emirate

Select the area where the rented property is by clicking on the option list. The areas that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Emirate

Select the Emirate where the rented property is by clicking on the option list. The Emirates that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Total Area

Specify the total area of the rented building.

Built Up Area

Specify the built up area of the rented building.

Number of Storey

Specify number of storey the rented building has.

Start Date

Specify the date from when the building is taken on rent.

End Date

Specify the date till which the building is rented out.

7.1.12.18 Specifying Events *Ijarah* Details

Type

Specify the type of event.

Location

Specify the location where the event is conducted.

Plot Number

Specify the plot number of the building where the event is going to take place.

Description

Specify a description for the event.

Building Name

Specify the name of the building where the event is going to take place.

Area

Select the area where the building is. The areas that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Emirate

Select the Emirate where the building is by clicking on the option list. The Emirates that you have maintained using the 'Limits Type Maintenance' screen will be listed here for selection.

Hotel Total Area

Specify the total area of the hotel where the event is going to take place.

Capacity

Specify the total seating capacity of the hotel.

7.1.12.19 Specifying Medical *Ijarah* Details

Description

Specify a description of the medical treatment.

Beneficiary

Specify the name of the beneficiary here.

Start Date

Specify a start date for the medical treatment.

End Date

Specify an end date for the medical treatment.

7.1.12.20 Specifying Common Information

Down Payment

Specify the amount paid as down payment.

Asset Finance Amount

Specify the amount financed for the asset.

Description

Enter a brief description for the *Ijarah*.

Vendor Code

Select the vendor code from the option list. All vendor codes maintained through the 'Vendor Maintenance' screen are available for selection.

Vendor Name

The name of the selected vendor is displayed here.

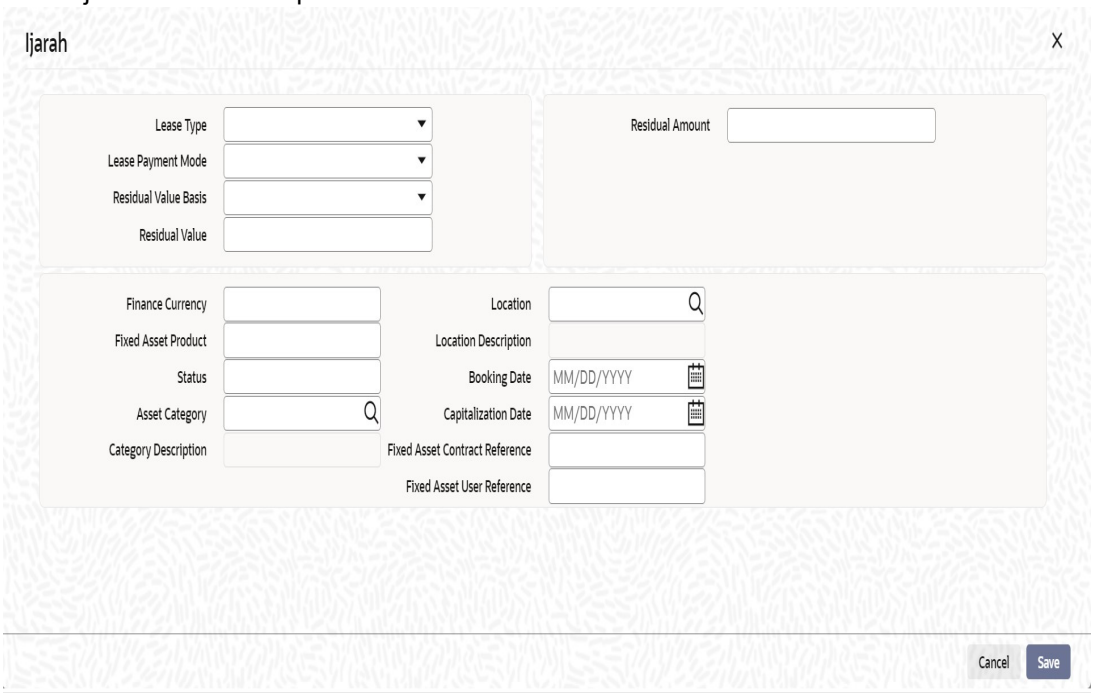
Currency

Specify the currency of the account.

While savings the record, the system will add up the asset value and verify the total asset cost against the range maintained for the product. If the asset cost exceeds the range maintained for the product, the system will display an override message. If the asset currency is different from the currency in which the product level range is maintained, the system will use the standard mid-rate for conversion.

7.1.13 Ijarah Button

Click 'Ijarah' button to capture lease related details.



You can specify the following details:

Lease Type

Here you can select the type of lease from options given below:

- Financial Lease (F)
- Operational Lease (O)

Lease Payment Mode

Here you can select the type of payment mode from options given below:

- Payment in Arrears (R) – In this case the payment is done at the end of the schedule. The formula type 'Amort-Payment in Arrears' is maintained to calculate the EMI amount.
- Payment in Advance (A) – In this case payment is done at the beginning of the schedule. The amortization schedules will start from the value date onwards. The First EMI which falls on the account value date is liquidated automatically, this is allowed only

if the asset tracking is not required. The formula type ‘Amort-Payment in Advance’ is maintained to calculate the EMI amount.

Residual Value Basis

You can select one of the below options which indicates the basis on which the residual amount has to be calculated:

- A percentage of Asset cost
- A percentage of Amount Financed
- Flat amount

Residual Value

Specify the percentage or flat amount for the residual amount.

Residual Amount

Here the system displays the calculated residual amount and this should be less than the ‘Amount Financed’.

Note

On liquidation, this amount will be treated as Principal and Profit.

If a residual amount exists for the finance, then it would be the last schedule of the account with the due date as the maximum date supported. The components will be ‘PRINCIPAL’ and ‘PROFIT’. The residual amount in case of payment in advance includes the profit. For an Operational Lease this amount will be considered fully towards the profit. For a financial lease if the payment mode is ‘In Arrears’ then the residual amount will be considered fully towards the principal.

Finance Currency

Specify the finance currency.

Fixed Asset Product

Specify the fixed asset product code.

Status

Specify the status.

Asset Category

Specify the asset category. Alternatively, you can select asset category from the option list. The list displays all valid asset category maintained in the system.

Category Description

The system displays the description for the selected asset category.

Location

Specify the location details. Alternatively, you can select location from the option list. The list displays all the locations maintained in the system.

Location Description

The system displays the description for the selected location.

Booking Date

Select the booking date from the adjoining calendar.

Capitalization Date

Select the capitalization date from the adjoining calendar.

Fixed Asset Contract Reference

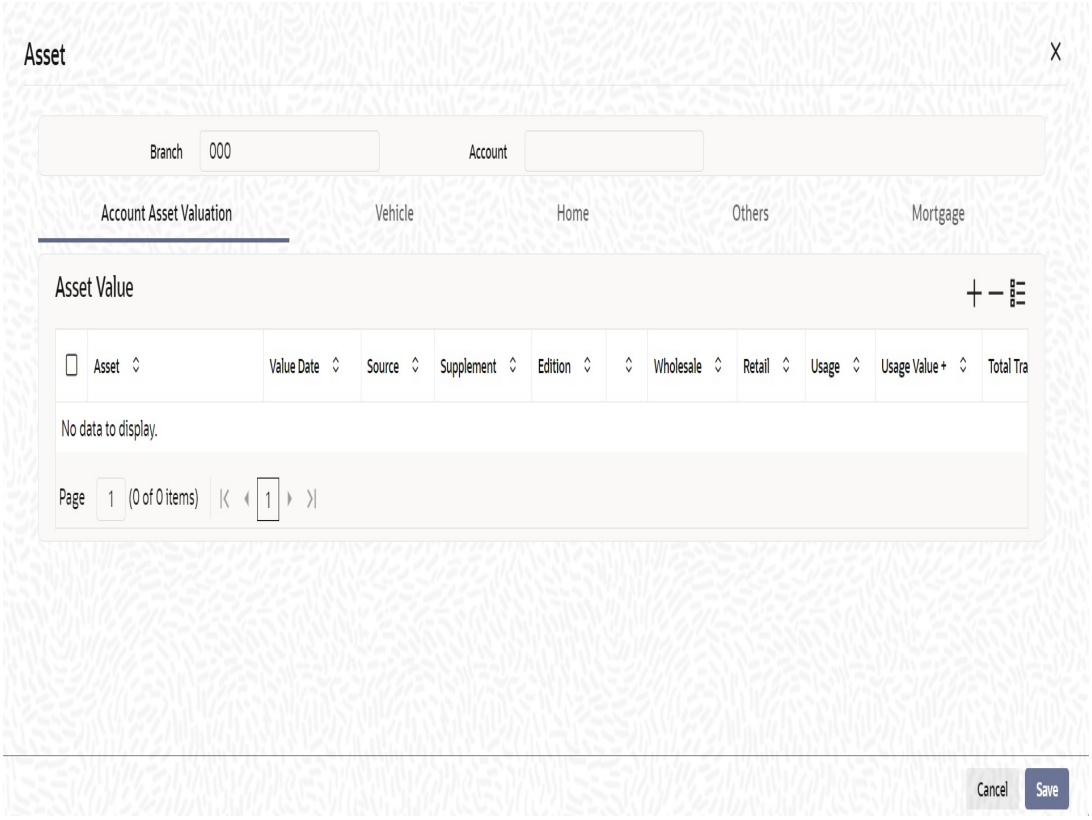
Specify the fixed asset contract reference number.

Fixed Asset User Reference

Specify the fixed asset user reference number.

7.1.14 Asset Button

Click ‘Asset’ button to invoke ‘Asset’ screen.



You can specify the following details:

Branch

The system displays the branch code.

Account

The system displays the account number.

7.1.14.1 Account Asset Valuation Tab

Click ‘Account Asset Valuation’ tab in ‘Assets’ screen to specify asset details.

Asset Value

Select asset value from the drop-down list. The list displays the following values:

- Vehicle
- Home
- Others

Value Date

Select the value date from the adjoining calendar.

Source

Specify the source code.

Supplement

Specify the supplement details.

Edition

Specify the edition details.

Wholesale

Specify the wholesale value.

Retail

Specify the retail value.

Usage

Specify the usage details.

Usage Value +

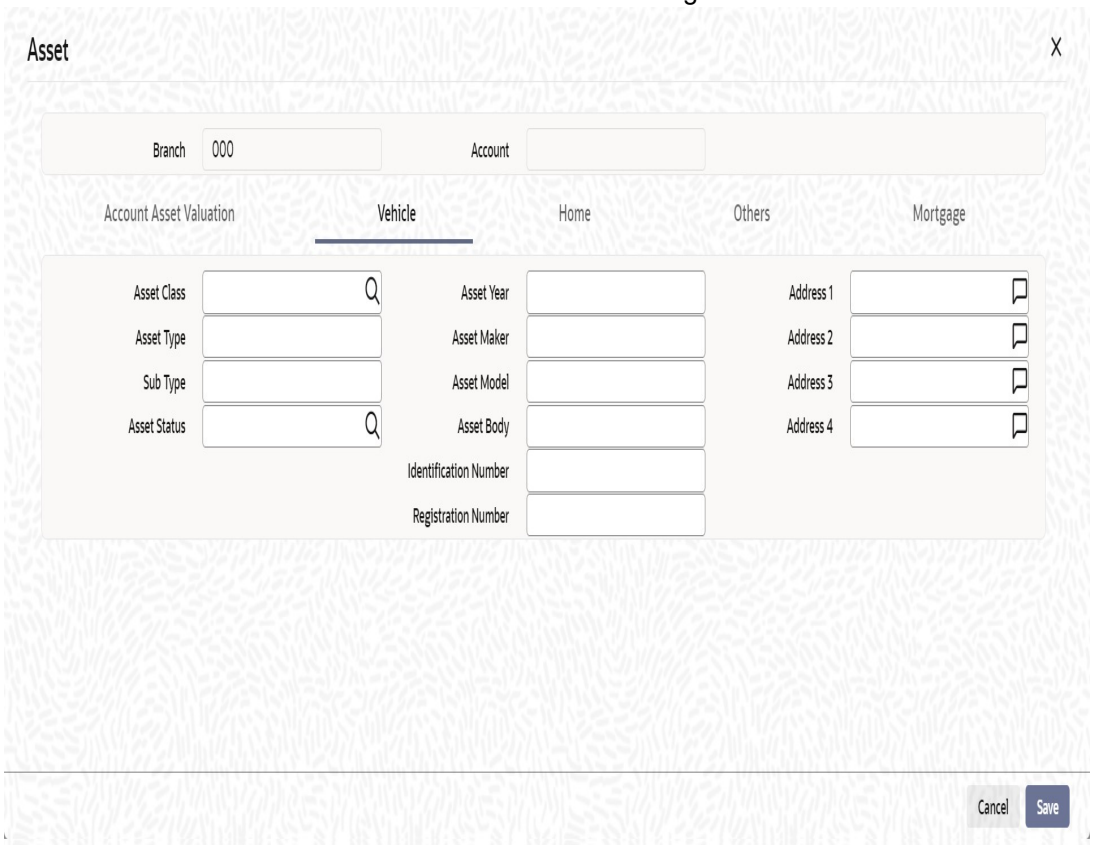
Specify the usage value.

Total Transaction Value

Specify the total transaction value.

7.1.14.2 Vehicle Tab

Click 'Vehicle' tab in 'Assets' screen to invoke the following screen:



You can specify the following details:

Asset Class

Specify the asset class. Alternatively, you can select asset class from the option list. The list displays all valid asset classes maintained in the system.

Type

Specify the type.

Sub Type

Specify the sub type.

Asset Status

Specify the asset status. Alternatively, you can select asset status from the option list. The list displays all valid asset status maintained in the system.

Asset Year

Specify the year of the asset.

Asset Maker

Specify the maker details of the asset.

Asset Model

Specify the model details of the asset.

Asset Body

Specify the asset body details.

Identification Number

Specify the identification number.

Registration Number

Specify the registration number.

Address 1

Specify the address details.

Address 2

Specify the address details.

Address 3

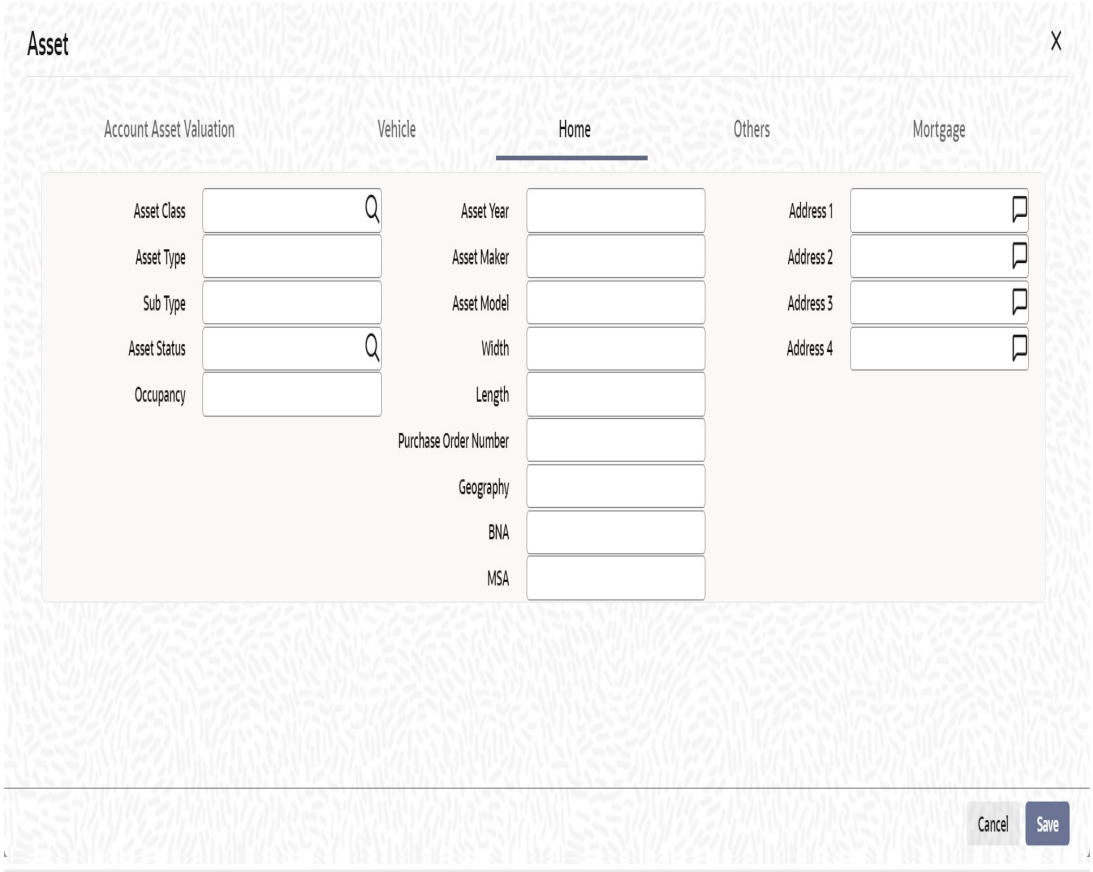
Specify the address details.

Address 4

Specify the address details.

7.1.14.3 Home Tab

Select ‘Home’ tab in ‘Asset’ screen to invoke the following screen:



Asset Class

Specify the asset class. Alternatively, you can select asset class from the option list. The list displays all valid asset classes maintained in the system.

Type

Specify the type.

Sub Type

Specify the sub type.

Asset Status

Specify the asset status. Alternatively, you can select asset status from the option list. The list displays all valid asset status maintained in the system.

Occupancy

Specify the occupancy details.

Asset Year

Specify the year of the asset.

Asset Maker

Specify the maker details of the asset.

Asset Model

Specify the model details of the asset.

Width

Specify the width details.

Length

Specify the length details.

Purchase Order Number

Specify the purchase order number.

Geography

Specify the geography details.

BNA

Specify the BNA details.

MSA

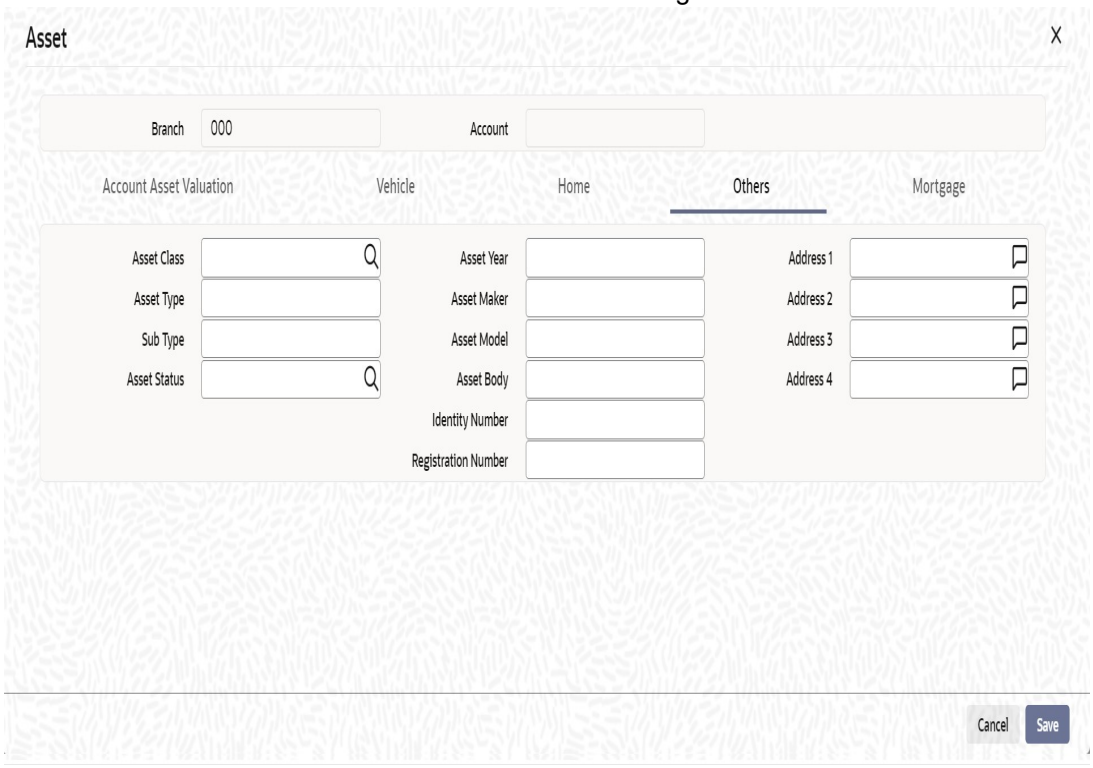
Specify the MSA details.

Address 1 -4

Specify the address.

7.1.14.4 Others Tab

Click ‘Others’ tab in ‘Assets’ screen to invoke the following screen:



You can specify the following details:

Asset Class

Specify the asset class. Alternatively, you can select asset class from the option list. The list displays all valid asset classes maintained in the system.

Type

Specify the type.

Sub Type

Specify the sub type.

Asset Status

Specify the asset status. Alternatively, you can select asset status from the option list. The list displays all valid asset status maintained in the system.

Asset Year

Specify the year of the asset.

Asset Maker

Specify the maker details of the asset.

Asset Model

Specify the model details of the asset.

Asset Body

Specify the asset body details.

Identification Number

Specify the identification number.

Registration Number

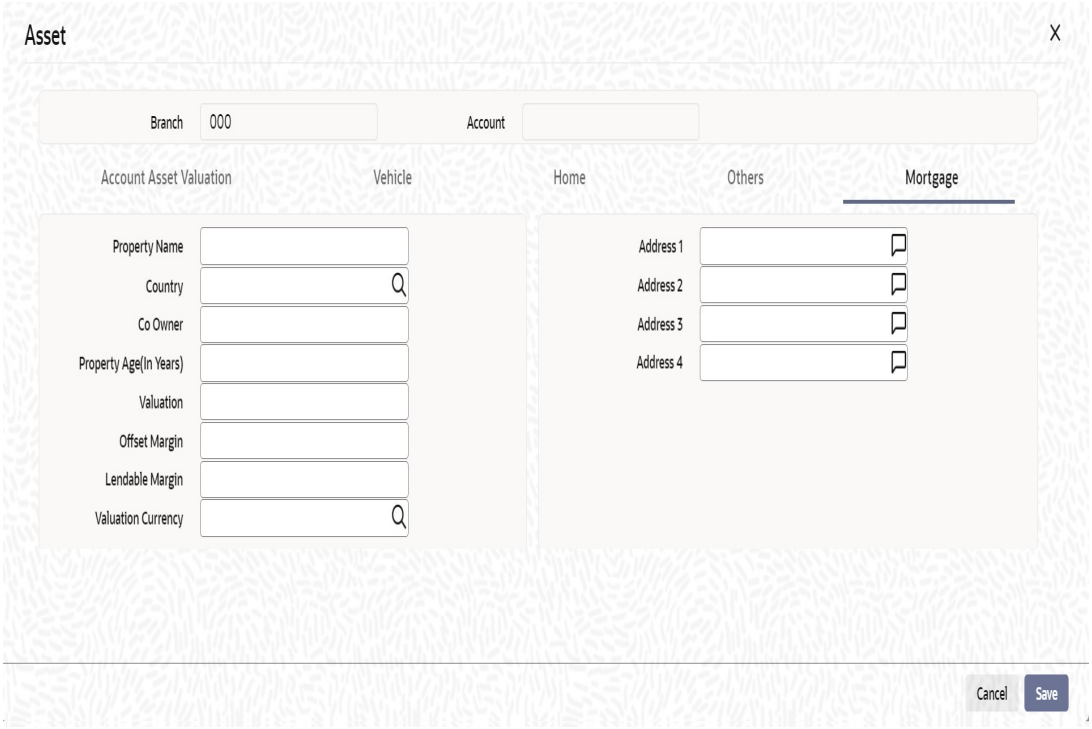
Specify the registration number.

Address 1 -4

Specify the address.

7.1.14.5 Mortgage Tab

Click ‘Mortgage’ tab in ‘Asset’ screen to invoke the following screen:



You can specify the following details:

Property Name

Specify the name of the property.

Collateral Category

Specify the collateral category details.

Country

Specify the country code.

Co Owner

Specify the co-owner details.

Property Age (In Years)

Specify the age of the property.

Valuation

Specify the valuation details.

Offset Margin

Specify the offset margin details.

Lendable Margin

Specify the lendable margin details.

Valuation Currency

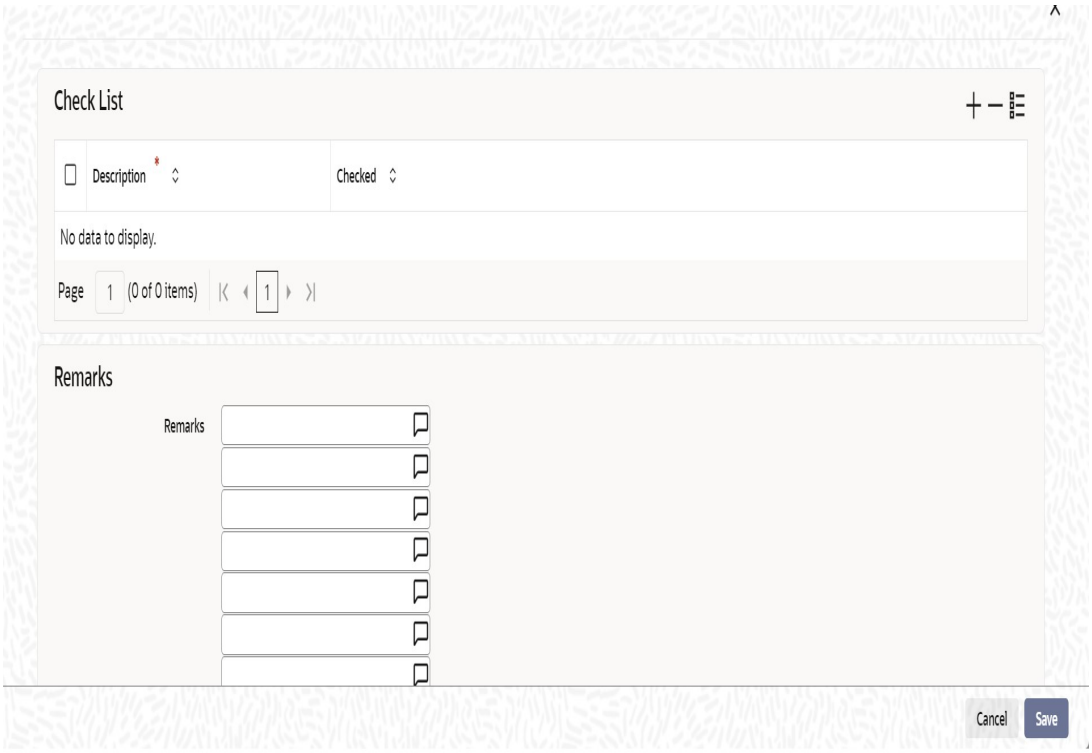
Specify the valuation currency code.

Address 1 -4

Specify the address.

7.1.14.6 Checklist Button

Click ‘Checklist’ button in ‘Islamic Account Details’ screen to invoke ‘Checklist’ screen.



You can specify the following values:

Description

Specify the description for the checklist.

Checked?

Check this box if the check list is checked.

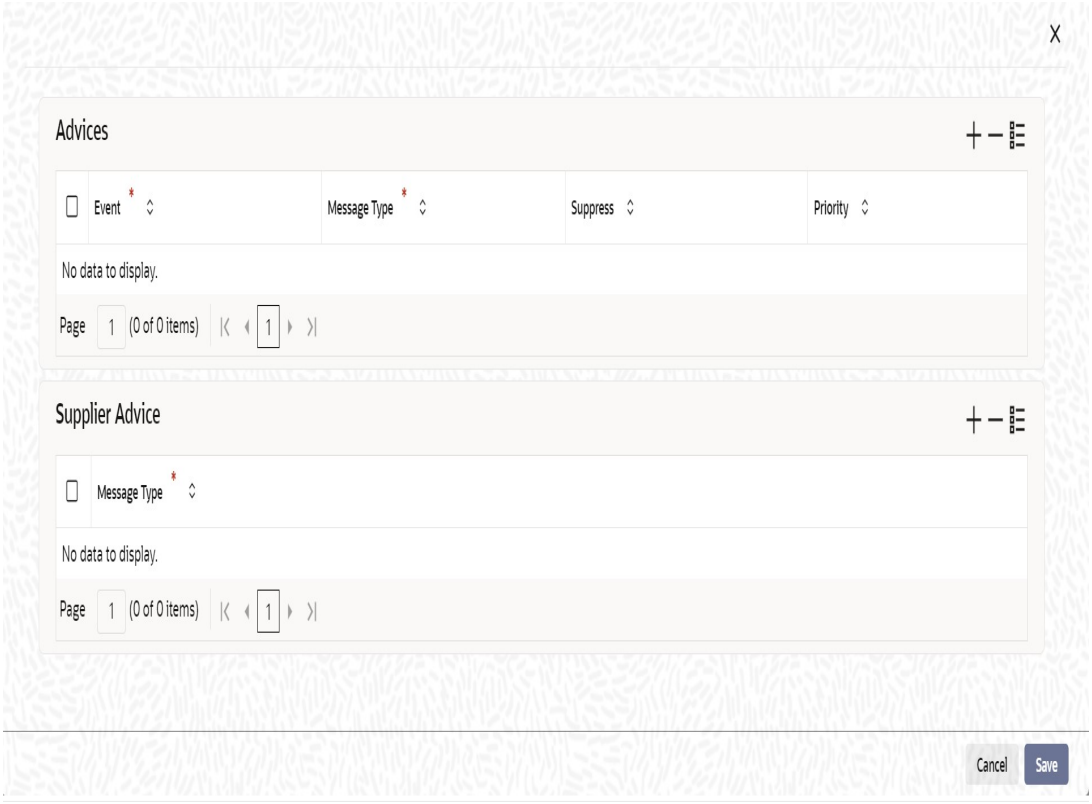
Remarks

Specify additional information.

7.1.15 Advices Button

Advices that may be generated whenever the account level status changes or whenever a particular event is fired can be linked at the Product level. Priorities of the advice can be changed and also a particular advice for an event can be suppressed. Generation of an advice across the life of the account can also be suppressed.

Click ‘Advices’ button in ‘Islamic Account Details’ screen to invoke the following screen:



You can specify the following Advice details:

Event

The system displays the even code.

Msg Type

The system displays all the advices for all the events for the account. The list will include all the advices that are defined at the product level.

Suppress

This field allows the user to suppress the generation of the advice for a particular event. The options are Yes and No.

Priority

Click on the option list to select the priority of generation. A list of values is displayed. Double click on a value to select it.

The options are High, Medium or Low.

Suppress Advices

The generation of an advice across the life of the account can be suppressed.

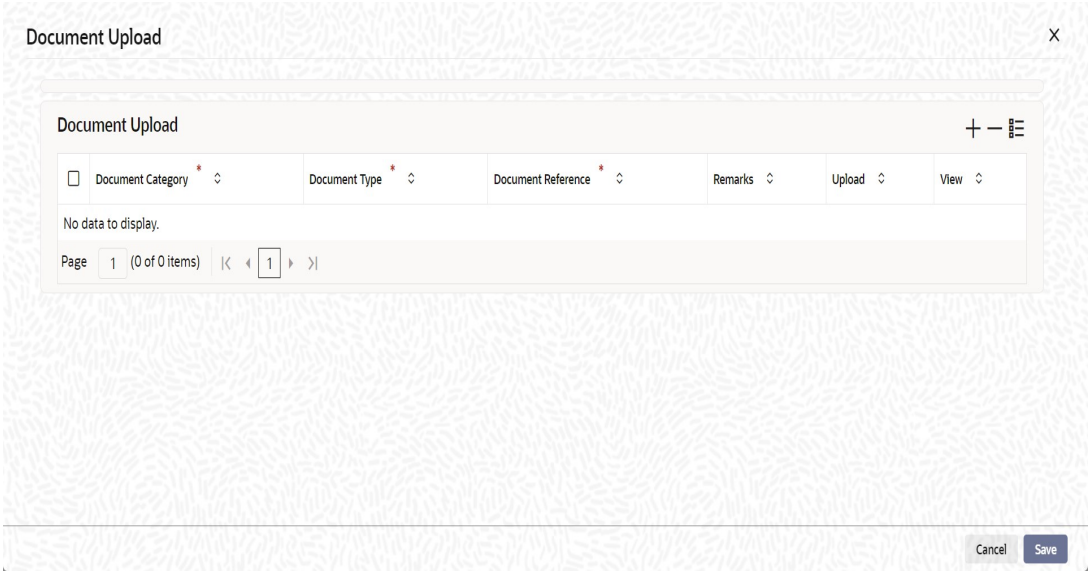
Message Type

Click on the option list to select the type of advice, the generation of which can be suppressed across the account. A list of values is displayed. Double click on a value to select it.

The list includes advices defined at the product level.

7.1.16 Documents Button

You can capture the customer related documents in central content management repository through the 'Document Upload' screen. Click 'Documents' button to invoke this screen.



Here, you need to specify the following details:

Document Category

Specify the category of the document to be uploaded.

Document Type

Specify the type of document that is to be uploaded.

Document Reference

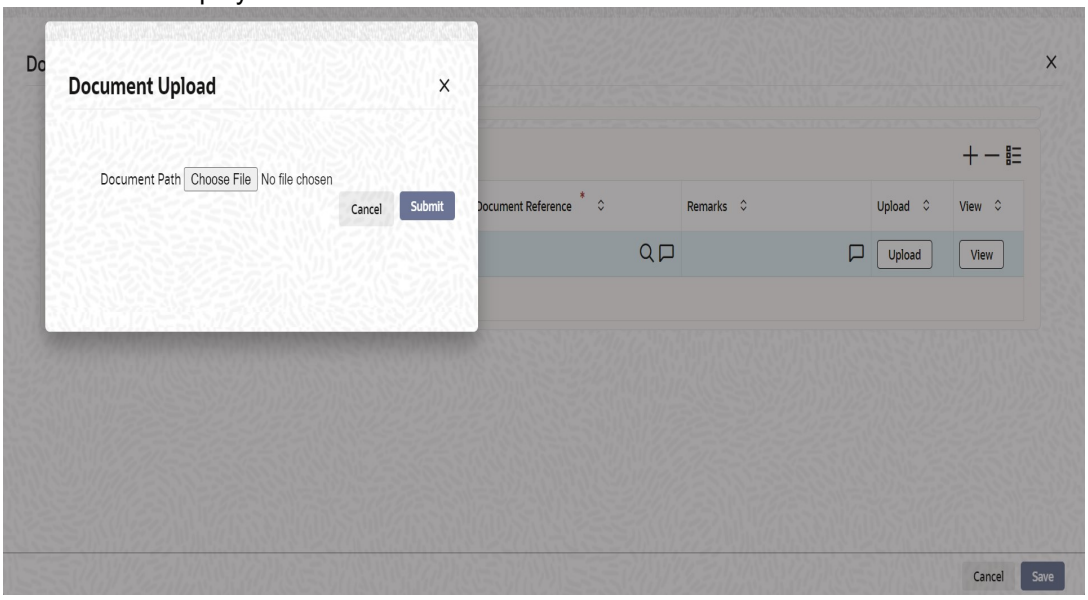
The system generates and displays a unique identifier for the document.

Remarks

Specify the additional information, if any.

Upload

Click ‘Upload’ button to open the ‘Document Upload’ sub-screen. The ‘Document Upload’ sub-screen is displayed below:



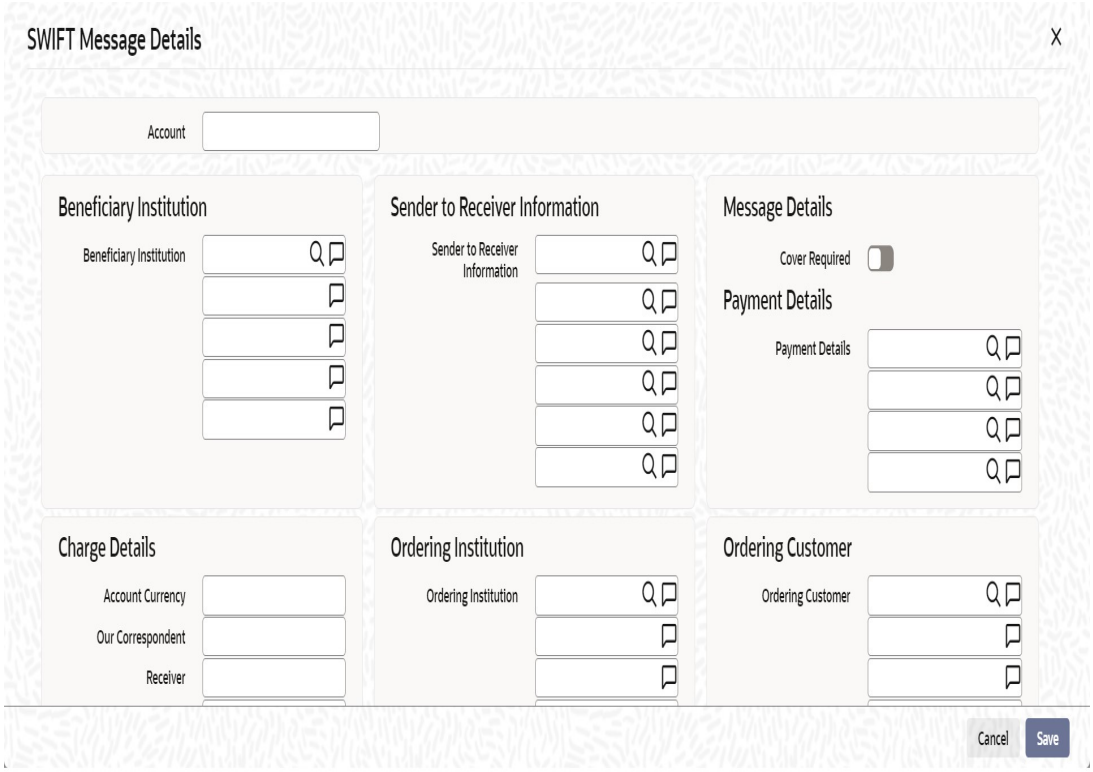
In the ‘Document Upload’ sub-screen, specify the corresponding document path and click the ‘Submit’ button. Once the document is uploaded through the upload button, the system displays the document reference number.

View

Click ‘View’ to view the document uploaded.

7.1.17 SWIFT Message Details Button

Click ‘SWIFT Message Details’ button in ‘Islamic Account Details’ screen to invoke the following screen:



You can specify the following details:

Account

Specify the account number.

Beneficiary Institution

Beneficiary Institution

Specify the beneficiary institution details. Alternatively, you can select the beneficiary institution details from the option list. The list displays all valid beneficiary institution details maintained in the system.

Sender To Receiver Information

Sender To Receiver Information

Specify the sender to receiver information details. Alternatively, you can select the sender to receiver information details from the option list. The list displays all valid sender to receiver information details maintained in the system.

Message Details

Cover Required

Check this box if applicable.

Payment Details

Payment Details

Specify the payment details.

Charge Details

Account Currency

Specify the account currency code.

Our Correspondent

Specify the correspondent details.

Receiver

Specify the receiver details.

Transfer Type

Specify the type of transfer.

Remitter - All Charges

Select the remitter - all charges option that you are maintaining. The options are as follows:

- Charges
- Remitter 1

Ordering Institution

Ordering Institution

Specify the ordering institution details. Alternatively, you can select the ordering institution details from the option list. The list displays all valid ordering institution details maintained in the system.

Ordering Customer

Ordering Customer

Specify the ordering customer details. Alternatively, you can select the ordering customer details from the option list. The list displays all valid ordering customer details maintained in the system.

Intermediary Reimbursement Institution

Intermediary Institution

Specify the intermediary institution details. Alternatively, you can select the intermediary institution details from the option list. The list displays all valid intermediary institution details maintained in the system.

Ultimate Beneficiary

Ultimate Beneficiary

Specify the ultimate beneficiary details. Alternatively, you can select the ultimate beneficiary details from the option list. The list displays all valid ultimate beneficiary details maintained in the system.

Beneficiary Institution for Cover

Beneficiary Institution

Specify the beneficiary institution details. Alternatively, you can select the beneficiary institution details from the option list. The list displays all valid beneficiary institution details maintained in the system.

Receiver Correspondence

Receiver Correspondent

Specify the receiver correspondent details. Alternatively, you can select the receiver correspondent details from the option list. The list displays all valid receiver correspondent details maintained in the system.

Account with Institution

Account with Institution

Specify the account with institution details. Alternatively, you can select the account with institution details from the option list. The list displays all valid account with institution details maintained in the system.

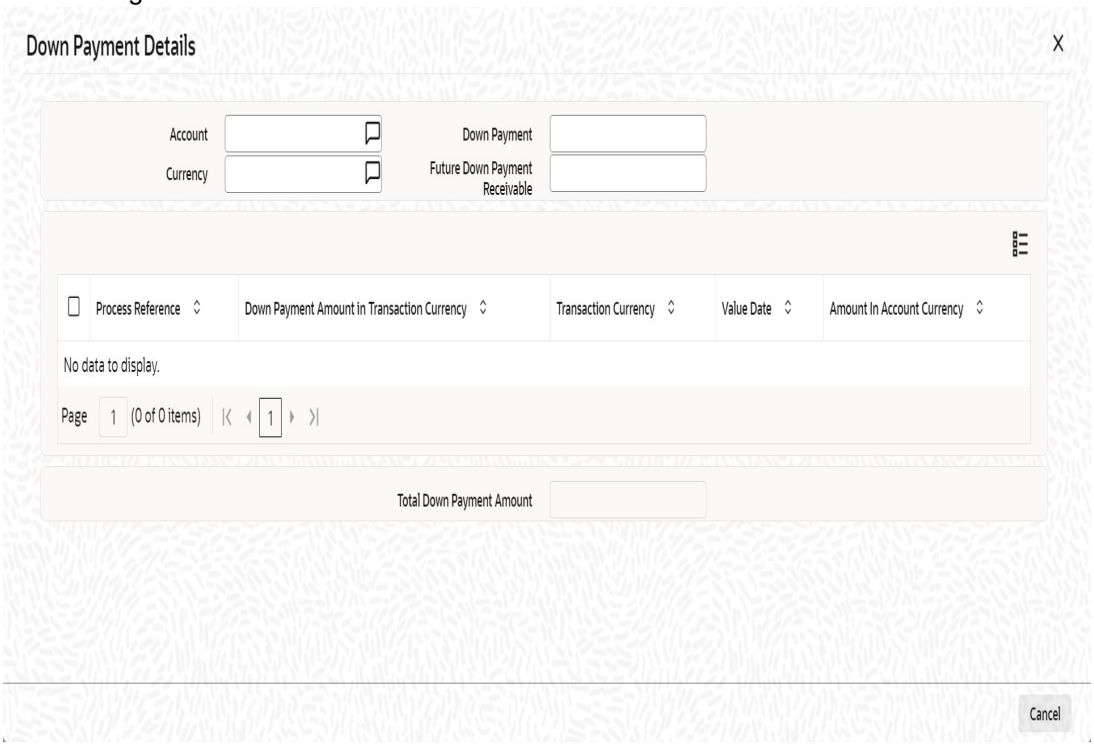
Intermediary

Intermediary

Specify the intermediary details. Alternatively, you can select the intermediary details from the option list. The list displays all valid intermediary details maintained in the system.

7.1.18 Down Payment Details Button

Click ‘Down Payment Details’ button in ‘Islamic Account Details’ screen to invoke ‘Down Payment Details’ screen.Using this screen, the system captures details of all down payments received against an account.



You can specify the following details:

Account

Specify the account number of the down payment customer.

Currency

Specify the currency code of the down payment customer.

Down Payment

Specify the down payment details.

Future Down Payment Recievable

Specify the future down payment receivable details.

The system displays the following values:

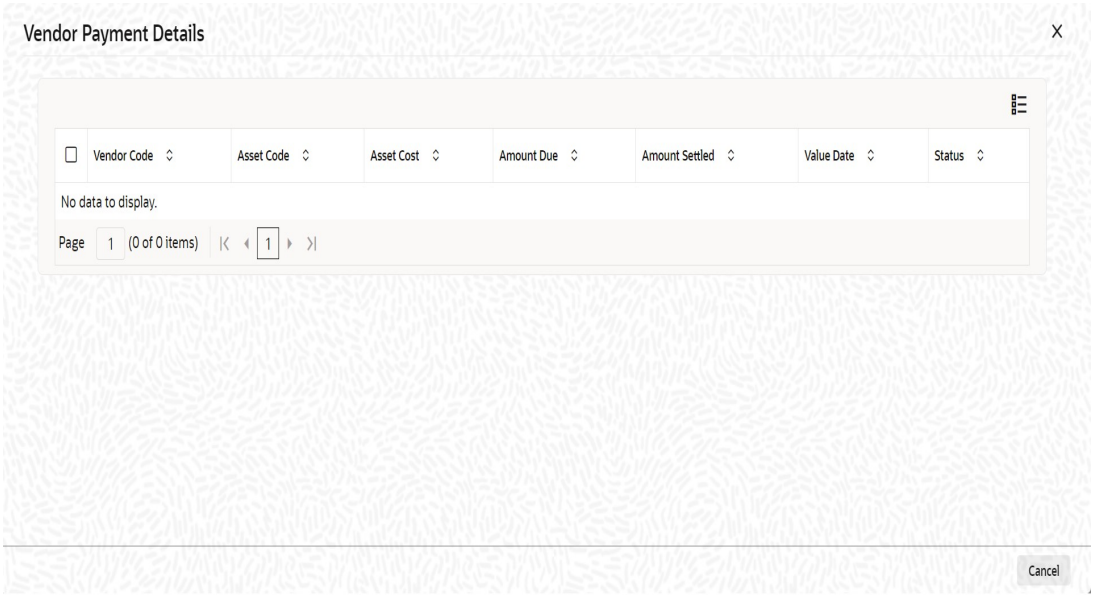
- Process Reference
- Down Payment Amount in Transaction Currency
- Transaction Currency
- Value Date
- Amount In Account Currency
- Total Down Payment Amount

Note

On reversing an account, the system will not reverse the already received down payments.

7.1.19 Vendor Payment Details Button

You can view the vendor payment details at the contract level by clicking ‘Vendor Payment Details’ button in the ‘Islamic Account Details’ screen to invoke ‘Vendor Payment Details’ screen.



You can view the following details:

- Vendor Code
- Asset Code
- Asset Cost
- Amount Due
- Amount Settled
- Value Date
- Status

For more details about vendor payments, refer the ‘Processing Vendor Payments’ chapter in this User Manual.

7.1.19.1 Default of the Basic Account Details

Once you finish entering all the values, check ‘Cancel’ button. On clicking this button, the basic account details from the Finance Product gets defaulted. Also, the ‘Account Number’ and ‘Version Number’ are created and the ‘Alternate Account Number’ gets defaulted as the ‘Account Number’. This is the Light Finance and can be saved as such or after making changes.

You have to first check this button and then save the details. After you have checked it, you can make further changes only from the Account details. This also holds good only till the first authorization. Any changes can be made only through Amendment operations.

Account Statistics

Once you select an Account Number, the system displays the current status of the account in terms of the outstanding principle, the Component Name, the Amount Overdue and the Date since when the amount had been overdue in this field.

Account Status Details

The Account creation and change updates the audit trail. In these details, the Account status is also displayed. An Account can be active or uninitiated. Once it is active, it can be reversed, deleted or liquidated based on the operations on it. This is displayed on the screen.

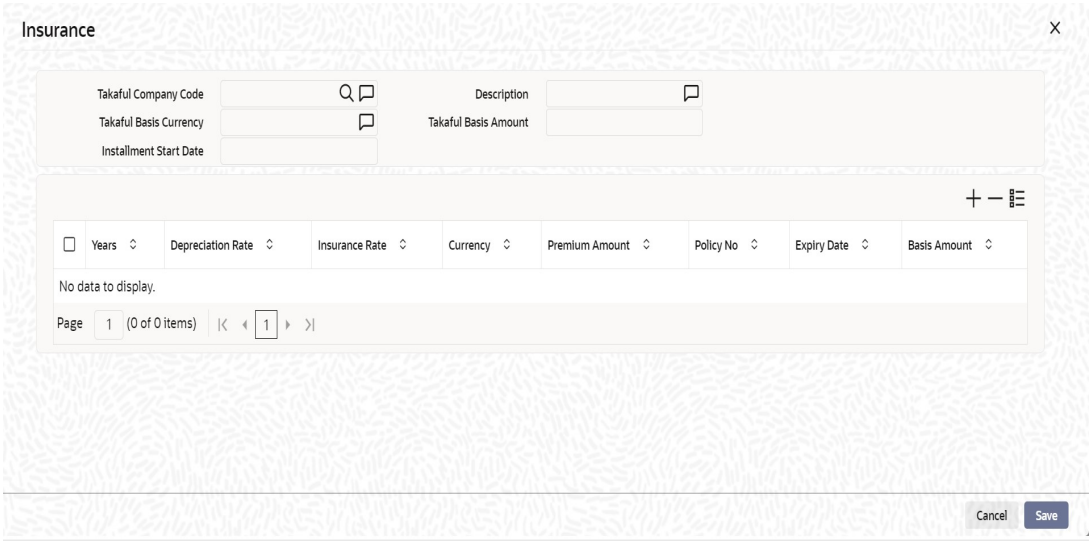
The Account details include the book date, the value date, the maturity date, and down payment amount of the Finance account. In case of Rolled over finances, the original start date is also stored. The details of the liability parties to the account are maintained. The Main Customer and description are displayed. Also other applicants of a finance such as Co-signers, Guarantors etc can be captured. These details of the co applicants, their responsibility as a Cosigner, guarantor etc, and the contribution of the co applicants to the Finance are provided here.

The UDE values for each Account are maintained here. The UDE values default from the UDE values maintenance for the Product, Currency, effective dates combination. These can be overridden by providing account level UDE values. However the UDE are only those defined at the product level.

If there are no product level UDE values maintained, the system will default the UDE value to Zero. However, at the time of saving, if UDE values are zero or any invalid value, then an override will be raised with an appropriate error message. If required this can be configured as an error message. In case of an ERROR, you will have to give a valid value. While if it is an OVERRIDE, you can overlook the message and continue and if it is for an ONLINE AUTHORIZATION the parameter should be authorized appropriately.

7.1.20 Takaful Details Button

Click ‘Takaful Details’ button in the ‘Islamic Account Details’ screen to invoke ‘Insurance Details’ screen.



You can specify the following details:

Takaful Company Code

Specify Takaful company code. Alternatively you can select insurance company code from the option list. The list displays all valid company code maintained in the system.

Description

The system displays the description for the selected Takaful company code.

Takaful Basis Currency

The system displays the currency code.

Takaful Basis Amount

The system displays the initial asset cost without considering the depreciation on which insurance amount to be calculated. This will defaults to the asset cost. This can be modified during the account input.

Installment Start Date

The system displays the start date of the installment.

Years

Specify the year for which depreciation and insurance rates are being defined. This is populated from the product till the end of the maturity year of an account.

Depreciation Rate

Specify the depreciation rate applicable during the tenor of the finance. These are defaulted from the product and this can be modified during the booking of an account.

Insurance Rate

Specify the insurance rates applicable during the tenor of the finance. Once the insurance rate is defined for the first year the same is defaulted to the other years and you can change the insurance rate for any year during the booking of an account.

Currency

Specify the currency code.

Premium Amount

The system displays the premium amount based on the policy chosen.

Policy Number

Specify the insurance policy number.

Expiry Date

The system computes the expiry date of the policy as 'Policy Start Date + 1 year' and displays the date here.

Note

The 'Ins' button is enabled only if the 'Insurance Required' check box is selected.

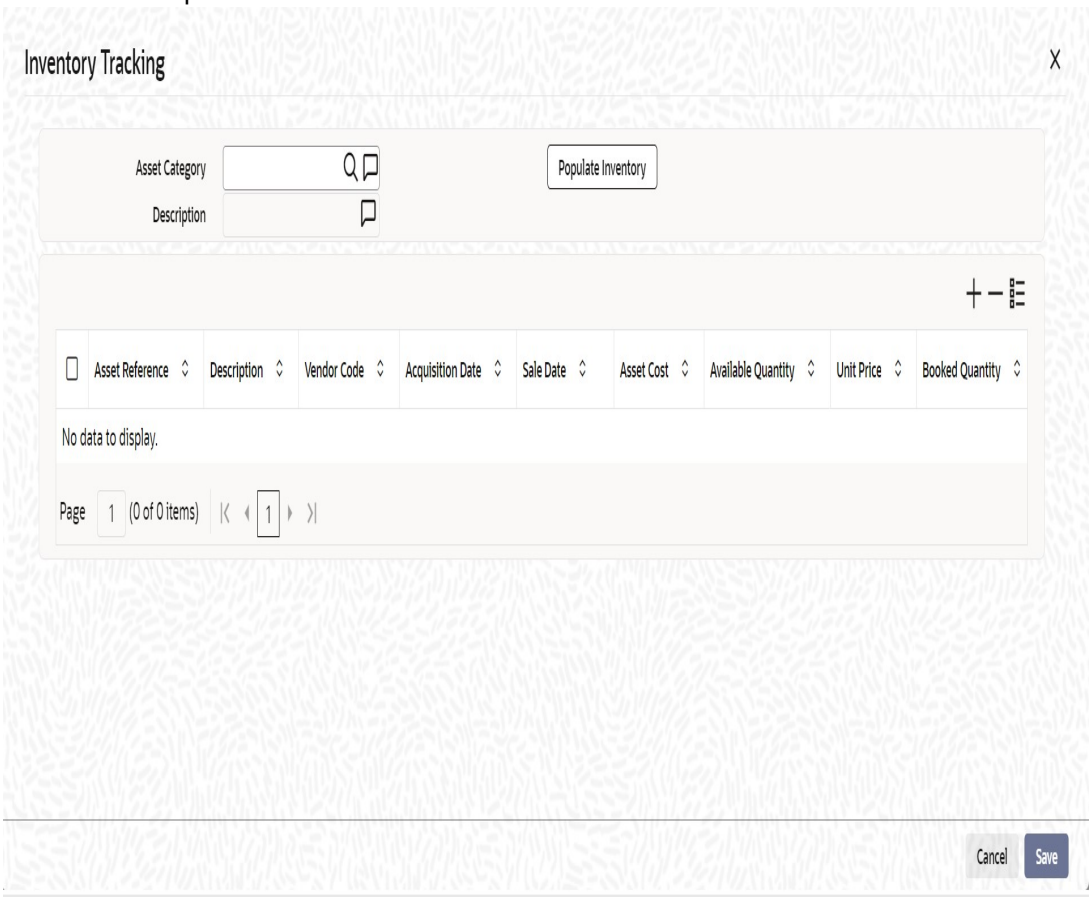
The depreciation rates and insurance rates can be entered only during the new account input. You cannot enter or modify during the amendment.

In case of pre-closure of finance, post automatic renewal of policy, the system will display a configurable override and not post the following entries:

- refund entries (for the ADCH Event)
- INSURANCE_REC adjustment entries

7.1.21 Inventory Tracking Button

Click ‘Inventory Tracking’ button in the ‘Islamic Account Details’ screen to invoke ‘Inventory Tracking Details’ screen. This button will be enabled only if the ‘Use Inventory’ option is selected at the product level.



You can specify the following details:

Asset Category

Specify the category of the asset. Alternatively you can select asset category from the option list. The list displays all asset categories where ‘Use Inventory’ option is checked.

Description

The system displays the description for the selected asset category.

Click ‘Populate Inventory’ button to populate all authorized inventory contracts.

Asset Reference

Specify the asset reference number.

Description

The system displays the description for the selected asset reference number.

Vendor Code

Specify the vendor code.

Acquisition Date

Specify the acquisition date.

Sale Date

Specify the sale date.

Asset Cost

Specify the asset costs for inventory contracts.

Available Quantity

Specify the available asset quantity.

Unit Price

Specify the unit price of an asset.

Booked Quantity

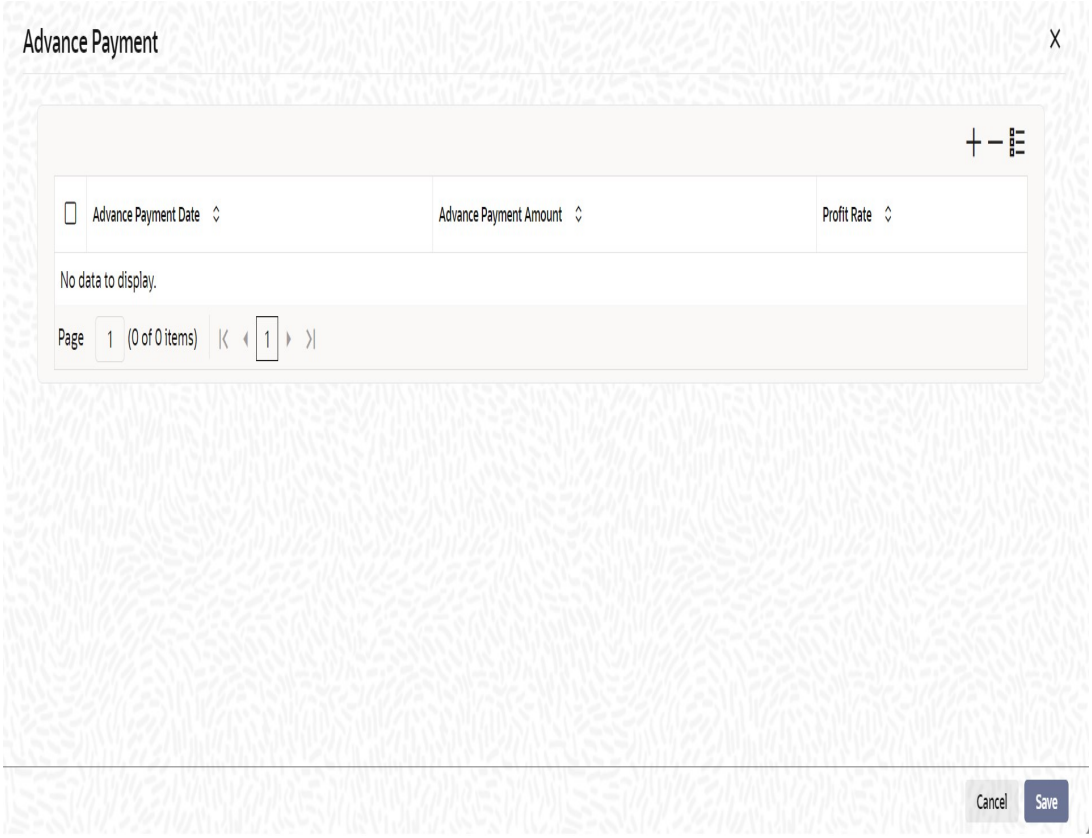
Specify the booked quantity

Total Cost

Specify the total cost for each inventory based on the number of units required.

7.1.22 Advance Payment Button

Click ‘Advance Payment’ button and invoke the ‘Advance Payment Details’ screen.



You can specify the following details:

Advance Payment Date

Select the date on which payment is made to the vendor from the adjoining calendar.

This date cannot be equal to or greater than the finance start date. But it should be greater than previous advance payment date.

Advance Payment Amount

Specify the amount being paid in advance on the corresponding dates. However, the sum of all the advance payments should not be greater than the net finance amount.

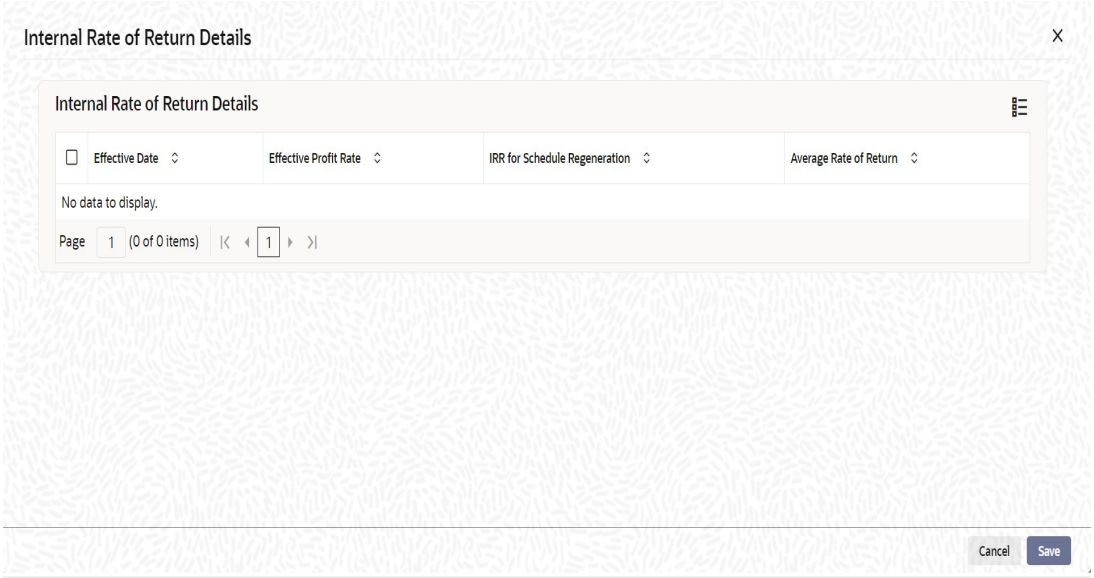
Profit Rate

Specify the profit rate for advance payment.

> **Note**
>
> You need to capture these details before you click 'Exit' button in the 'Account Details – Main' screen.

7.1.23 Internal Rate of Return Details Button

Click on the 'IRR Details' button in 'Islamic Account Details' screen to invoke 'Internal Rate of Return Details' screen. This screen displays the IRR value for the chosen component for different effective dates. The values are displayed in the descending order of the dates.



You can view the following details:

- Effective Date -Displays the effective date from the adjoining calender.
- Effective Profit Rate - Displays the effective profit Rate.
- IRR for Schedule Regeneration (XIRR) - Displays XIRR used for schedule re-distribution/regeneration. This field displays null value when IRR based schedule regeneration is not selected at the product level.
- Average Rate of Return (ARR) - Displays the average rate of return as derived. This field displays null value when IRR based schedule regeneration is not selected at the product level.

You can re-generate a schedule for *Murabaha* and *Istisna* by enabling 'Recompute Schedule on IRR' at the product level. The XIRR calculated for schedule regeneration considers the principal outflow as on post-construction period start date.

The Average Rate of Return (ARR) for a contract is calculated as follows:

$$ARR = \frac{[(1 + XIRR) \wedge N - 1]}{N}$$

where N = Time Period in Years

XIRR = IRR calculated for schedule regeneration

7.1.24 GL Query Button

Click ‘GL Query’ button to view the ‘GL Details’ screen. You can view the latest GL balances for the various components that are defined for an account.



You can specify the following details:

Branch Code

Specify the branch code of the account.

Account Number

Specify the account number of the applicant.

Alt Account No

The system displays the alternate account number of the applicant.

Customer ID

The system displays the customer ID of the applicant.

Product Code

The system displays the product code of the product associated with the account from Product definition.

Product Category

The system displays the product category availed by the customer.

Amount Financed

The system displays the total finance amount.

Currency

The system displays the currency in which the transaction will be conducted for the account.

Value Date

The system displays the value date for the account.

Maturity Date

The system displays the maturity date for the finance account.

Components

Component Name

The system displays the name of the component defined for the product to which the account is linked.

Description

The system displays the component description as defined at the Product level.

GL Details

GL Code

The system displays the account head to which the component will be debir ot credit. This is defined at the product level.

GL Type

The system displays the GL category as defined in the GL chart of accounts.

Status Code

The system displays the GL type as defined in the GL chart of accounts.

Balance

The system displays the GL balance in terms of the account currency.

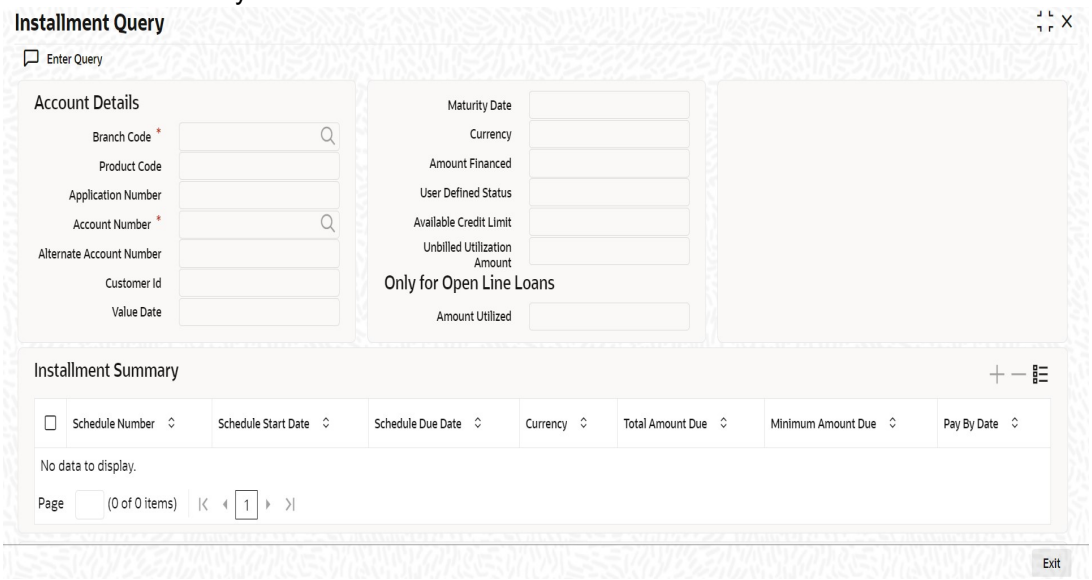
LCY balance

The system displays the GL balance in terms of the local currency.

7.1.25 Installment Query Button

Click ‘Installment Query’ button in Islamic Account Details’ screen to access the Installments query screen. The installment query screen displays the details of the installments for the

account. The information displayed includes the account details, installment details and the installment summary.



You can specify the following detaills:

Account Details

Branch Code

Specify the branch code of the account.

Product Code

The system displays the product code of the product associated with the account from Product definition.

Application Number

The system displays the application number of the customer.

Account Number

Specify the account number of the applicant.

Alternate Account Number

The system displays the Alternate account number of the applicant.

Customer Id

The system displays the Applicant’s customer ID as maintained in the valid table.

Value Date

The system displays the value date for the account.

Maturity Date

The system displays the maturity date for the finance account.

Currency

The system displays the currency in which the transaction will be conducted for the account.

Amount Financed

The system displays the total finance amount as maintained in the valid table.

Amount Utilized

The system displays the utilized amount.

User Defined Status

The system displays the user defined status.

Available Credit Limit

The system displays the available credit limit.

Unbilled Utilization Amount

The system displays the unbilled utilization amount.

Installment Summary

Schedule Number

The system displays the schedule number.

Schedule Due Date

The system displays the Installment due date.

Currency

The system displays the currency for the installment.

Total Amount Due

The system displays the total amount due for the installment.

Minimum Amount Due

The system displays the minimum due amount.

Pay By Date

The system displays the pay by date.

Installment Detail

Component Name

The system displays the names of all the components that make up a particular installment.

Settlement Currency

The system displays the settlement currency.

Amount Due

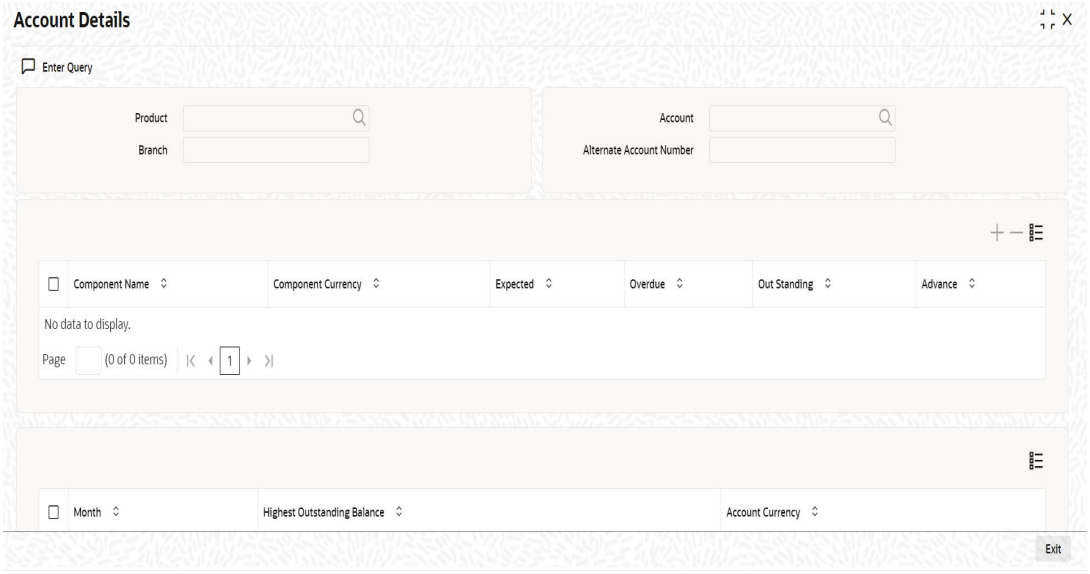
The system displays the amount due for each of the components of a particular installment.

Schedule Status

The system displays the installment status based on the status maintained at the installment level in the product.

7.1.26 Statistics Button

Click ‘Statistics’ button to invoke ‘Account Details’ screen.



You can specify the following details:

Product

The system displays the product code.

Branch

The system displays the branch code.

Account

Specify the account number of the customer. Alternatively, you can select account number maintained in the system. The system displays all valid account number maintained in the system.

Alternate Account Number

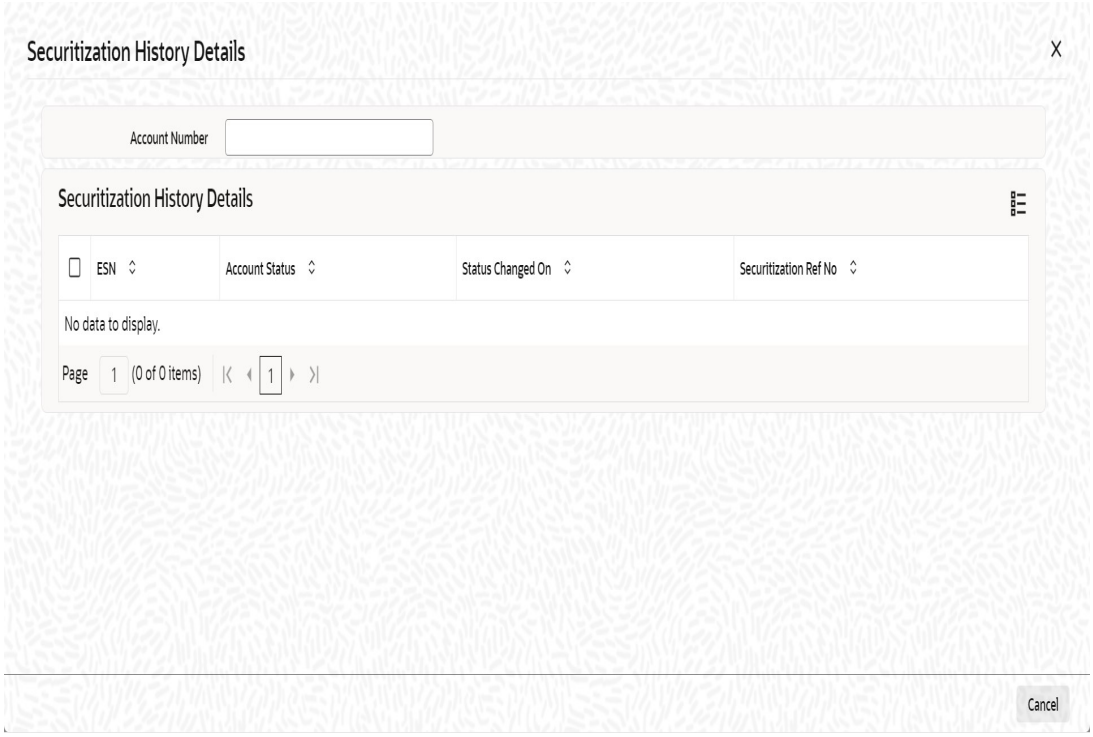
The system displays the alternate account number.

The system displays the following values:

- Component Name
- Component Currency
- Expected
- Overdue
- Outstanding
- Advance
- Month
- Highest Outstanding Balance
- Account Currency

7.1.27 Securitization Details Button

Click ‘Securitization Details’ button in ‘Islamic Account Details’ screen to invoke ‘Securitization History Details’ screen.

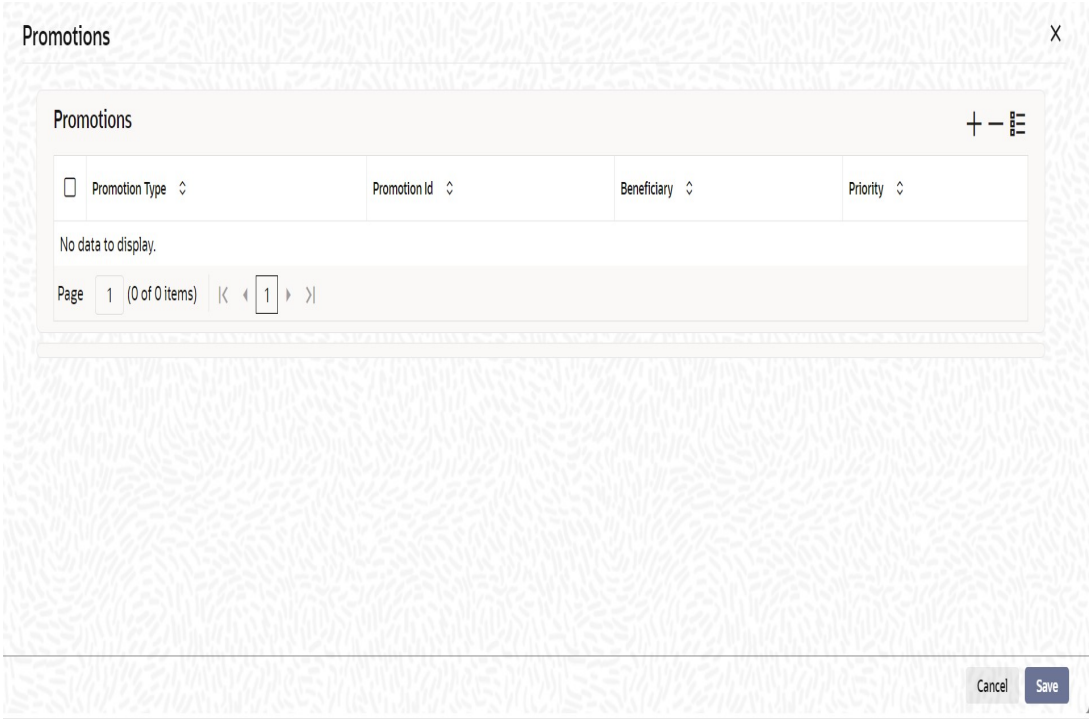


You can view the following Securitization History Details:

- Account Number
- ESN
- Account Status
- Status Changed On
- Securitization Reference Number

7.1.28 Promotions Button

Click ‘Promotions’ button in ‘Islamic Account Details’ screen to invoke ‘Promotions’ screen.



You can specify the following details:

Promotion Type

Select the type of promotion from the drop-down list. The list displays the following values:

- Promotion
- Convenios
- CORFO
- FOGAPE

Promotion ID

Specify the promotion ID. Alternatively, you can select the promotion ID from the option list. The list displays all valid promotion IDs maintained in the system.

Beneficiary

Specify the beneficiary details.

Priority

Specify the priority details.

7.1.29 Collaterals Button

Click ‘Collaterals’ button in ‘Islamic Account Details’ to invoke ‘Collaterals’ screen.



You can specify the following details:

Customer No

Specify the customer number.

Collateral Id

Specify the collateral ID.

Collateral Value

Specify the collateral value.

Start Date

Select the start date.

Issuer Name

Specify the issuer name.

Name

Specify the collateral name.

Currency

Specify the currency code.

Collateral Type

Specify the collateral type.

Revaluation Date

Select the revaluation date.

Expiry Date

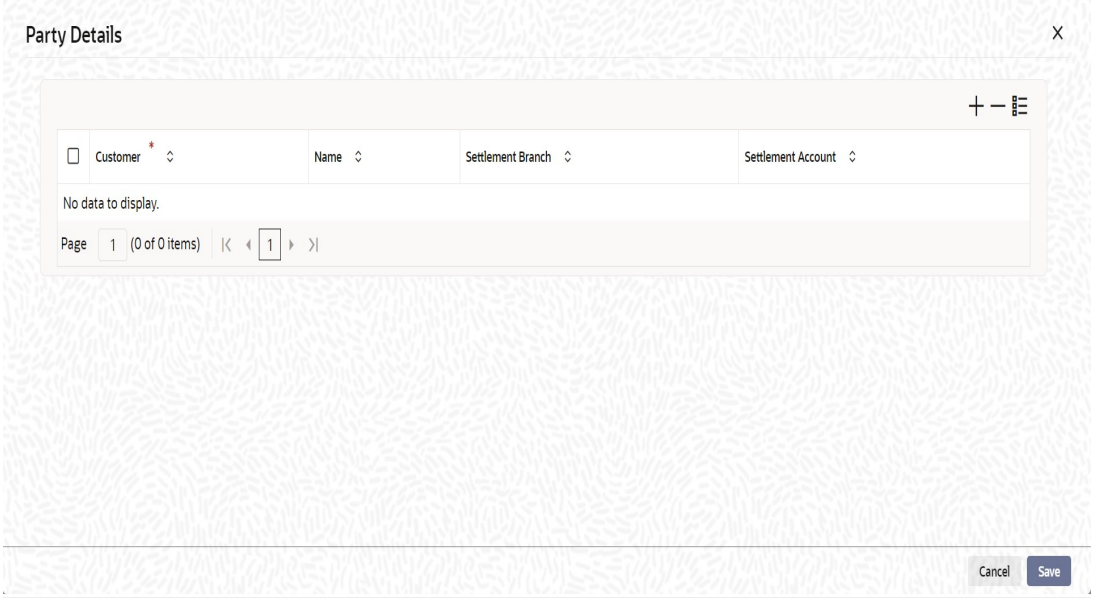
Select the expiry date.

Description

Specify the description.

7.1.30 Party Details Button

Click ‘Party Details’ button in ‘Islamic Account Details’ screen to invoke ‘Party Details’ screen.



You can enter the following details:

Customer

Specify the customer ID. Alternatively, you can select customer ID from the option list. The list displays all valid customer ID maintained in the system.

Name

The system displays the name of the customer.

Settlement Branch

Specify the branch of the bank in which the settlement is going to take place. Alternatively, you can select settlement branch code from the option list. The list displays all valid settlement branch code maintained in the system

Settlement Account

Specify the account of the contractor through which the settlement is going to take place. Alternatively, you can select settlement account code from the option list. The list displays all valid settlement account maintained in the system

7.1.31 Block Details Button

Oracle FLEXCUBE repays finance from multiple accounts. In Oracle FLEXCUBE, the finance settlement account is the primary account and all the other accounts linked to the primary account in the structure group act as cover accounts. While paying the settlement if the primary account has insufficient amount, the system will check the cover accounts for the remaining amount according to the preference.

In case of single account structure, the primary account will have only one cover account and the cover account will have only one primary account for making the account structure free of duplicate accounts. Every account has its own account structure. While closing an account under an account structure, you need to remove that account from the account structure manually else the system will not allow the closure of the account. If you want to amend an account structure, the system will check whether any amount block is open on the account structure. If any amount block is opened, then the system will throw an error. You can also configure the error code.

Amount Blocked

Check this box to indicate whether any amount block has to be created on the settlement account during the disbursement of the finance.

Amount

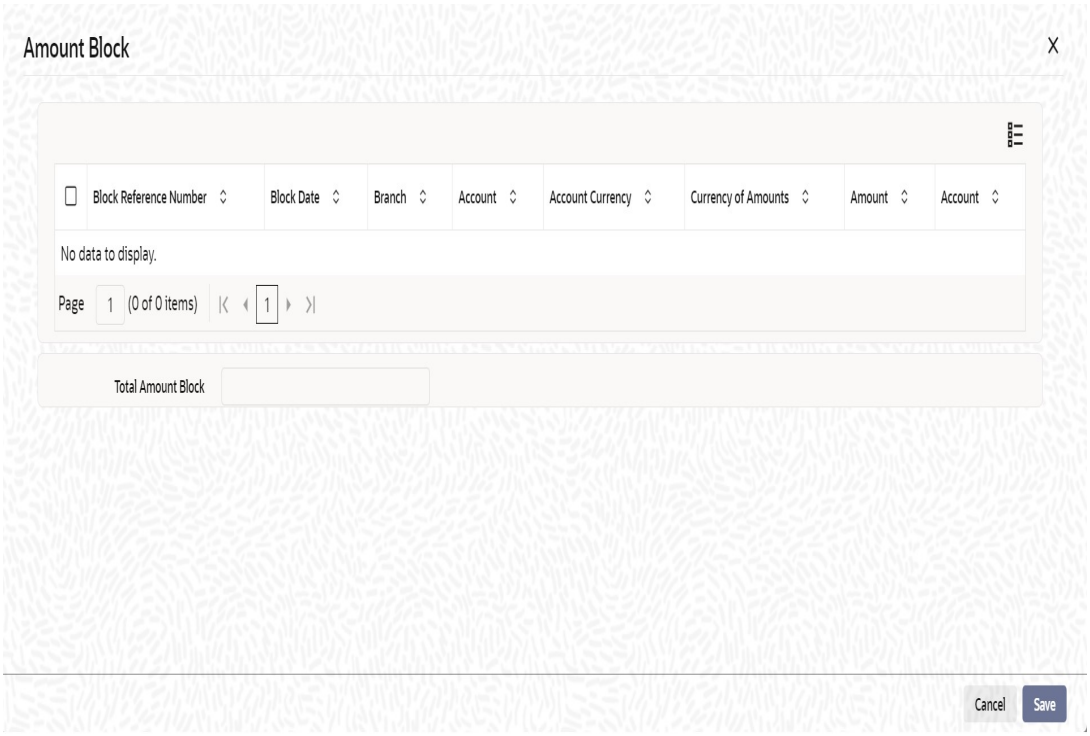
Here you can specify the amount that needs to be automatically blocked.

Remarks

Specify the remarks for the amount blocked. This can be modified.

For further details on amount block, please refer to 'Capturing Escrow Transfer Details' section in the 'Maintaining Customer Accounts' chapter if CASA User Manual

Click 'Block Details' button in the 'Islamic Account Details' screen to invoke the 'Amount Block Details' screen. It will show the list of amount blocks created for the account during disbursement.



Block Reference Number

The system displays a unique serial number for the amount block.

Block Date

The system displays the date on which the amount block is created.

Branch

The system displays the Branch in which the account is used for amount block.

Account

The system displays the account in which the block is created.

Account Currency

The system display the currency of the account.

Currency of Amounts

The system displays the currency of the amount.

Amount

Here the system displays the amount that is blocked

Account

The system displays the account in which the block is created.

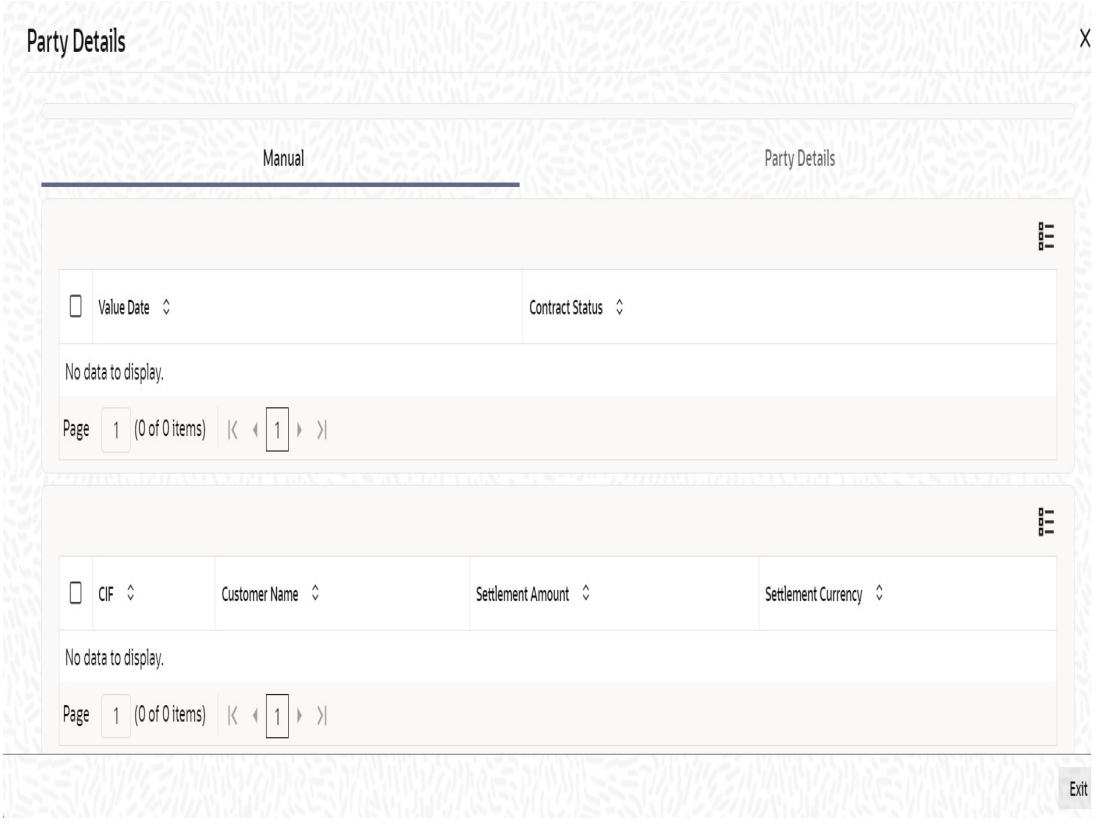
> **Note**
>
> The 'Block Details' button will be disabled during the new account input.

The following validations have to be done:

- The amount for blocking should be less than or equal to the finance principal amount in the account details.
- The amount block details can be inputted, only if the credit settlement mode for the component 'PRINCIPAL' is CASA in the manual disbursement.
- Amount block details are allowed to enter only during the new account creation and when Amount Blocked is checked.
- Amount block details are allowed to modify only before first authorization of an account.

7.1.32 Manual Disbursals Button

Click on the 'Manual Disbursals' button to view manual disbursals already done for the contractor. In this screen the system displays the progressive cash outflows that have been done so far and the details of each manual disbursement done by the Bank.

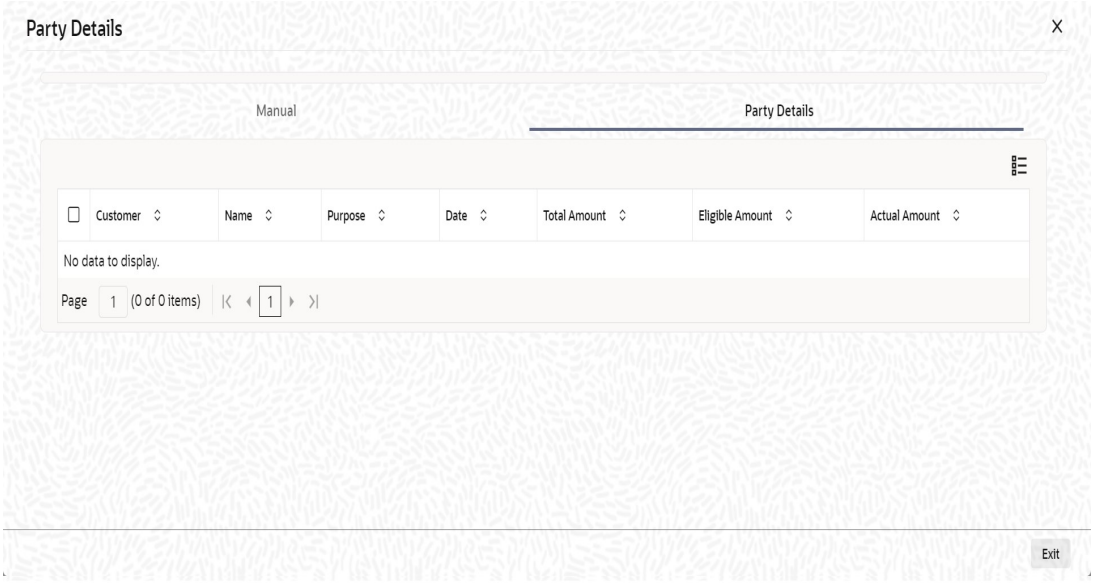


You can view the following details for each of the manual disbursal done:

- Date of disbursement (Value Date)
- Total Amount

- Contract status
- CIF of Contractor
- CIF Name
- Purpose
- Amount for each contractor (Settlement Amount)
- Currency

Click 'Party Details' tab on the 'Manual' screen to view the customer details.

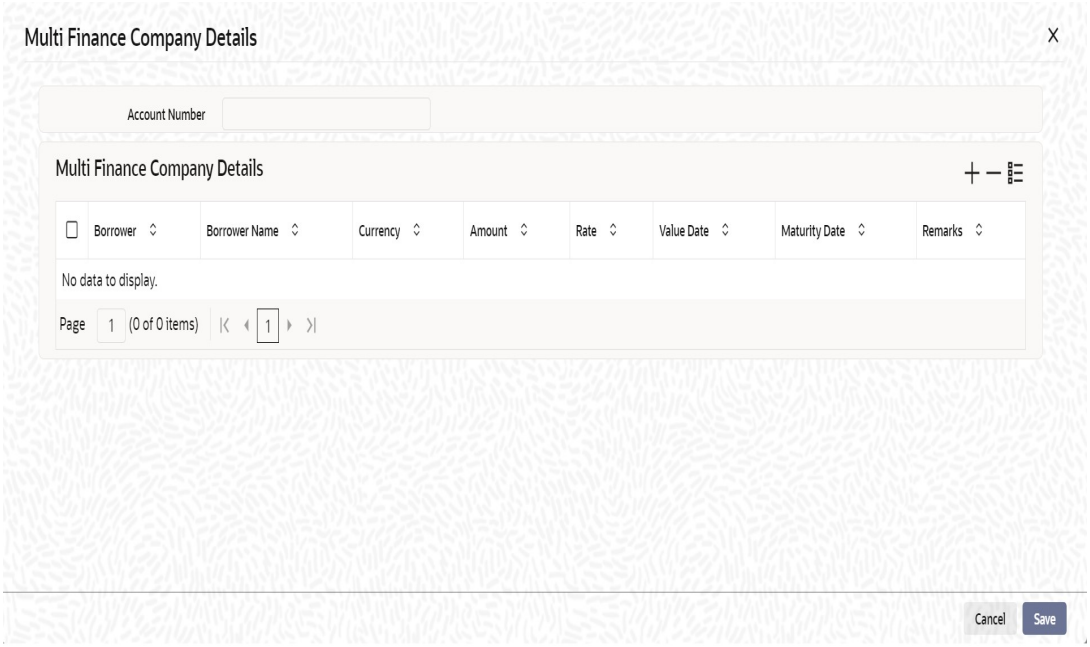


In this screen you can view the following details:

- CIF of Contractor
- CIF name
- Purpose
- Date – The latest disbursement value date
- Total Disbursal amount – The total amount to be disbursed throughout the life cycle of a finance
- Eligible Disbursal amount – The amount to be disbursed as of the schedule date of disbursement
- Actual Disbursal amount – The amount which is actually disbursed

7.1.33 Multi Finance Button

Click ‘Multi Finance’ button to invoke the ‘Multi Finance Company’ screen. You can capture details of individual borrowers here.



You can maintain the following details here:

Borrower

Specify the Borrower ID. For an existing customer you can selected from the available option list.

Borrower Name

Specify the Borrower name.

Currency

Specify the financed currency. Alternatively, you can select borrower name from the option list. The list displays all valid currency codes maintained in the system.

Amount

Specify the financed amount.

Rate

Specify the Profit Rate.

Value Date

Select the Value date of the finance from the adjoining calendar.

Maturity Date

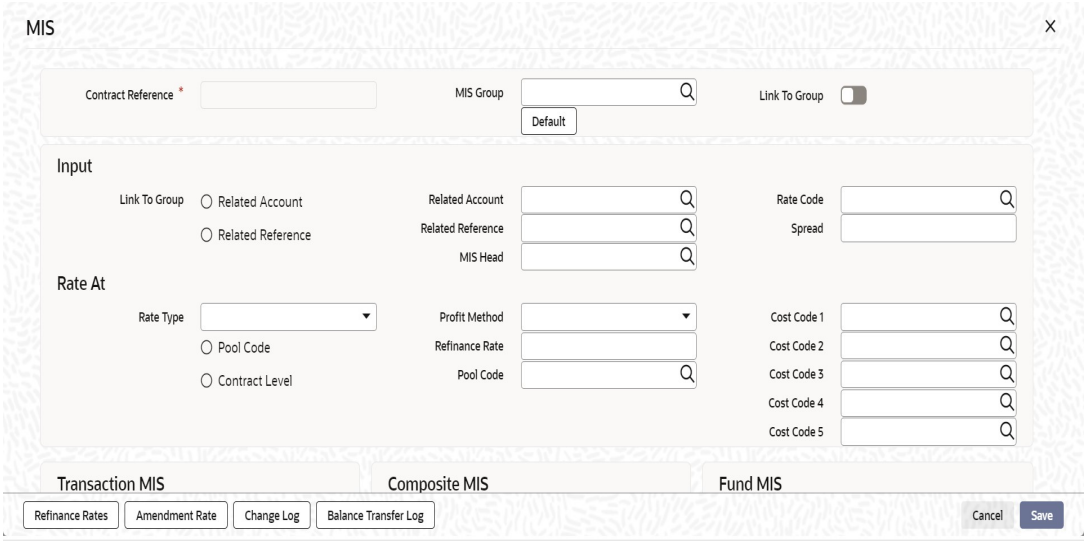
Select the maturity date from the adjoining calendar.

Remarks

Specify the remarks, if any.

7.1.34 MIS Button

Click ‘MIS’ button in ‘Islamic Account Details’ screen to invoke MIS screen..



You can view the following details:

- Contract Reference
- MIS Group
- Link to Group
- Input preference - Related reference/Related Account
- Related Account Number
- Related Reference Number
- MIS Head
- Floating Rate Code
- Floating Rate Spread
- Rate Type
- Rate at Pool Code/Contract Level
- Interest method
- Pool Code
- Reference Rate
- Cost Codes

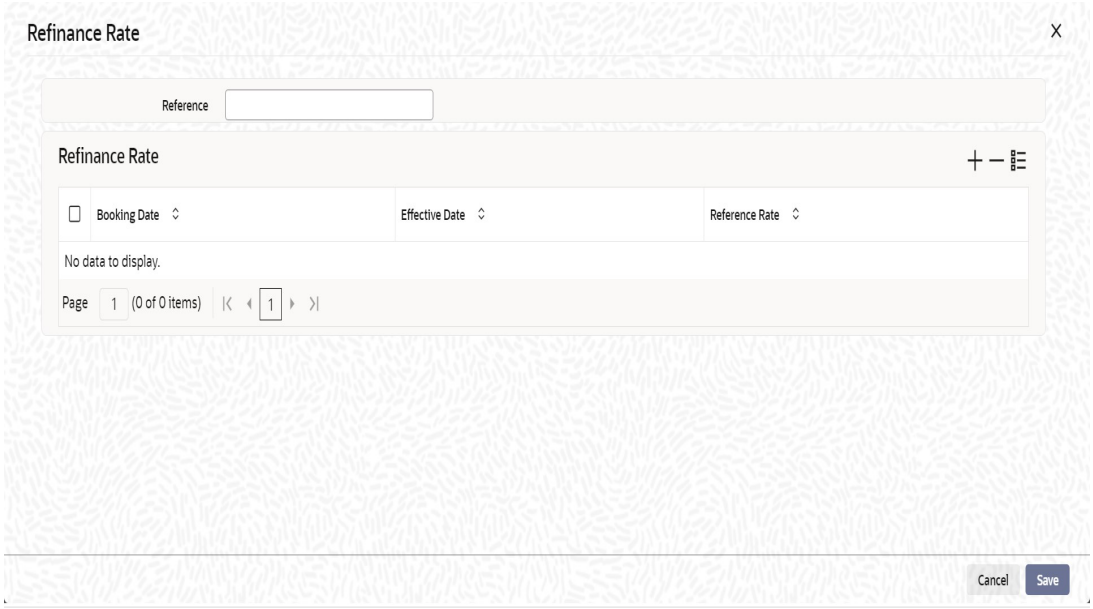
In ‘Transaction MIS’ section you can view the transaction MIS codes.

In ‘Composite MIS’ section, you can view composite MIS codes.

In ‘Fund MIS’ section, you can view fund MIS codes.

7.1.34.1 Viewing Rate Details

Click ‘Rate’ button on the ‘MIS’ screen and invoke the ‘Rate Details’ screen.



Here you can view the following details:

- Contract Reference Number
- Booking Rate
- Effective Date
- Refinance Rate

7.1.34.2 Viewing Amendment Rate Details

Click ‘Amendment Rate’ button and invoke the ‘Rate Details’ screen.



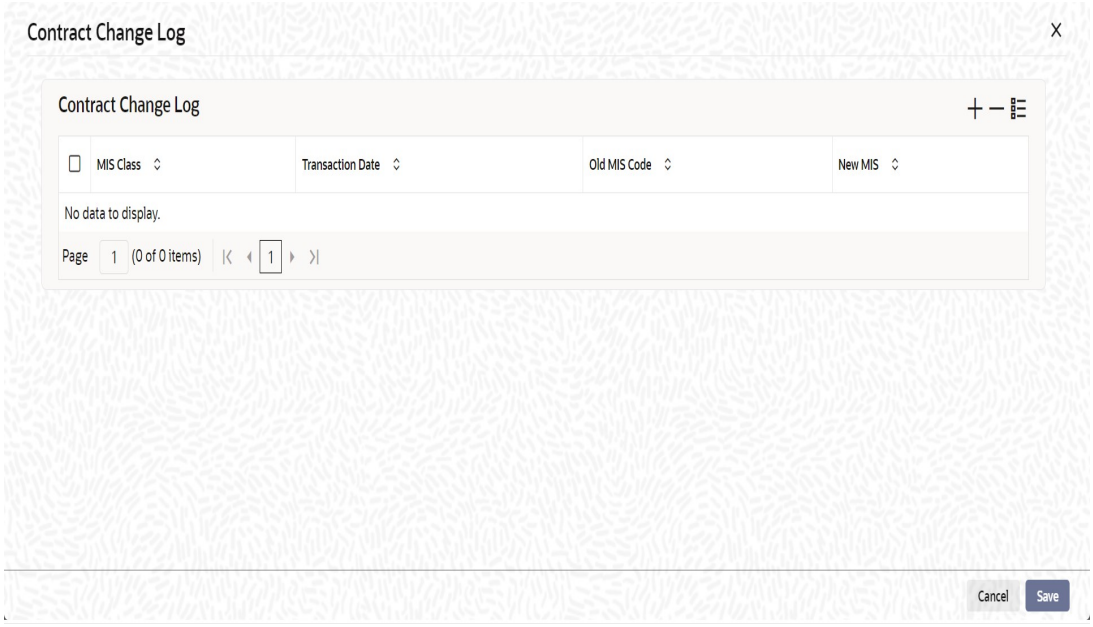
Here you can view the following details:

- Rate Type
- Rate Code

- Spread
- Contract Reference

7.1.34.3 Viewing Change Log

Click ‘Change Log’ button on the ‘MIS’ screen and invoke the ‘Change Log’ screen.

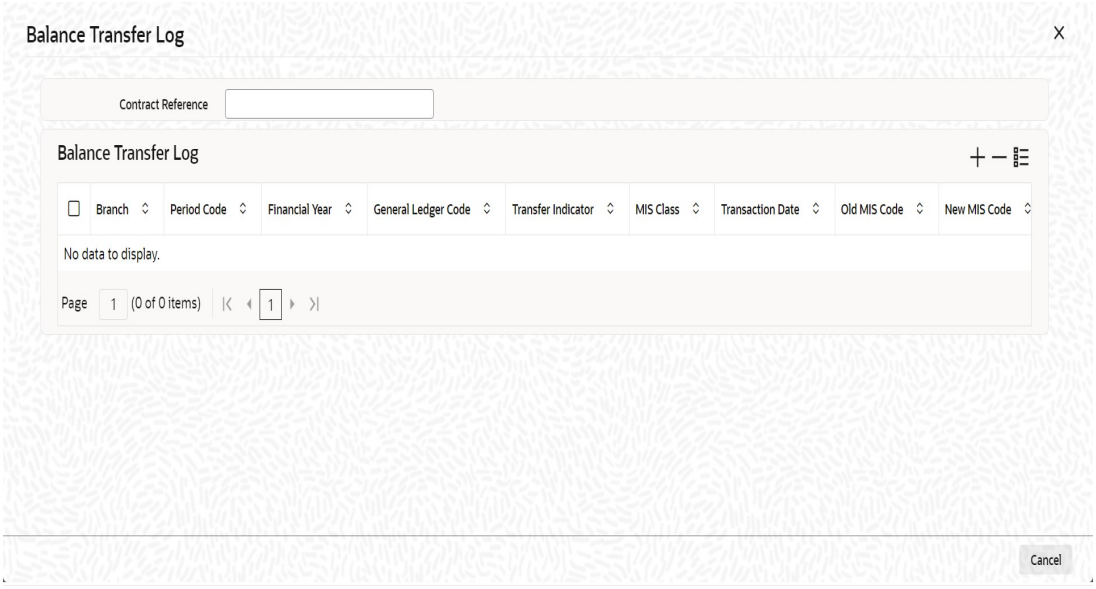


If MIS reclassification occurs, through changing the MIS codes for transaction or composite classes, the System stores the changes made, in a Contract MIS Change Log. The following details are stored in the Contract MIS Change Log for the contract in respect of which the MIS reclassification occurred:

- Contract Reference Number
- MIS Class that was changed
- Date on which the change was made.
- The old code for the changed MIS Class (this information is stored only for the first amendment during a day)
- The new MIS code for the changed MIS class.

7.1.34.4 Viewing Balance Transfer Log

Click ‘Balance Transfer Log’ button on the ‘MIS’ screen and invoke the ‘Balance Transfer Log’ screen.



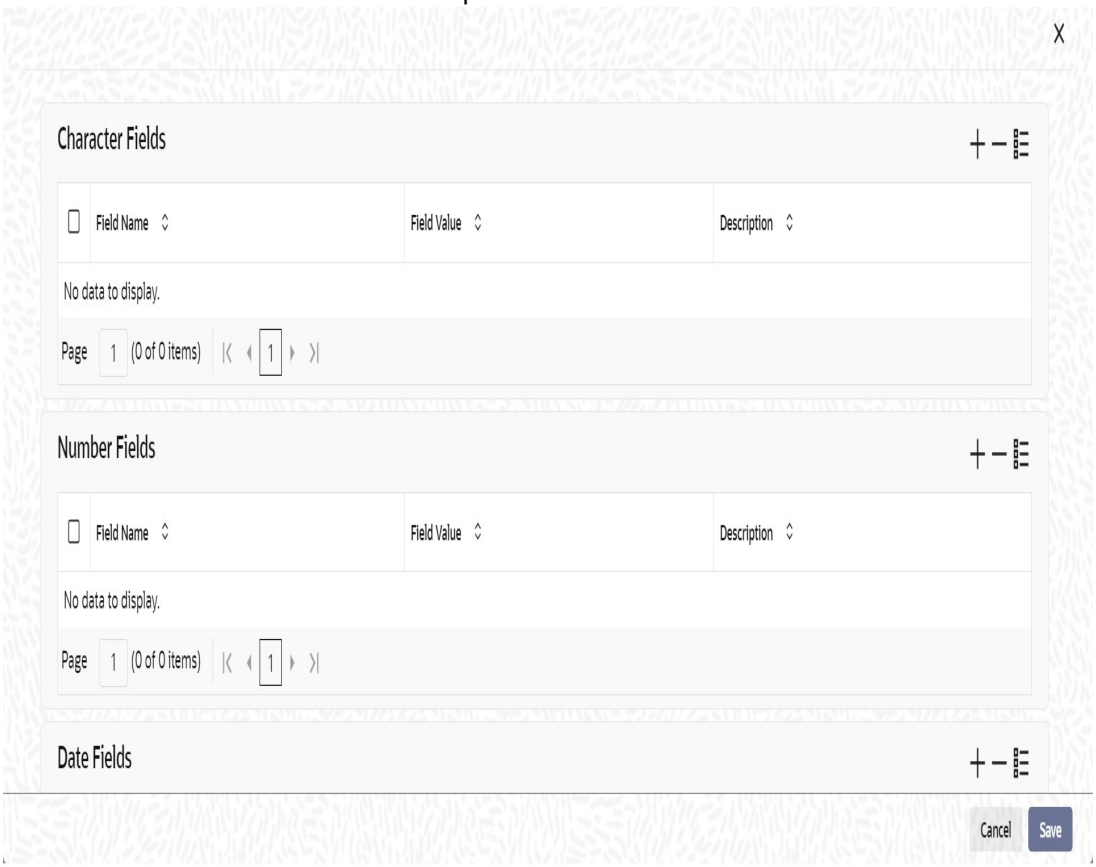
When an MIS reclassification occurs in respect of a the account, the balances in a GL associated with the old MIS code in each case are transferred to the GL for the new MIS code, if the option of transferring MIS balances upon reclassification has been set in the ‘Chart of Accounts’ screen for the GL.

You can view the following details:

- Contract Reference
- Branch
- Period
- Financial year
- Transfer Indicator
- MIS Class
- Transaction Date
- Old MIS
- New MIS
- Currency
- Amount
- Exchange Rate

7.1.35 Fields Button

UDFs are additional fields that are available for use depending on the bank's requirement. You can define UDFs in the 'UDF Details' tab. In the 'Fields' tab of the screen, you can associate these custom fields with the product.



The UDFs are segregated based on the 'Field Type', into the following:

- Character Fields
- Number Fields
- Date Fields

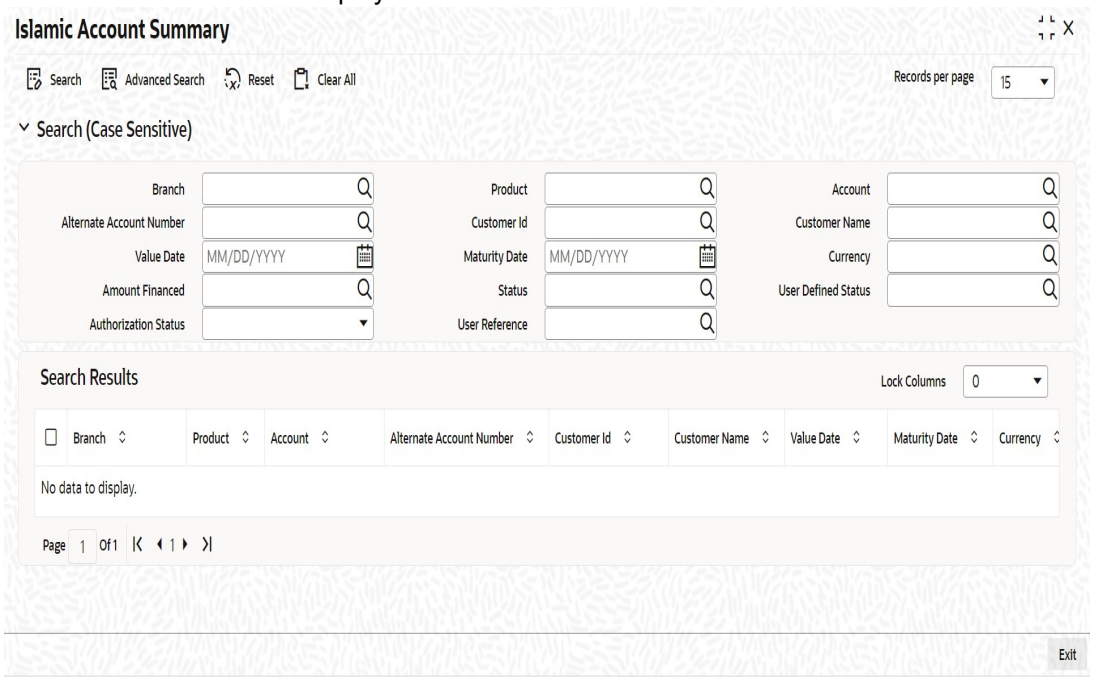
When you select an UDF from the option list, the description is also displayed in the adjacent field.

7.1.36 Events Button

7.1.37 Viewing Summary for CL Accounts

You can view the summary of the CL accounts using 'Accounts Summary' screen. You can invoke the 'Account Summary' screen by typing 'CISACCNT' in the field at the top right corner

of the Application tool bar and clicking the adjoining arrow button. A screen giving all the details of the accounts is displayed.



In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch
- Account
- Customer ID
- Value Date
- Currency
- Status
- Product
- Alternate Account Number
- Customer Name
- Maturity Date
- Amount Financed
- User Defined Status
- User Reference
- Authorization Status

Select any or all of the above parameters for a query and click ‘Search’ button. The records meeting the selected criteria are displayed as follows:

- Branch
- Account
- Customer ID
- Value Date
- Currency
- Status
- Product

- Alternate Account Number
- Customer Name
- Maturity Date
- Amount Financed
- User Defined Status
- User Reference
- Authorization Status

7.2 Ar Rahnu Account Details

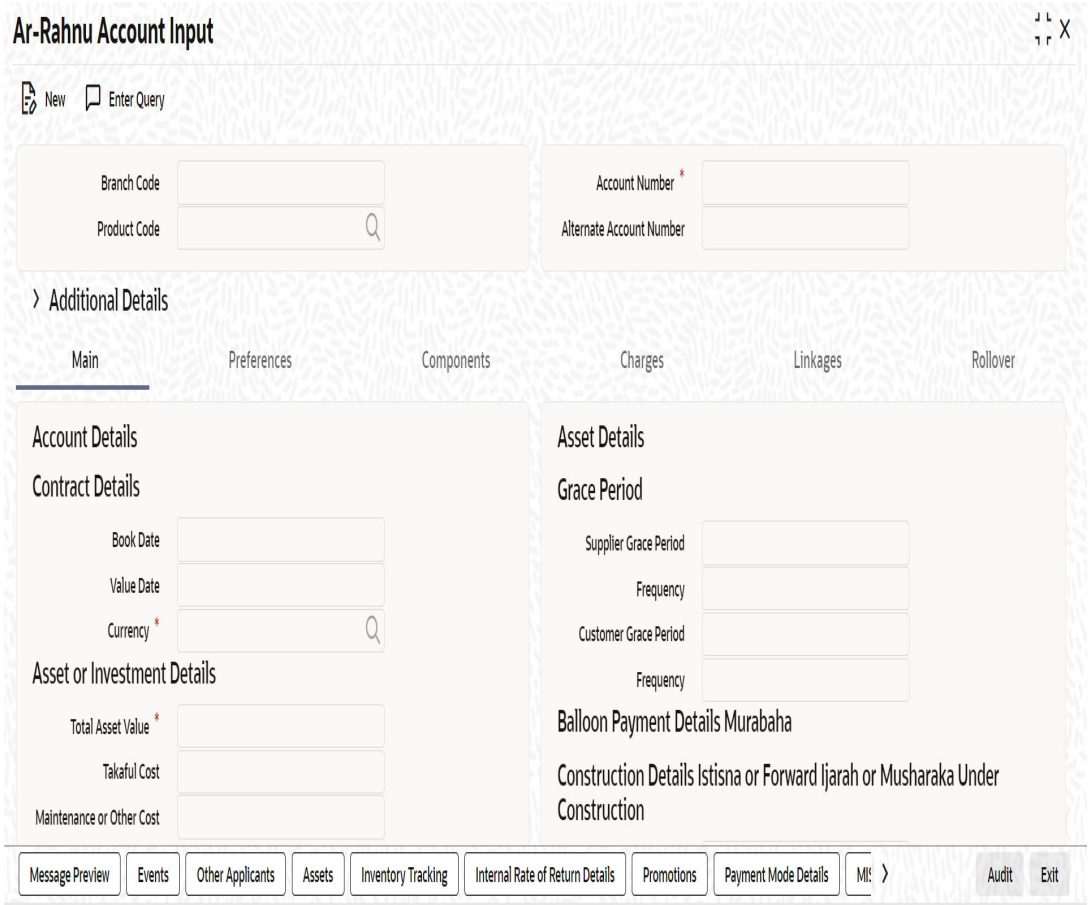
This section contains the following topics:

- Section 7.2.1, "Maintaining Ar-Rahnu Account Details"
- Section 7.2.2, "Rollover Tab"
- Section 7.2.3, "Viewing Ar-Rahnu Account Details"

7.2.1 Maintaining Ar-Rahnu Account Details

Ar-Rahnu transaction represents a collateral based financing. The customer provides gold as collateral against which the bank provides finance at no profit. However, Bank collects charges periodically towards safekeeping of the collateral.

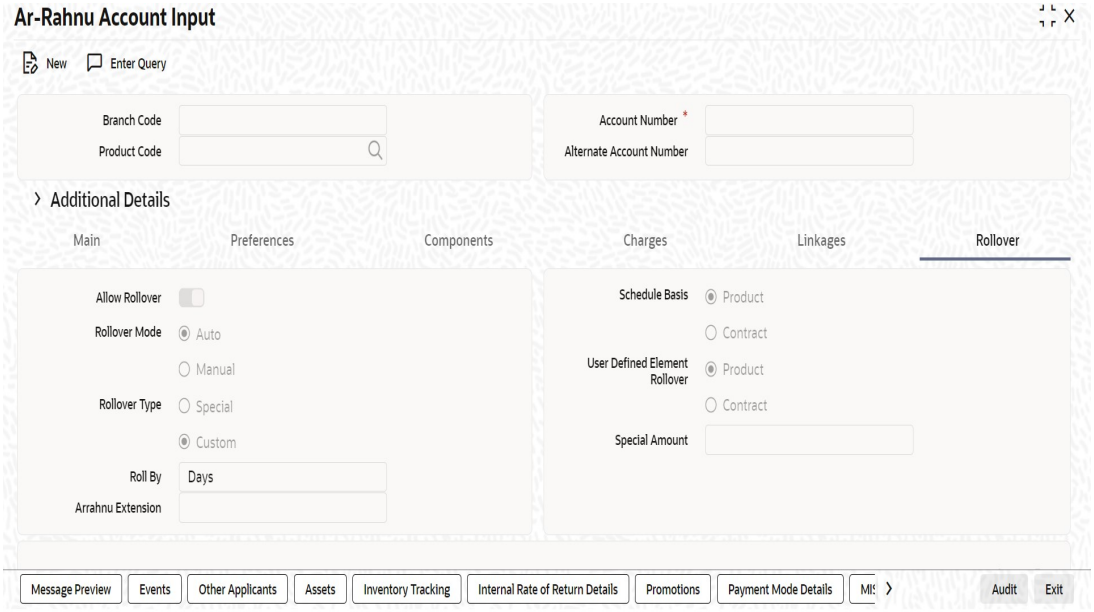
Oracle FLEXCUBE facilitates maintenance of collateral and booking of the financing transaction using ‘Ar-Rahnu Account Input’ screen. You can invoke ‘Ar-Rahnu Account Details’ screen by typing ‘CIDARANT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can maintain the following parameters here:

7.2.2 Rollover Tab

Click ‘Rollover’ tab to maintain rollover details.



You can maintain the following rollover details here:

Ar-Rahnu Extensions

Specify the number of extensions or rollovers you want to allow for the Ar-rahnu account.

For details about the remaining fields in the tabs and buttons of ‘Ar-Rahnu Account Input’ screen refer ‘Account Main Details/Light Finances’ section of the ‘Account Creation’ chapter of this module.

The system validates the following parameters while saving an Ar-Rahnu account:

- The Linked % of the linkage types ‘New Collateral’ and ‘Collateral’ should be 100. If not 100, then the system displays the error message as ‘The Linked % of the linkage type ‘New Collateral’ and ‘Collateral’ should be 100’.
- The Amount Financed and the Linked Amount of the Collateral Linkage Details Block should be equal. If not equal, then the system displays the error message as ‘The amount financed should be equal to the sum of linked amount of collateral linkage details’.
- The number of schedules for the principal disbursement must be maintained as ‘1’. If not, then the system displays the error message as ‘For Arrahnu Account the Principal Disbursement schedule should be 1’ while saving the product.
- The liquidation mode of the principal component is maintained as Manual. If it is maintained as auto, then the system displays the error message as ‘The liquidation mod of PRINCIPAL component should be manual for Ar-Rahnu products’.
- The number of rollovers should be less than or equal to Ar-Rahnu Extensions. If the number of rollovers is greater, then the system displays the override message as ‘The number of Ar-Rahnu extensions exceed the Ar-Rahnu extensions maintained at account level’ while saving the rollover.
- The ‘Allow Rollover’ must be maintained as 'Yes'. If maintained as 'No', then the system displays the following error message as ‘For Ar-Rahnu products the Rollover Allowed must be selected’ while saving the account.

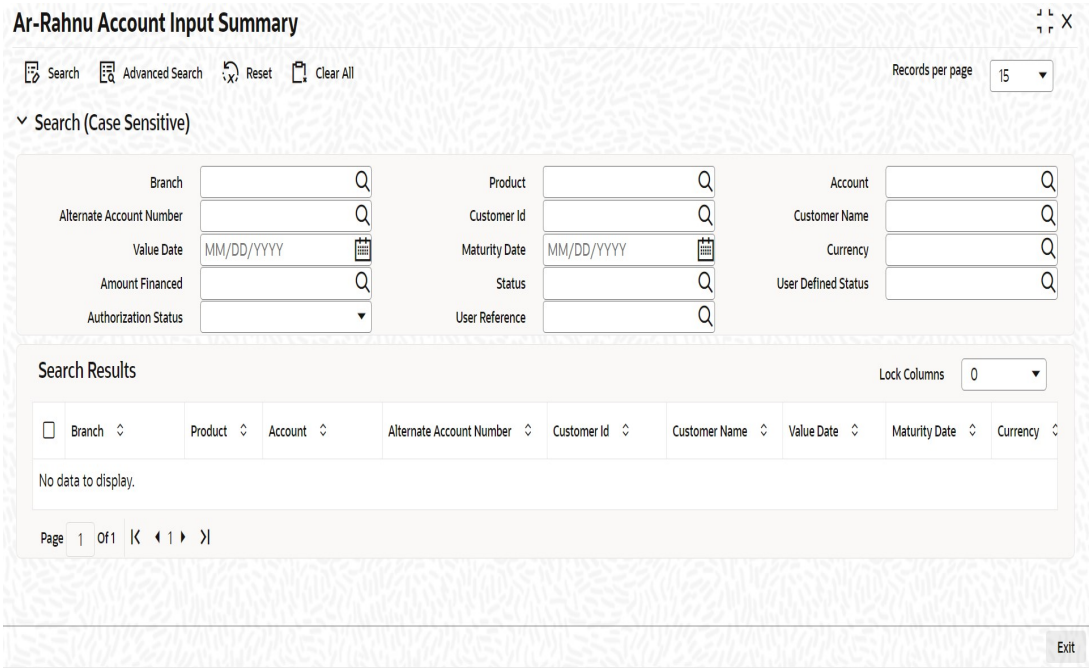
- The ‘Rollover Mode’ must be maintained as 'Manual'. If maintained as 'Auto', then the system displays the error message as ‘For Ar-Rahnu the rollover should be manual’ while saving the account.
- You can maintain SDEs and UDEs specific to Ar-Rahnu accounts at ‘Islamic Financing Product’ level.

While manually disbursing an Ar-Rahnu product category account, the system validates if the disbursement amount is equal to the amount financed. If the they are not equal, then the system displays the error message as ‘For ARRAHNU accounts the full amount financed should be disbursed’.

Ar-Rahnu extensions or re-pledge are processed through account rollover, because when a part of the financed amount is paid, the remaining amount is converted as a new financing account.

7.2.3 Viewing Ar-Rahnu Account Details

You can view details related to Ar-Rahnu accounts using ‘Accounts Summary’ screen. You can invoke the ‘Account Summary’ screen by typing ‘CISARANT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. A screen giving all the details of the accounts is displayed.



You can query a record using the following options:

Account

Specify a valid account based on which you need to view record from the adjoining option list.

Branch

Specify a valid code of the branch based on which you need to view record from the adjoining option list.

Customer ID

Specify a valid customer ID based on which you need to view record from the adjoining option list.

Product Code

Specify a valid code of the product based on which you need to view record from the adjoining option list.

Value Date

Specify a valid value date based on which you need to view record from the adjoining calendar.

Maturity Date

Specify a valid maturity date based on which you need to view record from the adjoining calendar.

Currency

Specify a valid code of the currency based on which you need to view record from the adjoining option list,

Amount Financed

Specify a valid amount financed based on which you need to view record from the adjoining option list.

User Defined Status

Specify a valid status defined by the user based on which you need to view record from the adjoining option list

Alternate Account Number

Specify a valid alternate account number based on which you need to view record from the adjoining option list

Account Status

Select an authorization status of the Ar-Rahnu accounts based on which you need to view record from the adjoining drop-down list. This list provides the following options:

- Active – Select this option to view records which are active.
- Liquidated – Select this option to view records which are liquidated.
- Reversed – Select this option to view records which are reversed.
- Hold – Select this option to view records which are on hold.
- Inactive – Select this option to view records which are inactive.
- Uninitiated – Select this option to view records which are uninitiated.

Authorization Status

Select an authorization status of the Ar-Rahnu accounts based on which you need to view record from the adjoining drop-down list. This list provides the following options:

- Authorized – Select this option to view records which are authorized.
- Unauthorized – Select this option to view records which are unauthorized.

Click ‘Search’ button. The system identifies all records satisfying the specified criteria and displays the following details for each one of them:

- Account
- Branch Code
- Customer ID
- Product Code
- Value Date
- Maturity Date

- Currency
- Amount Financed
- User Defined Status
- Alternate Account Number
- Account
- Authorized Status

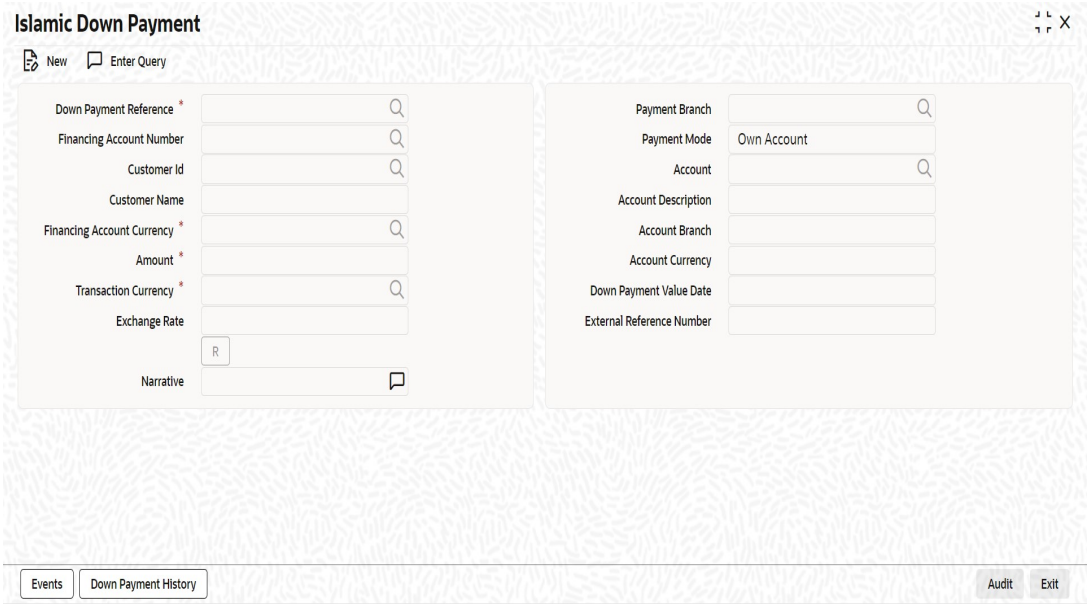
7.3 Down Payment Details

This section contains the following topics:

- Section 7.3.1, "Processing Down Payments"
- Section 7.3.2, "Down Payment History Button"
- Section 7.3.3, "Events Button"

7.3.1 Processing Down Payments

You can maintain details of the down payment given by the customer, after the account is booked in the Oracle FLEXCUBE. You can also capture down payment details for an existing account using the 'Islamic Down Payment Details' screen. You can invoke this screen by typing 'CIDDPYNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you need to specify the following details:

Down Payment Reference

The system defaults the down payment reference number here. You cannot modify it.

External Reference Number

The system displays the Teller Reference number if down payment is received by teller.

If down payment is not received by teller, then the system displays Down payment reference number.

Financing Account Number

You can specify the financing account number of down payment. Alternatively, you can select financing account number from the option list. The list display all valid uninitiated accounts maintained in the system.

Customer ID

Based on the 'Down Payment Reference Number' captured, the system populates the customer name. You cannot modify it. However, you can select the 'Customer' from the option list, if the down payment reference number is not captured.

Note

During linkage of financing account to an existing Down Payment record, if customer ID is available for the record, the system will allow linkage of only financing account of that customer.

Customer Name

The system displays the name of the customer for the selected customer ID.

Financing Account Currency

Based on the 'Financing Account Number' captured, the system displays the currency of the account. You cannot modify it. However, you can select the 'Account Currency' from the option list, if the Financing Account Number is not captured.

Amount

You can enter the down payment amount received from the customer in this field.

Transaction Currency

Specify the transaction currency. Alternatively, you can select transaction currency from the option list. The list displays all valid transaction currency maintained in the system.

Payment Branch

Specify the payment branch code. Alternatively, you can select payment branch code from the option list. The list displays all valid payment branch code maintained in the system.

Payment Mode

Select the mode of payment from the drop-down list. The list displays the following values:

- Own Account
- Account
- GL Account

Note

For each of these payment modes a retail teller product is mapped in a factory shipped table and the 'Track Receivable' option is unchecked from the 'Retail Teller Product Preference' screen for these Retail Teller products.

For more details about Retail Teller Products refer 'The Retail Teller Module –An Overview' chapter in the Retail Teller User Manual.

Account

Specify the account number of the customer. Alternatively, you can select account number from the option list. The list displays all valid account number maintained in the system.

Account Description

The system displays the name of the GL/ Customer Account selected.

Account Branch

The system displays the branch code for the selected account number.

Account Currency

The system displays the currency code for the selected account number.

External Reference Number

The system displays the external reference number.

Down Payment Value Date

Here the value date of down payment will get defaulted to application date.

Exchange Rate

If the customer's account currency is different from the CL account currency the system defaults the standard exchange rate. You can modify it.

Narrative

Specify additional information related to the payment, if any.

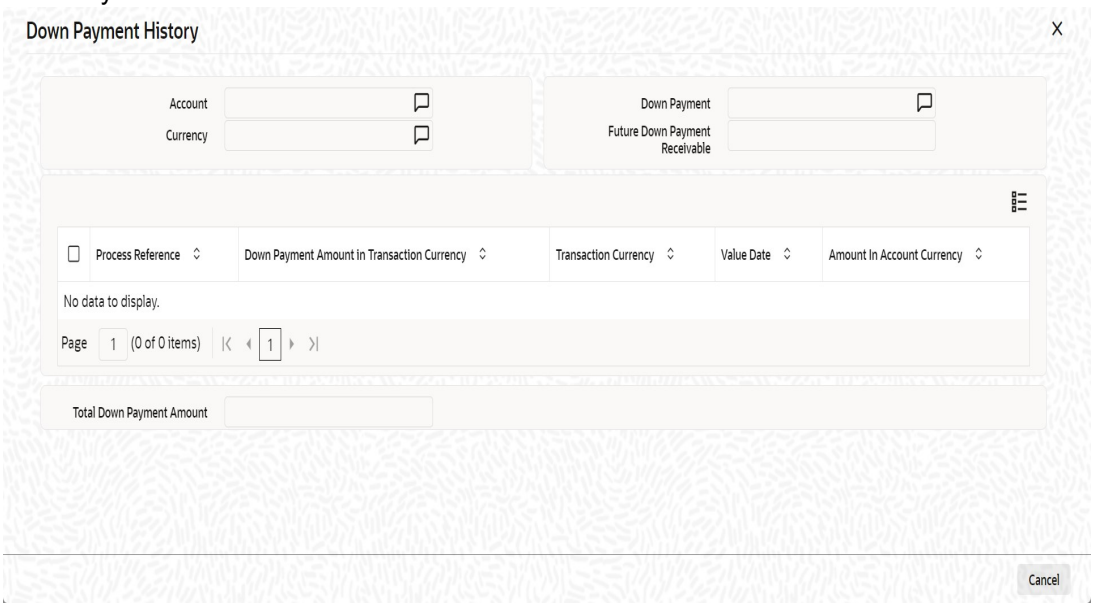
If payment is done by cash, the system displays narrative details captured in 5403 teller screen.

7.3.2 Down Payment History Button

Click 'Down Payment History' button in the 'Islamic Down Payment' screen to get the 'Down Payment Details' screen. This screen displays the previous Down Payment details for the selected account.

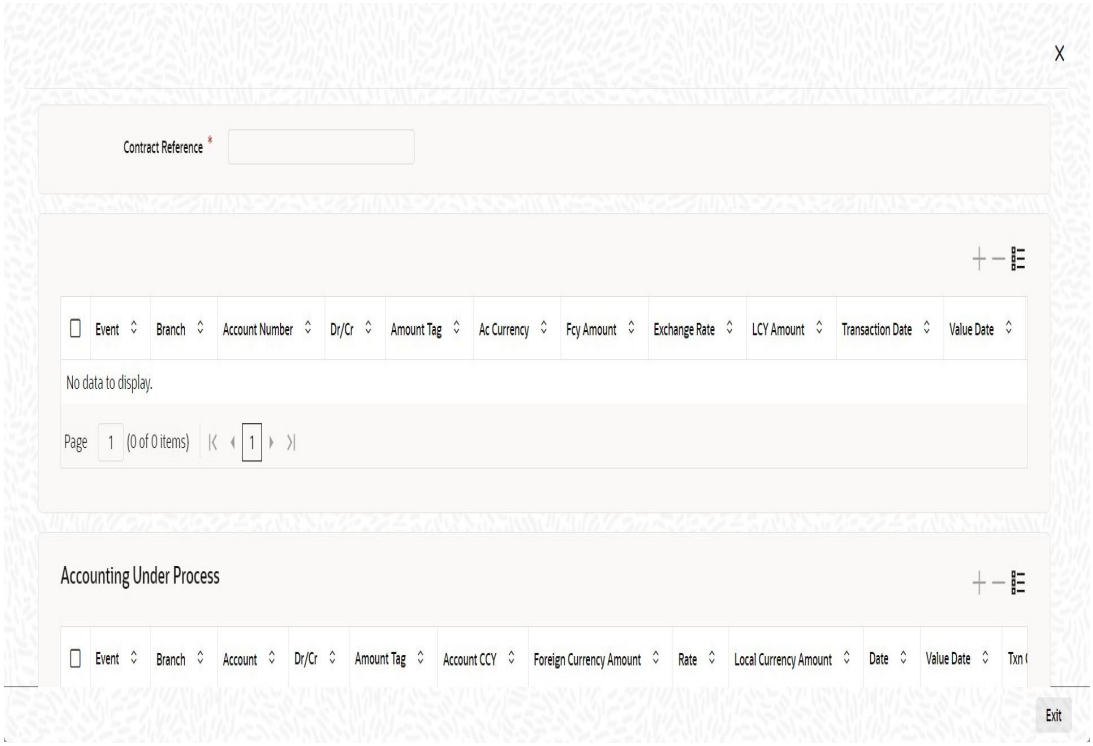
This sub-screen will fetch data only if the Financing Account Number is selected in the screen.

When the financing account number is not selected during transaction, the sub-screen will not have any value..



7.3.3 Events Button

Click 'Events' button in the 'Down Payment Details' screen and view the 'Accounting Entries' screen.



On saving the payment, the system will pass the following accounting entries:

Accounting Role	Amount tag	Dr/Cr
CUSTOMER/GL	TXN_AMT	Dr

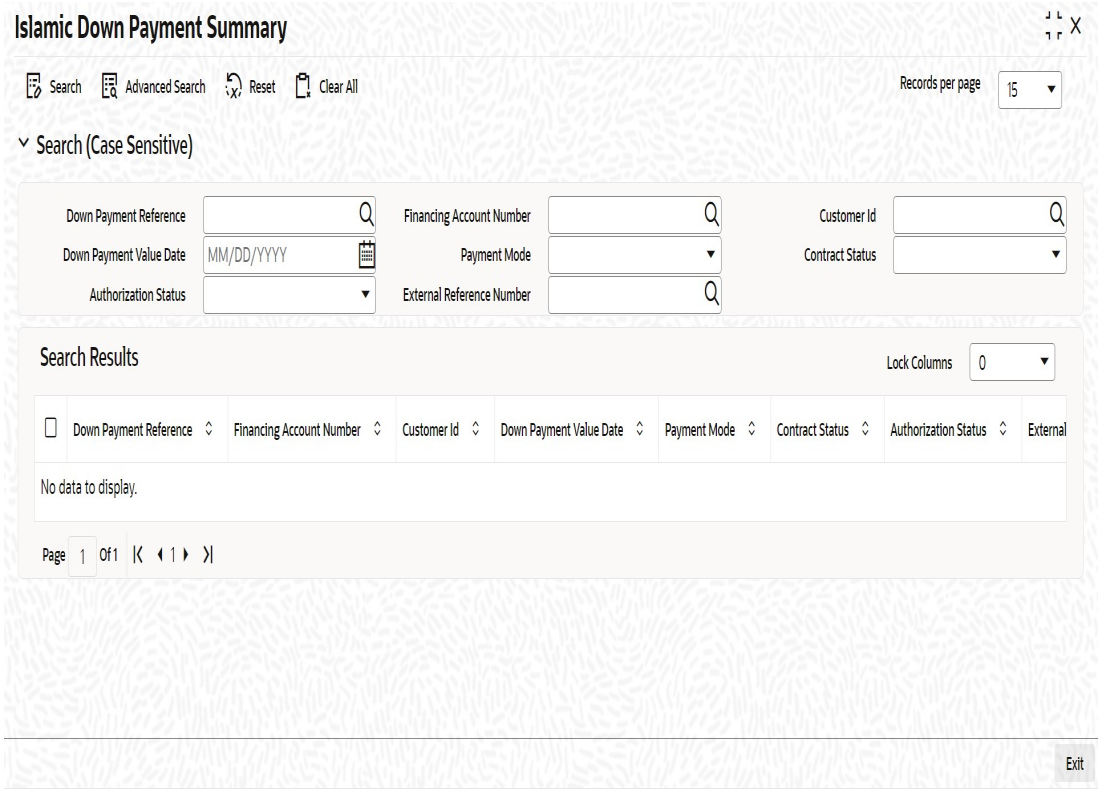
DPRCVDGL	OFS_AMT	Cr

Note

While reversing the down payment, accounting entries will also be reversed with the negative values. However the reversal of down payment is not allowed, if the payment is already linked to an account and if the disbursement event of that account is already triggered.

7.3.4 Viewing Down Payment Details

You can view details of the down payment given by the customer, after the account is booked in the Oracle FLEXCUBE using the 'Islamic Down Payment Summary' screen. You can invoke this screen by typing 'CISDPYNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can query a record using the following options:

- Down Payment Reference
- Financing Account Number
- Customer ID
- External Reference Number
- Payment Mode
- Down Payment Value Date
- Authorization Status
- Contract Status

Click 'Search' button. The system identifies all records satisfying the specified criteria and displays the following details for each one of them:

- Down Payment Reference
- Financing Account Number
- Customer ID
- Down Payment Value Date
- Payment Mode
- Contract Status
- Authorization Status
- External Reference Number

7.4 Down Payment in Cash

Please refer to Islamic Down Payment By Cash in Oracle Banking branch User Guide for further details.

7.5 Murabaha Cash Payment

Please refer to Murabaha Payment By Cash in Oracle Banking Branch User Guide for further details.

7.6 Inactive Account Details

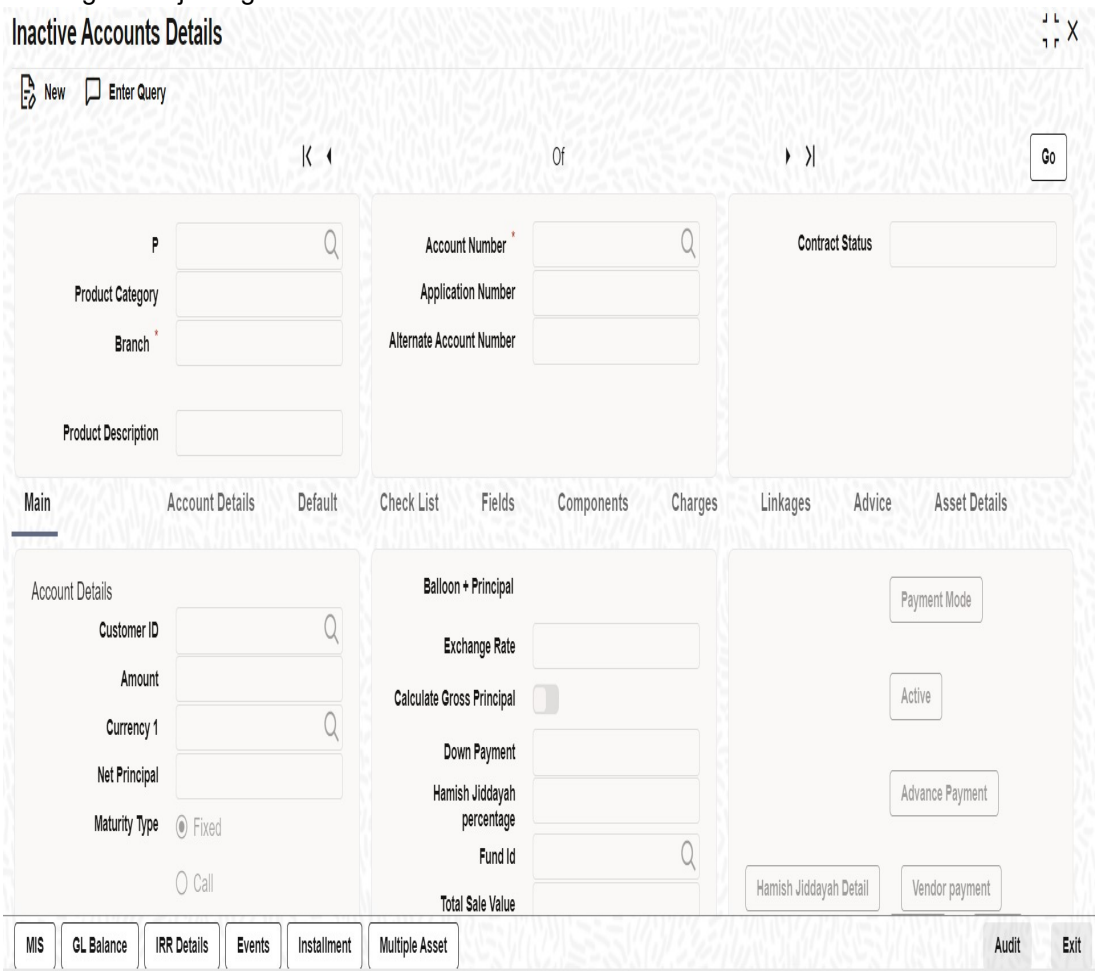
This section contains the following topic:

- Section 7.6.1, "Capturing Finance Details"

7.6.1 Capturing Finance Details

During Finance processing, it is required to capture finance details and not initiate till verification of documents, etc. This module creates a finance account in an inactive state. Inactive finances are input by a separate screen similar to the Accounts screen or by Uploads. After manual verification the account is entered as an inactive account. The account is activated once the requisite documents are received. You can invoke ‘Inactive Accounts’

screen by typing ‘CIDINADT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The system captures the following details and generates an inactive account:

- Finance Reference Number
- Schedule Dates
- Charges
- Installment Amounts

Modifications are allowed on inactive finances even after authorisation and there are no restrictions on inactive finances modifications. Finance details are handed off to other systems. Messages such as Finance advice or Promissory Notes can also be generated.

7.6.1.1 Operations on Inactive Finances

It is possible to modify an inactive finance and save it even after authorisation. When the account is activated it will be an unauthorized account and behaves like an account directed created /uploaded into the system. It is possible to delete the same too. The user can change all finance account properties.

Click ‘Active Account’ button to activate the finance. This changes the funded status of the finance. Once activated, the account cannot be deleted after authorisation and cannot be unlocked after one save.

Accounting entries and limit updates are not called when the finance is inactive. Accounts queries do not display inactive accounts and Inactive accounts views do not show active accounts.

If an account is created after its value date, it behaves as a Back valued finance entry. If it is created after its maturity date, it behaves like an overdue account.

Inactive finances are created with a sequence that is different from the account mask maintained. Upon activation, the account mask is used to create a new account. Hence the account number of an activated account differs from its inactive version.

7.6.1.2 Activating Finances and Limit Earmarking

Inactive finances are activated by clicking on Activate Account button or through an upload. Upon finance activation, Limits Utilizations are updated. Accounting entries are passed for disbursement and for any upfront changes as defined in the product.

The earmarked amount field shows the total earmarking and an earmarking reference number is captured. Upon the actual finance initiation, utilization is made on the line and real entries passed.

7.6.1.3 Deleting Inactive finance

Inactive finances can be deleted even after the authorisation of Inactive finance account. In Bank Parameters, Site specific parameters are provided to control the automatic deletion of Inactive finances. An Inactive Finance processing supports this deletion.

7.7 Finance Simulation

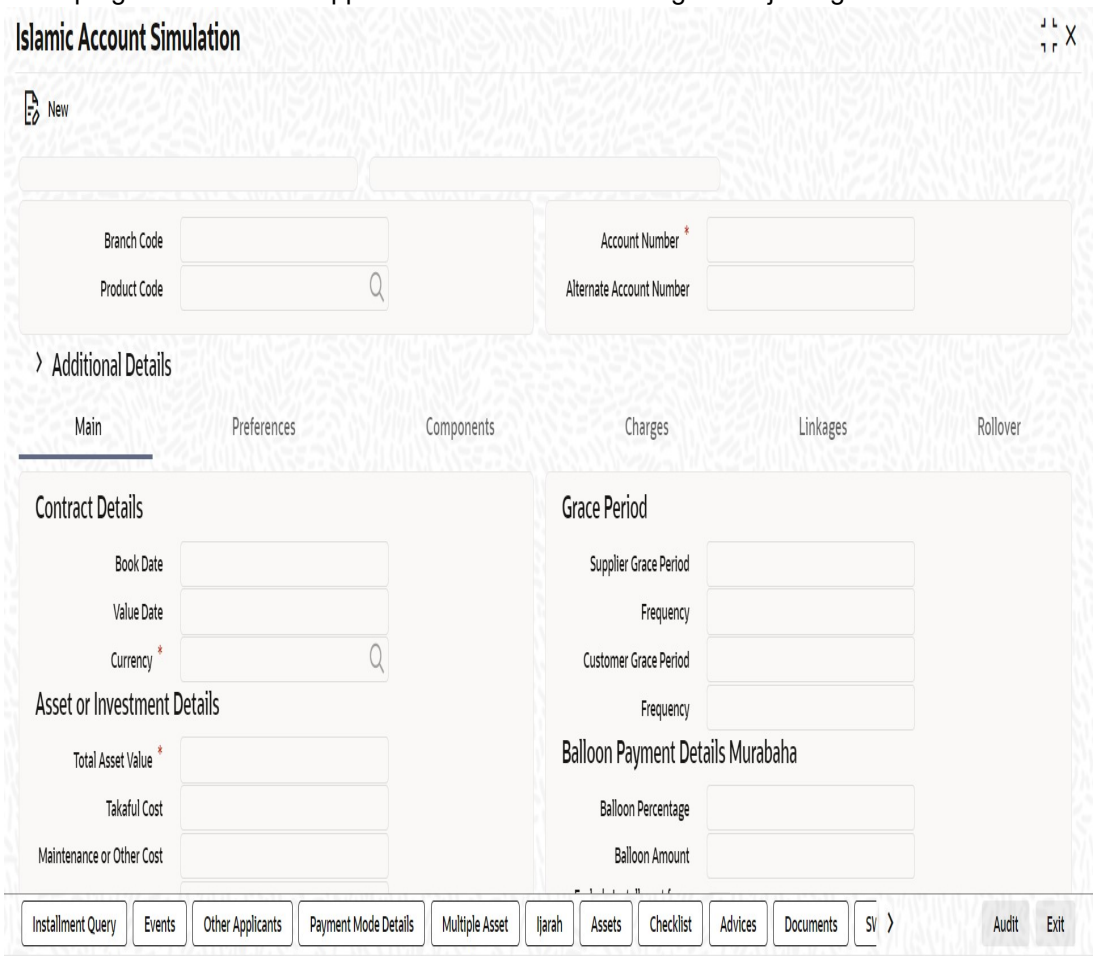
This section contains the following topics:

- Section 7.7.1, "Simulating a Finance"
- Section 7.7.3, "Ijarah Button"

7.7.1 Simulating a Finance

You can simulate finances to answer customer queries especially for new finances and pre-paid finances. The payment schedules of any type of Finance Products can be generated while negotiating with clients during the Presale stage.

You can use the ‘Account Simulation’ screen to simulate a finance. This screen is similar to the ‘Account Details’ screen. You can invoke this screen by typing ’CIDSIMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Simulation will function in exactly the same way as a regular finance input. All warnings and overrides associated with an actual contract save will come in a simulation. For e.g. if the finance results in the overdrawing of the customers finance line, then an Override will be thrown up. However, no data will be stored in Oracle FLEXCUBE.

Click on ’Create Active Account’ button to create a finance directly from the simulator. Only users with rights to invoke Oracle FLEXCUBE finance creation function will be allowed to create finances from the simulation function. The sequence of the Finance account thus created is based on the branch level account mask maintained.

Similarly, click on ’Create Inactive Account’ button to actually create an inactive account based on the simulated data.

A separate Sequence number is provided to create reference numbers for Simulations. These are one time reference numbers for simulation purposes only and are not used for final finance. The User Defined Reference Number facility of Oracle FLEXCUBE is used to create Finance Simulation Sequences.

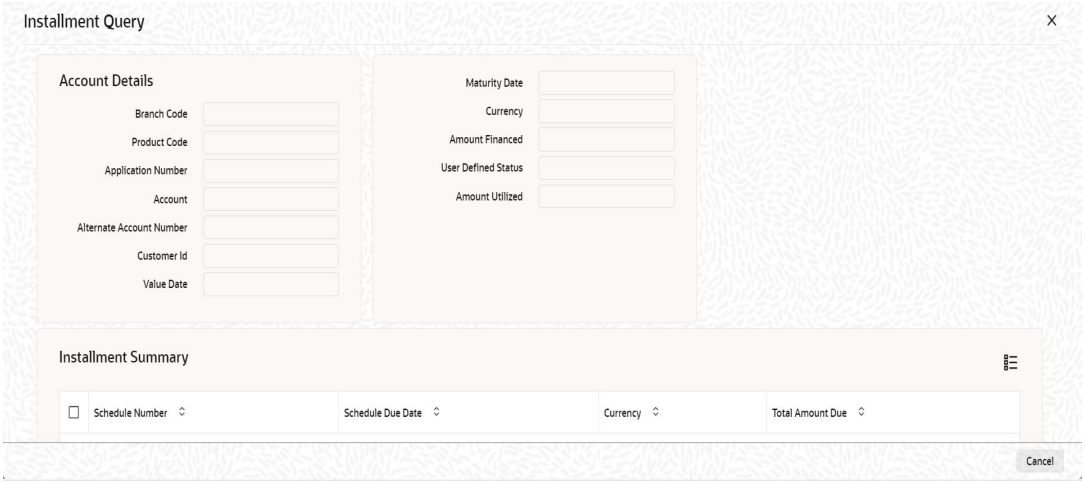
If the simulator is launched from Oracle FLEXCUBE, simulations can be run several times to examine the impact of different parameters on the finance. If the simulator is invoked from a channel, all parameters should be specified afresh for each invocation.

Finance advices can be printed from the screen based on the finance account simulated. This is allowed for finance accounts created in the system prior to their being initiated. Subsequently, advices configured through the events screen will be triggered.

For further details on this screen, please refer 'Creating Account Details/ Light Finances' section in this User Manual.

7.7.2 Installment Query Button

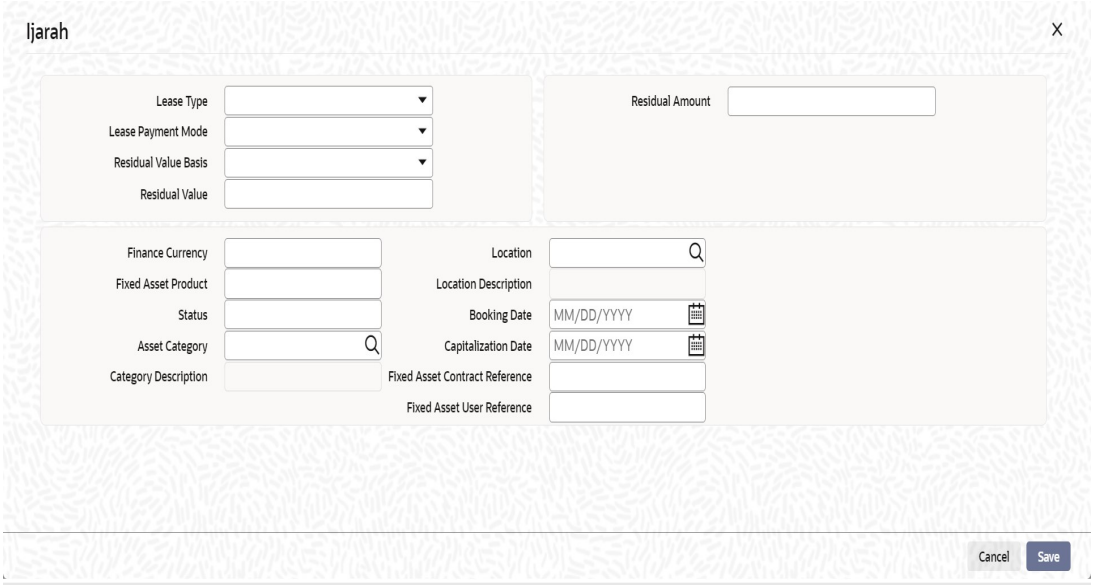
Click 'Installment Query' button in the 'Account Simulation - Main' screen and invoke the 'Installment Query' screen.



The screen helps you to query the installment details of all the available components based on the Schedule due date. On product default, installment details will be repopulated if there is any impact on schedules.

7.7.3 Ijarah Button

Click 'Ijarah' button in the 'Account Simulation - Main' screen and invoke the 'Ijarah' screen.



The following details can be captured in this screen:

- Dealer
- Asset Cost

- Residual Value Basis
- Residual Value
- Residual Amount
- Lease Type
- Lease Payment Mode

8. Branch Transfer of Finance

Oracle FLEXCUBE supports transfer of finance and commitment from one branch to another. This will be either customer initiated transfer or branch initiated transfer. Customer initiated transfer is single finance transfer and branch initiated transfers are multiple finance transfer.

This chapter contains the following sections:

- Section 8.1, "Islamic Finance Transfer"
- Section 8.2, "Customer Portfolio Transfer"
- Section 8.3, "Branch Merger"
- Section 8.4, "Product Lending Branch Transfer"
- Section 8.5, "Islamic Financing Transfer Log Summary"

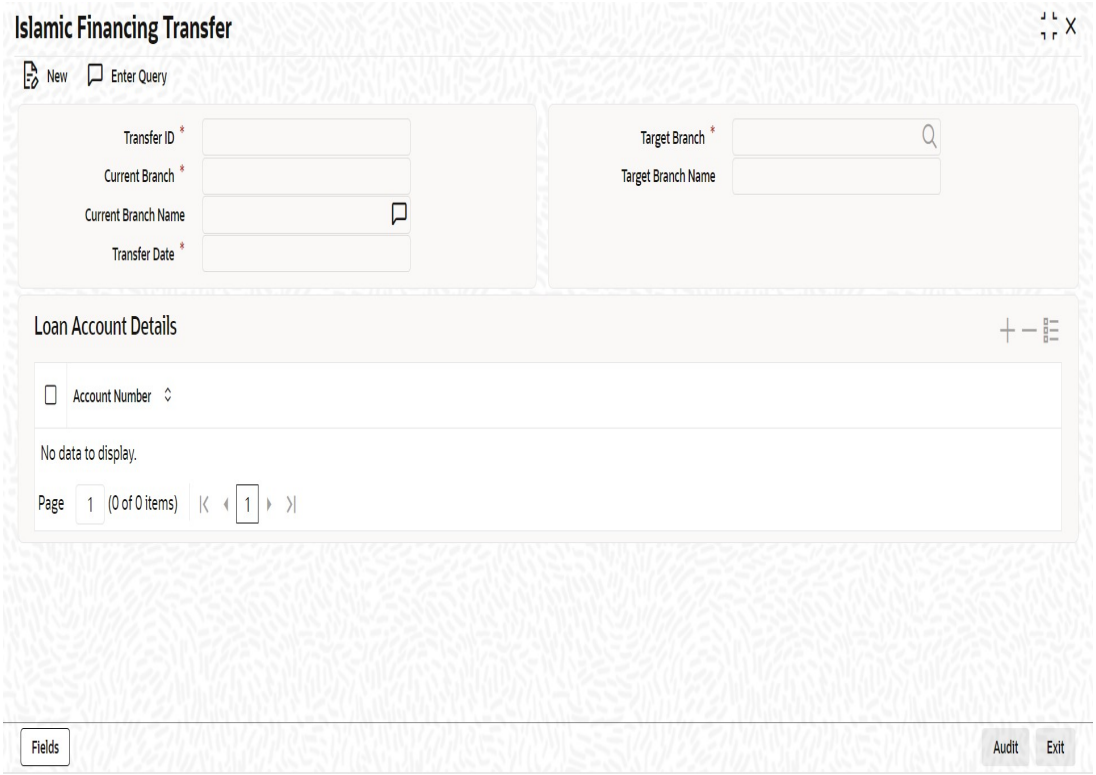
8.1 Islamic Finance Transfer

This section contains the following topic:

- Section 8.1.1, "Transferring Islamic Finance"

8.1.1 Transferring Islamic Finance

You can capture the finance, branch to which it is transferred and the date the finance has to be transferred from ‘Islamic Financing Transfer’ screen. You can invoke this screen by typing ‘CIDACCTR’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can specify the following details in the Finance Transfer screen:

Transfer ID

System displays the unique number to identify the transfer.

Current branch

System displays the Current Branch of the finance.

Current Branch Name

System displays the Name of the current branch of the finance.

Transfer Date

Select the Date on which finance account has to be transferred.

Target Branch

Select the target branch to which finance is to be transferred from the adjoining option list.

Target Branch Name

System displays the Name of the target branch of the finance.

Finance Account Details

Account Number

Select the Account number from the adjoining option list.

You can maintain the branch transfer of Ijarah account using this screen. While processing branch transfer of financial Ijarah accounts with fixed asset linkage, the system will auto process the transfer of fixed assets.

During the branch transfer of fixed assets, the system will create a new fixed asset reference and update the new references at Ijarah account level.

If failure of asset transfer is configured as an override message, the system logs exception and skips fixed asset transfer. iIf failure of asset transfer is configured as an error, Ijarah account transfer itself will fail.

8.2 Customer Portfolio Transfer

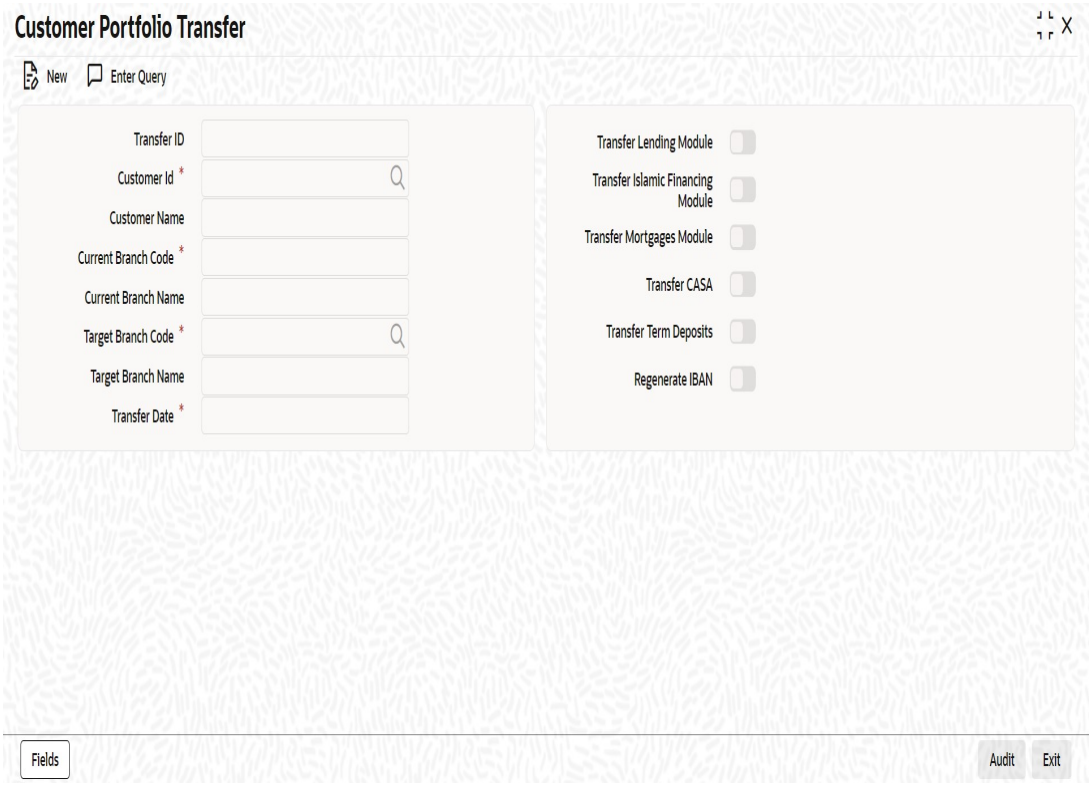
This section contains the following topic:

- Section 8.2.1, "Transferring Customer Portfolio"

8.2.1 Transferring Customer Portfolio

You can transfer finance or commitments for all the records with transfer date greater than current date from the source branch to a new branch. This is transferred in the beginning of the day after authorization. ‘Customer Portfolio Transfer’ transfers all the finance contracts under the maintained customer ID. You can invoke this screen by typing ‘STDCUSTR’ in the

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



Specify the following details in the Customer Portfolio Transfer screen:

Transfer ID

The system displays the transfer Id on clicking ‘New’.

Customer No

Select the customer name from the adjoining option list.

Customer Name

System displays the customer name.

Current Branch Code

System displays the current branch code.

Current Branch Name

System displays the name of the current branch.

Target Branch Code

Specify the Target Branch to which the Customer Portfolio is to be transferred.

Target Branch Name

System displays the name of the target branch of the Customer Portfolio.

Transfer Date

Specify the date on which the Customer Portfolio should be transferred.

Transfer Lending Module

Check Transfer lending Module to specify if Finance or commitments should be transferred as part of customer portfolio transfer.

Transfer Islamic Financing Module

Check Transfer Islamic Financing Module to specify if Islamic Finance should be transferred as part of customer portfolio transfer.

Transfer Mortgages Module

Check Transfer Mortgages Module to specify if Mortgage Finance/commitments (MO) should be transferred as part of customer portfolio transfer

Transfer CASA

Check Transfer CASA to specify if Customer Accounts (CASA) should be transferred as part of customer portfolio transfer.

Transfer Term Deposits

Check Transfer Term Deposits to specify if Term Deposits (TD) should be transferred as part of customer portfolio transfer.

Regenerate IBAN

Check this box to regenerated IBAN upon branch transfer. You can check this box only if 'Transfer CASA' is checked.

If you select the ‘Regenerate IBAN’ check box, the system performs the following actions:

- On saving branch transfer record, the system checks whether BBAN Format Mask and related values are available for IBAN regeneration.
- During branch transfer of accounts with IBAN, the system regenerates IBAN based on the IBAN/BBAN parameters of the new branch.

If you do not select the ‘Regenerate IBAN’ check box, the system performs the following actions:

- On saving branch transfer record, the system validates whether the BBAN Format Mask and data type are same for the current and destination branch.
- During branch transfer of CASA accounts, the system retains the original IBAN field value.

Note

By default, system selects all the check boxes. The system displays an error message if at least one of the check boxes is not selected.

You can maintain the branch transfer of Ijarah account using this screen. While processing branch transfer of financial Ijarah accounts with fixed asset linkage, the system will auto process the transfer of fixed assets.

During the branch transfer of fixed assets, the system will create a new fixed asset reference and update the new references at Ijarah account level.

If failure of asset transfer is configured as an override message, the system logs exception and skips fixed asset transfer. iIf failure of asset transfer is configured as an error, Ijarah account transfer itself will fail.

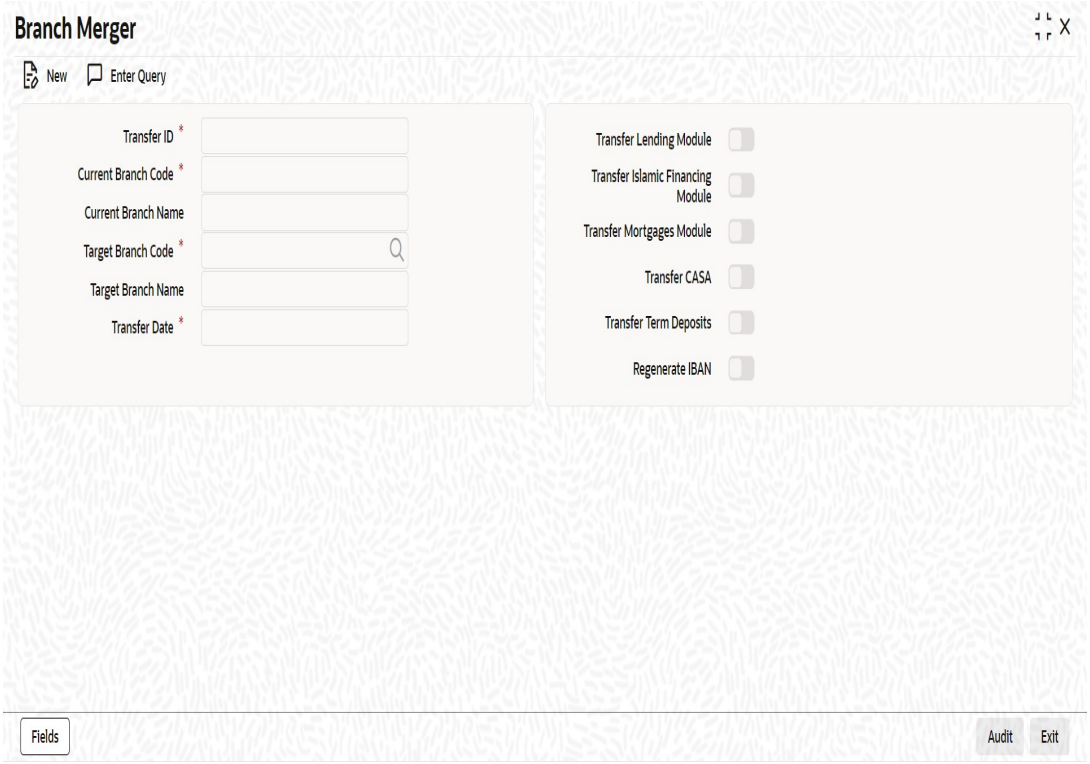
8.3 Branch Merger

This section contains the following topic:

- Section 8.3.1, "Merging of Branches"

8.3.1 Merging of Branches

You can transfer Finance or commitments when the branches merge in the Branch Merger screen. You can transfer finances or commitments for all the records with transfer date greater than the current date from the source branch to a target branch. You can invoke this screen by typing 'STDBRNTR' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can specify the following in the branch merger screen:

Transfer Id

The system displays the transfer Id on clicking 'New'.

Current Branch Code

System displays the current branch code.

Current Branch Name

System displays the name of the current branch.

Target Branch Code

Specify the Target Branch with which the current branch is to be merged.

Target Branch Name

System displays the name of the target branch.

Transfer Date

Specify the date on which the branch should be merged with target branch.

Transfer Lending Module

Check Transfer lending Module to specify if Finance or commitments should be transferred as part of Branch Merger.

Transfer Islamic Financing Module

Check Transfer Islamic Financing Module to specify if Islamic Finance should be transferred as part of Branch Merger.

Transfer Mortgages Module

Check Transfer Mortgages Module to specify if Mortgage Finance/commitments (MO) should be transferred as part of customer portfolio transfer

Transfer CASA

Check Transfer CASA to specify if Customer Accounts (CASA) should be transferred as part of customer portfolio transfer.

Transfer Term Deposits

Check Transfer Term Deposits to specify if Term Deposits (TD) should be transferred as part of customer portfolio transfer.

Regenerate IBAN

Check this box to regenerate IBAN upon branch transfer. You can check this box only if 'Transfer CASA' is checked.

If you select the ‘Regenerate IBAN’ check box, the system performs the following actions:

- On saving branch transfer record, the system checks whether BBAN Format Mask and related values are available for IBAN regeneration.
- During branch transfer of accounts with IBAN, the system regenerates IBAN based on the IBAN/BBAN parameters of the new branch.

If you do not select the ‘Regenerate IBAN’ check box, the system performs the following actions:

- On saving branch transfer record, the system validates whether the BBAN Format Mask and data type are same for the current and destination branch.
- During branch transfer of CASA accounts, the system retains the original IBAN field value.

Note

By default, system selects all the check boxes. The system displays an error message if at least one of the check boxes is not selected.

During branch merger and product transfer Holiday Maintenance and UDE Float rates are same for both the branches. If both the branches have different Holiday Maintenance and UDE Float rates, then during subsequent events like VAMI in the finance account, for Product transfer accounts and branch merger records, schedule gets recomputed based on the target branch’s holiday or float rates.

You can maintain the branch transfer of Ijarah account using this screen. While processing branch transfer of financial Ijarah accounts with fixed asset linkage, the system will auto process the transfer of fixed assets.

During the branch transfer of fixed assets, the system will create a new fixed asset reference and update the new references at Ijarah account level.

If failure of asset transfer is configured as an override message, the system logs exception and skips fixed asset transfer. iIf failure of asset transfer is configured as an error, Ijarah account transfer itself will fail.

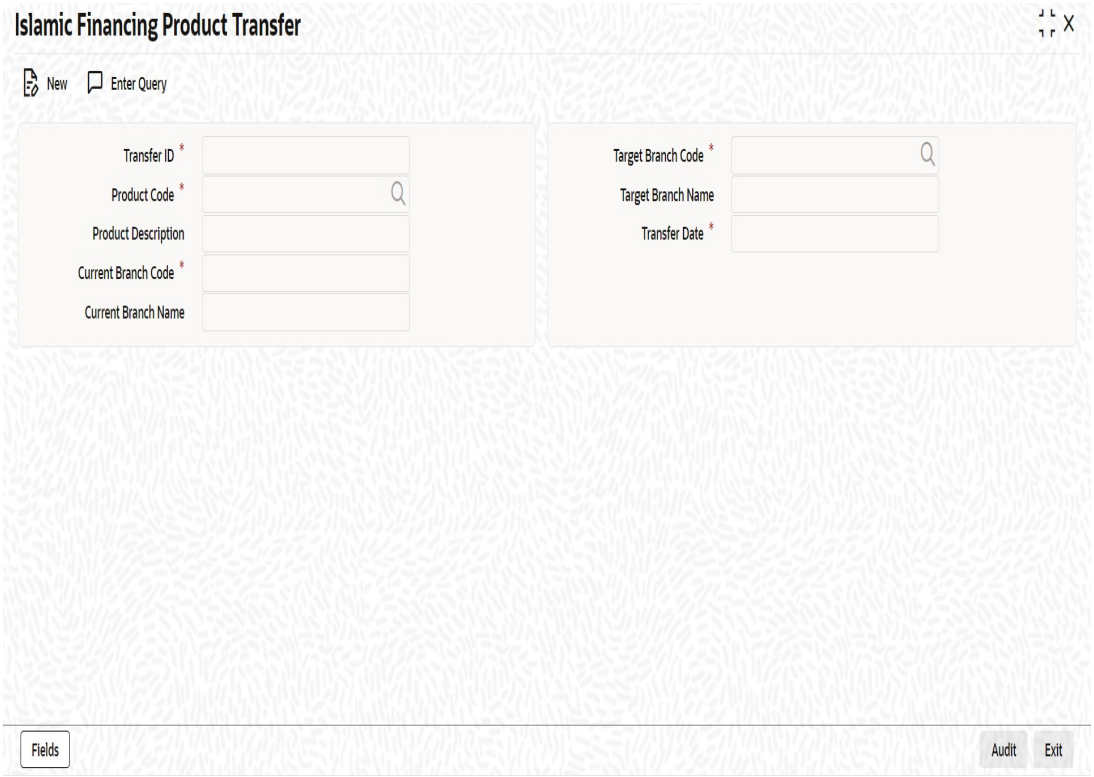
8.4 Product Lending Branch Transfer

This section contains the following topic:

- Section 8.4.1, "Transferring Product Finance"

8.4.1 Transferring Product Finance

You can transfer finance belonging to a product in Islamic Financing Product transfer screen. You can transfer finances for all the records with transfer date greater than the current date from the source branch to a target branch. You can invoke this screen by typing 'CIDPRDTR' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can specify the following in this screen:

Transfer Id

System displays the unique number to identify the transfer.

Target Branch Code

Specify the Target Branch to which the Islamic Financing accounts belonging to the Product is to be transferred.

Target Branch Name

System displays the name of the target branch of the finance.

Product Code

System displays the product code for which the finance accounts are transferred.

Product Description

Specify the description of the product for which the finance accounts are transferred.

Transfer Date

Specify the date on which the finance should be transferred.

Current Branch Code

System displays the current branch code.

Current Branch Name

System displays the name of the current branch of the finance.

Note

During branch merger and product transfer Holiday Maintenance and UDE Float rates are same for both the branches. If both the branches have different Holiday Maintenance and UDE Float rates, then during subsequent events like VAMI in the finance account, for Product transfer accounts and branch merger records, schedule gets recomputed based on the target branch's holiday or float rates.

You can maintain the branch transfer of Ijarah account using this screen. While processing branch transfer of financial Ijarah accounts with fixed asset linkage, the system will auto process the transfer of fixed assets.

During the branch transfer of fixed assets, the system will create a new fixed asset reference and update the new references at Ijarah account level.

If failure of asset transfer is configured as an override message, the system logs exception and skips fixed asset transfer. iIf failure of asset transfer is configured as an error, Ijarah account transfer itself will fail.

8.5 Islamic Financing Transfer Log Summary

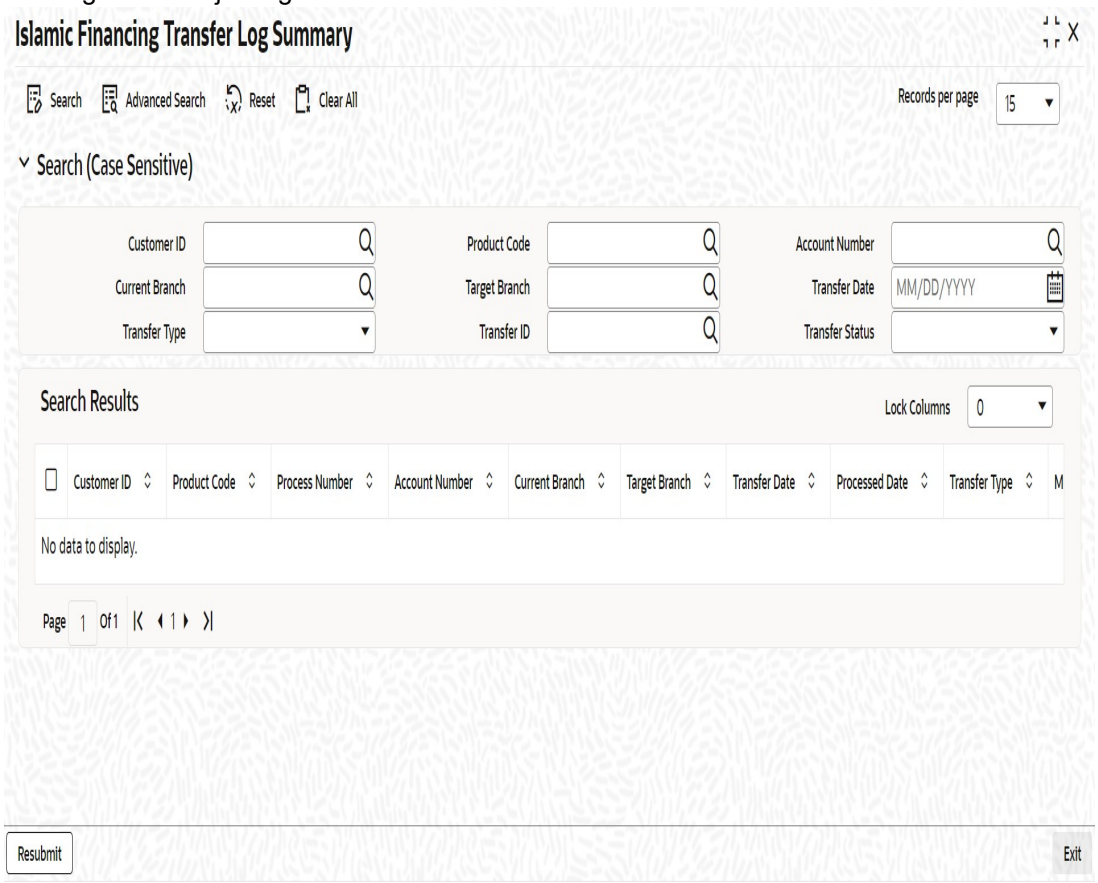
This section contains the following topic:

- Section 8.5.1, "Viewing Branch Transfer Details"

8.5.1 Viewing Branch Transfer Details

the single finance, customer portfolio, branch merger and product transfers fails, then the status of the transfer is updated as 'error' along with the failure reasons. The Islamic Financing Transfer Log Summary screen allows viewing and re-submitting such failed transfers. You can also view successful transfer records in this screen. You can invoke this

screen by typing ‘CISTRLOG’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



You can View or Re-submit failed transfer in this screen.

Account Number

Select the Finance Account Number from the adjoining option list.

Source Branch

Select the current branch from the adjoining option list.

Transfer Date

Select the date of transfer for the finance account.

Target Branch

Select the target branch of the finance account from the adjoining option list.

Customer No

Select the customer number of the finance account from the adjoining option list.

Status

Choose the status of the transfer record from the drop down list. The options available are:

- Success
- Error
- Unprocessed
- Rerun

Product Code

Select the product code of the finance account from the adjoining option list.

The following are displayed in this screen:

- Customer ID
- Product Code
- Process Number
- Account Number
- Current Branch
- Target branch
- Transfer Date
- Process Date
- Transfer Type
- Module Code
- Transfer ID
- Transfer Status

Resubmit

Clicking on the resubmit button marks all checked failed records for retry during the BOD batch.

View Error Details

Select a record to view the reason for failure of contracts which failed to transfer.

8.5.1.1 Transferring Batch

If the transfer event is initiated for CL, CI or MO Product and transfer date is on the current date, then the in BOD batch system processes transfer of all the finance or commitments marked for the day.

8.5.1.2 Transferring Event

The transfer event TRFR for finance transfer triggers:

- All the finance tables for the finance account to be updated with new branch.
- Transfer of finance outstanding to a suspense or bridge GL from old branch to the new branch.

The following remains active even after the transfer of finance accounts:

- Compensation or Overdue Compounding
- Status Change
- Provisioning
- Partial Write-Off
- Group Status Change
- Auto Rollover
- Revolving Finance
- Promotions or Relationship Pricing
- Accounts Linked to Salary
- MIS
- Settlement Account
- Limits Utilization

9. Making Manual Disbursements

The Islamic Financing Module of Oracle FLEXCUBE supports the following modes for finance disbursements:

- Auto
- Manual

If you select the mode ‘Auto’, the system will automatically disburse the finances based on the disbursement schedule defined for the product.

In the manual mode, disbursement happens on demand. In this case, disbursement schedules need not be maintained for the ‘PRINCIPAL’ component. Also, you can collect any applicable charges related to the disbursement at the time of making the disbursement. These charges are defined at the product level.

When an Islamic finance is disbursed either in the ‘manual’ or in the ‘auto’ mode, the system will utilize the collateral, collateral pool, facility, or liability only for the amount that is disbursed.

You have to specify the disbursement mode as a preference at the time of setting up a Consumer Lending product in the system.

Refer the section titled ‘Disbursement Mode preferences’ in the ‘Defining Product Categories and Products’ chapter of this User Manual for details.

This chapter contains the following section:

- Section 9.1, "Manual Disbursement"

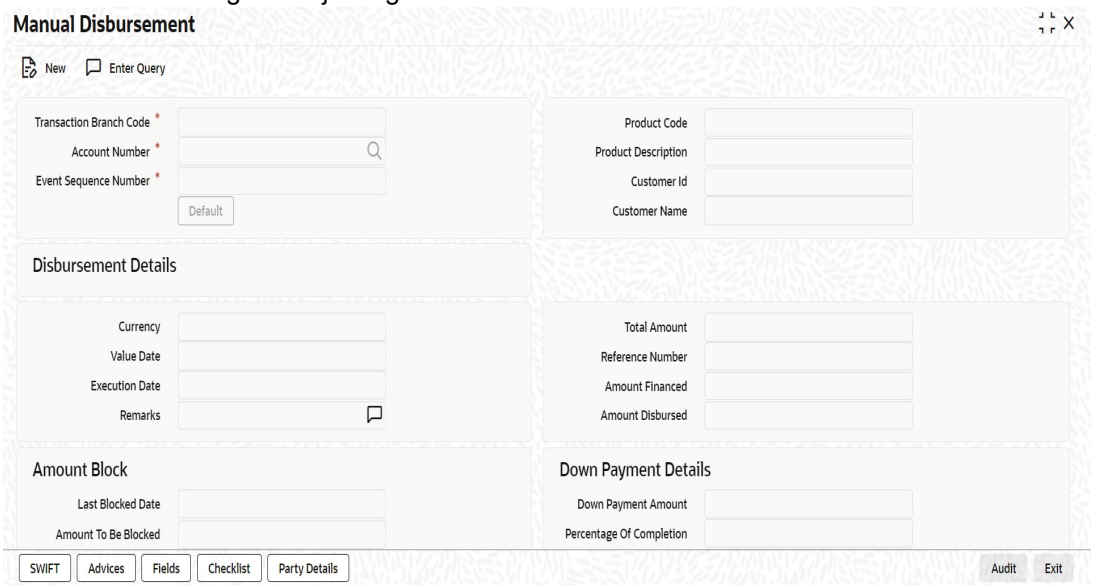
9.1 Manual Disbursement

This section contains the following topic:

- Section 9.1.1, "Disbursing a finance through the ‘Manual’ mode"
- Section 9.1.2, "SWIFT Message Details Button"
- Section 9.1.3, "Advices Button"
- Section 9.1.4, "Fields Button"
- Section 9.1.5, "Check List Button"

9.1.1 Disbursing a finance through the ‘Manual’ mode

You can initiate a manual disbursement through the ‘Manual disbursement’ screen. You can invoke this screen by typing ‘CIDMNDSB’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To begin the disbursement, click on the ‘New’ icon in the toolbar of the screen. Enter the account number and click the ‘Default’ button. The system defaults the details based on product definition and the account maintained by the bank for the account. You can modify the relevant details.

The following information gets defaulted to the screen:

Transaction Branch Code

The code of the login/sign-on branch is displayed here. However, you can select a different branch from the option list provided. It is the branch where the loan account of the customer resides.

Account Number

Select the Loan Account of the customer to which the disbursement is made. All valid accounts are available in the option list. Select the appropriate one from this list.

Event Sequence Number

Specify the event sequence number.

Product Code

Specify the product code.

Product Description

The system displays the description for the selected product code.

Customer ID

Specify the customer ID

Customer Name

The system displays the name of the customer for the selected customer ID.

Disbursement Details

Currency

The system displays the currency code.

Value Date

This is the date when the credit entry (for the disbursement amount) is posted to the Cr Settlement Bridge. The current system date is displayed here.

Execution Date

This is the date on which the disbursement is booked in the system. The current system date is displayed here. You may change the date to a date in the future before the maturity date of the loan.

Remarks

Capture any additional information about the disbursements, if required.

Total Amount

This displays the sum total of the amount disbursed across the various settlement modes. It gets incremented by the amount settled.

On saving the account, the sum total of the amount disbursed in limit currency is validated against the product transaction limit and the user input limit maintained in the system. The system converts the contract amount to the transaction limit amount using the standard mid rate and check against the transaction limit amount maintained for the product if the contract currency is different from the transaction limit currency.

The system displays an appropriate override/error message if the amount exceeds the allowed input limit. It also indicates the level of authorization required if the transaction the amount is in excess of the transaction limit maintained.

Reference Number

This is auto generated and used as a reference to identify the transaction in the system.

Amount Financed

The system calculates and computes the amount financed into the account, when you click ‘Default’ button.

Amount Disbursed

The system calculates and computes the amount disbursed into the account, when you click ‘Default’ button.

Amount Block

Specify the following under amount blocks:

Amount to be Blocked

Here the system displays the amount to be blocked.

Amount Blocked

The system displays the amount blocked till date.

Last Blocked date

The system displays the last blocked date.

Re-Schedule Amortization on Final disbursement

By default, this field displays the value maintained in the ‘Re-Schedule Amortization on Final disbursement’ field in the ‘Account Details’ screen. During manual disbursement, if this field

is checked, if the amount financed is equal to the amount disbursed and if the amortization starts date is not equal to disbursement date, the system displays the override message as 'Amortization Re-scheduling triggered'.

During authorization, the system will reschedule the amortization schedules.

On reversal of disbursement, amortization reschedule triggered during the final disbursement is reversed and the amortized schedules and maturity date is restored back to state before the disbursement.

Down Payment Details

Down Payment Amount

Specify the down payment amount.

Percentage of Completion

Specify the percentage of completion based on which the amount to be disbursed is calculated. The entered value should be greater than '0' and less than '100'.

Amount to be Disbursed

The amount which needs to be disbursed is calculated and displayed here once you specify percentage of completion and move the cursor from 'Percentage of Completion' field.

The following steps are involved in calculating amount to be disbursed:

1. Click 'Default' button. The system computes 'Amount Financed' and 'Amount Disbursed'.
2. Specify percentage of completion and move the cursor from 'Percentage of Completion' field.

   'Percentage of Completion' and 'Percentage of Disbursement' are directly related. Also,

Percentage of Amount to be Disbursed = (Percentage of Completion – Percentage of Amount Disbursed)

3. The system calculates the 'Percentage of Amount Disbursed' using the 'Amount Financed' and 'Amount Disbursed' values computed. Therefore,

Amount to be Disbursed = (Amount Financed * (Percentage of Completion – Percentage of amount Disbursed))/100

You can change the value of 'Percentage of Completion' and the system calculates and displays the 'Amount to be Disbursed' accordingly, once you move the cursor from 'Percentage of Completion'.

System displays an override message for the following:

- If the amount that is actually disbursed is different from the amount to be disbursed.
- If the given Percentage of Completion is less than the given value for the same during the previous disbursement.
- During final disbursement, if the percentage of completion is not equal to 100%.

Note

- If the percentage of completion is not defined, then the systems defaults the value to '0'.
- The validations and calculations are applicable only for accounts which are maintained as 'Istisna' products

Label Account

Select the Finance Account of the customer to which the disbursement is made. All valid accounts are available in the option list. Select the appropriate one from this list.

Remarks

Capture any additional information about the disbursements, if required.

Disbursement Details

The following disbursement details have to be captured in the 'Disbursement Details' section of the screen:

Reversed

When you reverse a manual disbursement, the system automatically checks this option to denote that the particular settlement mode has been reversed.

For reversing a disbursement, a different event, REVD (Reverse Disbursement) is triggered.

Settlement Mode

You can make disbursements either through a single mode or by using multiple modes of settlement, depending on the customer's requirement.

The settlement details that need to be captured depend on the mode you select. The list of modes and the applicable settlement details are given below:

- CASA
  - Settlement Branch
  - Settlement Account
- Clearing
  - Upload Source
  - Instrument Number
  - Clearing Product
  - End Point
  - Routing Number
  - Clearing Bank
  - Clearing Branch
  - Sector Code
- External Account
  - Upload Source
  - Product Category
  - Clearing Bank Code
  - Clearing Branch Code
  - External Account Name
  - External Account Number
- Instrument
  - Instrument Number
  - Settlement Branch
  - Settlement Account
- Cash/Teller
  - Upload Source

– Settlement Product

Note

Atleast one mode is mandatory to make a disbursement.

Settle Currency

After specifying the settlement mode for the disbursement, select the currency in which the disbursement is to be made. The currencies allowed for the branch are available in the option list provided.

Settlement Amount

Here, you have to capture the disbursement amount that is to be settled through the selected mode in the selected currency.

The 'Total Amount' gets incremented by the amount settled and displays the sum total of the amount disbursed across the various settlement modes.

Note that if the box 'Property Handover' is not checked, the system will not allow final disbursement.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For more details on customer specific exchange rates, refer the section titled 'Specifying Pricing Benefit Details' in Relationship Pricing user manual.

Settlement Currency Equivalent

As mentioned above, if the Mode Currency and Loan Currency are different, the system calculates the Loan Currency equivalent using the exchange rate applicable for the currency pair.

Settlement Branch

Specify the settlement branch.

Account Description

The system displays the account description.

Settlement Account

Specify the settlement account.

Issuing Branch

Specify the issuing branch code.

External Reference Number

The system displays the external reference number.

Additional Details

Click ‘Additional Details’ button to specify the additional details.

Netting Account for Debits

Specify the netting account details for debits.

Suppress Message

Check this box to suppress the message

Customer

Specify the customer details.

Purpose

Specify the purpose of manual disbursement.

Charge Details

Click ‘Compute Charges’ button to calculate the charge details.

Specify the following details in this screen:

Component Name

Select the charge component from the option list provided. This list displays the components of type ‘Charge’ that were associated with the event at the time of defining the product.

Settlement Mode

You can use multiple modes of settlement for charge settlement also. The list of modes applicable is same as the one allowed for finance disbursement.

Settlement Currency

After specifying the settlement mode, select the currency in which the charge is to be collected. The currencies allowed for the branch are available in the option list provided.

Settlement Amount

If a formula is maintained for charge calculation at the product level, the system calculates the charge on the amount being disbursed using the formula. The same is then displayed in the here.

Exchange Rate and Settlement Currency Equivalent

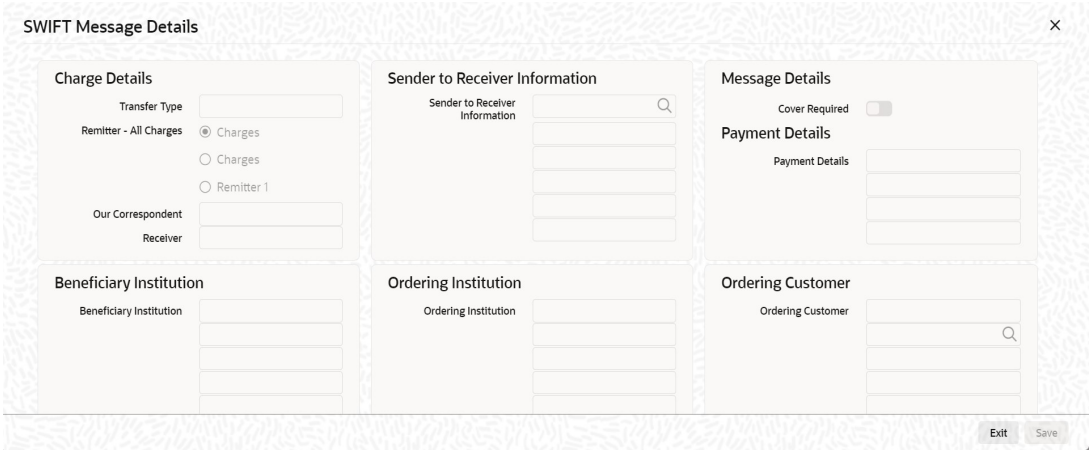
This information is applicable if the Mode Currency is different from the Finance Currency. The exchange rate that is defaulted from the Standard Exchange Rate Maintenance is used to convert the charge amount to the Finance Currency equivalent.

The system displays the following details:

- Settlement Branch
- Settlement Account
- External Account
- Additional Details

9.1.2 SWIFT Message Details Button

Click ‘SWIFT Message Details’ button in ‘Islamic Account Details’ screen to invoke the following screen:



You can specify the following details:

Account

Specify the account number.

Beneficiary Institution

Beneficiary Institution

Specify the beneficiary institution details. Alternatively, you can select the beneficiary institution details from the option list. The list displays all valid beneficiary institution details maintained in the system.

Sender To Receiver Information

Sender To Receiver Information

Specify the sender to receiver information details. Alternatively, you can select the sender to receiver information details from the option list. The list displays all valid sender to receiver information details maintained in the system.

Message Details

Cover Required

Check this box if applicable.

Payment Details

Payment Details

Specify the payment details.

Charge Details

Account Currency

Specify the account currency code.

Our Correspondent

Specify the correspondent details.

Receiver

Specify the receiver details.

Transfer Type

Specify the type of transfer.

Remitter - All Charges

Select the remitter - al charges option that you are maintaining. The options are as follows:

- Charges
- Remitter 1

Ordering Institution

Ordering Institution

Specify the ordering institution details. Alternatively, you can select the ordering institution details from the option list. The list displays all valid ordering institution details maintained in the system.

Ordering Customer

Ordering Customer

Specify the ordering customer details. Alternatively, you can select the ordering customer details from the option list. The list displays all valid ordering customer details maintained in the system.

Intermediary Reimbursement Institution

Intermediary Institution

Specify the intermediary institution details. Alternatively, you can select the intermediary institution details from the option list. The list displays all valid intermediary institution details maintained in the system.

Ultimate Beneficiary

Ultimate Beneficiary

Specify the ultimate beneficiary details. Alternatively, you can select the ultimate beneficiary details from the option list. The list displays all valid ultimate beneficiary details maintained in the system.

Beneficiary Institution for Cover

Beneficiary Institution

Specify the beneficiary institution details. Alternatively, you can select the beneficiary institution details from the option list. The list displays all valid beneficiary institution details maintained in the system.

Receiver Correspondence

Receiver Correspondent

Specify the receiver correspondent details. Alternatively, you can select the receiver correspondent details from the option list. The list displays all valid receiver correspondent details maintained in the system.

Account with Institution

Account with Institution

Specify the account with institution details. Alternatively, you can select the account with institution details from the option list. The list displays all valid account with institution details maintained in the system.

Intermediary

Intermediary

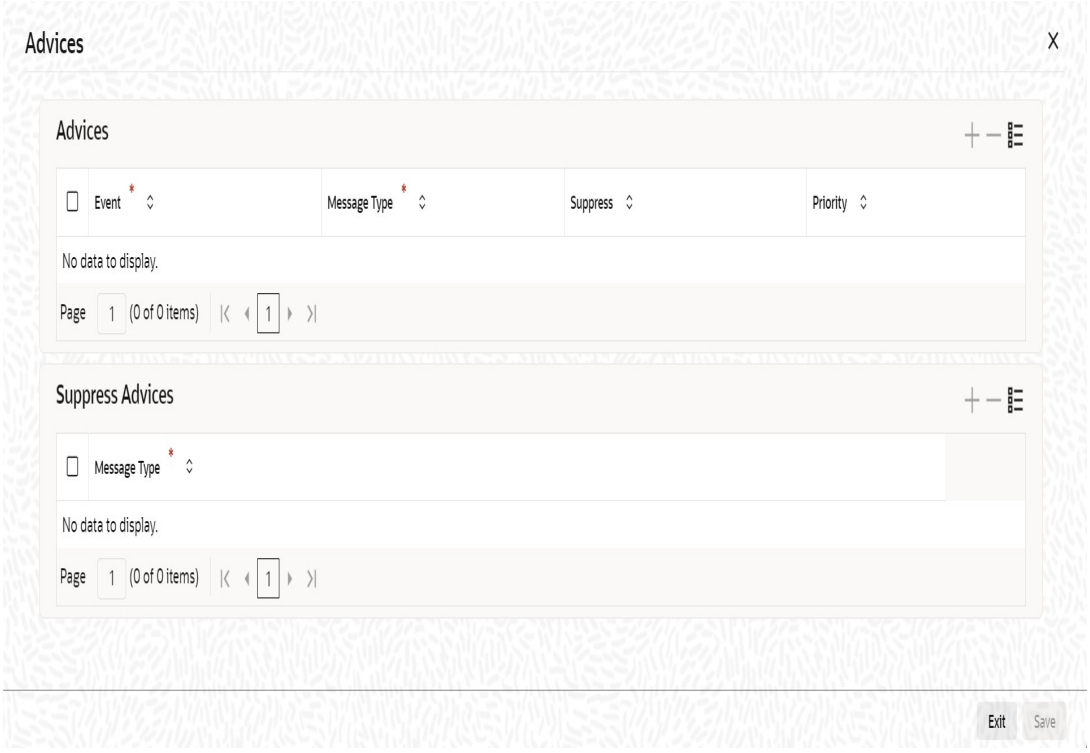
Specify the intermediary details. Alternatively, you can select the intermediary details from the option list. The list displays all valid intermediary details maintained in the system.

9.1.3 Advices Button

You can view the advices defaulted which also includes the Payment Message in the 'Advices' screen. To invoke this screen, click 'Advices' button on the 'Manual Disbursement' screen. You can also choose to suppress the messages as required.

You can opt to suppress the Payment Message defaulted in case you do not need a credit through swift message.

The defaulted details can be overriden at this stage and if the settlement mode is changed to anything other than CASA, the swift message is automatically suppressed.



You can specify the following details:

Advices

Event

The system displays the event details.

Message Type

The system displays all the advices for all the events for the account. The list will include all the advices that are defined at the product level.

Suppress

Select if the generated advice to be suppressed or not for a particular event from the drop-down list. The list displays the following values:

- Yes
- No

Priority

Click on the option list to select the priority of generation. The following values are displayed.:

- High
- Medium
- Low

Double click on a value to select it.

Suppress Advices

Advice Name

Specify the advice name.

9.1.4 Fields Button

Click 'Fields' button to capture field values.

You can specify the following details in Fields screen:

Character Fields

Field Name

Specify the field name.

Field Value

Specify the field value.

Number Fields

Field Name

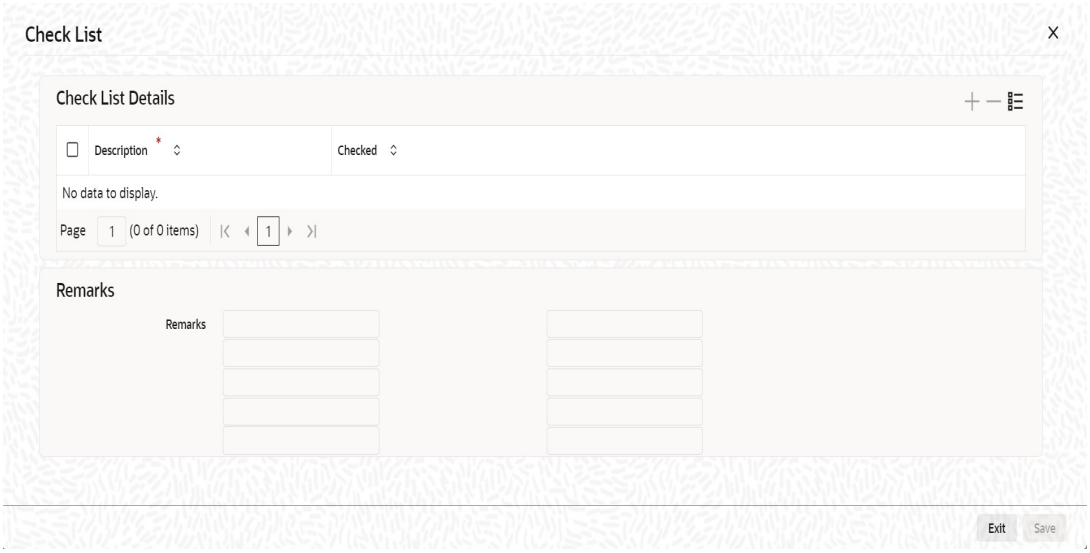
Specify the field name.

Field Value

Specify the field value.

9.1.5 Check List Button

To every online event, you can associate check list items through the ‘Event Checklist’ screen. To view the checklist items associated with the ‘Disbursement’ event (DSBR), click on the ‘Check List’ tab.

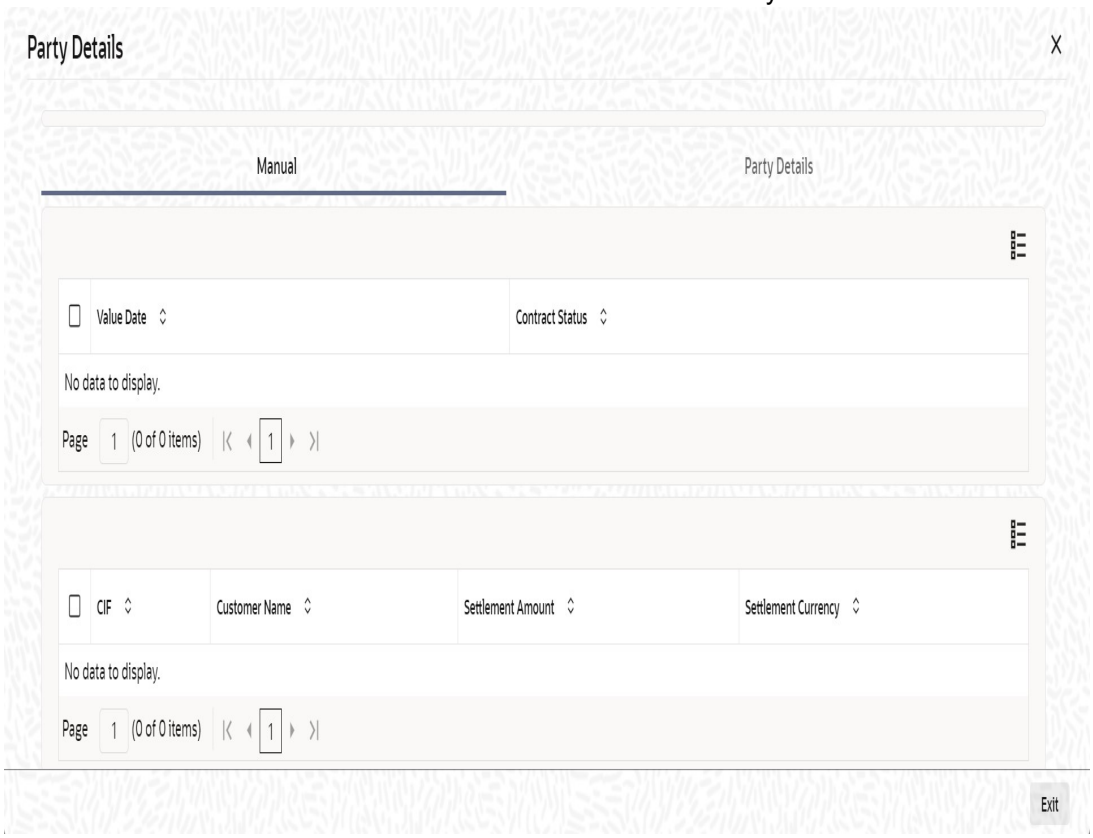


This screen displays the check list items for DSBR. All check list items have to be verified for successful disbursement of the finance. To do this, check the ‘Verified’ box against each check list item.

You may also capture any additional information/remarks, if required.

Click on ‘Ok’ button to Save and return to the ‘Manual disbursement’ screen.

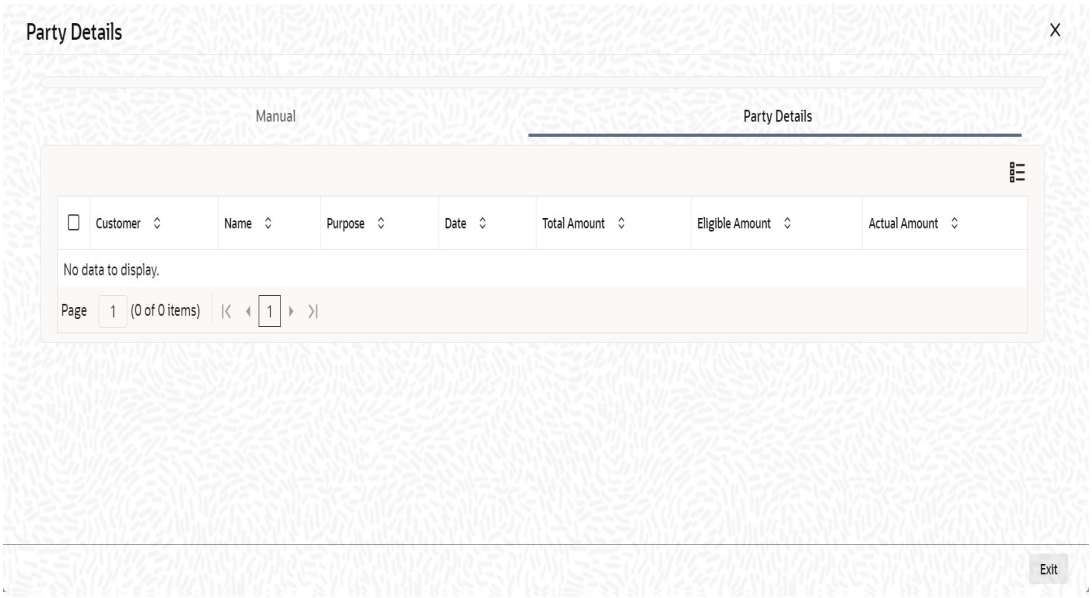
Click on the ‘Party Details’ button to view manual disbursements already done for the contractor. In this screen the system displays the progressive cash outflows that have been done so far and the details of each manual disbursement done by the Bank.



You can view the following details for each of the manual disbursement done:

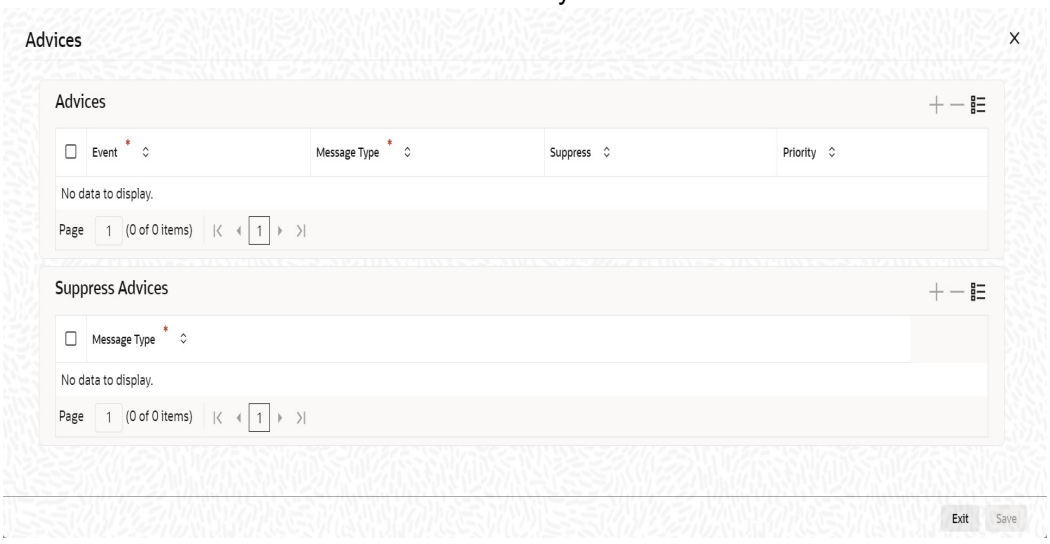
- Date of disbursement (Value Date)
- Total Amount
- Contract status
- CIF of Contractor
- CIF Name
- Purpose
- Amount for each contractor (Settlement Amount)
- Currency

Click ‘Party Details’ tab on the ‘Party Details’ screen to view the customer details.



In this screen you can view the following details:

- Customer
- Name
- Purpose
- Date – The latest disbursement value date
- Total amount – The total amount to be disbursed throughout the life cycle of a finance
- Eligible amount – The amount to be disbursed as of the schedule date of disbursement
- Actual amount – The amount which is actually disbursed.



Click on ‘Ok’ button to Save and return to the ‘Manual disbursement’ screen.

10. Operations

This chapter explains the various operations that can be performed on a finance account; the most prominent being payments and amendments, funding, status change, simulation of payments, rollover etc.

This chapter contains the following sections:

- Section 10.1, "Finance Payments"
- Section 10.2, "Payments Simulation"
- Section 10.3, "Asset Closure"
- Section 10.4, "Finance Amendments"
- Section 10.5, "VAMI Simulation"
- Section 10.6, "Version History View and Reversal"
- Section 10.7, "Inactive Rollover Input"
- Section 10.8, "Manual Status Change"
- Section 10.9, "Rollover Operations"
- Section 10.10, "Account Renegotiation"
- Section 10.11, "Account Reassign"
- Section 10.12, "Adhoc Charge Application"
- Section 10.13, "Liquidation Suspension"
- Section 10.14, "Collateral Take Over Processing"
- Section 10.15, "Partial Write Off"
- Section 10.16, "Collateral Takeover Processing Summary"
- Section 10.17, "Islamic Asset Rescheduling"
- Section 10.18, "Deferment of Schedules"
- Section 10.19, "Manual Provisioning of Loan Accounts"
- Section 10.20, "Viewing Manual Provisioning Details"
- Section 10.21, "Takaful Amendment"
- Section 10.22, "Rental Advice Regeneration"
- Section 10.23, "Account UDE Values Query"

10.1 Finance Payments

This section contains the following topics:

- Section 10.1.1, "Financing Payments"
- Section 10.1.2, "Payment Details Tab"
- Section 10.1.3, "Compensation Rates Tab"
- Section 10.1.4, "Linkage Details Tab"
- Section 10.1.5, "Events Button"
- Section 10.1.6, "Fields Tab"
- Section 10.1.7, "Check List Button"
- Section 10.1.8, "Documents Button"
- Section 10.1.9, "Partial Payment"
- Section 10.1.10, "Authorizing CI Payments"

10.1.1 Financing Payments

The Finance Payments screen allows you to make payments towards a finance. You can invoke this screen by typing 'CIDPYMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

10.1.1.1 Amount Dues and Payment Details

Islamic Financing module supports Multi Mode settlements. The various payment modes allowed are Cash/Teller, CASA, Clearing, Electronic Pay Order, Credit Card, Debit Card, External Account, Internal Check and Instrument. Multi mode settlement mechanism facilitates payment of finance instalment.

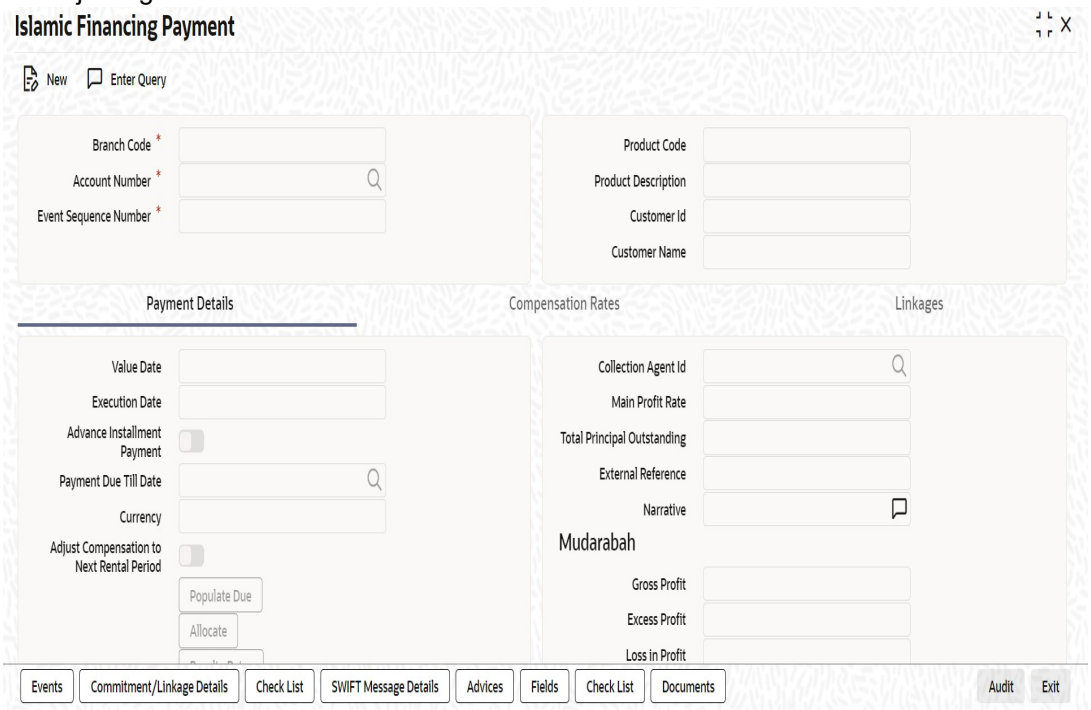
Payment can be against any or all or a combination of the components due. Prepayments will attract a pre-payment compensation to be charged. The payment computed by the system can be overridden by the amount negotiated by the customer and a subsidy is captured as amount waived. The amount accepted is either waived or capitalized. Depending on the mode selected, additional payment details such as clearing house details, settlement products to be used if the settlement is through another product of Oracle FLEXCUBE, etc are captured.

Compensation on Payment

- Prepayment Compensation - The customer can choose to prepay the finance amount, either partly or as a whole before the due date. This may attract a Prepayment Compensation.
- Compensation on delayed payment - In case a customer defaults in paying back the finance amount in time, then the amount becomes an over due and a compensation may be applicable. However, the customer is allowed to negotiate with the bank in order to subsidize the amounts due. Once the bank and the customer decide upon a mutually agreeable amount, the actual payable amount is replaced by this new amount and will be used in lieu of the original amount due.

The 'Islamic Financing Payment' screen captures payment details such as Payment Mode, Amount Settled, Settlement Currency and Exchange Rate. The payment is against any of the finance components such as principal, profit, late fee etc. Note that you will not be able to make any pre-payment for a finance wherein the box 'Recompute schedules on IRR' is checked for the linked product. You can invoke the 'Islamic Financing Payment' screen by

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



To make a payment, click on ‘New’ icon in the toolbar and then capture the ‘Branch Code’, ‘Account Number’, ‘Value Date’, ‘Limit Date’ and ‘Execution Date’.

Click on the ‘Populate Due’ button to populate the due amount component wise against the account. After this, you can enter the payment details. Alternately, you can also click on ‘Allocate’ button to allocate the settlement amounts across the various components based on the ‘Schedule Order’ and ‘Liquidation Order’.

In case of manual liquidations, on click of ‘Populate Due’ button, the system will default a settlement row with settlement account as service account maintained and settlement amount as the amount available in the service account and settlement currency is the service account currency.

The following details are captured here:

Branch Code

Click on the option list to select the branch code of the account towards which the payment is made. A list of branch codes is displayed. Click on a value to select it.

Account Number

Select the customer’s account number by clicking on the option list. A list of values is displayed. Click on a value to select it.

Event Sequence No

Specify the event sequence number of the payment in the account’s life history.

Product Code

The system displays the product code.

Product Description

The system displays the description of the product.

Customer Id

Th system displays the customer identification number.

Customer Name

The system displays the customer name.

Calculated Rebate Amount

The system displays the calculated rebate amount.

The system computes rebate amount during Pre-closure of asset as follows:

Rebate Amount = (RB_AMOUNT* UIDB_RB_RATE /100)*asset_ratio

Final Rebate Amount

The system displays the Final rebate amount. This value cannot be greater than the calculated rebate amount. You can modify it.

10.1.2 Payment Details Tab

Value Date

Enter the date on which the payment affects the account balance in this field.

> **Note**
>
> The value date can be a Back Valued, Current or Future Date.

Execution Date

This is the application date on which the payment is entered into the system. If the Execution date is in the future, the payment will be tanked and released on the Future Value date of the payment; else, it is applied immediately as of the value date of the payment.

> **Note**
>
> By default it is the current system date, but can be modified.

Advance Instalment Payment

If you select this option, it indicates that the amount due includes schedules till the limit date. If not, then the amount due will be the same as on the value date.

Note that the system will not recompute profit and schedules if you check this option.

Payment Due Till Date

Specify the payment due till date. Alternatively, you can select payment due date from the option list.

Currency

The system displays the currency code.

Main Profit Rate

The rate value for the rate code maintained against the main profit UDE chosen is displayed here.

Limit Date

Select the limit date from the available schedules that can be included as amount due by clicking on the option list. A list of schedule due dates for the account is displayed. Click on a value to select it.

Note

This option is allowed only if the instalment option is selected.

Collection Agent ID

System displays the collection agent Id for the asset; however you can modify this field on manual payment.

Total Principal Outstanding

The system displays the total principal outstanding.

External Reference

Specify the external reference number.

Narrative

Specify remarks, if any.

The system will default the narrative captured in the Narrative field of the 5402 screen during cash payment.

If the customer account (CASA) selected during the booking of manual payment of Islamic Financing accounts does not belong to the customer for the Islamic Financing Account, then the system displays an override message.

Mudarabah

Gross Profit

Specify the total profit made out of the project/venture that was financed through the account.

Excess Profit

The system checks the gross profit against the actual amount paid (which includes Principal + Notional Profit + Bank's share of Gross Profit Amount). Then it computes the excess profie earned as against the notional profit amount and displays the value here.

If this value is negative, you will have to specify the same value in the 'Amount Waived' field in the 'CI Payment – Component Detailed' screen for the main profit component.

The system will not display any value in case of loss.

Customer Incentive

Based on the gross profit specified, the system shares the gross profit amount based on the notional profit value and the bank-customer profit sharing ratio. If the bank's share is greater than the notional profit value, you can subtract the latter from the bank's share and give the excess amount (fully or partially) to the customer. You need to specify this amount that you wish to give the customer, in this field.

Bank Profit

Based on the customer incentive, the system calculates the additional profit as 'Excess Profit –Customer Incentive' and displays the value here.

If the bank's share is less than the notional profit, you need to calculate the shortage amount vis-à-vis the notional profit and enter the amount in the 'Amount Waived' field in the 'AccountDetails – Components' screen for the main profit component.

Loss in Profit

The system displays the value of difference between the actual profit and the notional profit for the bank if the actual profit is less than the notional profit only. The value displayed here is updated as the waived amount for the component by the system.

Musharaka Incentive Details

Incentive Basis Amount

The system displays the amount based on which the incentive basis is calculated.

Incentive Percentage

Specify the incentive percentage.

Incentive Amount

The system displays the calculated incentive amount.

Incentive details are applicable only for Musharaka and Musharaka Under construction product types.

Incentive will be calculated only if:

- there is a recalculation of the rent based on the outstanding principal for the next rental period
- the overdue principal is paid fully or partially.
- the variable rental amount is fully paid.

To calculate the incentive amount:

- Recalculate the rental for the next rental period based on the actual outstanding principal after the payment.
- Take the difference of the calculated rental amount and the previously calculated rental for the next rental period
- You can get the incentive amount by applying the incentive percentage on the above difference amount.

Incentive amount is calculated on firing the liquidation event.

If the customer opts for paying the next rental period then the incentive is credited to the customer on manual payment itself.

On payment reversal, any incentive calculated should be cleared.

10.1.2.1 Processing for Istisna UIDB

The UIDB will be computed based upon the following settings:

- Ceiling rate for under construction period
- Nominal Disbursements
- Payment schedules
- The UIDB will be computed only once in the lifecycle of finance for both under construction period and post construction period
- The UIDB will fire on initiation of contract (INIT)

The UIDB will not be recomputed if any financial amendment happens in the finance contract. The system will not allow changes in nominal schedules once saved and authorized.

You can capture the following details for *Istisna* payment:

- Gross Profit
- Customer Incentive
- Excess Profit
- Additional Profit

10.1.2.2 Calculating Profit

The system will calculate notional profit based on actual days on part settled principal on the payment date and perform the gross profit adjustment and liquidation on every payment.

You can collect the profit along with the principal prepayment.

The system will report the gross profit as on date of scheduled payments and the liquidation will happen component-wise irrespective of the accrual preference.

Note

This is only for Mudarabah payment.

The system will perform the Gross profit adjustment as follows:,

Bank Shortage case

You need to specify the gross profit amount made out of the project financed. The system calculates the notional profit based on actual number of days at profit rate given. Based on this notional profit and bank's share percentage, the system determines the bank's share. If this is less than the notional profit, then the bank shortage case arises and the difference amount is waived.

Incentive case

You need to specify the gross profit amount made out of the project financed. The system calculates the notional profit based on actual number of days at profit rate given. Based on this notional profit and bank's share percentage, the system determines the bank's share. If bank share is greater than the notional profit, then the incentive case arises and the excess amount can be shared among customer and the bank based on their customer's share and bank's share percentage.

Processing for under construction period:

On construction end date:

- If UIDB computed is more than the actual profit then reversal of UIDB will fire
- If UIDB computed is less than the actual profit then the system will stop accruing profit once the total accrual to date is equal to unearned income total bucket

Processing for post construction period: Rebate can be given in two ways:

- Along with each payment schedules – In this case, the rebate component schedule frequency should match the payment frequency. Thus on each schedule rebate will be computed based upon 'Rebate Rate'. The system will pass the rebate entries on each payment.
- At the maturity date – In this case, the rebate component will have only one bullet schedule on maturity. On each schedule due date rebate will be computed and accumulated. The rebate entry will fire only once at maturity date.
- If UIDB computed is less than the actual profit then the system will stop accruing profit once the total accrual to date is equal to unearned income total bucket

Old Maturity Date

The system displays the earlier maturity date of the account. This field will be updated only if the ‘Recomputation Basis’ selected is ‘Reduce Tenor’.

New Maturity Date

The system displays the current maturity date of the account after prepayment with reduce tenor basis. This field will be updated only if the ‘Recomputation Basis’ selected is ‘Reduce Tenor’.

For details about these fields, refer the section ‘Making Payments’ in the chapter ‘Defining Islamic Product Categories and Products’ in this User Manual.

Payment Details

The following details are captured here:

Reversed

This option indicates that the settlement is reversed.

Payment Mode

Select the mode of finance payment from the drop-down list. The list displays the following values:

- Account
- Cash/Teller
- Clearing
- Instrument
- Electronic Pay Order
- Credit Card
- Debit Card
- External Account
- Internal Cheque

Settlement Ccy

Specify the amount settled in terms of the local currency in this field.

Settlement Amount

Specify the settlement amount.

Finance Currency Equivalent

Specify the equivalent finance currency.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For more details on customer specific exchange rates, refer the section titled 'Specifying Pricing Benefit Details' in Relationship Pricing user manual.

Settlement Branch

The system will allow you to modify the settlement branch and account only if you have checked the option 'Allow Corporate Access' in the 'Branch Parameters – Detail View' screen. If you have not checked the option, the system will default it to the values maintained at the fund branch. You will not be allowed to modify this.

During liquidation, the system will check for availability of funds in the settlement account. If funds are insufficient, the system will scan the customer's current accounts. If funds are still unavailable, the system will scan the customer's savings accounts. If the funds are sufficient, the required amount will be liquidated.

However, if funds are insufficient in the customer's accounts, the system will first scan the guarantor's current accounts followed by the guarantor's savings accounts for the availability of funds. The system will look up the relevant accounts based on the maintenance in the 'Guarantor Details' screen. For a guarantor CIF, if there are no accounts maintained in the 'Guarantor Details' screen, then system will process all the current and savings account of the guarantor CIF randomly.

Settlement Account

Specify the Settlement Account. The adjoining option list displays all the valid account number maintained in the system. You can choose the appropriate one.

While saving the financing account payment from Payment Input screen (CIDPYMNT), if the settlement account does not belong to the customer of the Islamic Financing account, then the system will display an override message as 'The settlement account does not belong to the customer of the Islamic Financing account'.

Account Description

The system displays the account description on selecting the Settlement Account. The account description is also displayed if you enter a valid account number and tab out.

Settlement Product

Specify the settlement product.

Instrument Number

Specify the instrument number

End Point

Specify the end point details. Alternatively, you can select end point details from the option list.

Card Number

The system displays card number.

External Account Number

The system displays the external account number.

External Account Name

The system displays the external account name.

Clearing Bank

Specify the clearing bank. Alternatively, you can select clearing bank details from the option list.

Clearing Through Branch

Specify clearing through branch.

Sector Code

Specify the sector code. Alternatively, you can select sector code details from the option list.

Routing No

Specify the routing number.

Settlement Reference

The system displays the settlement reference number.

Negotiated Cost Rate

The system displays the negotiated cost rate.

Negotiated Reference

Specify the negotiated reference number.

Click 'Settlement Component' button to specify component name and component currency equivalent details.

Component Details

The following details are captured here:

Component Name

The system displays the component name in this field.

CCY

The system displays the currency of the component based on Finance currency and the account in this field. If the component is based on a flat amount UDE then the UDE currency is displayed.

Amount Due

The system displays the amount due for the component in this field. It is generated based on the account and component.

Amount Overdue

Here, the system displays the amount overdue for the component. It is generated based on the account and component.

Amount Not Due

For the principal amount, Amount not due is the rest of principal that is due after the value date. Hence any payment towards this constitutes a prepayment. This value is system generated based on account and component.

Amount Paid

The system displays the actual amount paid against the component dues in this field.

Note

When payments are allocated across dues, payment details are defaulted from the liquidation order. But these details can be modified as per your preferences.

Amount Waived

Enter the amount waived by the bank after negotiations with the customer in this field.

Amount Capitalized

Enter the amount capitalized in this field.

Total

The system displays the following values:

- Total
- Currency
- Total Amount Due
- Total Adjusted Amount
- Total Amount Due
- Total Amount Not Due
- Total Amount Waived
- Total Amount Capitalized
- Total Amount Paid

Prepayment of Amortized Finance

The following details are captured here:

Recomputation Basis

You can choose the recomputation basis for prepayment of amortized finance. The options available are:

- Change EMI: In this case the tenor remains constant.
- Recalculate Tenor: Here, the tenor is recomputed while the instalment remains constant.
- Recalculate Instalment with New Maturity Date: Here, the EMI is recomputed based on the new input maturity date. The new maturity date should be less than the current maturity date.
- Recalculate Instalment with New Payment Holiday: Here the EMI is recomputed based on the holiday period. The Holiday period is considered as the period between the prepayment date and next schedule date.
- Advance Maturity with Equal Profit: In this case, the maturity date is reduced with equal profit for each schedule.
- Equal Instalments - Equal installment option is applicable only for Murabaha/Istisna accounts.

Choose the relevant basis from the list for recomputation basis. Note that partial payment for the schedule is not allowed if you choose this option. This is applicable for *Murabaha* Products only.

Note

If 'Allow Re-Computation of Schedules' option is unchecked at the product level, then the following options will be used for redistributing outstanding without re-computation of profit:

- Change EMI – In this case, the system will compute the profit based on new principal after payment and the difference of balance profit before prepayment and

profit computed after prepayment will be adjusted equally among remaining payment schedules. The profit component of the finance will not be changed.

- Change Tenor – In this case, the system identifies the number of schedules that can be paid completely with the existing prepayment amount and remaining balance amount will then be adjusted against one bullet schedule. The profit will not be recomputed.
- During prepayment, if the option equal installment is chosen, system will do the following
  - Get the outstanding amount for each of the components
  - Get the remaining schedules
  - Divide the outstanding amount by the number of installments and update the due for each schedule by this amount
  - This is applicable for accounts with various profit methods like, Amortized, Simple, Flat, reducing profit etc

Recomputation Effective From

You can choose the date on which the prepayment becomes effective. You can start the prepayment on the Value Date or Next Instalment.

Note

This option is disabled in the new payment mode.

Old Maturity Date

By default this field displays the current maturity date.

Next Schedule Date

Specify the next schedule date. The schedule date must be any of the existing payment schedule date. This field is enabled only if you have maintained ‘Recalculate Instalment with New Payment Holiday’ as ‘Recomputation Basis’ for prepayment of amortized finance. The payment schedule is recalculated based this date. This dated is considered for all the future payments of the contract.

New Maturity Date

Specify the new maturity date. The new maturity date should be less than the current maturity date. This field is enabled only if you have maintained ‘Recalculate Instalment with New Maturity Date’ as ‘Recomputation Basis’ for prepayment of amortized finance. The payment schedule is recalculated based this date. On this date the balloon principal is also liquidated.

Prepayment of Simple Finance

Recomputation Basis

You can choose the recomputation basis for prepayment of a simple finance. The options available are:

- Reduce Tenor: In this case, the system maintains the schedules constant and advance the maturity
- Re-compute Schedules: In this case, the system will re-compute the schedules for the existing tenor
- Equal Instalments - Equal installment option is applicable only for Murabaha/Istisna accounts.

Note that partial payment for the schedule is not allowed if you choose this option.

Note

If 'Allow Re-Computation of Schedules' option is unchecked at the product level, then the following options will be used for redistributing outstanding without re-computation of profit:

- Reduce Tenor – In this case, the system identifies the number of schedules that can be paid completely with the existing prepayment amount and remaining balance amount (if any) will then be adjusted against one bullet schedule.
- Re-calculate Schedules – In this case, the system will compute the profit based on new principal after payment, and the difference of balance profit before prepayement and profit computed after prepayment will be adjusted equally among remaining payment schedules. The profit component of the finance will not be changed.
- Simple loans will also change to constant EMI type finances after pre-payment. This is applicable for Murabaha Products only.
- During prepayment, if the option equal installment is chosen, system will do the following
  - Get the outstanding amount for each of the components
  - Get the remaining schedules
  - Divide the outstanding amount by the number of installments and update the due for each schedule by this amount
  - This is applicable for accounts with various profit methods like, Amortized, Simple, Flat, reducing profit etc

If 'Allow Re-Computation of Schedules' option is checked for *Istisna* UIDB profit B processing and the UIDB amount posted for profit period is more than the actual profit, then the system will post reversal entries with event UIDR to the extent of extra amount.

Old Maturity Date

The system displays the earlier maturity date of the account. This field will be updated only if the 'Recomputation Basis' selected is 'Reduce Tenor'.

New Maturity Date

The system displays the current maturity date of the account after prepayment with reduce tenor basis. This field will be updated only if the 'Recomputation Basis' selected is 'Reduce Tenor'.

Compensation amount is calculated using CL payments process based on the outstanding principal and tenor:

- Prepayment Compensation is calculated schedule wise by considering the full prepayment amount as the basis until the first schedule date after the prepayment date and you can subtract the schedule level principal paid to arrive at the prepayment amount for each schedule to be considered for Compensation. If the resultant of the schedule level principal being subtracted from the prepayment amount becomes negative, zero principal is considered for the Compensation calculation.
- The UDE Value assigned for the UDE ID 'PREPAY_RATE1' is taken as the Compensation rate and based upon this value, prepayment Compensation will be calculated.
- Prepayment Compensation is calculated based on the UDE value of 'PREPAY_RATE1' provided the UDE value of the UDE ID 'PREPAY_RATE2' is zero.
- If the UDE value of the UDE ID 'PREPAY_RATE2' is greater than zero, then this value will be return as the prepayment Compensation amount.

- The ‘Days in Month’ and ‘Days in Year’ are taken from the currency definition provided the ‘Int method Default from CCY definition’ is checked for the component.
- The Compensation amount is re-calculated if any changes in the Compensation rate
- Compensation amount calculated will be positive in nature

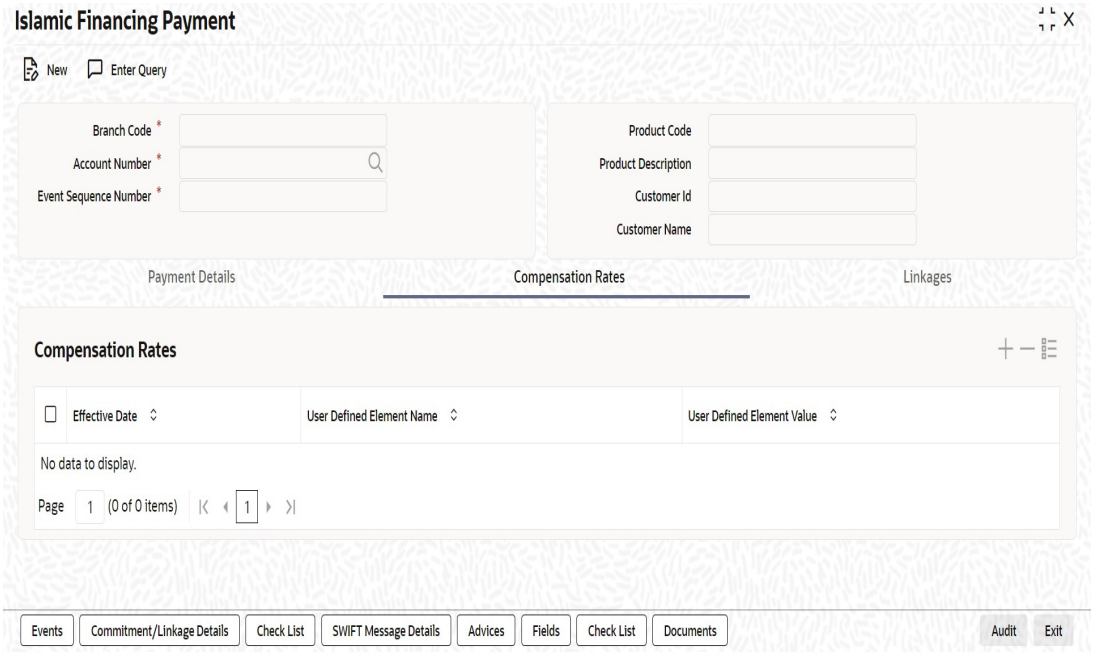
Note

Only users with rights to input payments are allowed to save payments from the simulator.

Click on ’Simulate’ button to view the account details after the current payment. An account screen is launched to view the updated account after the payment. You can also print an advice from the simulation screen.

10.1.3 Compensation Rates Tab

You can maintain the compensation details of the product by clicking the ‘Compensation Rates’ tab in the ‘CI Payments’ screen. The screen is displayed below:



You can specify the following details:

Compensation Rates

Effective Date

Select the effective date from the adjoining calendar.

User Defined Element Name

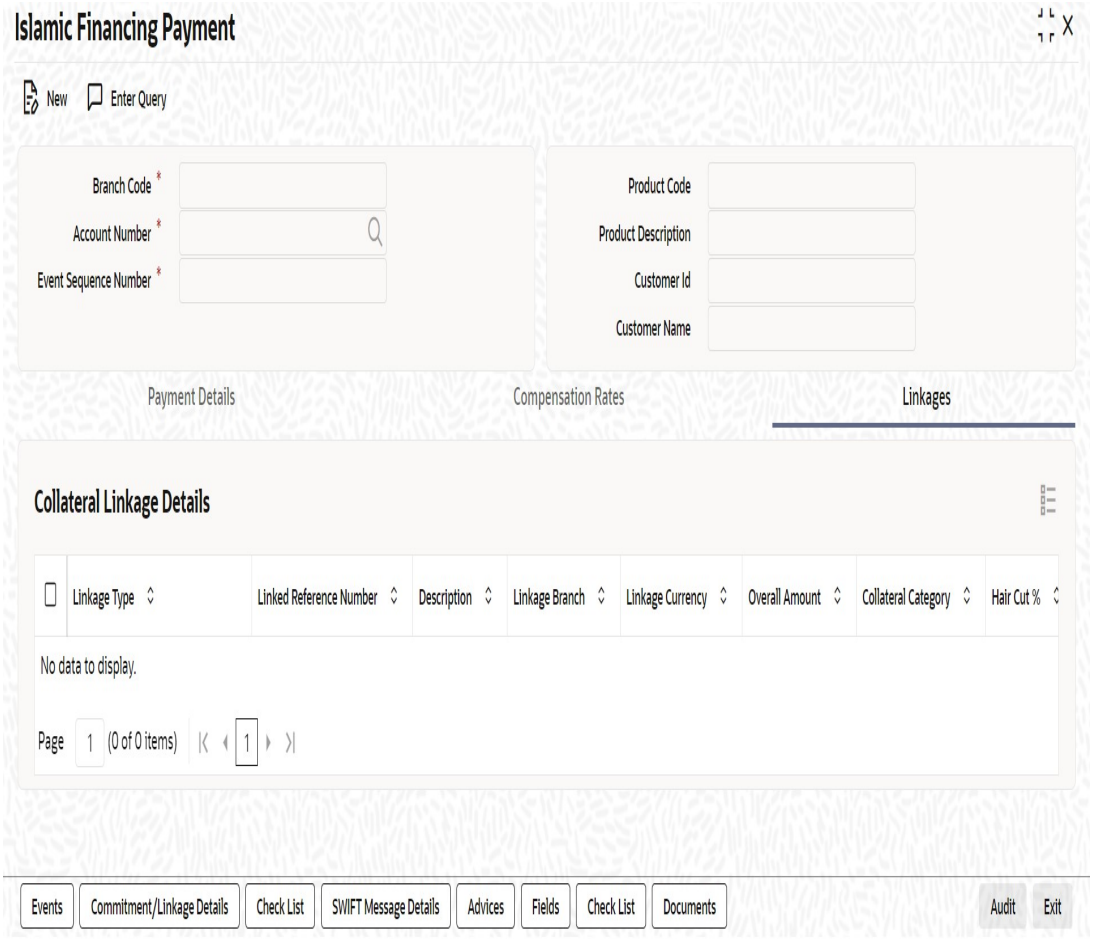
The system displays the user defined name.

User Defined Element Value

The system displays the user defined value.

10.1.4 Linkage Details Tab

Click the ‘Linkage Details’ tab to maintain the linkage details and remarks for the product. The screen is displayed below:



You can maintain the following parameters here:

Re-instatement Order no

Specify a valid order in which you need to re-instate the linkage linked to the account. The system re-instates the linkage in an ascending order.

Close Collateral

Check this box if you need to close the collateral automatically on full payment, during auto liquidation.

For more details on field explanation, refer to the section ‘Linkage Details Tab’ in ‘Account Creation’ chapter of this User Manual.

When you click on the ‘Populate’ button, the system displays the linkage details in ‘Linkage Details’ tab.

Note

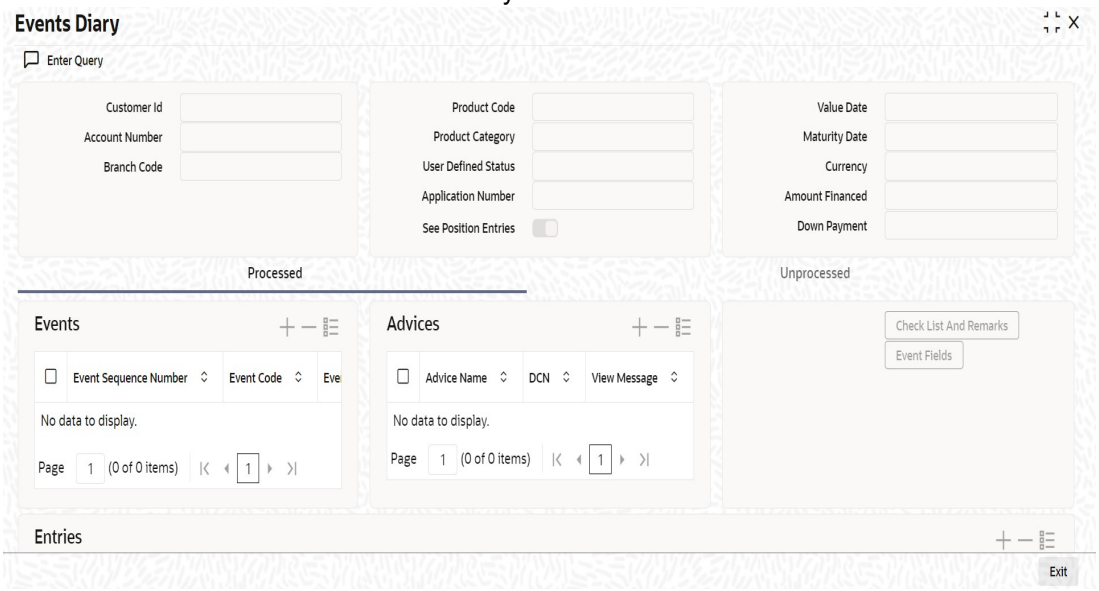
When a principal component is paid,

- The system re-instates Collateral, Local Collateral, New Collateral, Collateral Pool, Facility, and Liability for the amount settled (amount paid + amount waived), based on the ascending order of re-instatement order number maintained at ‘Linkage Details’ level.

– The system will utilize Collateral, Local Collateral, New Collateral, Collateral Pool, Facility, and Liability for the capitalized amount, based on the ascending order of utilization order number maintained at ‘linkage Details’ level.

10.1.5 Events Button

Click ‘Events’ button to invoke ‘Event Dairy’ screen.



For further details, please refer ‘Events Button’ section in ‘Account Creation’ chapter in this User Manual.

10.1.6 Fields Tab

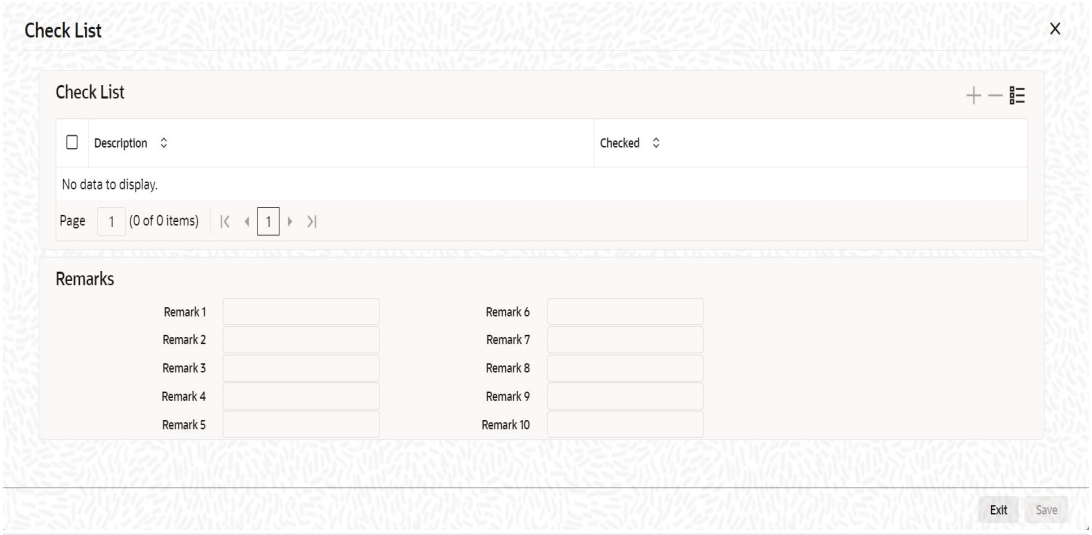
You can maintain user defined fields for the product by clicking the ‘Fields’ button in the ‘Islamic Financing Payment’ screen. The screen is displayed below:



For further details, please refer 'Fields Button' section in 'Account Creation' chapter in this User Manual.

10.1.7 Check List Button

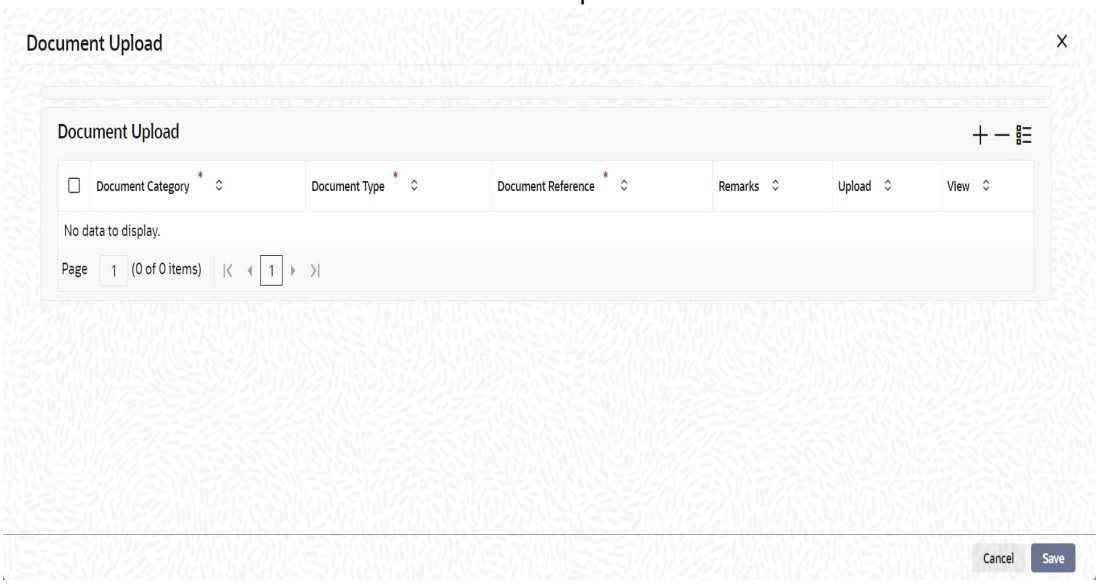
Click the 'Check List' button to maintain the check lists and remarks for the product. The screen is displayed below:



For further details, please refer 'Check List Button' section in 'Account Creation' chapter in this User Manual.

10.1.8 Documents Button

Click 'Documents' button to invoke 'Document Upload' screen.



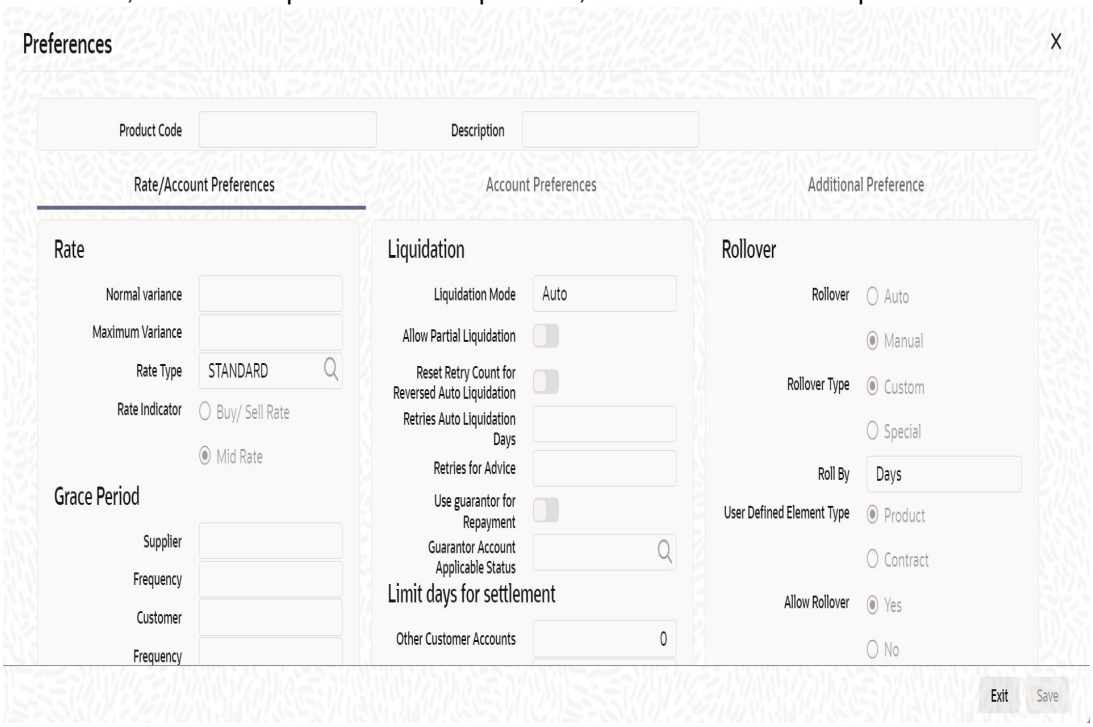
For further details, please refer 'Documents Button' section in 'Account Creation' chapter in this User Manual.

10.1.9 Partial Payment

Partial payment is required to parameterize partial liquidation during auto liquidation process.

This field specifies whether partial liquidation is allowed during auto liquidation or not. The same field in the 'Account' screen is defaulted from the product preferences screen. But this option is allowed only if Verify Funds is selected. Auto Liquidation will check this option before carrying out partial liquidation viz. before liquidating to the extent of availability during Verify Funds check.

If selected, the function proceeds with liquidation, else it is marked as unpaid.



10.1.9.1 Back Dated Payments

Oracle FLEXCUBE supports back value dating only upto the last payment date from the current date if the option 'Allow Back Period Entries' is not checked at the product level. In other words, only those back dated payments whose value date is before the last payment date are allowed.

If the box 'Allow Back Period Entries' is checked at the product level, then the following functionalities will apply:

- Oracle FLEXCUBE supports back dated payments till the Finance Initiation / Value date.
- Whenever a back valued event such as Principal Increase, Rate Change or Payment Reversal is made, the system recalculates Profit based on the new conditions and passes the difference as back valued adjustments.
- Back valued Adjustments (accruals and Liquidations) are passed on the same day.
- Entries passed will be as follows:
  - Accrual Adjustments (for a Component COMP)

Case 1: Favourable Adjustment (Income earned)

Dr Back valued Profit Adjustment GL **COMP_**BVADJ_INC

Cr Accrual Adjustment Income **COMP_**BVADJ_INC

Case 2: Unfavourable Adjustment (Expense)

Dr Accrual Adjustment Expense **COMP_**BVRADJ_EXP

Cr Back valued Profit Adjustment GL **COMP_**BVRADJ_EXP

– Liquidation Adjustments

Dr Settlement AC **COMP**_BVADJ_INC

Cr Back valued Profit Adjustment GL **COMP**_BVADJ_INC

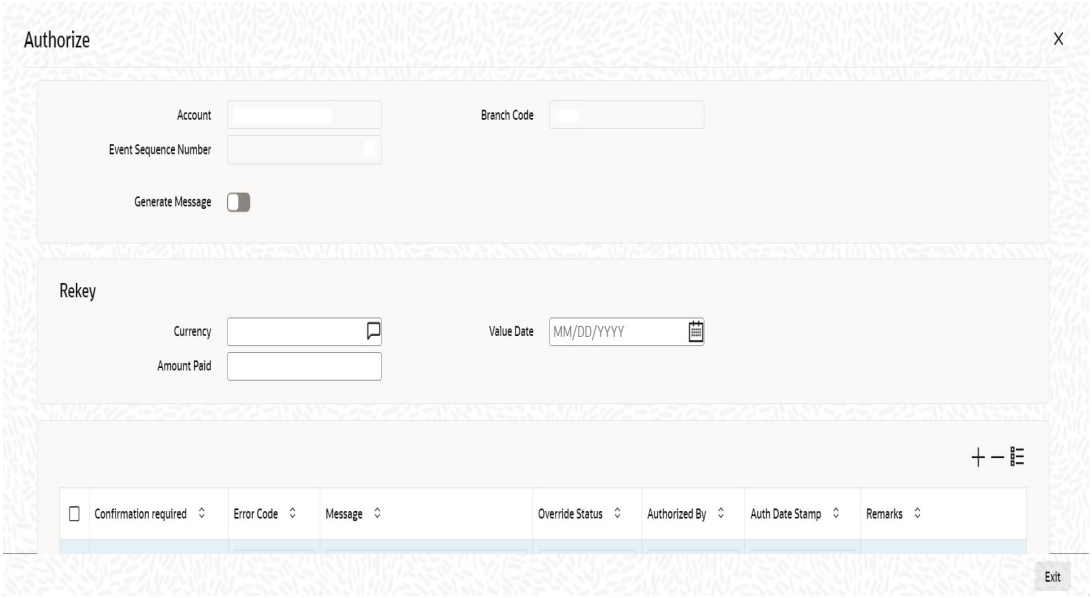
Dr Back valued Profit Adjustment GL **COMP_**BVADJ_EXP

Cr Settlement Account **COMP_**BVADJ_EXP

- Back valued Adjustments are passed to the finance servicing account maintained at the finance level.

10.1.10 Authorizing CI Payments

You have to authorise a CI payment before you run EOD batch. In the Islamic Financing Payment screen, query for the account number to be authorized. You can also search for the account number from the Islamic Financing Payment Summary screen. To authorize, click 'Authorize' icon on the screen toolbar. The Authorize screen is launched.



The system displays the following details:

Authorized By

The system displays the authorizer of the contract.

Authorization Date

The system displays the authorization date.

Error Code

The system displays the error code.

Message

The system displays the error message.

Override Status

The system displays the override status.

Account Number

The system displays the account number.

Branch

The system displays the branch code.

You can specify the following details here:

Remarks

You can enter remarks pertaining to the transaction.

Confirmation Required

Check this box to indicate that you have confirmed the stop payment instruction issued by the customer.

After entering the details, click the 'Authorize' button.

Note

You cannot authorise from the 'CI Payments' screen in the following cases:

- the contract has multilevel of authorization pending, the same will be done using the 'Multilevel Authorization Detailed' screen
- the level of authorization is greater than or equal to 'N'
- the 'Nth' or the final level of the users authorisation limit is less than the difference between amount financed and sum of the limits of all the users involved in authorizing a transaction, this case holds good when the 'Cumulative' field is checked in the 'Product Transaction Limits Maintenance' screen
- the transaction amount is greater than the authoriser's authorisation limit if the 'Cumulative' field is unchecked in the 'Product Transaction Limits Maintenance' screen.

10.2 Payments Simulation

This section contains the following topic:

- Section 10.2.1, "Simulating Finance Payment"

10.2.1 Simulating Finance Payment

Finance payment simulation calculation function is used to arrive at an agreement with the client. The 'Payment Simulation' screen displays the effect of making payments across components across schedules. You can invoke this screen by typing 'CIDSIMPT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. The results are used to arrive at a negotiated amount that can be used to settle outstanding loss.

The Payment simulation screen is similar to the Finance Input and Finance Payments screens. New functions are provided for payment simulation.



You can change specific UDE values to simulate the effect of changing prepayment compensation rates.

Payments can be saved from the simulator. Once the payment simulation is saved, if you enter simulation account number in the payments screen and click on the ‘Populate Due’ button then the system displays all the details entered in the payment simulation screen.

Old Maturity Date

By default this field displays the current maturity date.

Next Schedule Date

Specify the next schedule date. The schedule date must be any of the existing payment schedule date. This field is enabled only if you have maintained ‘Recalculate Instalment with New Payment Holiday’ as ‘Recomputation Basis’ for prepayment of amortized finance. The payment schedule is recalculated based this date. This dated is considered for all the future payments of the contract.

New Maturity Date

Specify the new maturity date. The new maturity date should be less than the current maturity date. This field is enabled only if you have maintained ‘Recalculate Instalment with New Maturity Date’ as ‘Recomputation Basis’ for prepayment of amortized finance. The payment schedule is recalculated based this date.

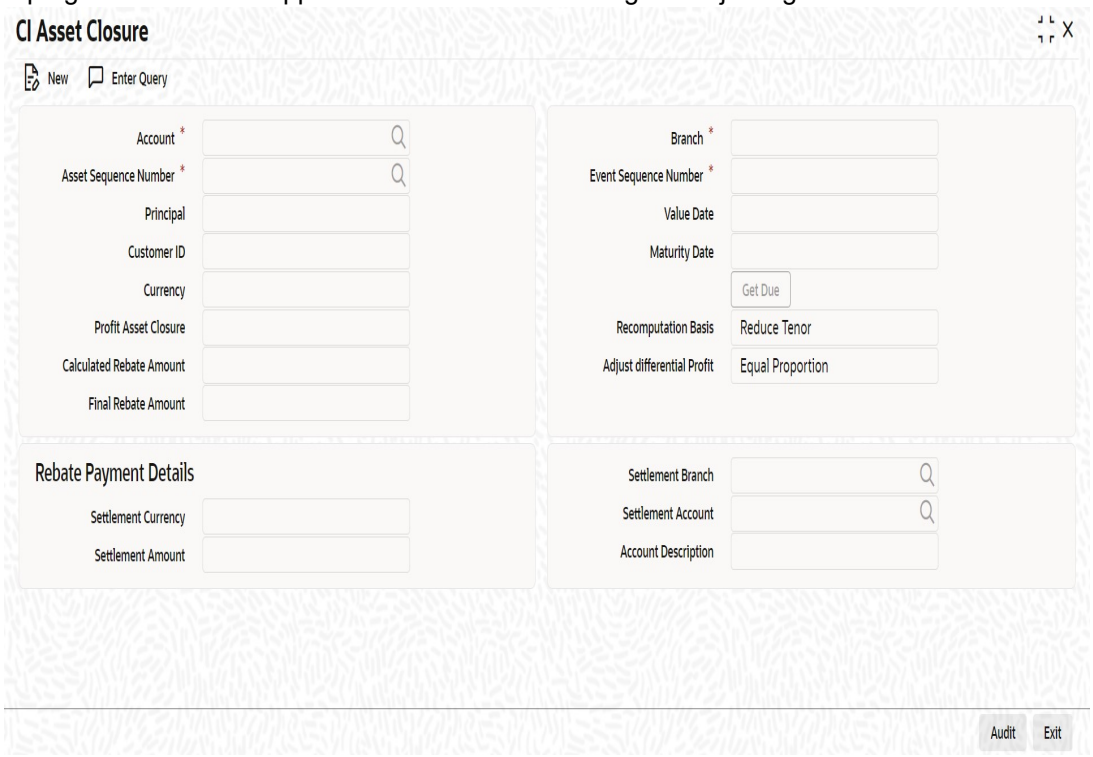
10.3 Asset Closure

This section contains the following topics:

- Section 10.3.1, "Invoking CI Asset Closure Screen"

10.3.1 Invoking CI Asset Closure Screen

You can perform prepayment on an Islamic Financing account, for complete settlement against a particular asset linked with multi-assets. You can perform this operation using the 'Asset Closure' screen. You can invoke this screen by typing 'CIDASSCL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following details can be entered in this screen:

Account

Specify the account number of the customer. Alternatively, you can select account number from the option list.

Branch

The branch where the chosen account resides is displayed here.

Customer ID

The name of the customer for the selected account is displayed here.

Event Sequence Number

The system displays a unique number to identify the event.

Asset Sequence Number

The system displays the sequence number maintained in the account level.

Principal

The outstanding principal for the selected asset in the account is calculated and displayed here.

Profit Asset Closure

The outstanding profit for the selected asset in the account is displayed here.

Currency

The account currency is defaulted here.

Value Date

The value date of the account is defaulted here.

Calculated Rebate Amount

The system displays the calculated rebate amount.

The system computes rebate amount during Pre-closure of asset as follows:

Rebate Amount = (RB_AMOUNT* UIDB_RB_RATE /100)*asset_ratio

Final Rebate Amount

The system displays the Final rebate amount. This value cannot be greater than the calculated rebate amount. You can modify it.

Maturity Date

The maturity date of the account is defaulted here.

If you click on the 'GET DUE' button, the proportion of due of each asset in the contract is calculated. On saving, the settlement will be apportioned across all future unpaid schedules. Partial settlement against an asset will not be allowed. On authorization of payment from this screen the 'Asset Status' value will be changed to 'Settled' for all the assets of that contract. Deletion can be done only for unauthorized prepayments from this screen. Reversal of this payment is allowed from CIDPYMNT screen and future payment is not allowed. Amendment of prepayment cannot be done.

Recomputation Basis

Select the recomputation basis from the drop-down list. The list displays the following values:

- Reduce Tenor - If you select this option. the system will reduce the tenor of the finance account. However, the total uncollected profit will be collected from the customer as follows:

  Total uncollected profit = Amortizing schedule – Instalment amount will remain constant in the new schedule.

  In Reducing principal case, the principal component will remain the same in the new schedule.

- Change Instalment - If you select this option, the system will adjust the instalment amount of the finance account as follows:

  Total uncollected profit = Amortizing schedule – Tenor will remain constant in the new schedule.

  In Reducing principal or simple case, the principal component will be reworked and the tenor will remain constant. Readjustment of amount can be done by Bullet or Equal Proportion

Equal proportion – In this case, the system will collect the difference in profit due to pre closure of asset by splitting across the unpaid schedules.

Bullet – In this case, the system will collect the difference in profit due to pre closure of asset in the last instalment.

- Equal Instalments - If you select this option, the system will draw up an equal instalment schedule for principal and profit based on respective outstanding by dividing the outstanding by remaining tenor.

Following matrix will be applicable during asset closure:

	Equal Distribution	**Bullet**
Adjust Tenor	Simple, Amortized	Simple, Amortized
Change Instalment	Simple, Amortized	Simple, Amortized
Equal Instalments	NA	NA

Note

For Simple bearing Product, Formula type has to be Simple.

Adjust Differential Profit

Select the differential profit to be adjusted from the drop-down list. The list displays the following values:

- Equal Portion - If you select this option, the differential profit due to pre closure of asset will be collected by split across the unpaid schedules.
- Bullet - If you select this option, the difference in profit due to pre closure of asset will be collected in the last instalment

Rebate Payment Details

If the 'Rebate Process Required' field is not checked at the product level, then the system will not process rebate for asset closure even if it is full asset closure. The system will display the rebate amount as '0'.

If 'Rebate Process Required' field is checked at the product level, then the system will process rebate for asset closure even if only one asset is closed.

The system will allow this rebate process for single asset closure only if the pre-payment happens through this asset closure function (CIDASSCL).

Settlement Branch

Specify the settlement branch code. Alternatively, you can select branch code from the option list. The list displays all valid branch code maintained in the system.

Settlement Account

Specify the settlement account number of the customer. Alternatively, you can select account number from the option list. The list displays all valid account number inherited from the financing account debit settlement account for principal.

Account Description

The system displays the description for the selected settlement account number.

Settlement Currency

The system displays the settlement currency code in which Rebate amount is going to settle

Settlement Amount

The system displays the settlement amount to be credit to the customer.

10.3.1.1 Accounting Changes for Asset Closure

The accounting entries for rebate account is as follows. Here the rebate will be settled as a separate credit entry and not net off against the payment amount is as follows:

Unearned Profit Booking (UIDB EVENT):

Dr/Cr Indicator	Accounting Role	Amount Tag
DR	COMPONENT_REC	COMPONENT_UINT
CR	COMPONENT_UID	COMPONENT_UINT

Accrual Event Entries (ACCR)

Dr/Cr Indicator	Accounting Role	Amount Tag
DR	COMPONENT_UID	COMPONENT_ACCR
CR	COMPONENT_INC	COMPONENT_ACCR

Manual Liquidation Entries (MLIQ)

Dr/Cr Indicator	Accounting Role	Amount Tag
DR	CUSTOMER A/C (DR_SET-TL_BRIDGE)	COMPONENT_LIQD
CR	COMPONENT_REC	COMPONENT_LIQD
DR	COMPONENT_EXP	COMPONENT_UINR
CR	CR_SETTL_BRIDGE	COMPONENT_UINR

Note

The system will generate ‘ASSET_CLOSURE_ADVICE’ along with MLIQ event only if ‘RB_AMOUNT’ SDE is greater than ‘0’. The system will capture asset sequence number and settlement account using ‘_ASTSEQ_’ and ‘_SETTACC_’ advice tags respectively.

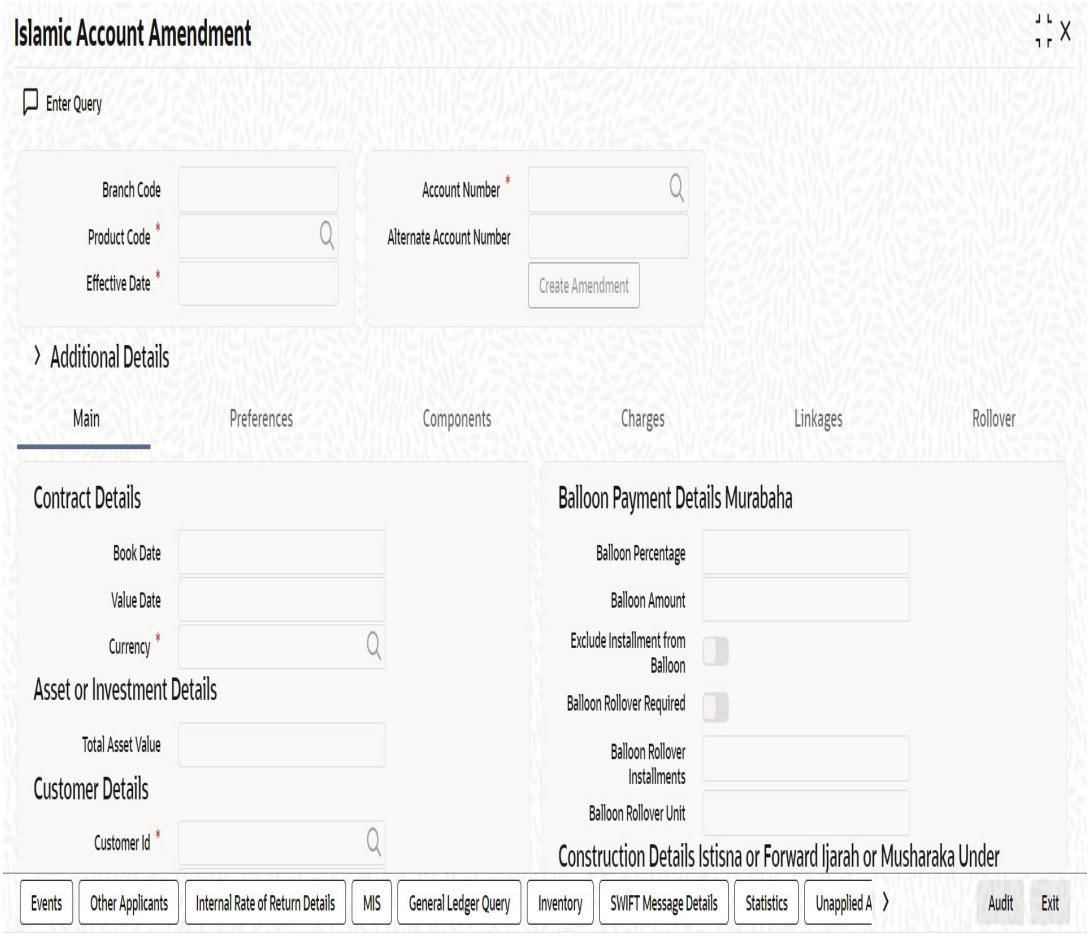
10.4 Finance Amendments

This section contains the following topics:

- Section 10.4.1, "Amending Finance Details"
- Section 10.4.2, "Main Tab"
- Section 10.4.3, "Preferences Tab"
- Section 10.4.4, "Components Tab"
- Section 10.4.5, "Charges Tab"
- Section 10.4.6, "Linkage Details Tab"

10.4.1 Amending Finance Details

Once a Finance is entered and authorized, financial changes to the Finances can be done through the 'Islamic Account Amendment' screen. You can invoke this screen by typing 'CIDACCVM' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. These amendments are based on an effective date and hence are called Value Dated Amendments (VAM).



Booking an amendment is called VAMB and Initiating is called VAMI. These are considered as events in the life cycle of the Finance.

- The Value Dated Amendments supports the following functions: Modification of currency between UF and CLP. The UF conversion on any date uses the effective date UF rate.

- When the above change in profit rate is completed, the accrual is recomputed. The difference in accruals is accounted for in the current period on the booking date of the change.

If these changes are required to be effective on a particular date, not maintained previously, a fresh set of rates for that day is required to be maintained.

You can pick any active account from the Islamic Account Amendment screen and apply the amendments for that account. You can also view or modify the amendments that are not yet applied for that account. Note that you will not be able save any amendments to a contract for which the box 'Recompute schedules on IRR' is checked for the linked product.

If 'Allow Re-Computation of Schedules' option is unchecked at the product level, then the following options will be used for redistributing outstanding without re-computation of profit:

- Change of principal and profit rates are not allowed
- On change of maturity date: In this case, the system will compute the principal and profit based on new maturity date and then the difference of balance profit before amendment and profit computed after amendment will be adjusted equally among remaining unpaid schedules. The schedules after the VAMI effective date will only be modified. The paid or unpaid schedules before the VAMI effective date won't be affected.
- On advancing the maturity date: In this case, the difference of profit i.e. before amendment and after amendment will be distributed equally among the new schedules and it will be added from new profit.
- On extending the Maturity date: In this case, the difference of profit i.e. before amendment and after amendment will be distributed equally among the new schedules. It will be subtracted from new profit.

This is applicable for all the type of finances like Amortized / Simple.

10.4.1.1 Viewing and Modifying Existing Amendments

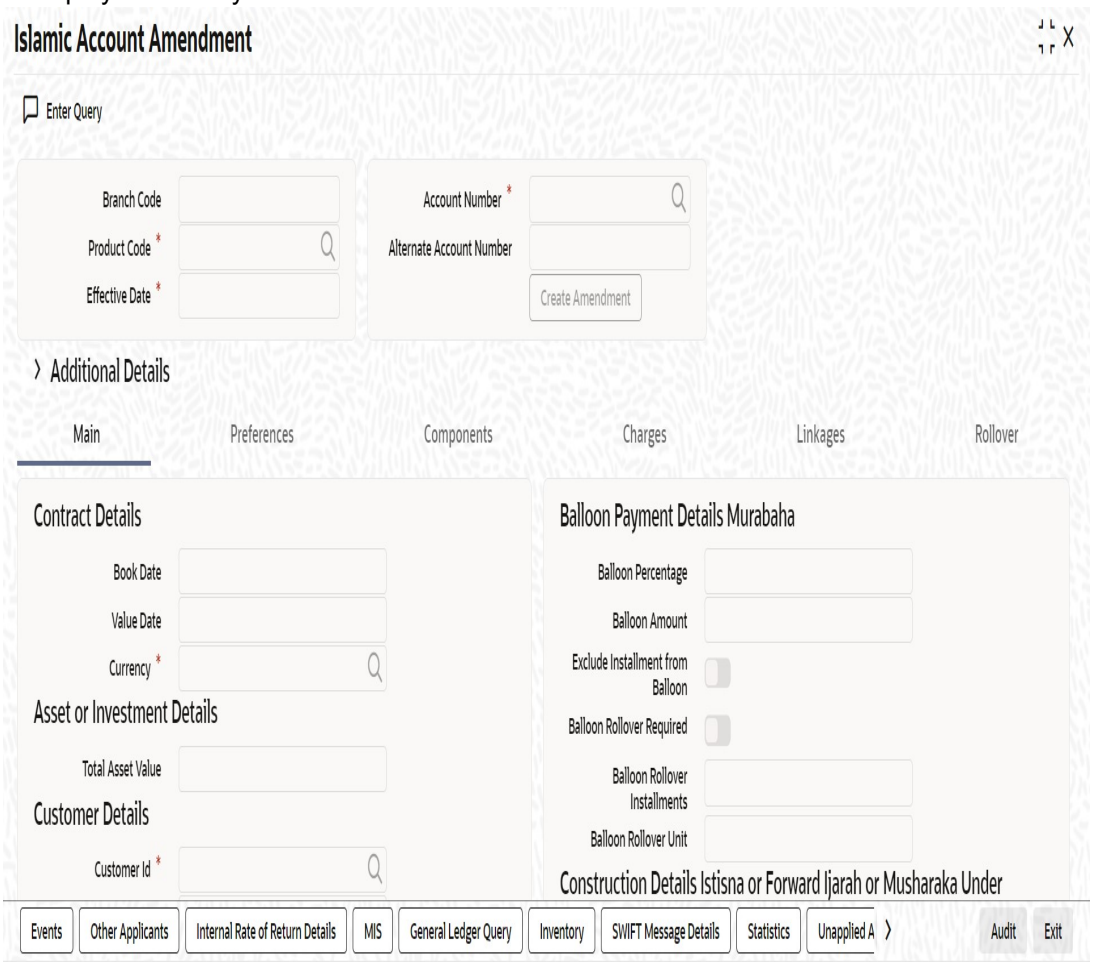
In order to view or modify existing amendments, query for the required account number.

Select the corresponding effective dates of the amendment and click the 'View/Modify' button. The 'Account Details' tab is displayed where you can view/modify the existing amendments.

10.4.2 Main Tab

Specify the account number for which the amendment needs to be done and then 'Unlock' the record. In the New Amendment frame specify the Effective Date. Click the 'Create

Amendment' button in order to make new amendments to finances. The 'Account Details' tab is displayed where you can create the new amendment.



From this screen, you can modify the amount financed, which specifies the increase in amount, Rate or Principal effective a value date, and also the maturity date. Once you specify the amendments, the relative changes with regard to the same can be viewed in the other tabs of the Screen.

You can also select the re-computation basis for amendments from this screen. For example, if the re-computation basis is 'Change instalment', the amendments are applied by changing the Equated Monthly instalments keeping the tenor constant. If re-computation basis is 'Change Tenor', then the tenor is varied by keeping instalment constant.

Following are the amendments to the Value date effective finances accounts that you can perform through this screen:

- Value Date based changes to the Principal
- Value Date based changes to the Rates
- Value Date based changes to the Tenor of the Finance
- Changes to other parameters

You can change the Finance Tenor, Rate or Principal effective a Value Date from these screens. It also displays the schedules of the account.

Note that if the option 'instalment Changes with Equal Profit' has been chosen as the re-calculation basis for value dated amendments at the product level, the system will not allow you to perform any VAMI activities on the account.

In Mudarabah accounts, you can perform the following:

- Multiple repayments. You can define schedules for repayment
- Gross profit adjustment and liquidation to happen along with settlement.
- Amendment of maturity date to an earlier or a later date
- Amendment of profit rate before original maturity date

The system will perform the following actions to meet the above requirements:

- Remove the restriction disallowing repayment frequencies other than bullet.
- Gross profit adjustment and liquidation will happen during every repayment, scheduled or unscheduled.

The following information is captured:

Effective Date

This is the date as of which the changed values should be applicable. You can add a new effective date, when you make some amendment to the account. Click add button to enter the effective date.

Once you have entered the new effective date, click 'P' button. The system will default the latest UDE values maintained for the account. However, you may delete or modify the default UDE values.

Note

If you click the 'P' button after making some changes to the UDE values, the system will ignore your changes and default the UDE values from the product again.

Maturity Date

You can modify the maturity date and enter the new maturity date for the finance account.

Once you change the maturity date and click 'E' button next to the maturity date. The system updates the schedule date for the bullet schedule based on the new maturity date.

After the change in the maturity date, if the incremental tenor matches the frequency of the last schedule in all the components, then the system will generate the remaining schedules based on the new maturity date.

If the change in maturity date is not in multiples of the last defined frequency, then the system will update the bullet schedule only. The other schedules will not change. However, you can change the schedules from the 'Schedule Definition' frame of the 'Components' tab of this screen. You need to click 'Edit Schedules' and 'Explode Schedules' button to change the schedules.

Note

The system will automatically calculate the schedules only in case of extension of the maturity date. If the change in the maturity date results in reduction of the tenor, the schedules will not be calculated automatically. In such cases, you need to change the schedules manually.

The automatic schedule change is applicable only to the finance accounts that have schedules in uniform frequency for all components throughout the tenor. In case of flexible repayment schedules, you need to change the schedules manually.

The system displays the following values:

Account Details

- Customer ID
- Customer Name
- Currency
- Amount Financed
- Book Date
- Value Date
- Total Asset Value
- Net Principal
- Finance to Value

Calculate Gross Principal

Check this box to calculate the gross principal.

Repayment Terms

No of instalments

Specify the number of instalments for repaying.

Unit

Select the unit of repayment from the drop-down list. The list displays the following values:

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

Frequency

Specify the frequency for repayment.

You can define schedules for principal and main profit components repayments with any frequency.

Tenor

Specify the tenor details.

Instalment Start Date

Specify the instalment start date.

Due Date On

Specify the due date.

Maturity Type

Specify the type of maturity.

Maturity Date

Specify the maturity date.

You can amend profit rate and maturity date during the life cycle of the account.

You can advance or defer the maturity date through this screen. However, maturity date cannot be advanced to a date earlier than the last financial event date.

If you amend maturity date, then the system will adjust instalment amount.

The system will redraw the schedules adjusting the instalment amount, if profit rate or maturity date is amended.

Effective Date

Effective Date

Specify the effective date.

Construction Details

Construction End Date

Specify the construction end date.Regenerate Schedules

Check this box to regenerate the schedules.

You can check this box while amending construction date of Istisna accounts only. Processing of Construction End Date Amendment

For regeneration of schedules, effective date of the amendment should be earlier than the Construction End Date entered. The system will validate the same.

The system will modify the maturity date of the account and regenerate the schedules by moving the schedule dates based on the new construction end date. The system will re-compute the profit based on the new schedule dates if ‘Allow re-computation of schedules’ field is checked for the product.

For Istisna, no re-computation of profit is required as part of schedule movement and is achieved by maintaining Construction period profit based on nominal disbursement schedules and'Allow re-computation of schedules’ Flag unchecked at product level.

For Musharaka Under construction category, you should check ‘Allow re-computation of schedules’ field in product level.

If ‘Regenerate Schedules’ field is not checked, then the system will not regenerate the schedules. Only construction end date will be modified to new date.

Note

- You cannot regenerate the schedules on amending Construction End Date for Istisna accounts if ‘Re-schedule Amortization on Final Disbursement’ field is checked. For Istina accounts, if construction end date is changed system rebuilds the schedules both principal and profit, based on the new construction end date.
- Istisna product category rebuilds the schedules automatically on reducing the construction end date if ‘Regenerate Schedule’ flag is checked.Reducing the maturity date automatically, the system updates a new tenor.
- Regenerating the schedule impacts the grace period.
- For Musharaka under construction product category, the schedule generats normal profit and grace period profit based on the handover date.

- For Musharaka under construction product type, a configurable override is provided when construction end date is less than the application date and the user tries to increase the principal.
- Musharaka under construction product category is removed during amendnement of the already exisiting support to build the profit schedules based on the construction end date.

Holiday treatment will be applicable while redefining the schedule dates on Construction End Date amendment.

If grace periods are defined for the account, grace period schedules will also undergo changes.

Handed over

Check this box to handed over the details.

Handover Date

Specify the handover date.

If the Handover flag is checked, then the handover date should be less than or equal to the application date.

Once the handover flag is checked and the amendment is authorized, you cannot uncheck the flag or change the handover date again.

During amendment, new handover date should be greater than construction period end date, provided that the moratorium schedule end date is equal to the construction period end date.

During amendment, system validates to verify if the moratorium schedule end date is same as construction period end date.

On amendment of handover date system regenerates the principal schedules along with profit schedules. System moves the grace period and normal profit schedules based on the updated handover date for Musharaka under construction and Forward Ijarah product categories. Maturity date of the account will be modified.

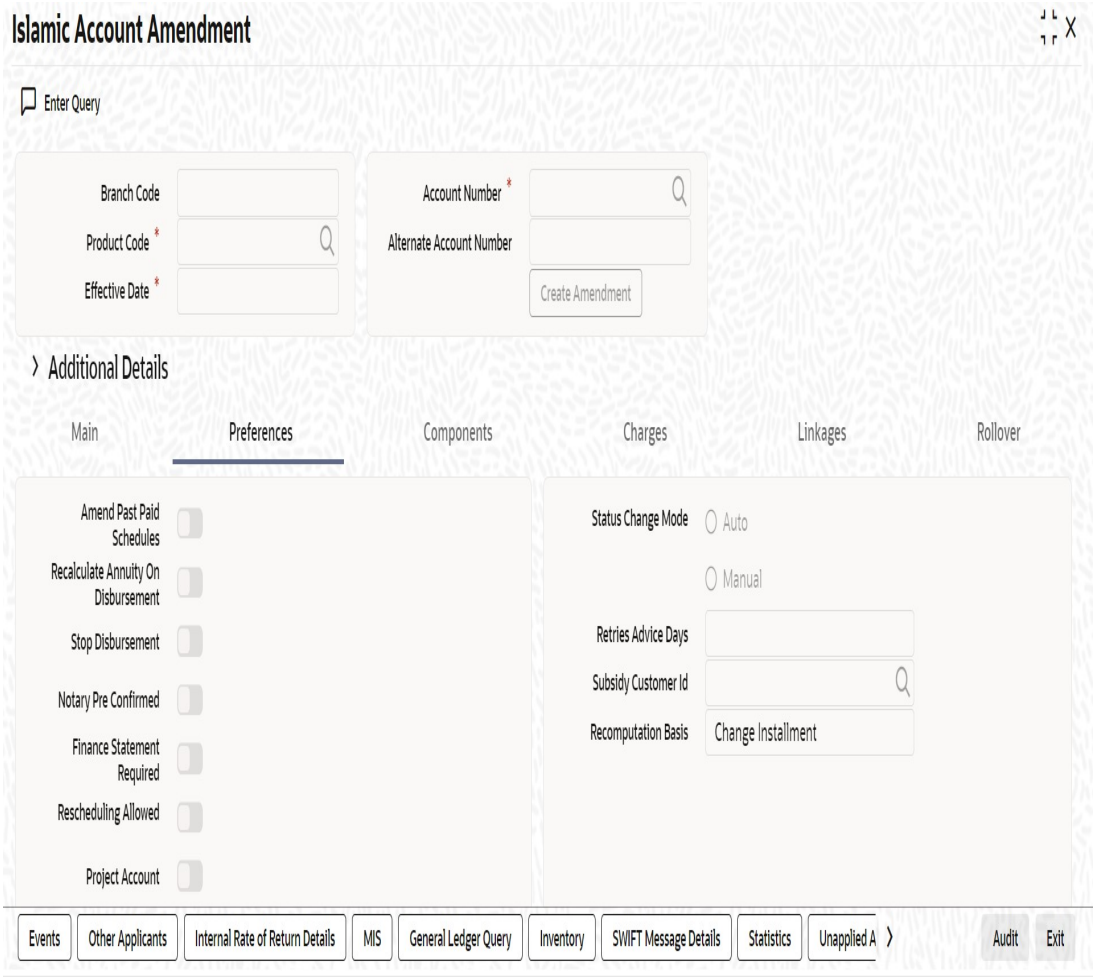
Musharaka/Mudarabah Contribution Details

The system displays the following details:

- Bank Share %
- Customer Share %

10.4.3 Preferences Tab

Preferences maintained for the account are displayed here.



You can modify the following details:

Handover

This value is defaulted from the account. However you can change it. Check the box to indicate that property handover and final disbursement are applicable for the *Ijarah* account.

If this box is checked for an account with disbursement mode as ‘auto’ and the final disbursement date is less than or equal to the current date, the system will automatically process final disbursement on authorisation of the amendment record. Once the final disbursement is completed for the account, the system will not allow you to uncheck this box.

Handover Date

The date on which the property is handed over is defaulted from the account. However you can change it. If this date is not greater than the construction end date, the system will display an error message while saving. The first payment schedule date in the post construction period should be greater than this date.

If this date has not been specified for the account during creation, you will not be able to specify a date as part of amendment.

Maximum Renegotiations

The maximum number of renegotiation allowed for the account is defaulted here. However, you can modify the value if needed.

Note

System rejects the VAMI request if the new value of “Maximum Renegotiations” is lesser than the previous value.

Liquidation Mode

Specify the mode of liquidation from the drop-down list. The following options are available for selection:

- Auto
- Manual
- Component

Retries Advice Days

Number of retries for an advice is defaulted here from the product maintenance level; however, you can modify if needed. The value should be less than the value maintained for ‘Retries Auto Liquidation Days’.

Provisioning Preference

You can define the provisioning preference of loan accounts by selecting the required option in Provisioning Mode.

Provisioning Mode

Select the Provisioning Mode preference of loan accounts from the drop-down list. The list displays the following options:

- Not Applicable
- Auto
- Manual

The provisioning mode option will get defaulted from Account level. However, you can switch between Auto to Manual mode or vice versa, but cannot change the mode as “Not Applicable” if defined as either Auto or Manual mode.

It is mandatory to select the provisioning mode as either ‘Auto’ or ‘Manual’ if CL product is created with a provision component. If CL product does not have provision component, then provisioning mode should be selected as 'Not Applicable'.

Loan Settlement Notice

You can maintain the following loan settlement notice details here:

Loan Settlement Request

Check this option to indicate the request for loan settlement has been received. If you check this box, it is mandatory to specify the notice date and the expected loan closure date.

Notice Date

Specify the date on which the notice of loan settlement was received. By default, the system displays the current application date. However, you can modify this.

You can use the date button to choose an appropriate date from the calendar.

Expected Closure Date

Specify the expected date of loan closure. This date must be later than the notice date specified above. This must also be earlier than the original loan closure date.

You can specify the expected closure date only if the option ‘Loan Settlement Request’ is checked. In other cases, this date cannot be captured.

Use Guarantor for Repayment

If this box is checked it indicates that the guarantor account can be used for settlement. You can edit this field.

Limit Days for Settlement

On settlement processing, system considers the limit days maintained at account level for the guarantor accounts and other CASA accounts for settlement.After authorization, you can amend these values in this screen

Other Customer Accounts

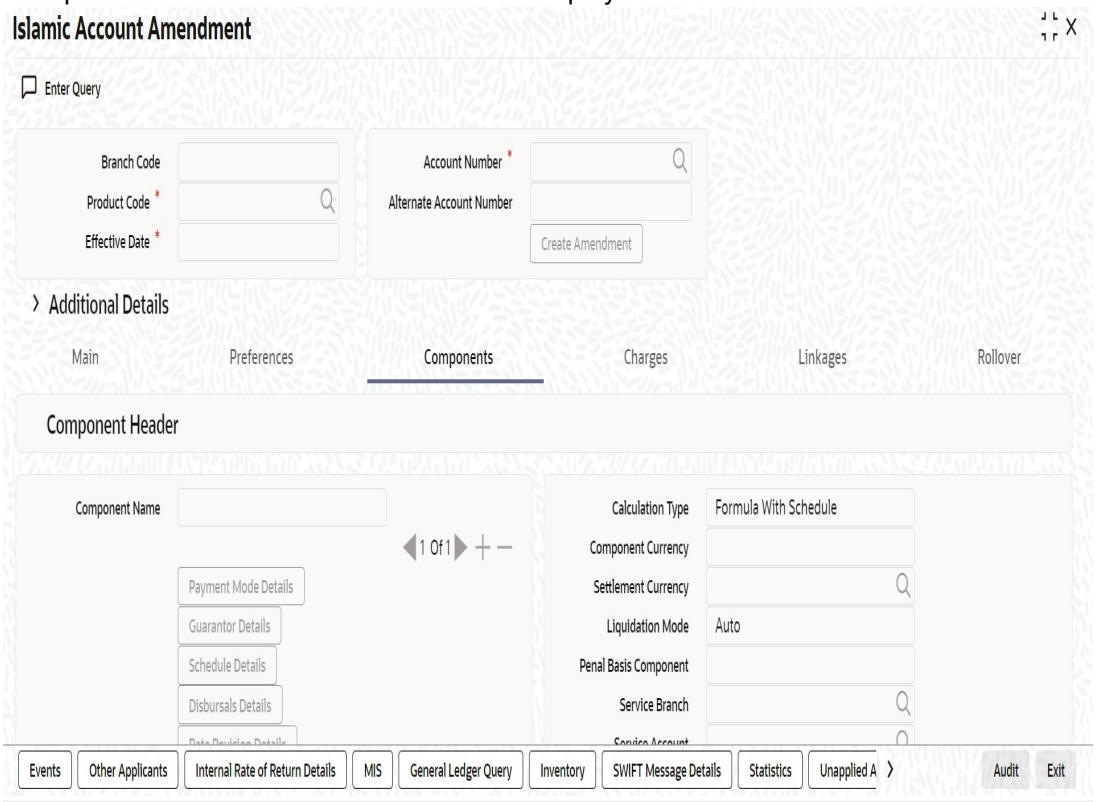
The limit days specified at account level for considering other customer accounts for settlement is displayed here.You can edit it.

Guarantor Accounts

The limit days specified at account level for considering other guarantor accounts for settlement is displayed here.You can edit it.

10.4.4 Components Tab

Components maintained for the account are displayed here.



You can modify the following details:

Liquidation Mode

The system defaults the mode of liquidation from the product level. However you can modify the same to indicate the mode of liquidation of the component from the drop-down list. The following options are available for selection:

- Auto

- Manual

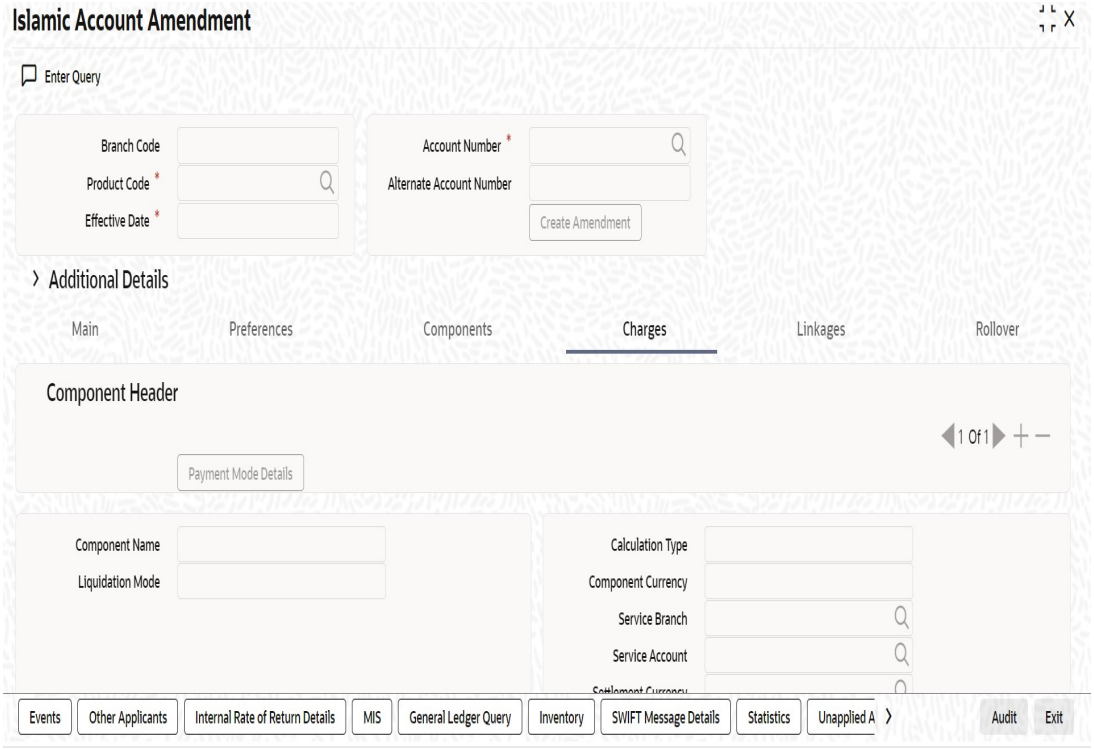
Note

This is applicable only if ‘Liquidation mode’ is selected as ‘Component’ at the account preference level.

10.4.5 Charges Tab

In order to calculate the charges that we would like to levy on an account, we have to specify the basis on which we would like to apply charges.

The ‘Charges’ tab allows you to view/modify the charges to be levied on the account.



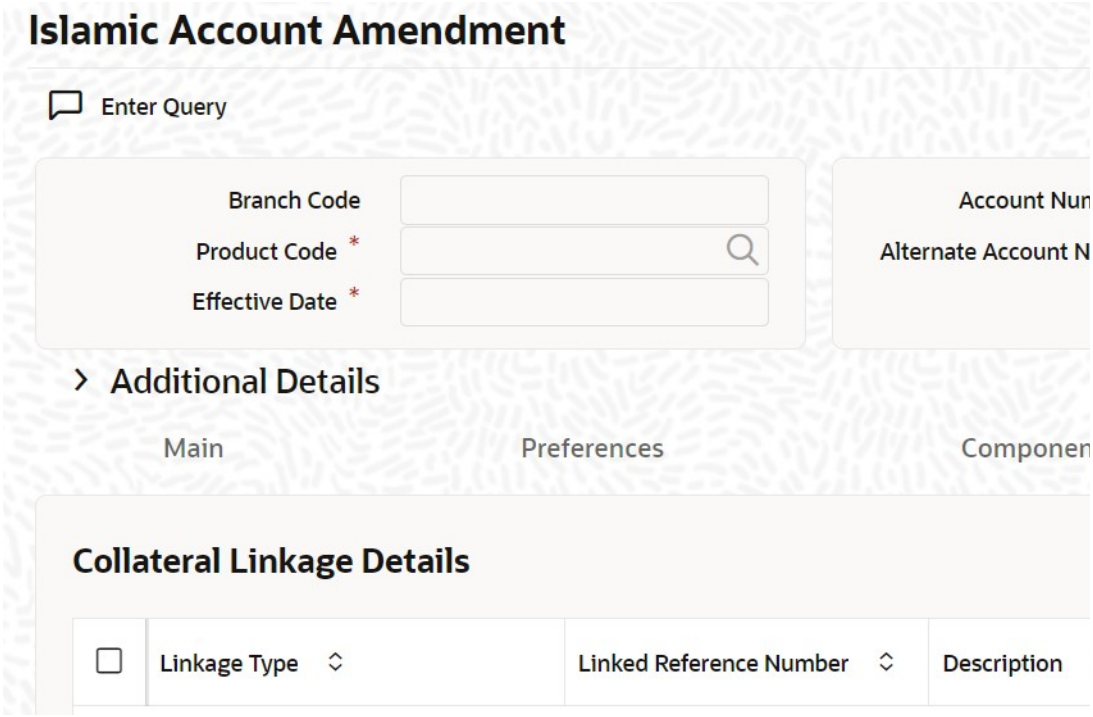
You can capture the following details in this screen:

Amt. Waived

The amount displayed here is the amount that needs to be waived as the discount offered to the customer.

10.4.6 Linkage Details Tab

Click the ‘Linkage Details’ tab to maintain the linkage details and remarks for the product. The screen is displayed below:



You can maintain the following parameters here:

Re-instatement Order no

Specify a valid order in which you need to re-instate the linkage linked to the account. The system re-instates the linkage in an ascending order.

Auto Close Collateral

Check this box if you need to auto close collateral during partial payment only if the partial payment is equal to the linked amount of the collateral.

Note

If the check box is checked during partial payment and the payment amount is not equal to the linked amount of the collateral, then the system displays an error message.

While saving an account amendment:

- If the ‘Linkage Type’ is ‘New Collateral’, then the system creates and authorizes the collateral with ‘Collateral Type’ as ‘Normal’ and assigns the Liability ID of the customer. However, you can manually create collateral with different type and link it to the account.
- The system validates if the sum of Principal Increased and Principal Outstanding Amount is greater than the Linked Amount maintained at collateral linkage details level. If the sum is greater, then the system tracks the remaining amount against the liability ID of the customer, automatically.
- If the Liability ID does not have sufficient available balance, then the system displays the override message as ‘The liability does not have enough available balance. Do you want to continue?’

While deleting an account amendment, the system re-instates the collateral if it is utilized by the account and closes the collateral, created new, automatically.

If the linked reference number is not utilized, you can delete the linkage details and modify the linked amount and linked percentage.

For further details regarding the fields in this screen please refer to Charges section under Account details.

10.4.6.1 Capturing Multiple Asset Details

Click 'Multiple Asset' button under 'Islamic Account Amendment' screen to capture the additional details about multiple assets linked to the account. Based on the product code chosen, the system identifies the asset category linked to the Islamic financing account and displays the appropriate screen.



You can add as many assets as required and for each asset, the system will generate a unique asset sequence number while saving an account. You can delete the assets till first authorization of account.

You can amend multiple asset details provided in Account in this screen but you cannot delete or add the Multiple Assets.

While saving, the system will validate if the amount entered in 'Amount Financed' field in Main tab matches the sum of amount in 'Asset Finance Amount' field for the particular Asset provided. If 'Asset Finance Amount' of the particular asset is not equal to 'Amount Financed'

in Main tab, then the system will display an override message as ‘Sum of Asset Finance Amount not equal to Amount Financed’.

In product setup Asset Type for Multiple asset selected can be any one of the following:

- Vehicle
- Property
- Project
- Goods
- Build Materials
- Service Ijarah
- Equipment

While creating the account, you can utilize only asset type selected at the product and sum of the asset finance amount of that asset to Amount finance in Main Tab is validated.

If an Asset status for a particular Asset sequence number is selected as ‘Settled’ and all other assets are in Active status, then you cannot amend this screen. On saving, the system will display an error message as ‘Asset status should be Active’.

For a detailed explanation of the fields in this screen, refer to the section ‘Multiple Asset Details’ in chapter ‘Account Creation’ of this user manual.

10.5 VAMI Simulation

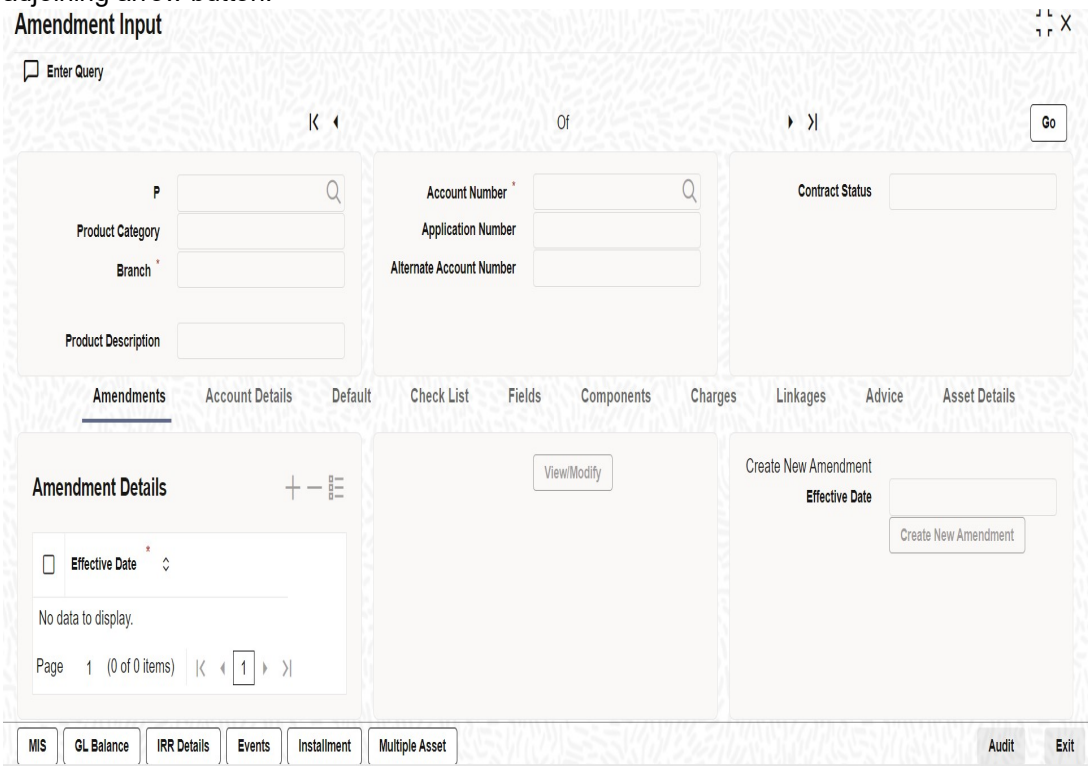
This section contains the following topic:

- Section 10.5.1, "Simulating VAMI"

10.5.1 Simulating VAMI

Value Dated Amendment simulation calculation function is used to get the details of the VAMI charge before applying the same. You can invoke ‘Amendment Input’ screen by typing

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



The Value Dated Amendment Simulation screen is similar to Value Dated Amendments screen.

10.5.1.1 Maturity Date Change

The Amendment of the Finance account maturity date, effective a certain date can be performed through this function. Future schedules are affected based on the effective date. This assists in providing schedules as per the customer's choice. Hence, even if an extension is sought, the profit increase in the instalment can be postponed until a certain period to facilitate customer's liquidity situation.

10.6 Version History View and Reversal

This section contains the following topic:

- Section 10.6.1, "Viewing Account History Details"

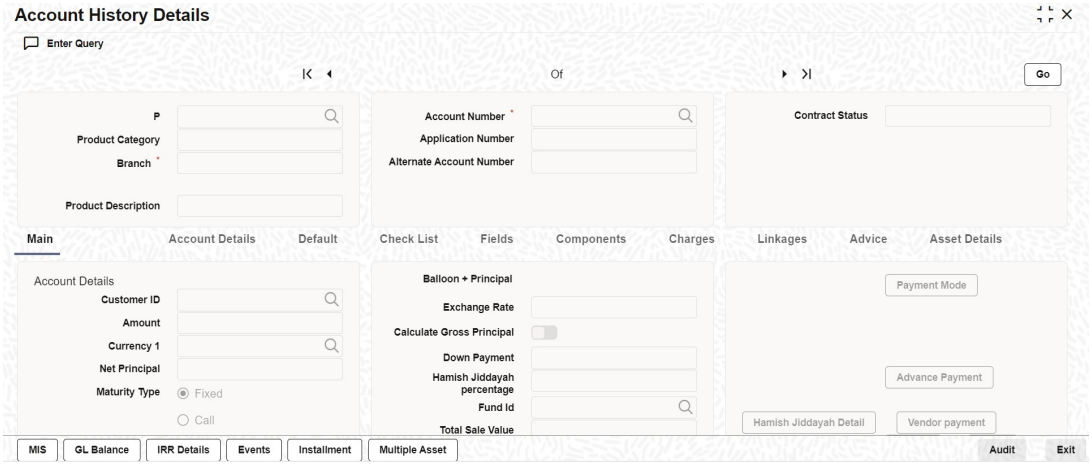
10.6.1 Viewing Account History Details

Version numbers are created for a finance account during any one of the following three instances:

- When amendments made to the Account parameters – Principal, Rate and Tenor
- Status change of the product
- Rollover of the Finance product

Multiple versions created for a finance account can be viewed through the 'Account–View History' screen. You can invoke this screen by typing 'CIDACHST' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. Reversal of

operations to previous version is supported for Rollovers, Manual Status Change and Amendments that create a new version.



The Islamic Financing module has the following features:

- Finance accounts have in-built versioning features
- Contract parameters and hence the finance behaviour are modified based on operations such as Value dated amendments, status changes, Contract amendments, Rollovers etc, thus creating a new version.
- Any version of the finance can be backtracked sequentially to a previous configuration by saving the versions in history and by changing the events diary appropriately.
- This can be viewed by scrolling to the appropriate version number.
- Oracle FLEXCUBE supports an incremental reversal of contract version. While reversing, all the events will be reversed and the balances are appropriately affected.
- When you click ‘Reverse’ icon in the toolbar, the options presented are Entire Contract and Current Version
- For a single step reversal, all authorized entries and maintenances are reversed through this operation. A new version is created and a new event REVV – Reverse Version is triggered.
- It is also possible to forward track the same changes after back tracking
- If the entire contract is to be reversed, REVC fires when the version to be reversed is the First version
- If the reversal is an account reversal, then the system will re-instate linked linkage for the equivalent of the amount disbursed.
- If the reversal is a payment reversal, then the system will utilize linked linkage for the equivalent of the amount paid.

Refer the ‘General Maintenances’ chapter of this User Manual for further information on the Account Details Screen and Version Control.

10.7 Inactive Rollover Input

This section contains the following topic:

- Section 10.7.1, "Funding Status Details"

10.7.1 Funding Status Details

This module creates a finance account in an Inactive state. This is required to generate various finance product scenarios. All these are input from the Application processing phase. All applications that have undergone the process of Application Entry and Underwriting can

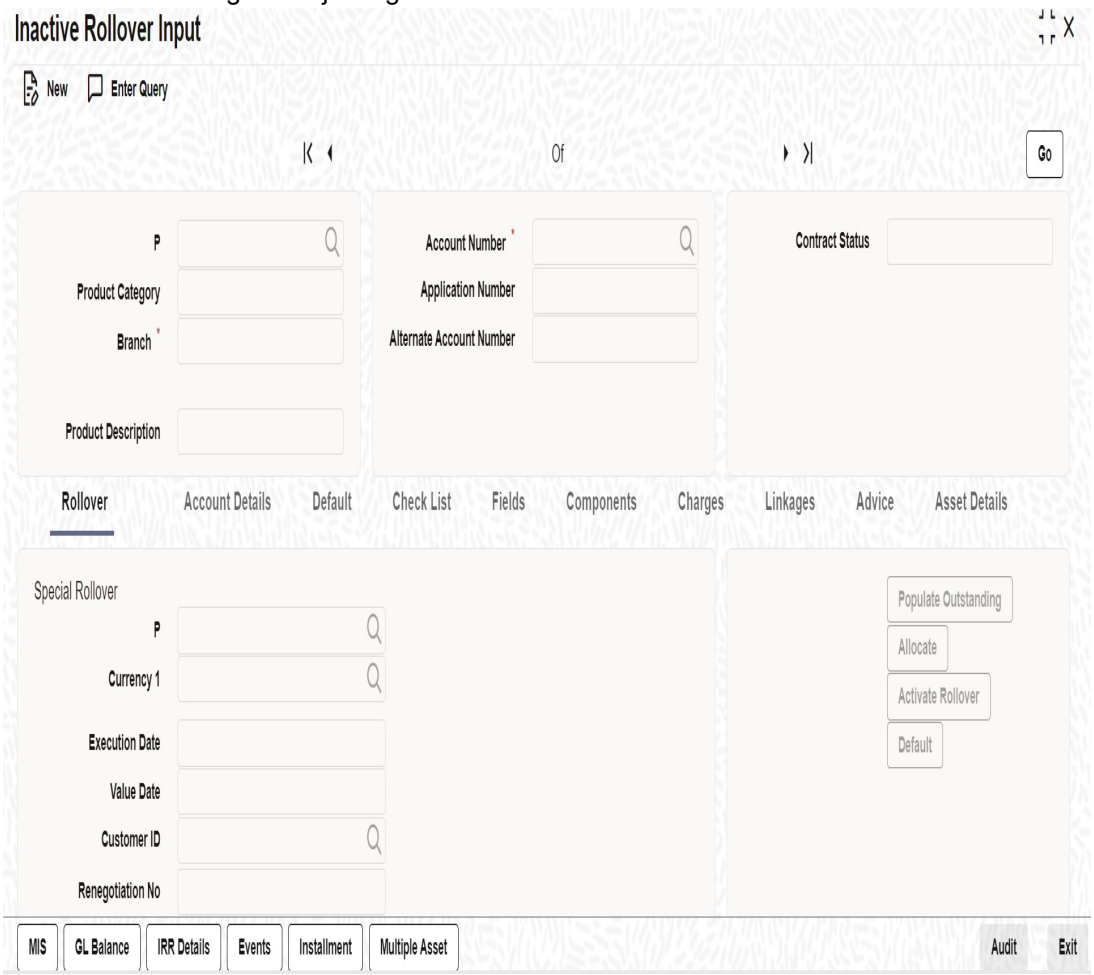
be viewed as APPROVED-BLANK. These are Finances that have been underwritten and manual check of documents etc. is being done.

The Finance Funding is triggered from the account details screen. However it has a Funding Status field which drives its operations. At this stage the application has been underwritten and is in APPROVED-BLANK Status. The CIF is created.

From APPROVED– BLANK, the application moves through to APPROVED-VERIFYING and APPROVED–VERIFIED status which are provided to enter the finance details and to verify the documents. Any aspects of the Finances can be changed but there is no version maintained. These Finance accounts are INACTIVE and even BOOK has not been fired on them. Now once the manual verifications are done the Application is moved to the Application-Verified status.

A final approval is made on the application in all respects and then it is moved to APPLICATION-FUNDED Status. This FUNDED status is the BOOK of the Finance account. At this time the Finance BOOK event entries are fired. If configured the Finance advice is sent to the Customer.

You can also roll over an inactive account using the 'Inactive Rollover Input' screen. You can invoke this screen by typing 'CIDIMROL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



This screen is similar to the one used for manual rollover.

Refer the section 'Rollover Operations' in this chapter for details about rollover.

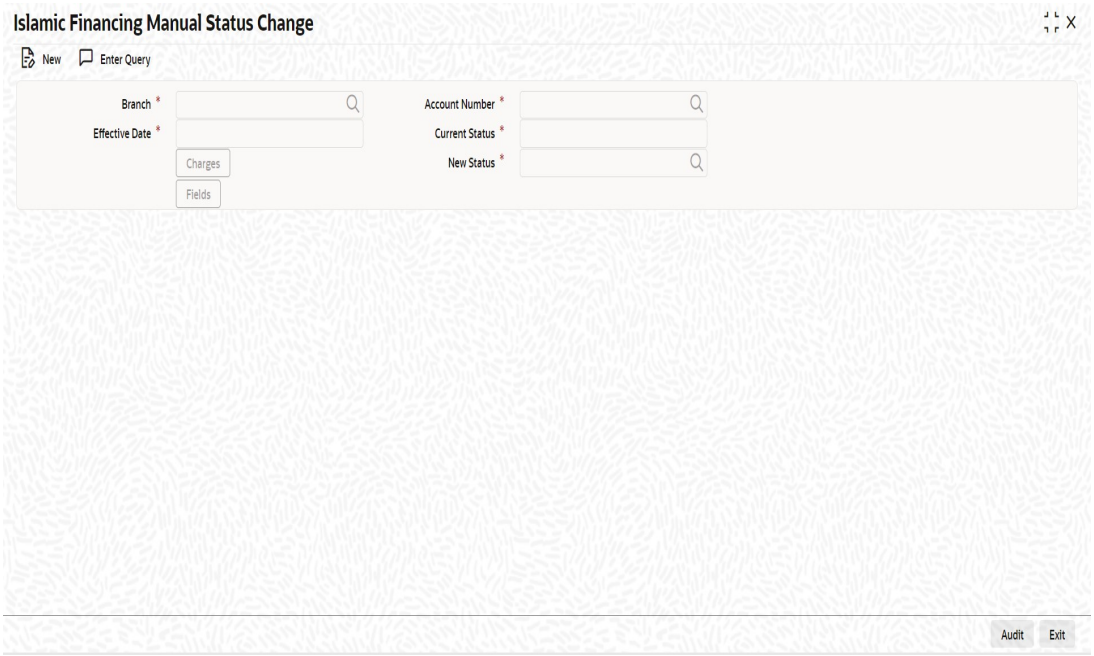
10.8 Manual Status Change

This section contains the following topics:

- Section 10.8.1, "Changing Status Manually"
- Section 10.8.2, "Charges Button"
- Section 10.8.3, "Fields Button"

10.8.1 Changing Status Manually

The status change can be triggered manually. The status change can be done with a value date of the past. You can invoke this screen by typing ‘CIDMSTCH’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Branch

Specify the branch code of the account.

Account Number

Select the account number of the account from the adjoining option list.

Current Status

Select the current status of the account from the adjoining option list.

New Status

Select the new status of the account from the adjoining option list.

The valid values are active, dormant, closed and so on.

> **Note**
>
> This is a mandatory requirement.

Effective Date

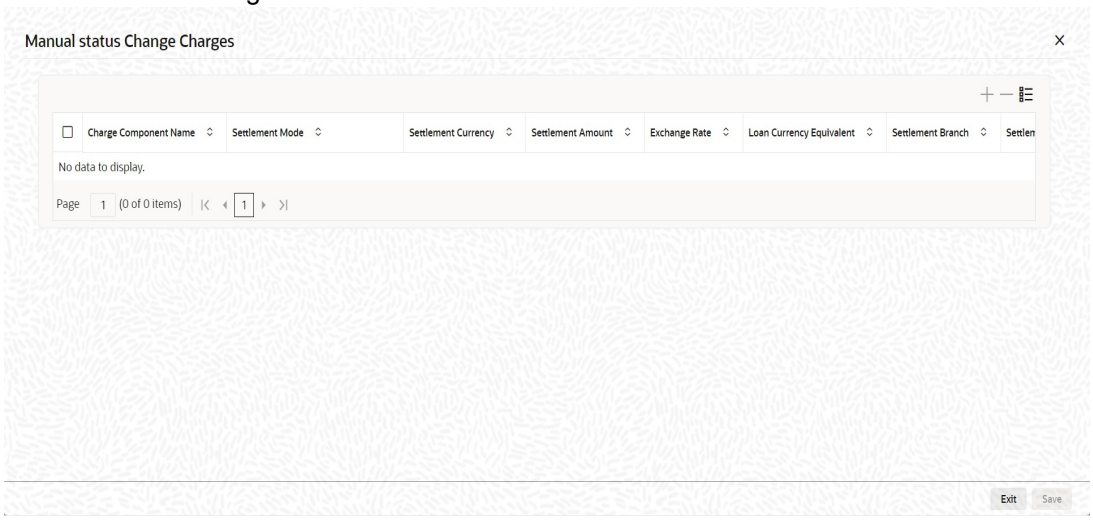
Select the effective date from the adjoining option list.

Note

This is a mandatory requirement.

10.8.2 Charges Button

You can view/modify the charges to be levied on the account in the ‘Manual Status Change Charges’ screen. To invoke the screen, click the ‘Charges’ button in the ‘Islamic Financing Manual Status Change’ screen.



The following details are captured here:

Charge Component Name

Specify the charge component name.

Settlement Mode

Select the settlement mode from the adjoining drop-down list.

Settlement Currency

Specify the settlement currency from the adjoining option list.

Settlement Amount

Specify the settlement amount.

Exchange Rate

Specify the exchange rate.

Loan Currency Equivalent

Specify the loan currency equivalent for the payment.

Settlement Branch

Specify the branch at which the settlement takes place. The adjoining option list displays all valid settlement branches maintained in the system.

Settlement Account

Specify a valid settlement account. The adjoining option list displays all the valid settlement accounts maintained in the system.

Settlement Product

Specify the settlement product.

Settlement Sequence Number

Specify the settlement sequence number.

Instrument Number

Specify the instrument number.

External Account Name

Specify the external account name.

External Account Number

Specify the external account number.

Clearing Bank Code

Specify the product code that should be used for clearing. The adjoining option list displays all valid codes maintained in the system.

Clearing Branch Code

Specify the clearing branch code.

PC Category

Specify the PC category.

Clearing Product Code

Specify the clearing product code.

End Point

Specify a valid end point from the adjoining option list.

Routing No

Specify the routing number.

Card Number

Specify the card number.

Sector Code

Specify a valid sector code from the adjoining option list.

10.8.3 Fields Button

You can specify the details of the user defined fields in the ‘Fields’ screen. To invoke the screen, click the ‘Fields’ button in the ‘Islamic Financing Manual Status Change’ screen.



The following details are captured here:

Field Name

Specify the field name.

Field Value

Specify the field value.

The UDFs are segregated based on the 'Field Type', into the following:

- Character Fields
- Number Fields
- Date Fields

10.9 Rollover Operations

This section contains the following topics:

- Section 10.9.1, "Maintaining Rollover Preferences"
- Section 10.9.2, "Account Details Tab"
- Section 10.9.3, "Linkage Details Tab"

10.9.1 Maintaining Rollover Preferences

The rollover preferences and rollover type for a finance account are specified at the time of setting up a product. In the product screen, you have the option to rollover the account manually or instruct the system to do an automatic rollover. You can also specify the type of rollover; the options available are custom and special. When a finance is rolled over, a schedule is defaulted depending upon the UDE type and the schedule basis specified in the product screen

Refer to the Products Chapter for more details on rollover specifications for finance accounts.

The rollover preferences specified at the product level are defaulted in the accounts screen at the time of finance account creation.

Refer to the 'Account Creation' chapter for more details on rollover specifications for finance accounts.

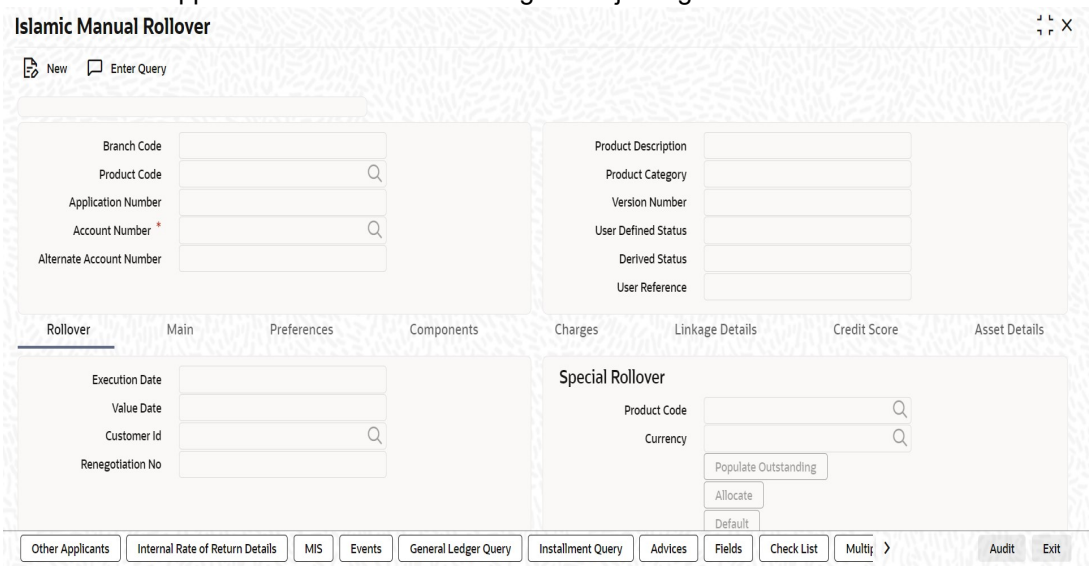
The Islamic Financing module has a special operations screen to support manual Rollover of accounts. This screen provides facility to pay off dues on the finance and also options to rollover the unpaid amounts for a new tenor with new finance terms.

If the Rollover is a simple maturity extension with or without components (Outstanding Principal, Profit etc) capitalized, then the ROLL event is fired. However, if the Rollover is a result of Renegotiation and Restructuring of the finance then the respective events are fired.

Special Rollovers involve a change in the Finance currency, reassignment of the Finance customer, creation of a new finance with same reference number as the original finance and waiver of outstanding finance. These are supported by events that fire the respective accounting entries.

The special Rollover Event is SROL and Renegotiation of a finance is RNOG. The event entries to be maintained are displayed in the product defaulting.

You can invoke ‘Rollover Input’ screen by typing ‘CIDMNROL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Query for the account number that needs to be rolled over and then click the new button on the Application toolbar. Then, click on the ‘Populate Outstanding’ button. The system will display the outstanding against each component for the account. You can then specify the rollover details such as ‘Liquidation Amount’, ‘Settlement Details’ etc. Then, click on ‘Allocate’ button to actually allocate the settlements against the components involved.

You can specify the following details in the Rollover Input screen:

Branch

Click on the option list to choose the branch in which the customer account resides. Double click on a branch to select it.

Account

Click on the option list to choose the account that is being rolled over. Double click on an account to select it.

Exec Date

Enter the transaction date of the rollover in this field.

Value Date

Enter the value date of the rollover in this field.

Product code

Click on the option list to select the new product of the account due to Special Rollover. Double click on a value to select it.

Currency

Click on the option list to select the new currency of the account due to Special Rollover. Double click on a value to select it.

Customer ID

Select the customer Id from the list of values provided. Double click on a value to select it.

10.9.1.1 Component Details

Component Name

The system displays the name of the component that is being rolled over / paid in this field.

Outstanding

The system displays the outstanding portion of the component in this field.

Liquidation Amount

Enter the amount that is paid as part of the Rollover in this field.

Principal INCR Amt

Enter the amount that is rolled over for the component in this field.

Waive Amount

Enter the amount that is waived for the component as part of the rollover in this field.

10.9.1.2 Settlement Details

Mode

Select the mode in which the settlement will be done from the list of options provided.

For Dr Settlements, the various modes are CASA, Credit Card, Clearing, Debit Card, External Account, Electronic Pay Order, Internal Check, Instrument, Cash/Teller and PDC

For Cr Settlements, the various modes are CASA, Clearing, External Account, Instrument, and Cash/Teller

Note

If the Debit Settlement mode is selected as PDC, then the other debit settlement details are not maintained.

If the debit Settlement is PDC then the liquidation mode of the component should be manual.

The Debit Settlement can be chosen as PDC only when contract is amortized.

Settlement Mode Ccy

Click on the option list to select the currency in which a particular settlement is to be made. Double click on a value to select it.

The options include list of currencies allowed for the product, branch and category.

Amount Settled

Enter the amount to be disbursed in this mode as a part of the disbursement.

Note

The amount should be less than the difference between Disbursement amount and the amount settled through other modes. The amount should be in terms of the mode currency.

Finance Ccy Equiv

The system displays the amount in terms of the finance currency in this field.

Original Exchange Rate

The base or actual exchange rate between the account currency and settlement currency gets displayed here.

Exchange Rate

For a customer availing any Relationship Pricing scheme, the customer specific exchange rate derived by adding the original exchange rate and the customer spread maintained for the relationship pricing scheme gets displayed here.

You can change the defaulted rate provided the change is within the variance level maintained for the underlying product.

If Relationship Pricing is not applicable, Exchange Rate will be the same as the Original Exchange Rate.

For Dr Settlement, the following details can be captured depending on the settlement mode:

For 'CASA'

- Settlement Branch
- Settlement Account

For 'Credit Card' and 'Debit Card'

- Card No.

For 'Clearing'

- Upload Source
- Instrument Number
- Clearing Product
- End Point
- Routing Number
- Clearing Bank
- Clearing Branch
- Sector Code
- Clearing House

For 'External Account'

- Upload Source
- Clearing Bank
- Clearing Branch
- External Account Name
- External Account Number
- Clearing House

For 'Electronic Pay Order'

- Instrument Number

For 'Internal Check'

- Instrument Number
- Settlement Branch
- Settlement Account

For 'Instrument'

- Instrument Number
- Routing Number
- End Point

For 'Cash/Teller'

- Upload Source

For Cr Settlement, the following details can be captured depending on the settlement mode:

For 'CASA'

- Settlement Branch
- Settlement Account

For 'Clearing'

- Upload Source
- Instrument Number
- Clearing Product
- End Point
- Routing Number
- Clearing Bank
- Clearing Branch
- Sector Code
- Clearing House

For 'External Account'

- Upload Source
- Clearing Bank
- Clearing Branch
- External Account Name
- External Account Number
- Clearing House

For 'Instrument'

- Instrument Number
- Routing Number
- End Point

For 'Cash/Teller'

- Upload Source

The Islamic Financing Module supports the following rollover functions:

Special Rollover

Only manual product and/or currency modifications are allowed during rollover. This is termed as Special rollover.

The following two events are added for special rollover:

SROL – Special Rollover Liquidation

This event has normal liquidation entries as well as the entries to liquidate the amount to be rolled over into suspense.

New Amount Tag

<component_name>_SROL

New Accounting Role

SROL_SUSPENSE

The entries defined are:

Dr/Cr	Role	Amount Tag
Dr	DR_SETTLE_BRIDGE	PRINCIPAL_LIQD
Cr	FINANCE_ACCOUNT	PRINCIPAL_LIQD
Dr	DR_SETTLE_BRIDGE	MAIN_INT_LIQD
Cr	MAIN_INTREC	MAIN_INT_LIQD
Dr	SROL_SUSPENSE	PRINCIPAL_SROL
Cr	FINANCE_ACCOUNT	PRINCIPAL_SROL
Dr	SROL_SUSPENSE	MAIN_INT_SROL
Cr	MAIN_INTREC	MAIN_INT_SROL

REOP – Re-Opening of Finance Account with new product and/or currency

This event has entries to Dr Finance Account and Cr the Dr Settlement suspense. The PRINCIPAL amount tag is used for these entries.

The entries defined are:

Dr/Cr	Role	Amount Tag
Dr	FINANCE_ACCOUNT	PRINCIPAL
Cr	SROL_SUSPENSE	PRINCIPAL
Dr	FINANCE_ACCOUNT	PRINCIPAL_INCR
Cr	CR_SETTLE_BRIDGE	PRINCIPAL_INCR

The above two events are triggered whenever Product and/or currency is changed during manual rollover.

A manual rollover screen is provided to carry out special rollover. The current product code and currency are shown on the manual rollover tab. If any of this were modified then SROL event is triggered, which in turn triggers REOP, else, a normal ROLL event is triggered.

Note

In case of Product Change, SROL event of the previous product is triggered and REOP event of the new product is fired. Hence the SROL_SUSPENSE maintained should be same across all products.

Pre Mature Rollover

During manual rollover a Rollover Value Date is captured, which is a date prior to the maturity date to pre maturely rollover the finance. The profit is calculated up to the rollover value date. You can choose to liquidate or roll any component. Special Rollover is also allowed.

Back Value dated Rollover

The rollover value date may be used to input back valued rollovers.

Rollover Booking

The ROLB (Rollover Book) event facilitates processing of future dated rollover instructions. A manual rollover, to be executed in the future can be created by giving a future execution date. For such rollover instructions, the ROLB event is fired. The rollover instructions are applied on the execution date. All the settlement entries are passed on the execution date with the rollover value date.

Rollover Tenor

A new field, ROLL BY, is added to the Product Preferences for Rollover. The values are:

- Days – The Tenor for the Rolled Contract would be taken in terms of days.

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 90 days

New Rolled Maturity Date: 30-Jun-2005

- Months – In Terms of Months

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 3 Months

New Rolled Maturity Date: 01-Jul-2005

- Quarters – In Terms of Quarters

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 3 Months (1 Quarter)

New Rolled Maturity Date: 01-Jul-2005

- Semiannual – In Terms of Semi Annuals

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 6 Months (Semi Annual)

New Rolled Maturity Date: 01-Oct-2005

- Year – In Terms of Years

Example: Value Date: 01-Jan-2005; Maturity Date: 01-Apr-2005; Tenor: 12 Months (Year)

New Rolled Maturity Date: 01-Apr-2006

The same field is available on the Account screen and the values are defaulted from product. The defaulted values can be amended.

Inactive Rollover

This function is provided to save Inactive rollover instructions. Click on the 'Activate' button on the Inactive Rollover Input screen to activate the inactive rollover instructions.

When an Inactive instruction is saved, no events are processed. And when activated, all the applicable events are fired.

This screen captures payment details such as Value date of the payment, Amount Settled, Payment Mode, Related Payment Products and Settlement Account. The payment is against any of the finance components such as principal, profit etc.

You can invoke 'Inactive Rollover Input' screen by typing 'CIDIMROL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The procedure to create an Inactive Rollover is similar to the Manual Rollover process. However, you have the additional facility to activate the rollover by clicking on the 'Activate Rollover' button.

10.9.2 Account Details Tab

Repayment From Salary Account

Check this box to indicate repayment of financing accounts can be done from the salary account of the customer.

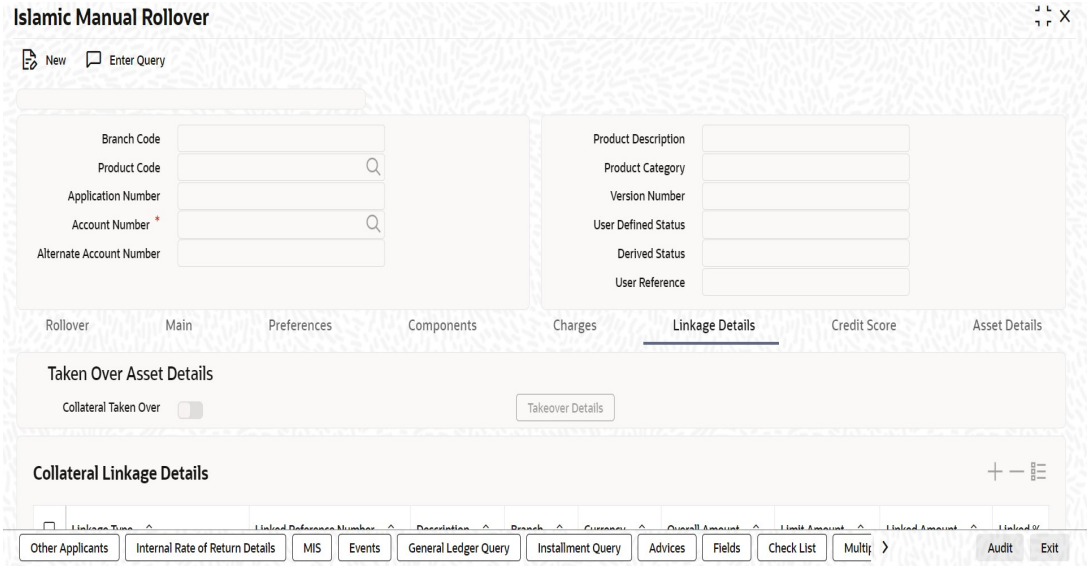
Note

If 'Repayment from Salary Account' field is checked, then while saving the financing account, the system will validate that the settlement account given in 'Components' tab is customer's salary account.

For further details on this screen, please refer 'Creating Account Details/ Light Finances' section in 'Account Creation User Manual.

10.9.3 Linkage Details Tab

Click the ‘Linkage Details’ tab to maintain the linkage details and remarks for the product. The screen is displayed below:



You can maintain the following parameters here:

Re-instatement Order no

Specify a valid order in which you need to re-instate the linkage linked to the account. The system re-instates the linkage in an ascending order.

For more details on field explanation, refer to the section ‘Linkage Details Tab’ in ‘Account Creation’ chapter of this User Manual.

Note

- You can delete linkage details and modify the linked amount or linked percentage, if the specified linked reference number is not utilized.
- During rollover, if the principal component increases, then the system will utilize the linked linkage amount for the increased amount based on the ascending order of utilization order number maintained in the linkage details section.
- During rollover, if the principal component decreases, then the system will reinstate the linked linkage amount for the decreased amount based on the based on the ascending order of re-instatement order number maintained in the linkage details section.
- During special rollover, if the customer is changed, then the system will reinstate the collateral/collateral pool/line of the old customer and utilizes the collateral/collateral pool/line of the new customer, for the amount equivalent of the principal outstanding.

10.10 Account Renegotiation

This section contains the following topics:

- Section 10.10.1, "Renegotiating Account"
- Section 10.10.2, "Linkages Tab"

10.10.1 Renegotiating Account

The customer can ask for re-negotiation of the written-off finance. Or when an account becomes delinquent, the bank may negotiate with the customer. Negotiation may result in any of the following:

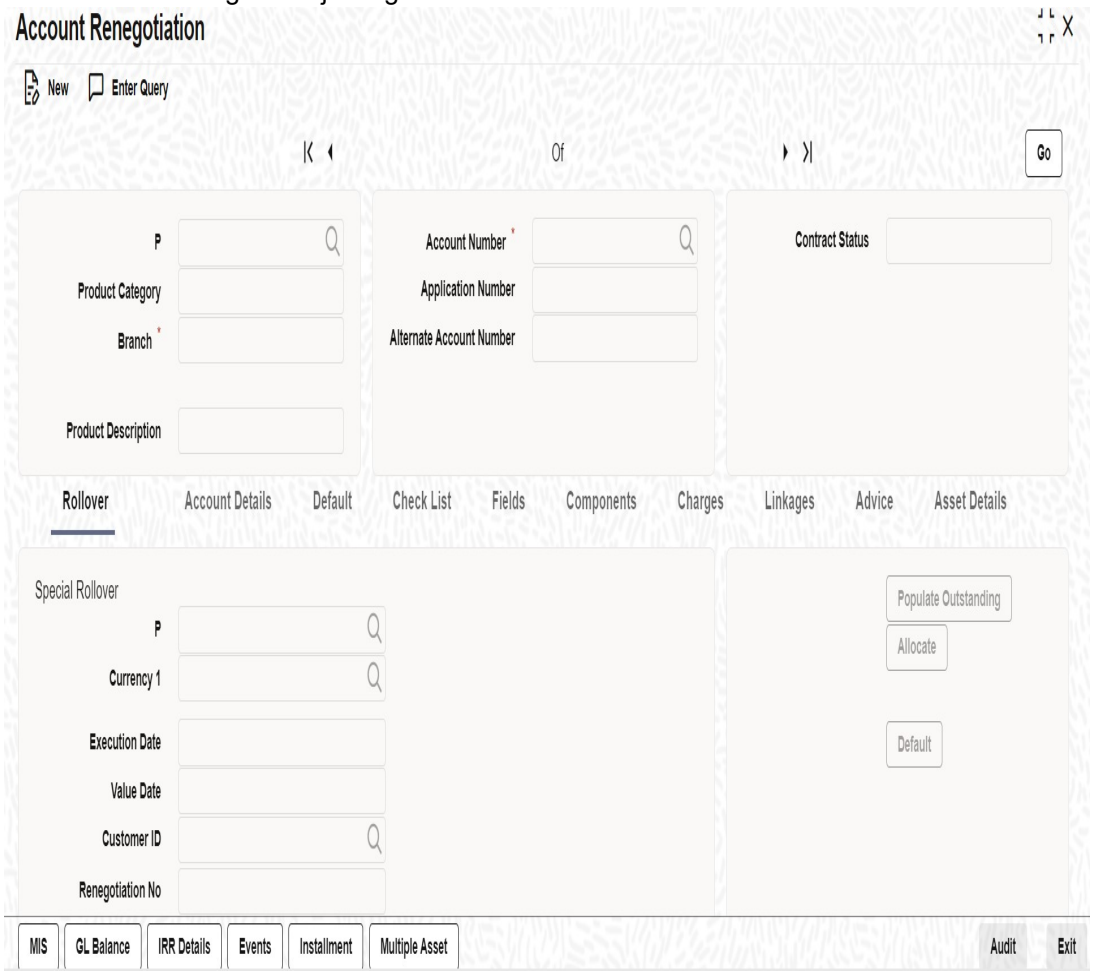
- The customer may repay the finance.
- The finance is negotiated completely. In this case a new finance may be opened.
- The customer may pay the partial finance amount and the bank may condone the rest.
- The customer and bank may renegotiate part of the finance and the rest may be condoned.
- In the worst case scenario, if the customer is unable to pay back any portion the finance amount, the bank may consider it as Condonation and close off the finance.

In Oracle FLEXCUBE, renegotiation is treated as a separate manual operation. Whenever a finance is renegotiated, it results in the creation of a new version of the existing finance. The system then recalculates the schedules. If the customer makes any payment towards the written-off finance, they are also considered.

Once the finance gets transformed into a new finance, it is affected by maintaining Bridge GLs.

Renegotiation can result in just varying profit rates or maturity dates of the original finance along with capitalization of the outstanding profit.

You can perform finance renegotiation through the ‘Account Re-Negotiation’ screen. You can invoke this screen by typing ‘CIDRENOG’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Renegotiation No

The system displays the number of renegotiations which have been already performed for the finance.

The system will validate for the maximum limit of renegotiation as follows, before saving the renegotiation:

- Collect the data for maximum Limit supported and the renegotiation count, for the corresponding account.
- If the maximum limit exceeds, then the system raises the override message ‘Renegotiation Limit is exceeded’.

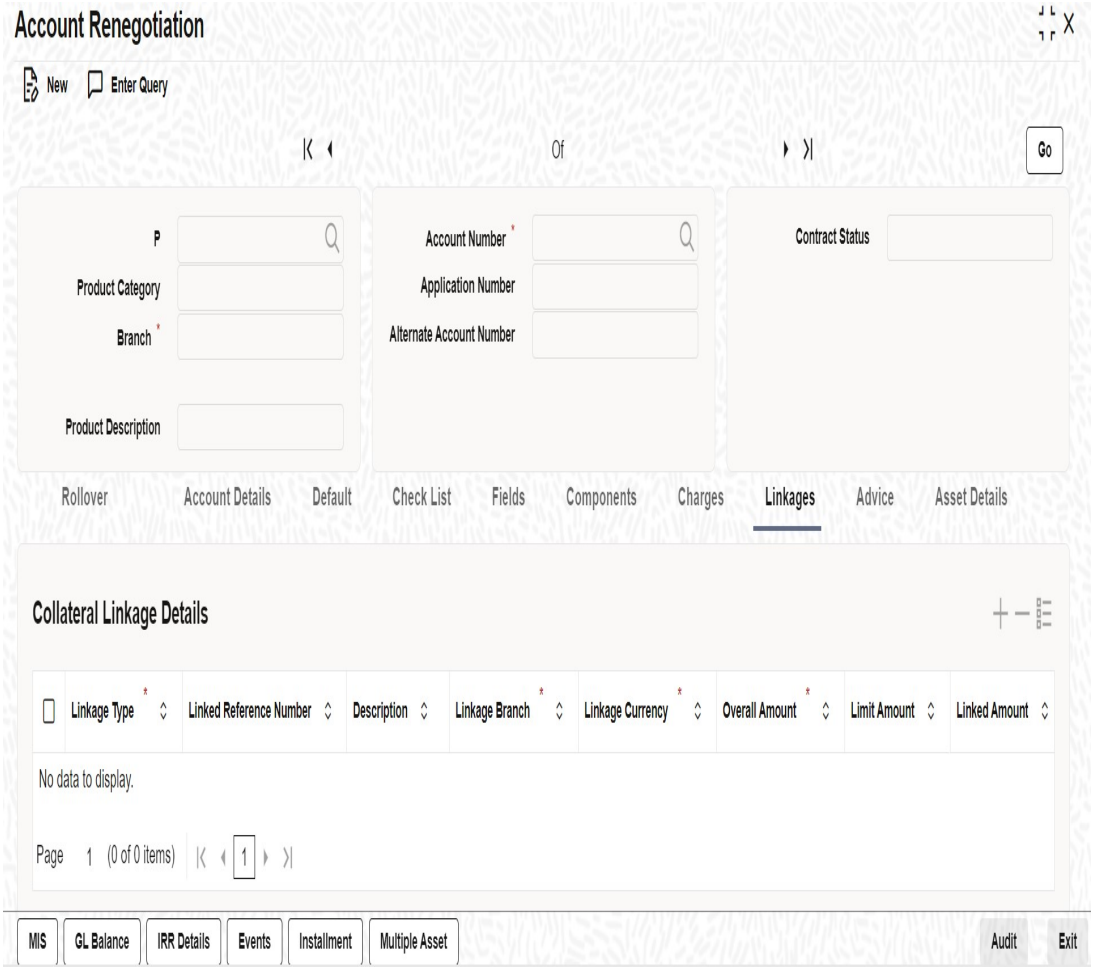
  You can however save the renegotiation request with override.
- If maximum limit is not maintained, then the system will suppress the validation and performs the renegotiation without any limitation.

This screen is similar to the one used for manual rollover.

Refer the section ‘Rollover Operations’ in this chapter for more details about rollover.

10.10.2 Linkages Tab

Click the 'Linkage Details' tab to maintain the linkage details and remarks for the product. The screen is displayed below:



You can maintain the following parameters here:

Collateral Linkage Details

The following collateral details are maintained here:

Re-instatement Order no

Specify a valid order in which you need to re-instate the linkage linked to the account. The system re-instates the linkage in an ascending order.

Status

Status of the collateral is defaulted here.

Linkage Details

You can maintain the following linkage details here:

Amount Block Number

Specify a valid amount block number for the collateral you want to renegotiate.

During renegotiation, if the customer is changed, then the system will reinstate the collateral/ collateral pool/line of the old customer and utilizes the collateral/collateral pool/line of the new customer, for the amount equivalent of the principal outstanding.

For more details on the field explanation of each tab, refer 'Account Creation' chapter of this User Manual.

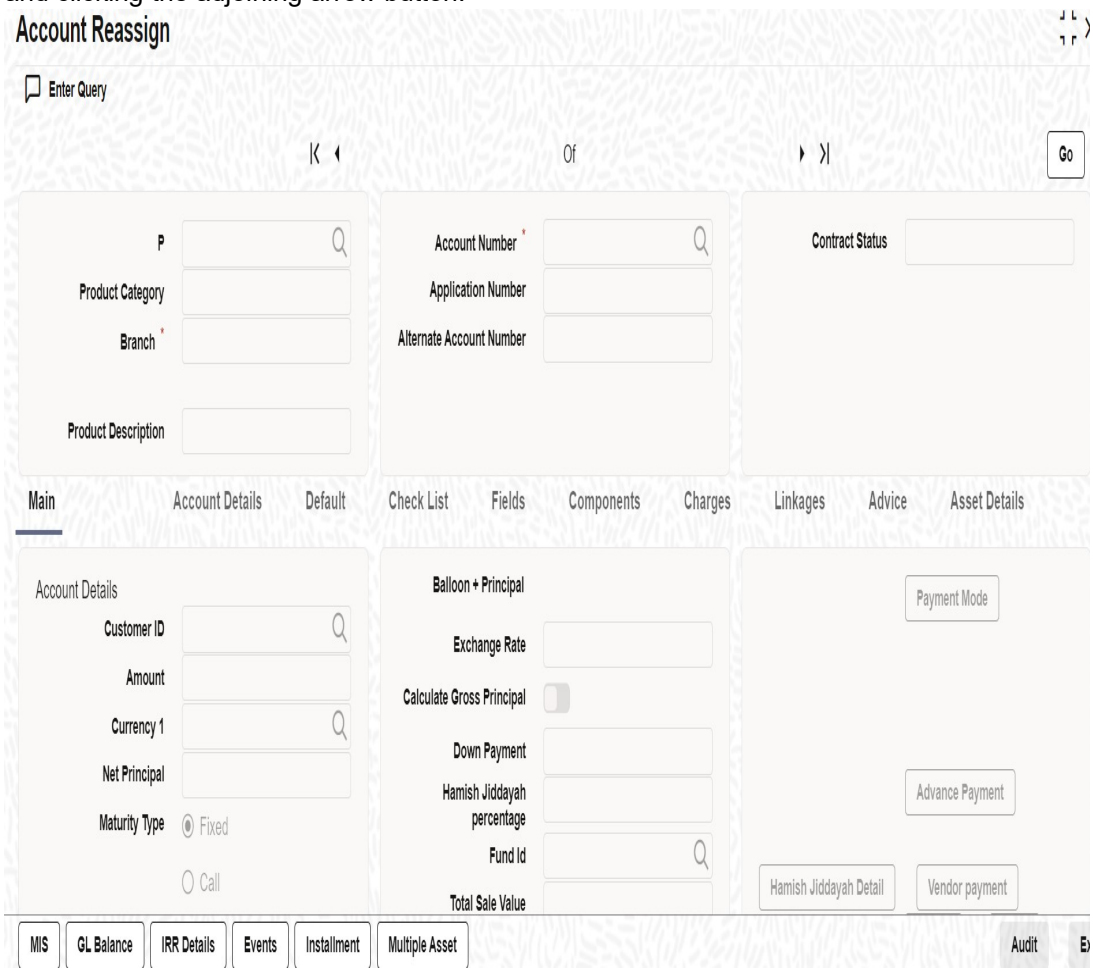
10.11 Account Reassign

This section contains the following topics:

- Section 10.11.1, "Reassigning Account"
- Section 10.11.2, "Linkages Tab"

10.11.1 Reassigning Account

Oracle FLEXCUBE allows you to change the main debtor of a finance through the process of reassignment. You can achieve this through the 'Account Reassign' screen. You can invoke this screen by typing 'CIDNOVDT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, you need to clear all details by pressing F7. Then you can specify the account number and click on F8. The system displays all the account details of the chosen account. You can change the Customer Id of the primary applicant in the 'Reassignment – Account Details' screen.

Customer ID (Primary Applicant)

The CIF ID of the primary debtor of the finance account is displayed here. You can change it by selecting another CIF ID from the option list. This in effect means the debtor will be changed.

Customer ID (Other Applicants)

The CIF IDs of the co-applicants for the original finance are displayed here. You can change them by selecting other CIF IDs from the option list.

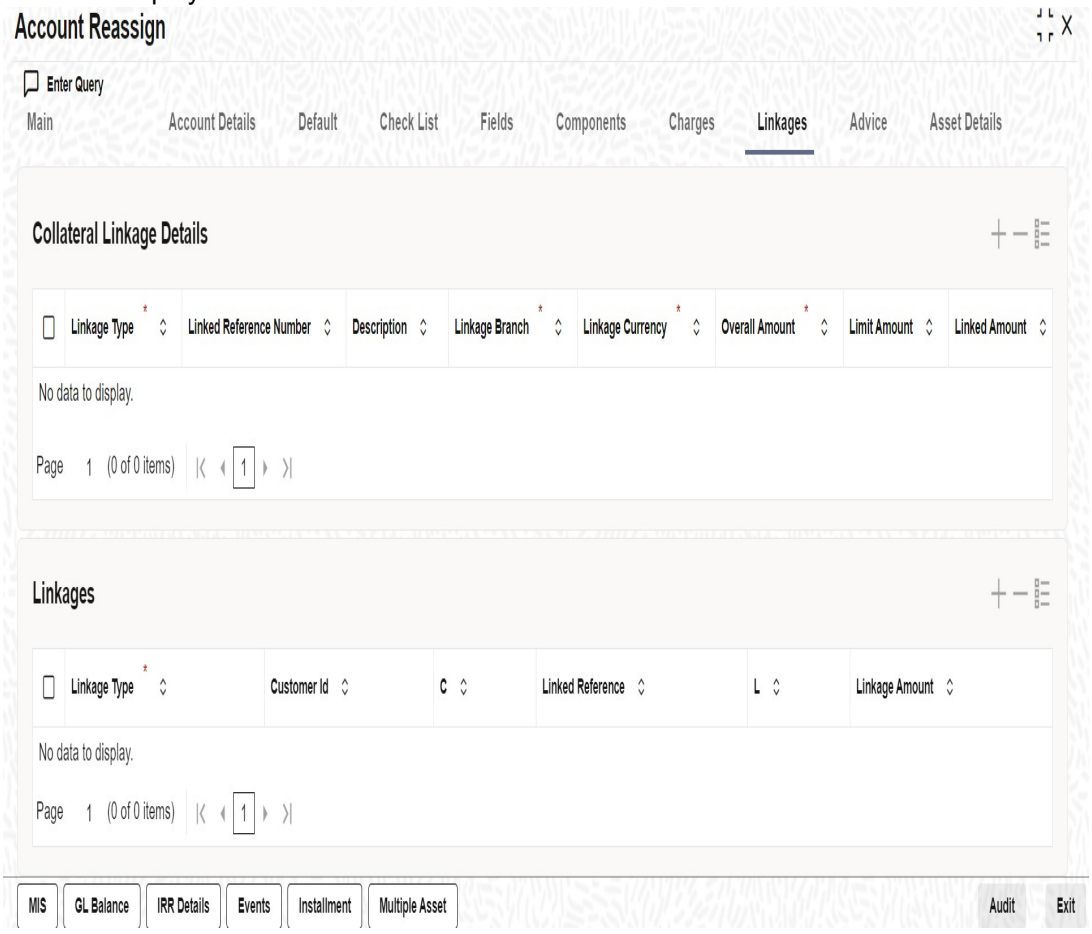
In the 'Account Reassign – Linkages' screen, you can change the following details:

- Linkage Type
- Customer ID
- Linked Reference Number
- Linkage Amount
- Secured Portion

All these details get displayed in the corresponding fields. You can modify the same.

10.11.2 Linkages Tab

Click the 'Linkage Details' tab to maintain the linkage details and remarks for the product. The screen is displayed below:



You can maintain the following parameters here:

Collateral Linkage Details

The following collateral details are maintained here:

Re-instatement Order no

Specify a valid order in which you need to re-instate the linkage linked to the account. The system re-instates the linkage in an ascending order.

Status

Status of the collateral is defaulted here.

Linkage Details

You can maintain the following linkage details here:

Amount Block Number

Specify a valid amount block number for the collateral you want to renegotiate.

During reassignment, the system will reinstate the collateral/collateral pool/line of the old customer and utilizes the collateral/collateral pool/line of the new customer, for the amount equivalent of the principal outstanding.

For more details on the field explanation of each tab, refer 'Account Creation' chapter of this User Manual.

During Value Dated amendments, you can also change the following data:

- Maturity Date
- Profit Rate
- Instalment Dates

However, you cannot change the finance Account Number.

As a result of reassignment, limit utilizations against the old customer will be reduced and those towards the new customer will be increased by altering the utilizations.

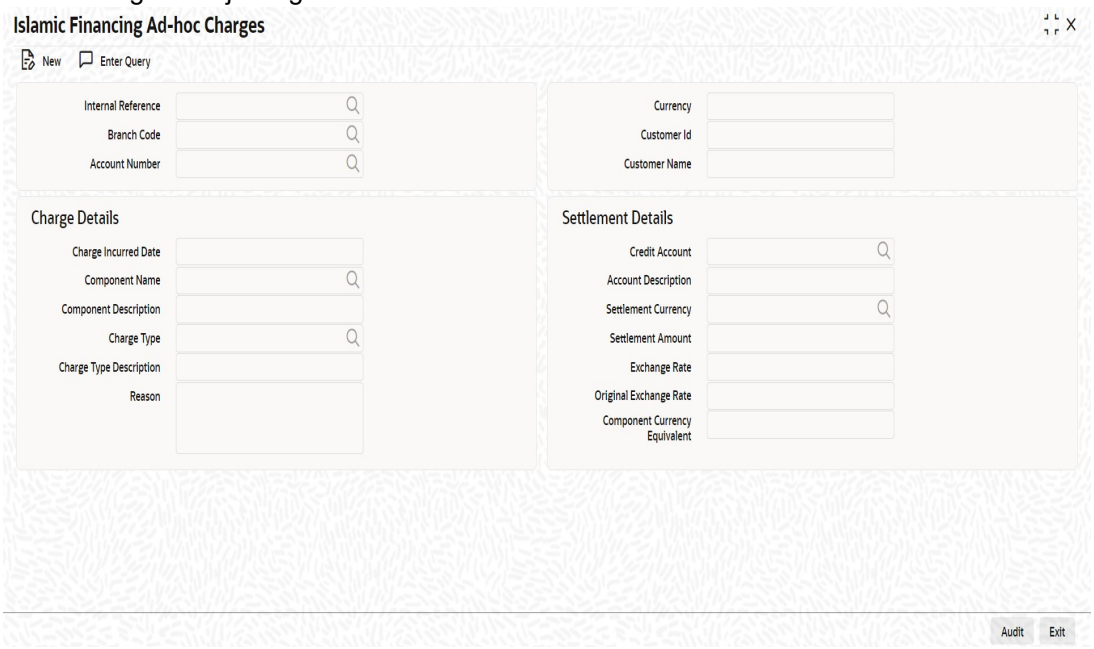
10.12 Adhoc Charge Application

This section contains the following topic:

- Section 10.12.1, "Applying Adhoc Charges"

10.12.1 Applying Adhoc Charges

The adhoc charge can be applied by invoking the 'Adhoc Charges' screen. You can invoke this screen by typing 'CIDADCHG' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Account Number

Select the account number on which the charges are to be levied from the option list.

Internal Reference

The system displays a unique identifier for the specific ad hoc charge.

Component Name

Select the component that is to be used to track the ad hoc charge from the option list.

Component Description

The description displays alongside the Component Name selected.

Branch Code

The system displays the branch code of the bank that is servicing the finance.

Credit Account

Specify the account (GL) to which the ad hoc charges collected are to be credited from the option list. This in most cases is the account of the Collection Agency.

Charge Type

Select the charge type to be levied on a finance from the option list. The values in the option list are the charge types maintained using the Adhoc Charge Type maintenance.

Charge Type Description

The description displays alongside the charge type selected.

Charge Incurred Date

Specify the date on which the charge is to be levied on the customer. This cannot be a future date. Also, it should pass the accounting for ad hoc charges with a back date.

Reason

Specify the reason for which the charge is being levied on the account.

Currency

Specify the currency.

Exchange Rate

Specify the exchange rate.

Amount

Specify the amount of the ad hoc charge to be levied on the customer account.

The Adhoc Charges enables you to keep track of the following:

- All charges to be recollected from the customer.
- The outstanding charges on the finance account if the customer desires to repay the finance.
- To consider an account ready for liquidation only if there are no pending charges.

For further details on this screen, refer to the section 'Maintaining Adhoc Charges' in Retail Lending User Manual.

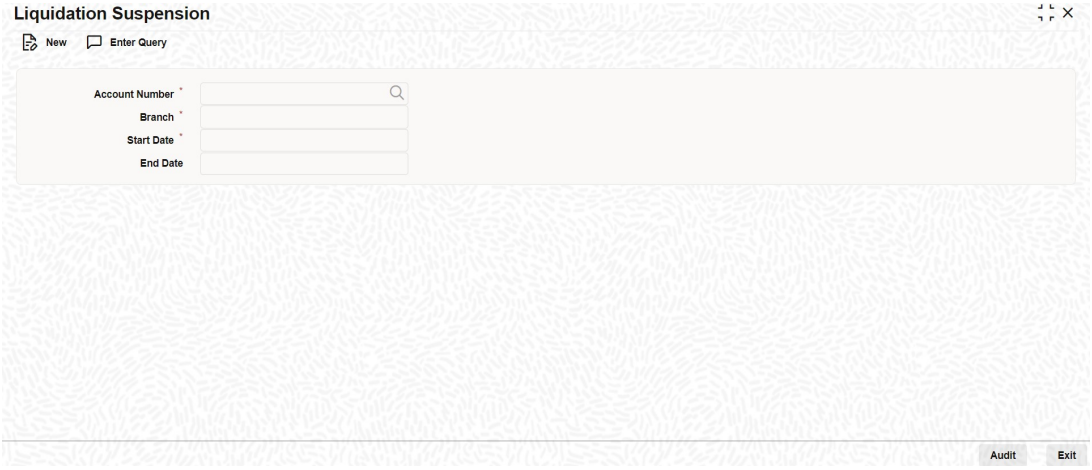
10.13 Liquidation Suspension

This section contains the following topic:

- Section 10.13.1, "Suspending Liquidation Process"

10.13.1 Suspending Liquidation Process

You can suspend liquidation process between specific periods using the 'Liquidation Suspension' screen. You can invoke this screen by typing 'CLDLQSPN' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Here you can capture the following details:

Branch Code

This field displays the branch code of current branch.

Account Number

Specify the account for which you wish to suspend liquidation. The adjoining option list shows all the active accounts existing in that particular branch under the Islamic Financing module. You can select the appropriate account number.

Start Date

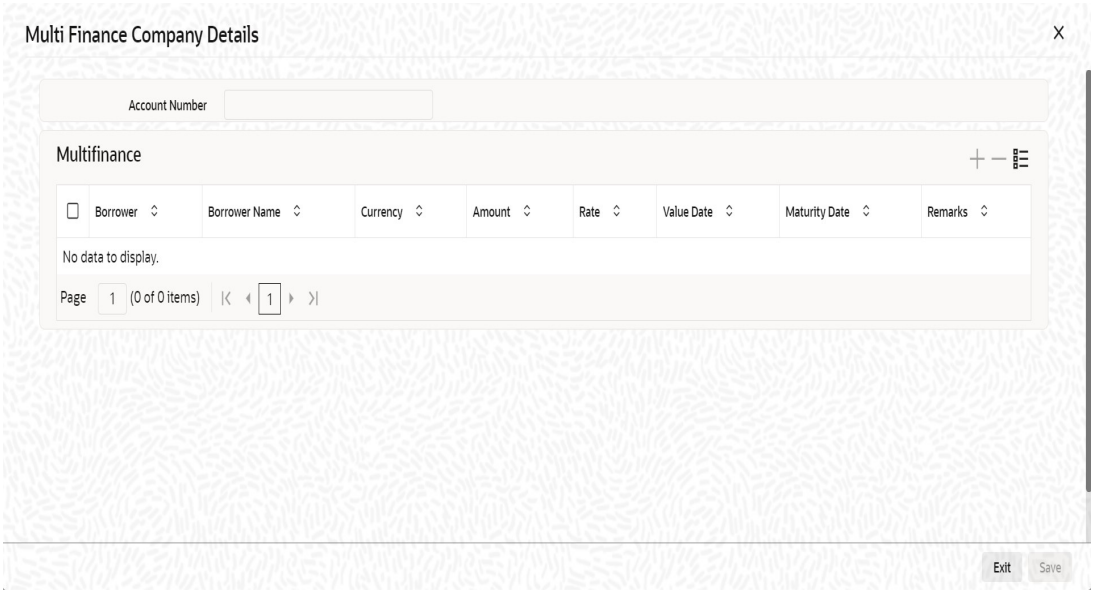
Specify the date from which the liquidation process has to be suspended.

End Date

Specify the date to which the liquidation process has to be suspended.

10.13.1.1 Multi Finance Button

Click ‘Multi Finance’ button to invoke the ‘Multi Finance Company’ screen. You can capture details of individual borrowers here.



You can maintain the following details here:

Borrower Id

Specify the Borrower ID. For an existing customer you can selected from the available option list.

Borrower name

Specify the Borrower name.

Currency

Specify the financed currency. The adjoining option list displays all valid currency codes maintained in the system. You can select the appropriate one.

Amount

Specify the financed amount.

Rate

Specify the Profit Rate.

Value Date

Enter the Value date of the finance using the date button.

Maturity Date

Enter the maturity date in this field.

Remarks

Specify the remarks, if any.

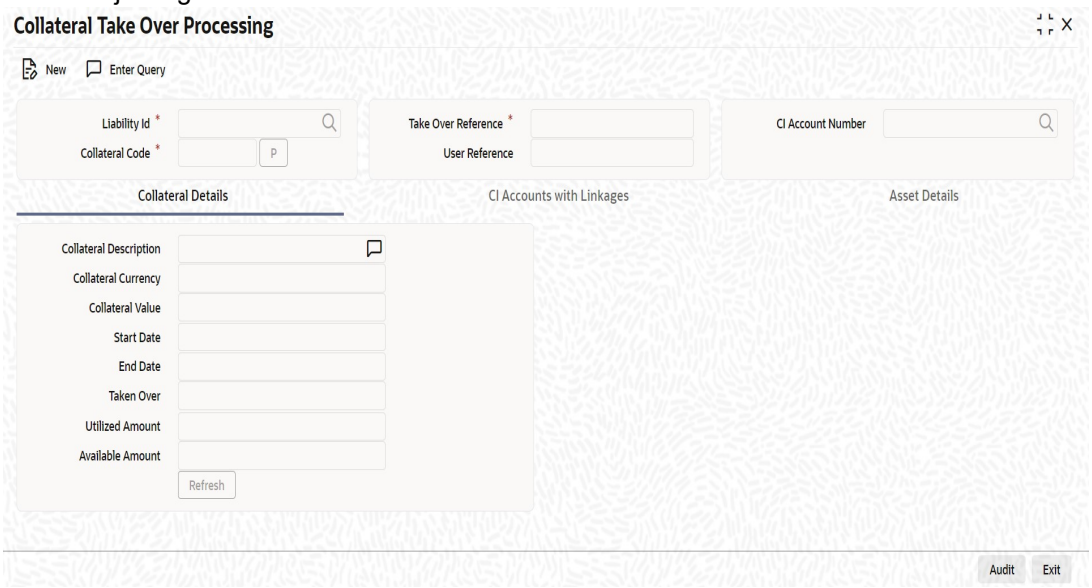
10.14 Collateral Take Over Processing

This section contains the following topic:

- Section 10.14.1, "Processing Asset Take Over"

10.14.1 Processing Asset Take Over

Oracle FLEXCUBE facilitates takeover of assets resulting in, liquidation of finance account and creation of fixed asset based on the details maintained for ‘Asset Category’, ‘Location Code’, and ‘Asset Product Code’. You can process take over of assets using ‘Collateral Take Over Processing’ screen. You can invoke the ‘Collateral Take Over Processing’ screen by typing ‘CIDASTOP’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



Liability ID

Select the liability ID for which collateral is linked from the adjoining option list.

Collateral Code

Specify the Collateral Code here.

You cannot take over the collateral:

- if the collateral is shared by other liabilities. The system displays the message as ‘This collateral is shared by other liabilities’.
- if the collateral is part of any collateral pool. The system displays the message as ‘Collaterals that are part of a pool cannot be taken over’.
- if the contracts which have linkage with collateral code does not belong to same customer, then the system displays the message as ‘Collateral has linkages with contracts of more than one customer. Cannot proceed with takeover’.
- if the contracts which have linkage with collateral code does not belong to same branch, then the system displays the message as ‘Collateral has linkages with contracts of more than one branch. Cannot proceed with takeover’.
- if the collateral is attached to contracts from CI and CL module, then the system displays the message as ‘The collateral belongs to contracts other than CI module.’
- If the collateral is marked as ‘Mortgage Initiated’, then the system displays the message as ‘Collateral is mortgage initiated’.
- If the collateral have linkages with any active securitized contracts with status ‘SECR’ that had utilized the collateral, then the system displays the message as ‘Collateral belongs to contracts with status SECR, and also the collateral has been utilized.’

Take Over Reference

The system displays the Take Over Reference number on save of collateral takeover process.

User Reference

Specify the User Reference Number

CI Account Number

Select the CL Account Number from the adjoining option list.

Collateral take over is triggered either by entering the collateral and liability code or Loan or Finance account number. If Account is entered, Collaterals linked to the account will be shown in Collateral code option list.

Collateral Details

For details regarding Collateral, refer 'Collateral Maintenance' section in 'Limits and Collaterals' chapter in the ELCM user manual.

CI Accounts with Linkage

CI Account Number

The system displays the CI Account Number here.

Product Code of Account

The system displays the product code of the account.

Linked Percentage

Linked percentage is defaulted here.

Linked Currency

The system defaults the Linked Currency.

Linked Amount

The system displays the Linked Amount.

Account O/S

The system displays the Account O/S.

Amount Utilized

The Amount Utilized is defaulted here.

To be settled

Select 'Yes' for the loan contract to be settled.

Amount Settled

Specify the amount to be settled.

The sum of the amount settled should not exceed the collateral available amount.

Customer Settlement Account

Select the customer settlement account from the adjoining option list.

Advice to be generated

Check this box to indicate whether advice is to be generated.

Available Amount after Take-Over

The system displays the available amount after take over.

On save of CI Account with Linkage screen a unique take over reference number is generated to keep track of the takeovers processed.

On Authorization:

- Fixed asset is created. Collateral value is credited into customer's settlement account.
- The CI contract is settled to maximum amount input in amount settled by invoking manual liquidation event.
- The linkage between the collateral and the linked contracts are removed.

Note

If you select a loan without any overdue to be settled, then the system displays the message as 'This Loan does not have any overdue. Still you want to takeover and settle the loan?'

Asset Details

For information regarding the fields under Asset details, refer 'Capturing the details of the Islamic Asset' section in 'Processing Islamic Assets' chapter in FI user manual.

The collateral is closed once the Islamic asset is created with the details provided in asset details. You cannot reverse the Islamic asset contract created through acquisition of collateral.

Islamic Asset contract reference number is generated on authorization of asset takeover process.

In the BOOK event of FI contract, the taken over GL is debited for the value of the collateral that is to be taken over and customer account is credited with the value of the collateral. The FI contract is created with asset value as full collateral value without haircut percentage is applied.

Note

During sale of Islamic asset, takeover GL is credited with the sale amount and customer account is debited with the same amount.

The loss that arises due to the sale of the asset would be debited from the loss GL.

The profit that arises due to the sale of the asset would be credited to the income GL.

10.15 Partial Write Off

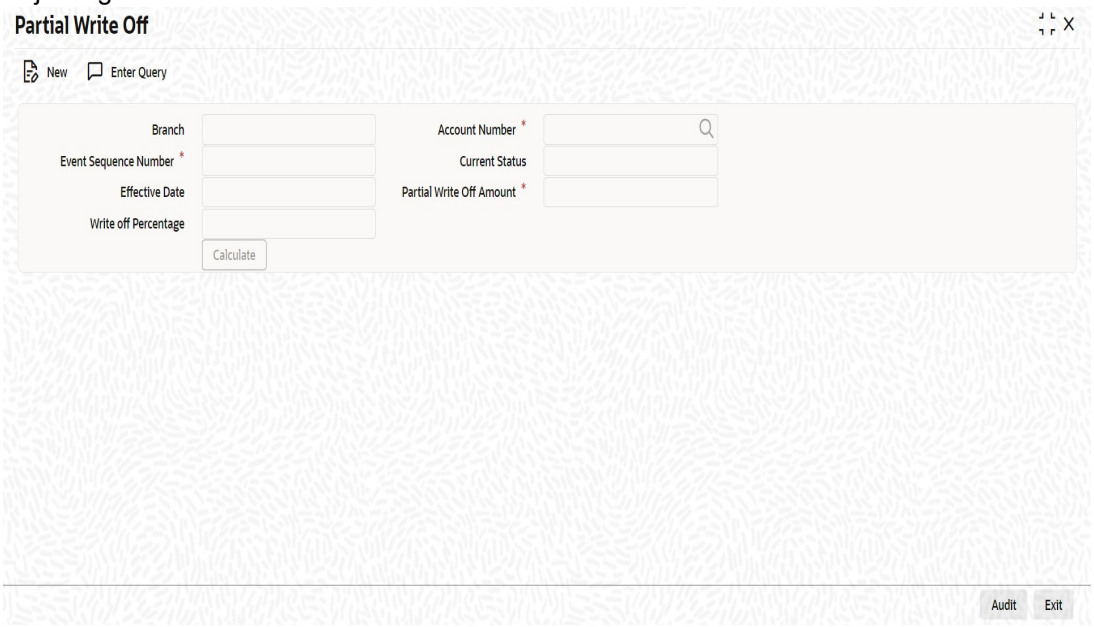
This section contains the following topic:

- Section 10.15.1, "Partial Write Off"

10.15.1 Partial Write Off

A partial write off on a loan account is possible at any time during the life cycle of a CI contract irrespective of its status. You can manually initiate a partial write off for a loan account using the 'Partial Write Off' screen. You can invoke the 'Partial Write Off' screen by typing

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



The following details are captured here:

Branch Name

The current branch code is defaulted here. You can initiate a Partial Write Off only from the current branch.

Account Number

Select the appropriate account number from the option list provided. The option list displays all the accounts belonging to the current branch.

Effective Date

This is the date from which the partial write off on the loan account should become effective. The current application date is defaulted here.

Current Status

The current status of the selected loan account is displayed here.

Write Off Percentage

Specify the percentage of loan amount that has to be partially written off and click 'Calculate' to allow the system to determine the write off amount basis the total outstanding amount. This is optional.

Partial Write Off Amount

Specify the loan amount to be partially written off. If you have already specified the write off percentage, then system will calculate the write off amount calculated based on the percentage provided on total outstanding.

Saving the write off transaction triggers the PWOF event and system passes accounting entries based on the accounting entries maintained at the product level in accordance with the account status. If the CI account currency and component currency are different, accounting entries are always passed in the component currency.

Upon executing a write off, the amount specified is split across components based on the liquidation order..The account entry is then passed for components with the latest severity respectively, so that such balance is picked up first if subsequent payment happens. For

subsequent payments after a write off, system first considers the previously written off balance and then the written off amount for balancing.

Note

The write off amount is split across components and not schedules.

In the scenario of a status change after write off, balance movement happens in the Normal Asset GL and the Partial Write Off GL. If a Contingent GL accrual precedes a write off then the Contingent GL balance is moved to a Contingent Write Off GL as defined in the PWOF accounting entry definition. The real balances are in turn moved to the Real Write Off GL.

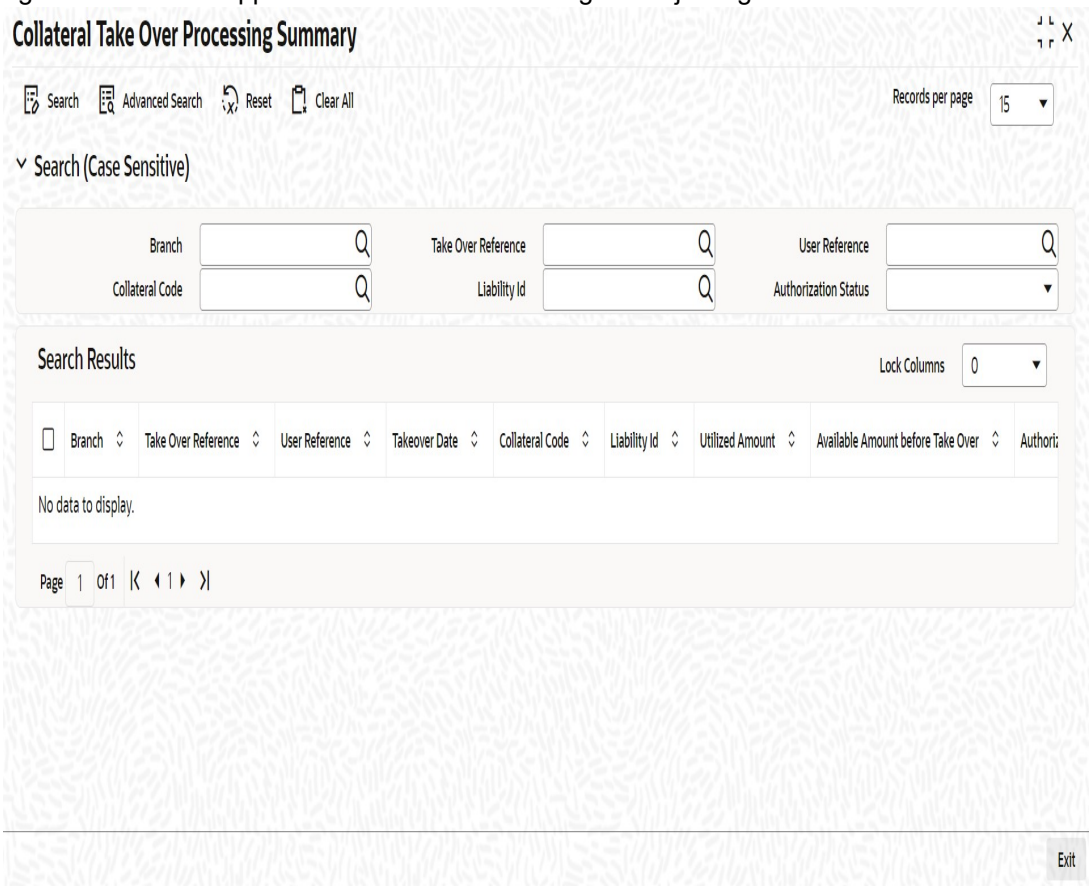
10.16 Collateral Takeover Processing Summary

This section contains the following topic:

- Section 10.16.1, "Viewing Asset Take Over Processing Details"

10.16.1 Viewing Asset Take Over Processing Details

You can view the asset take over processing details in the 'Asset take Over Processing Summary' screen. You can invoke this screen by typing 'CISASTOP' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch Code
- User Reference

- Collateral Code
- Take Over Reference
- Liability ID
- Authorization Status

Select any or all of the above parameters for a query and click ‘Search’ button. The records meeting the selected criteria are displayed.

If you are allowed to query details for the asset take over, then system displays the following details pertaining to the fetched records:

- Branch
- Take Over Reference
- User Reference
- Takeover Date
- Collateral Code
- Liability ID
- Utilized Amount
- Available Amount before Take Over
- Authorization Status

10.17 Islamic Asset Rescheduling

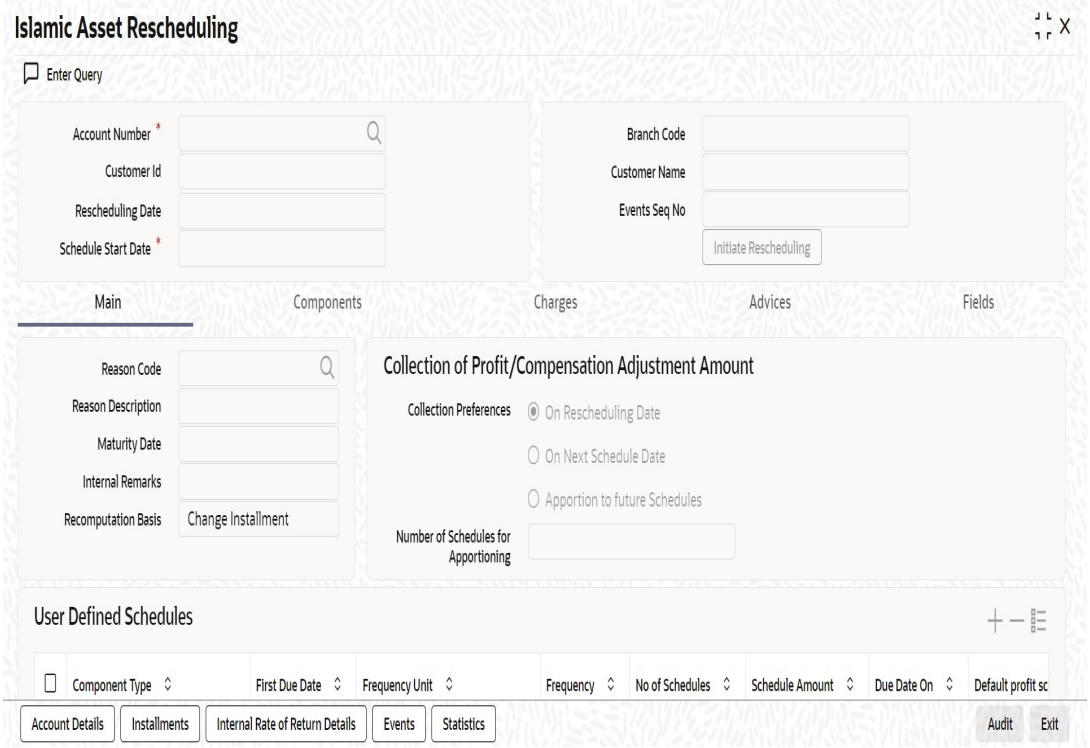
This section contains the following topic:

- Section 10.17.1, "Invoking Islamic Asset Rescheduling Screen"
- Section 10.17.2, "Main Tab"
- Section 10.17.3, "Components Tab"
- Section 10.17.4, "Charges Tab"
- Section 10.17.5, "Advices Tab"
- Section 10.17.6, "Fields Tab"
- Section 10.17.7, "Account Details Button"
- Section 10.17.8, "Instalments Button"
- Section 10.17.9, "Internal Rate of Return Details Button"
- Section 10.17.10, "Events Button"
- Section 10.17.11, "Statistics Button"
- Section 10.17.12, "Processing of Rescheduling"
- Section 10.17.13, "Viewing Islamic Asset Rescheduling Details"

10.17.1 Invoking Islamic Asset Rescheduling Screen

You can reschedule active financing accounts by enabling rescheduling preferences using ‘Islamic Account Rescheduling’ screen. On querying the details with account number, the system will display the details of the selected account. You can invoke ‘Islamic Account

Rescheduling' screen by typing 'CIDRSCHD' 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:

Account Number

Specify the account number for querying the account to be rescheduled. Alternatively, you can select account number from the option list. The list display all valid account number for which rescheduling is allowed.

Customer Id

The system displays the customer identification number.

Customer Name

The system displays the customer name.

Events Seq No

The system displays the even sequence number.

Rescheduling Date

The system displays the rescheduling date.

> **Note**
>
> The system defaults the rescheduling Date to current application date. You cannot modify this value.

Schedule Start Date

Select the schedule start date from the adjoining calendar.

The schedule start date should be later than last paid (full/partial) schedule date. It should be after any Moratorium/construction period/grace periods/handover period defined for the financing account.

Schedule Start Date can be less than Rescheduling Date. In such backdated cases, system will validate that no financial events have happened after the Schedule Start Date.

If the derived Schedule due dates are later than maturity date of the account, the system will display an error message. If the maturity date is left blank, system will derive it based on the last schedule date.

Branch Code

The system displays the branch code.

Click 'Initiate Rescheduling' button to initiate rescheduling activities.

For Ijarah / Musharaka / Mudaraba accounts, at the time of rescheduling you can specify a different profit rate/ rate code/ spread with a new effective date. This rate will be applied for the account from the effective date.

The effective date should be on or after the schedule start date. The system will consider amended rate for profit/overdue component calculation.

Effective date should to be equal to or later than Rescheduling start date.

10.17.2 Main Tab

Clicking 'Main' tab in 'Islamic Asset Rescheduling' screen invokes the following screen:

You can specify the following rescheduling details:

Reason Code

Specify the reason code. Alternatively, you can select the reason code from the option list. The list displays all valid reason code maintained in 'Statics Types' screen.

The system will maintain Reason codes and descriptions in 'Static Type Maintenance' screen (CODTYPES) for RSCH_REASON type.

Reason Description

The system displays the description for the selected reason code.

Maturity Date

Select the maturity date from the adjoining calendar.

> **Note**
>
> If the maturity date has to be scheduled as per the new scheduling details, then the maturity date which got defaulted should be removed.

Internal Remarks

Specify remarks, if any.

Recomputation Basis

Select re-computation basis from the drop-down list. The list displays the following values:

- Change Instalment.- select this option to change instalment
- Equal Instalments - select this option for equal instalments. The system will divide the outstanding principal and profit into equal instalments

You can select 'Equal Instalment' option only for rescheduling Murabaha/ Istisna accounts with 'Allow Re-computation of Schedules' field unchecked at product level.

If ‘Equal Instalments’ option is chosen as VAMI option, the system will equally divide the outstanding components across the remaining instalments for both simple/ amortized accounts.

During Islamic finance repayment if re-computation basis is chosen as ‘Equal Instalments’, then initial EMI will remain the same after prepayment also. The system will advance the Maturity date.

Collection of Profit/Compensation Adjustment Amount

Collection Preferences

Select the collection preferences. The options are as follows:

- On Rescheduling Date
- On Next Schedule Date
- Apportion to future Schedules

If the option is for apportion to future schedules, you need to capture the number of schedules. If this is not maintained the rescheduling adjustment amount will be apportioned to all outstanding schedules.

If the value of ‘Rescheduling Profit Collection’ is ‘On Rescheduling date’, the system will recover the amount in RSCH event.

LIQD entries should be maintained for all profit/compensation components under RSCH event.

If the value is ‘On Next schedule Date’ or ‘Apportion to future schedules’, the system will collect rescheduling component along with the main profit component schedules.

In case of multiple rescheduling, the system will add unpaid adjustment amounts related to previous rescheduling to new adjustment amount.

Note

- Accrual will not be possible for rescheduling component as it is an adjustment component.
- Collection Preference is not applicable for Murabhaha and Istisna.

Number of Schedules for Apportioning

Specify the number of schedules for apportioning.

This field is applicable if ‘Collection Preferences’ is selected as ‘Apportion to future Schedules’.

User Defined Schedules

Component Type

Specify the component type. Alternatively, you can also select component type from the option list. The list displays all valid component types maintained in the system.

The system will allow the schedule details for the following component types:

- Principal
- Profit/EMI
- Rate Revision

For amortized loans, only profit/rate revision options will be applicable. You cannot specify principal schedule details for such accounts.

Schedule details entered for profit type will be applicable for all profit components.

First Due Date

Specify the first due date.

Frequency Unit

Specify the frequency units.

Frequency

Specify the frequency details.

For Amortized loans, you cannot specify any Principal frequency.

No of Schedules

Specify the number of schedules.

Schedule Amount

Specify the schedule amount.

Note

- If schedule amounts are provided for principal schedules of simple loans, then total of principal schedule amounts cannot be greater than outstanding principal amount. The system will validate the same.
- System allows you to enter the EMI amount for Murabaha accounts with Flat/ reducing profit methods here. and calculates the outstanding amount for each of the components.
- The factor for each of the component is arrived at as the ratio of total outstanding to the outstanding amount of the component.
- System calculates the due for each component by multiplying the EMI by factor of each of the component and updates the remaining amount in the bullet schedule
- System throws an error if the option 'PRINCIPAL' is selected for the accounts belonging to the Murabaha and Istisna product category with FLAT/Reducing principal methods.

Due Date On

Specify the rescheduling due date.

Default profit schedule

Check this box to default the profit schedule.

You can check this box only if principal component frequency details are maintained. The system will define profit schedules in the same frequency maintained for principal schedules.

Formula Name

The system defaults the formula name.

In case of dual formula, if the specific formula has to be used, then you need to specify the same. This is not applicable for non profit components

Effective Date

Effective Date

Select the effective date from the adjoining calendar.

For Ijarah/ Musharaka/ Mudaraba accounts, at the time of rescheduling, you can specify a different profit rate/ rate code/ spread with a new effective date. This rate should be applied for the account from the effective date mentioned.

The effective date should be on or after the schedule start date. The system will consider amended rate for profit/overdue component calculation.

Click 'Explode Schedules' button to derive the schedule dates based on schedule start date frequency details and instalment details.. Account schedules will be redefined as per the new frequency / amounts.

> **Note**
>
> You can view the Exploded schedules from Components tab. You cannot modify the schedule details from Components tab.

Click 'Edit User Defined Element' to specify user defined element values.

You can enable UDE details only for the accounts belonging the following product categories:

- Mudarabah
- Ijarah/Forward Ijarah
- Musharaka/Musharaka under construction

User Defined Element Value

User Defined Element Id

Specify user defined element identification number. Alternatively, you can select UDE ID from the option list. The list displays all valid UDE ID maintained in the system.

User Defined Element Value

Specify the user defined values for the selected user defined element ID.

Rate Code

Specify the rate code.

Code Usage

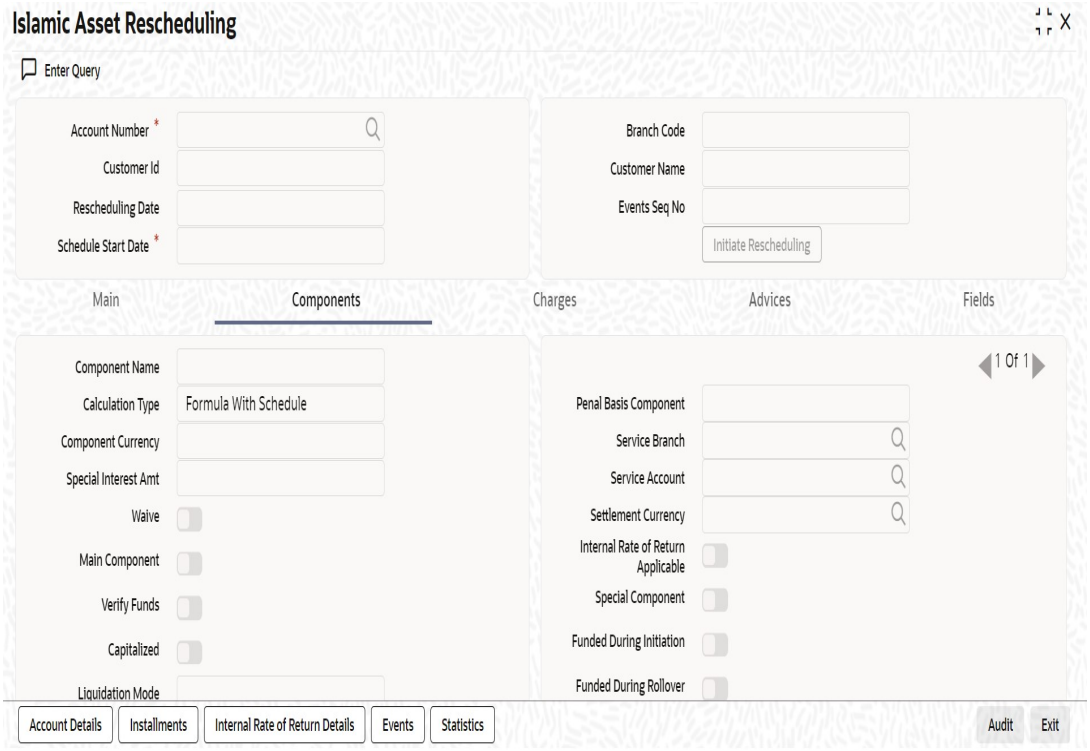
Specify the code usage details.

Resolved value

Specify the resolved value.

10.17.3 Components Tab

Click ‘Components’ tab to view the updated schedule details.

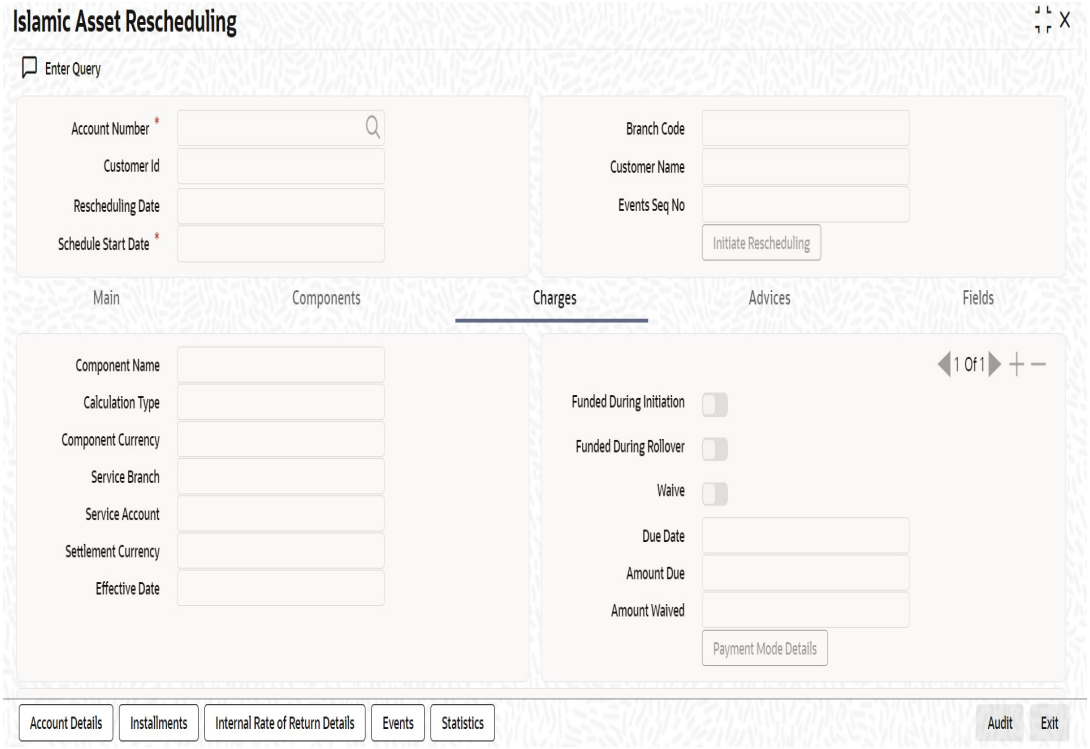


You can view the updated schedule details from Components tab. You cannot modify the schedules.

For further details on this section, please refer Components Tab section in this User Manual

10.17.4 Charges Tab

Click ‘Charges’ tab to view the charges details.

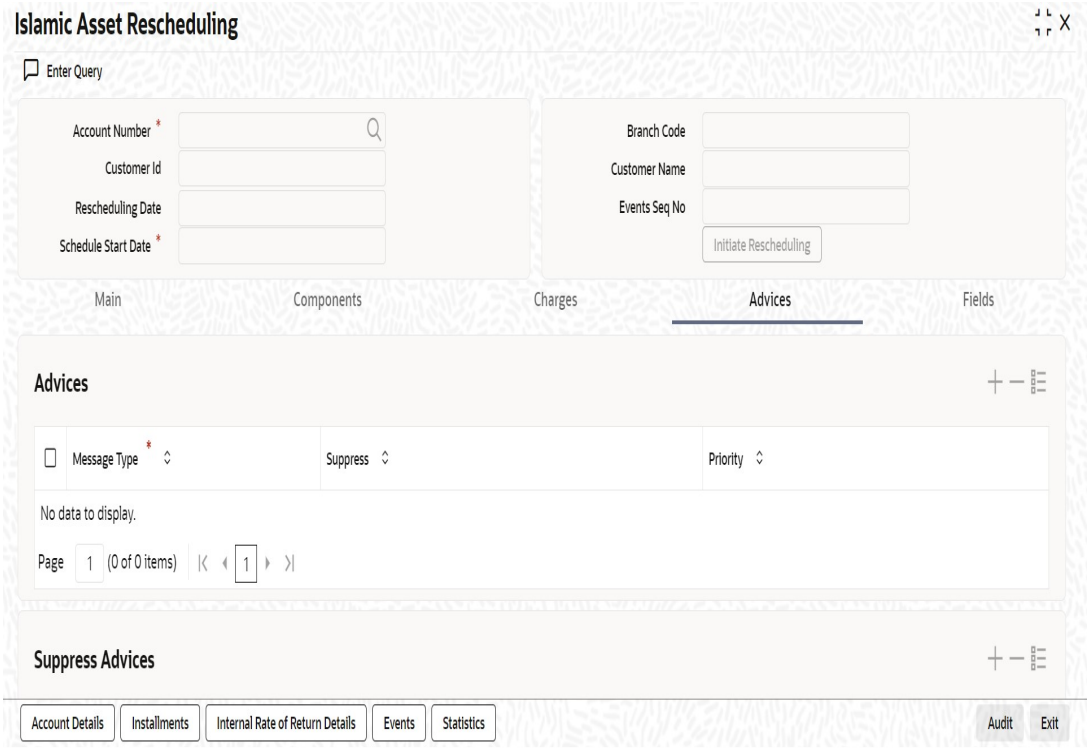


You can view the following details:

- Component Name
- Calculation Type
- Component Currency
- Service Branch
- Service Account
- Settlement Currency
- Effective Date
- Funded During Initiation
- Funded During Rollover
- Waive
- Due Date
- Amount Due
- Amount Waived
- Event Code
- Amount Settled

10.17.5 Advices Tab

Click ‘Advices’ tab to capture advices for the events.



You can specify the following details:

Advices

Message Type

The system displays all the advices for all the events for the account. The list will include all the advices that are defined at the product level.

Suppress

Select if the generated advice to be suppressed or not for a particular event from the drop-down list. The list displays the following values:

- Yes
- No

Priority

Click on the option list to select the priority of generation. The following values are displayed.:

- High
- Medium
- Low

Double click on a value to select it.

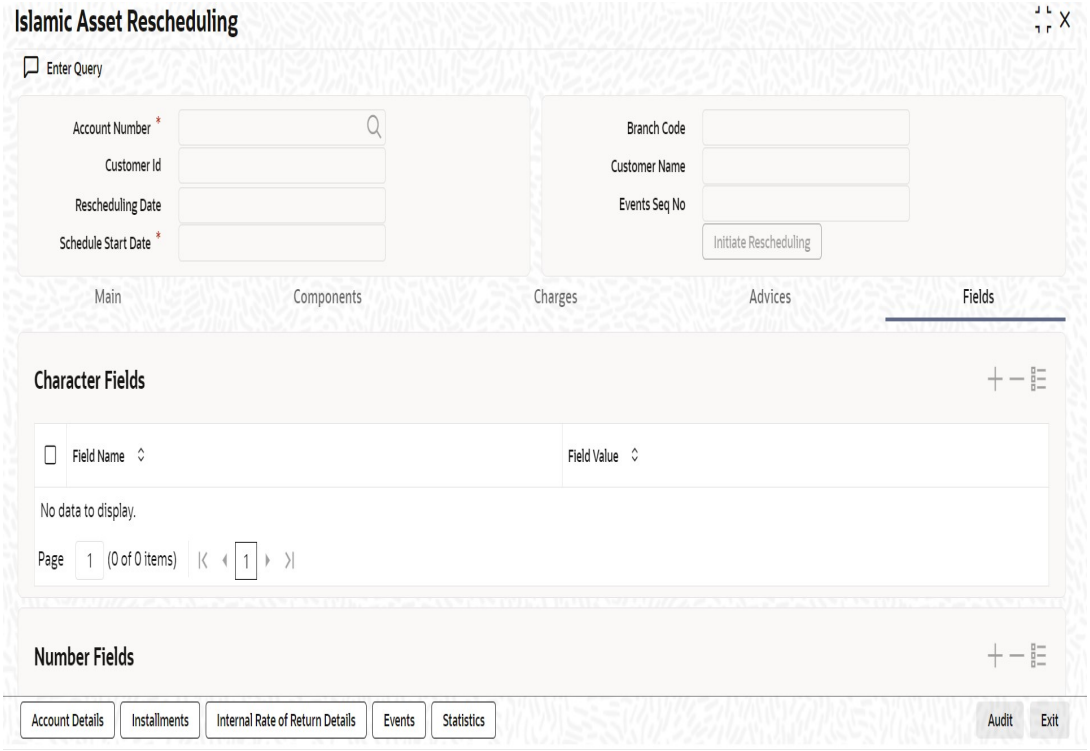
Suppress Advices

Advice Name

Specify the advice name.

10.17.6 Fields Tab

Click ‘Fields’ tab to capture field values.



You can specify the following details:

Character Fields

Field Name

Specify the field name.

Field Value

Specify the field value.

Number Fields

Field Name

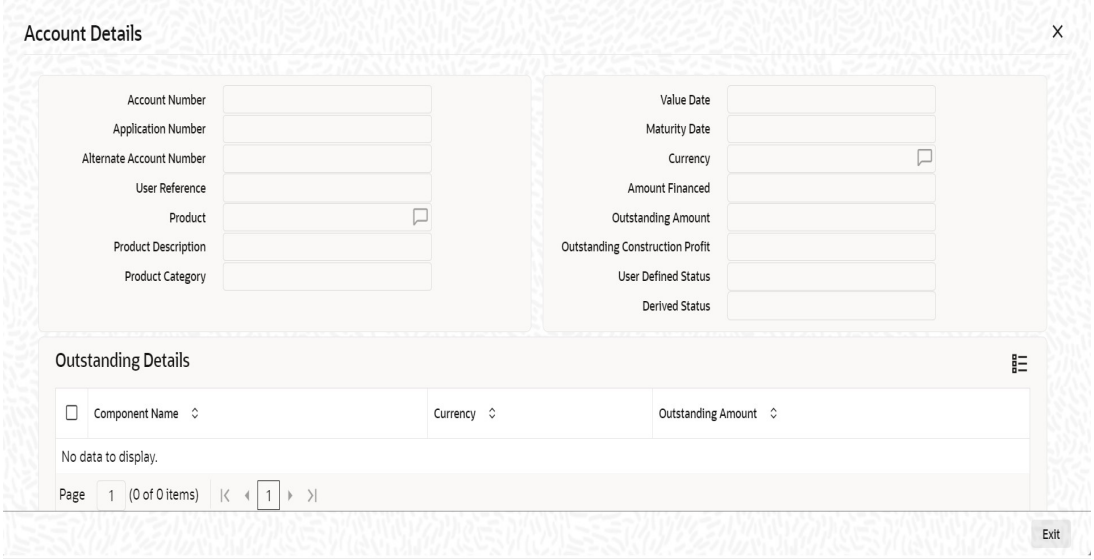
Specify the field name.

Field Value

Specify the field value.

10.17.7 Account Details Button

Click ‘Account Details’ button in Islamic Asset Rescheduling screen to invoke the Account Details screen.



The following details are displayed in the screen:

Account Number

The system displays the account number.

Application Number

The system displays the application number.

Alternate Account Number

The system displays the alternate account number.

User Reference

The system displays the user reference number.

Product

The system displays the product code.

Product Description

The system displays the description of the product.

Product Category

The system displays the product category details.

Value Date

The system displays the value date.

Maturity Date

The system displays the maturity date.

Currency

The system displays the currency code.

Amount Financed

The system displays the financed amount details.

Outstanding Amount

The system displays the Outstanding amount.

Outstanding Const. Profit

The system displays the outstanding construction profit (Main profit component having formula with profit element as ‘Construction period’).

User Defined Status

The system displays the user defined status.

After rescheduling of Islamic assets, the user defined status changes to NORM if its in DOUB, SUBS etc.

Derived Status

The system displays the derived status.

Outstanding Details

Component Name

The system displays the Component name.

Currency

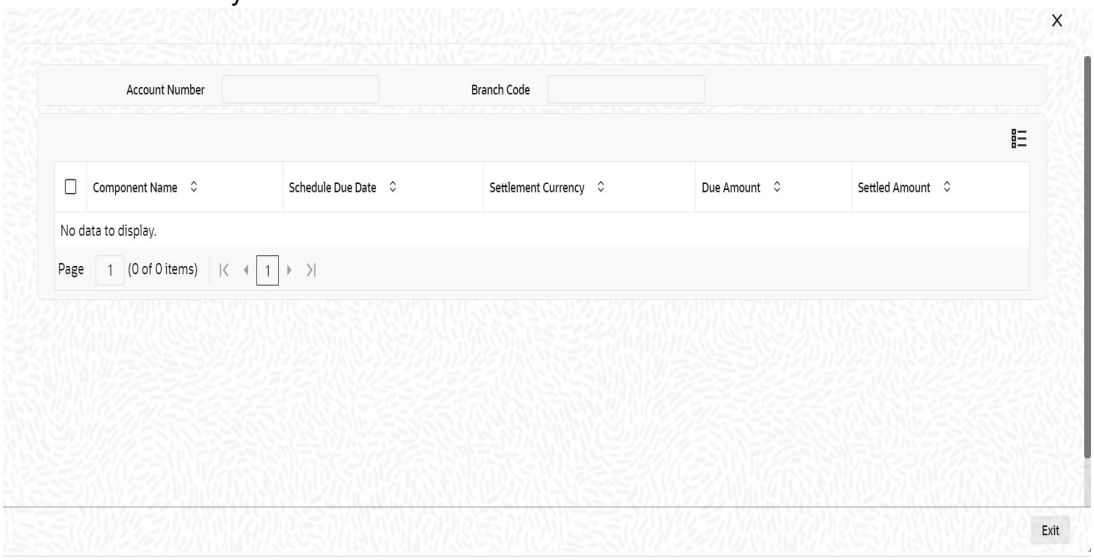
The system displays the currency code.

Outstanding Amount

The system displays the Outstanding amount.

10.17.8 Instalments Button

Click ‘Instalment’ button in Islamic Asset Rescheduling’ screen to access the Instalments query screen. The instalment query screen displays the details of the instalments for the account. The information displayed includes the account details, instalment details and the instalment summary



The following details are displayed in the screen:

Account Details

Branch Code

Specify the branch code of the account.

Product Code

The system displays the product code of the product associated with the account from Product definition.

Application Number

The system displays the application number of the customer.

Account Number

Specify the account number of the applicant.

Alternate Account Number

The system displays the Alternate account number of the applicant.

Customer Id

The system displays the Applicant's customer ID as maintained in the valid table.

Value Date

The system displays the value date for the account.

Maturity Date

The system displays the maturity date for the finance account.

Currency

The system displays the currency in which the transaction will be conducted for the account.

Amount Financed

The system displays the total finance amount as maintained in the valid table.

Amount Utilized

The system displays the utilized amount.

User Defined Status

The system displays the user defined status.

Available Credit Limit

The system displays the available credit limit.

Unbilled Utilization Amount

The system displays the unbilled utilization amount.

Instalment Summary

Schedule Number

The system displays the schedule number.

Schedule Due Date

The system displays the Instalment due date.

Currency

The system displays the currency for the instalment.

Total Amount Due

The system displays the total amount due for the instalment.

Minimum Amount Due

The system displays the minimum due amount.

Pay By Date

The system displays the pay by date.

Instalment Detail

Component Name

The system displays the names of all the components that make up a particular instalment.

Settlement Currency

The system displays the settlement currency.

Amount Due

The system displays the amount due for each of the components of a particular instalment.

Schedule Status

The system displays the instalment status based on the status maintained at the instalment level in the product.

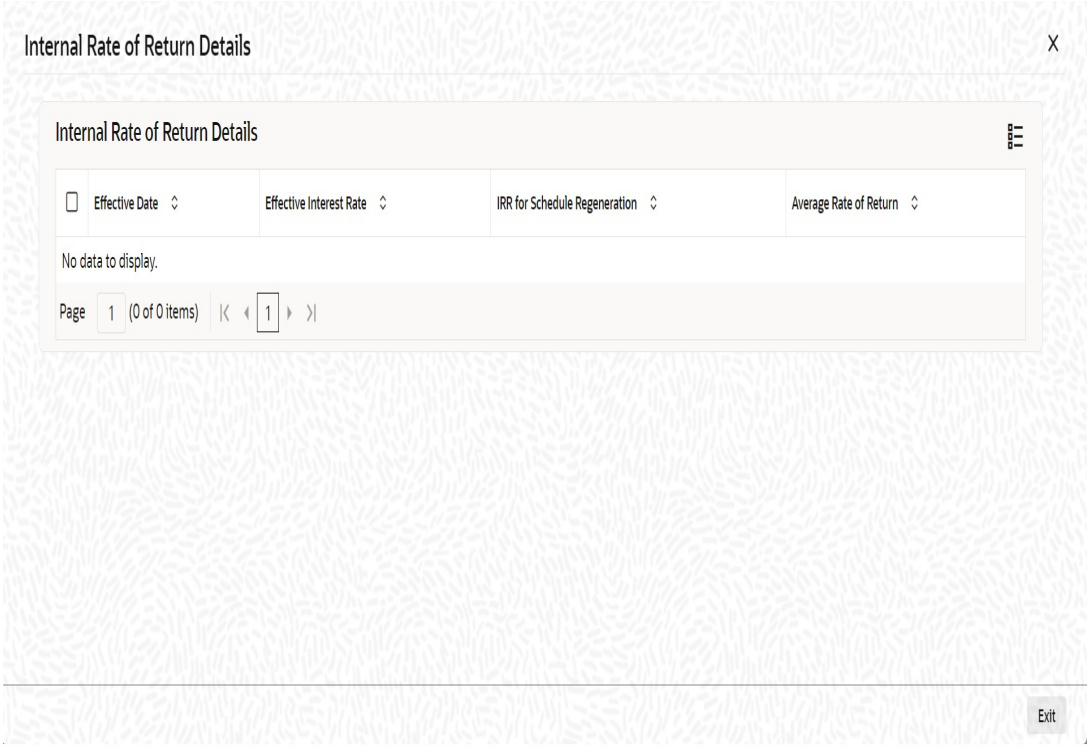
The system reschedules the outstanding construction period profit and make due under the new special component.

Note

- The outstanding construction profit period in the special component can be rescheduled along will regular account rescheduling,in lines with main profit.
- Rescheduling the Murabaha account with balloon amount, the balloon effect is lost and new schedules are generated based on rescheduling details.

10.17.9 Internal Rate of Return Details Button

Click ‘Internal Rate of Return Details’ button to invoke ‘Internal Rate of Return Details’ screen.



You can view the following details:

Effective Date

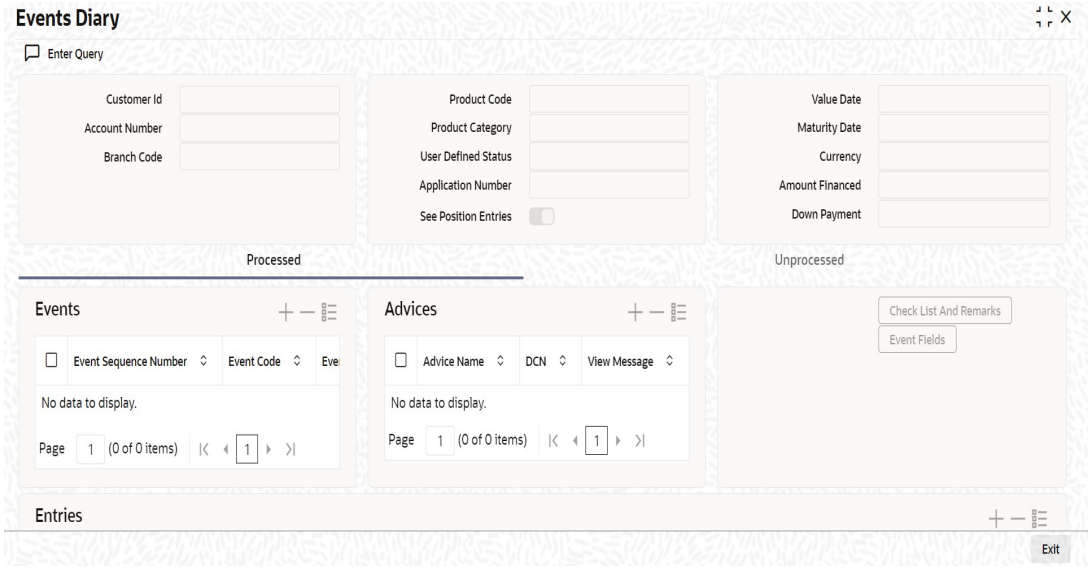
Select the effective date from the adjoining calendar.

Effective Interest Rate

The system displays the effective interest rate.

10.17.10 Events Button

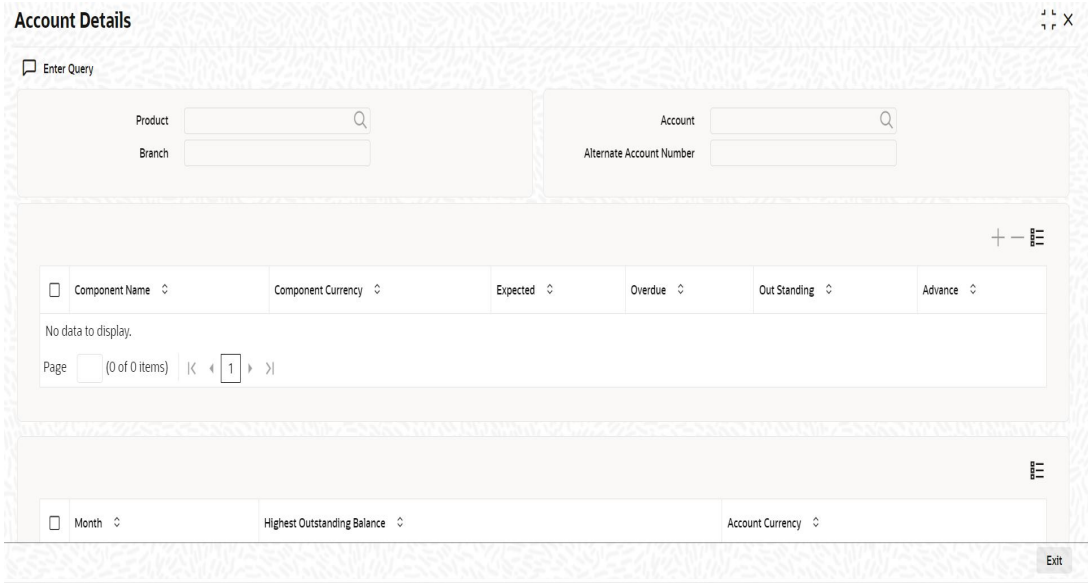
Click ‘Events’ button to invoke ‘Events Diary’ screen.



Refer the section ‘Events Diary’ in the chapter titled ‘Account Creation’ in this User Manual for details about the ‘Events Diary’ screen.

10.17.11 Statistics Button

Click ‘Statistics’ button to invoke ‘Account Details’ screen.



You can specify the following details:

Product

The system displays the product code.

Branch

Specify the branch code.

Account

Specify the account number of the customer. Alternatively, you can select account number maintained in the system. The system displays all valid account number maintained in the system.

Alternate Account Number

The system displays the alternate account number.

The system displays the following values:

- Component Name
- Component Currency
- Expected
- Overdue
- Outstanding
- Advance
- Month
- Highest Outstanding Balance
- Account Currency

10.17.12 Processing of Rescheduling

The system will divide the outstanding principal and profit into equal instalments on choosing re-computation option as ‘Equal Instalments’.

If any schedule is partially paid, the remaining principal/profit amount will be considered as part of the amount being rescheduled.

The system will trigger ‘RSCH’ event while saving the rescheduling process.

After rescheduling, the system will maintain the schedule due dates in the past. While saving rescheduling process, the system will liquidate the past schedules if ‘Liquidate past schedule’ field is checked for the account.

In case of overdue accounts, the system will change the status of the account after rescheduling, based on the outstanding dues.

Once a rescheduling is saved and authorized, the system will restrict the reversal for those payments which were made prior to the re-scheduling.

Any rescheduling has to be authorized. The system will not proceed EOD until the rescheduling is either deleted or authorized. If any VAMI is done after rescheduling, value date cannot go beyond the rescheduling date.

As a result of re-computation of schedules during prepayment /amendment, the effect of rescheduling will be lost. The system will display an override message while saving the prepayment/amendment, if any rescheduling is already done for the account.

The Asset Rescheduling will create a new version for the finance account.

You can perform multiple rescheduling of the same account.

10.17.12.1 Profit /Compensation Amount Adjustment

Profit Adjustment:

As a result of rescheduling, there can be a gap between last payment date and first schedule start date after rescheduling. The system will adjust the profit for this period during rescheduling.

The system will calculate rescheduling profit adjustment as profit outstanding till first schedule start date based on expected principal.

If any part profit amount is outstanding for any schedule, it also will be added in adjustment amount and will be removed from original schedule.

Profit adjustment is not applicable for Murabaha/ Itisna accounts for which 'Profit Recalculation' field is not checked. Outstanding profit will be redistributed against new schedules for these accounts.

Compensation Amount:

You can maintain Rescheduling component for compensation amount also by maintaining 'Penal Basis' field in 'Components' tab of 'Product' screen as compensation component for overdue principal amount.

Compensation amounts is applicable till first schedule start date or rescheduling date, whichever is earlier, after rescheduling.

The rescheduling adjustment collection options will be applicable for compensation rescheduling component also.

The system will maintain the following accounting entries for profit/compensation amount for RSCH event:

Accounting role	Dr/Cr Indicator	Amount Tag
DR_SETTL_BRIDGE	Debit	Rescheduling profit component_LIQD
Rescheduling profit component REC OR Rescheduling profit component INC (Based on whether accrual is enabled or not for the component)	Credit	Rescheduling profit component_LIQD
DR_SETTL_BRIDGE	Debit	Rescheduling compensation component_LIQD
Rescheduling compensation component REC OR Rescheduling compensation component INC (Based on whether accrual is enabled or not for the component)	Credit	Rescheduling compensation component_LIQD

10.17.12.2 Construction Period Profit

For Istisna/Musharaka under construction accounts, you can maintain Construction period profit as a moratorium formula or as a profit formula with profit element as 'Construction Period' in the 'Formula Maintenance' screen.

The system will re-distribute the outstanding construction period profit based on the profit formula maintained as follows:

Case1

Moratorium formula is maintained for collecting construction period profit with first schedule

Rescheduling will have an impact in this case only if the first profit schedule is not yet paid. The system will collect construction period profit with the first profit schedule after rescheduling in such cases.

Case2

Moratorium formula is maintained for collecting construction period profit across profit schedules

During rescheduling, the system will equally re-distribute outstanding moratorium profit across the newly defined schedules.

Case3

Construction period formula is configured as profit formula with profit schedule element as 'Construction period', so that the collection of the amount is during the construction period itself.

Rescheduling will not have any impact if it is initiated during construction period, as schedule start date after rescheduling should be after the construction period.

If rescheduling is done during post construction period and construction period profit is overdue, then the system will consider the rescheduling with other profit amounts.

During rescheduling, there will not be provision for maintaining new schedule frequency for construction period profit.

10.17.12.3 Grace Period Profit

Grace period profit formula is a normal profit formula with profit schedule element as customer/ supplier grace period. It can be collected with first profit schedule or across the profit schedules.

Case1: Liquidation of grace period profit is set to be along with the first profit schedule

If the first profit schedule is not paid before rescheduling date, then the system will collect the grace period profit with the first profit schedule due after rescheduling.

Case2: Liquidation is maintained to be across profit schedules

During rescheduling, the system will reschedule outstanding grace period across the new profit schedules defined.

10.17.12.4 Rescheduling of Murabaha / Wakala to Murabaha Finance Accounts

The system will not recalculate the profit on rescheduling. It will apportion the outstanding balance (Principal, Profit, Grace period profit, Advance period profit, Wakala period profit).

You can define schedule frequencies and instalment amounts, but you cannot modify the profit rate.

Rate revision frequency will not be applicable for Murabaha accounts. For Murabaha accounts the system will calculate the profit formula with profit type as 'Advance profit'. The schedule dates of advance profit will be same as main profit.

On rescheduling, the system will redistribute the outstanding advance profit across new schedules.

The system will recalculate IRR based on the new schedule dates and amounts and re-define the profit and principal split for amortized schedules, if schedules are maintained to be based on IRR.

If Asset Closure is done after User defined rescheduling, the effect of re-scheduling will be lost and the system will derive new schedules based on the Asset Closure rescheduling options. (Reduce Tenor / Re compute Schedules).

In case of multi asset accounts, re-scheduling will be allowed until any one of the asset in active status.

For Wakala to Murabaha financing accounts, the system will redistribute outstanding Wakala profit across new schedules.

10.17.12.5 Rescheduling of Istisna / Istisna under construction Accounts

The system will allow rescheduling during construction period or post construction period. The schedule start date will be later than construction period.

The system will re-distribute the outstanding balance across new schedules if you have inchecked 'Allow re computation of schedules' field for the product. The system will display an override message.

You can provide the profit/ EMI amounts in 'User Defined Element Value' section of 'Islamic Asset Rescheduling' screen only if 'Allow re computation of schedules' is unchecked for the product.

On rescheduling, profit frequency has to be same as principal frequency for simple loans.

The system will not recalculate the construction period profit as the schedule start date will be after construction period. It will be redistributed based on the moratorium formula maintained.(Please refer Construction period profit section above)

After rescheduling if VAMI is done to increase or decrease the construction end date, then system will process as follows:

Case1: "Re-Compute Profit Schedules" field unchecked for VAMI

The system will validate the Construction End Date to be lesser than the first Profit-B payment schedule date

Case2:"Re-Compute Profit Schedules" field checked for VAMI

The system will calculate new schedule dates based on the frequency post adding / subtracting the difference days from the first schedule (except for user defined schedule dates, if any).

The system will recalculate IRR based on the new schedule dates and amounts. It will also redefine profit/ principal split, if amortized schedules maintained based on IRR.

10.17.12.6 Rescheduling of Musharaka Accounts

On rescheduling, the system will recalculate the profit based on new schedule details. You can amend profit rate during rescheduling.

10.17.12.7 Rescheduling of Musharaka under Construction Accounts

The system will reschedule during construction period or post construction period. The schedule start date has to be later than construction period. The system will re-distribute the construction period based on the moratorium formula maintained. (Please refer Construction period profit section)

On rescheduling, the system will recalculate the profit based on the Actual outstanding balance. You can also change the Profit rate during rescheduling.

After rescheduling if VAMI is done to increase or decrease the construction end date, then system will process as follows:

Case1: 'Re-Compute Profit Schedules' field is unchecked for VAMI

Only construction end date will be changed.

Case2: 'Re-Compute Profit Schedules' field is checked for VAMI

The system change the schedule dates based on the new construction end date.

10.17.12.8 Rescheduling of Ijara Accounts

The system will calculate the rent based on the actual outstanding from the date of rescheduling till the maturity, and will calculate the rent based on the proposed outstanding period starting from the pre-scheduled rental period till the date of rescheduling.

You can define rate revision frequency and change profit rate during rescheduling.

The system will recalculate the new schedules based on the new profit rate.

If insurance component is specified, it will be recalculated and redistributed based on new schedules.

10.17.12.9 Rescheduling of Forward Ijara Accounts

You can reschedule home finance for under-construction Ijara account only after updating the handover date in the system.

Once Re-scheduling is done and authorized, you cannot change Handover date using VAMI screen.

Schedule start date should be after handover date or last paid schedule date whichever is later.

10.17.12.10 Rescheduling of Mudarabah Accounts

For Mudarabah accounts, the system will recalculate the profit on rescheduling.

Only manual liquidation is applicable for Mudarababa accounts. The system will not perform auto liquidation if back dated schedules are defined as part of rescheduling.

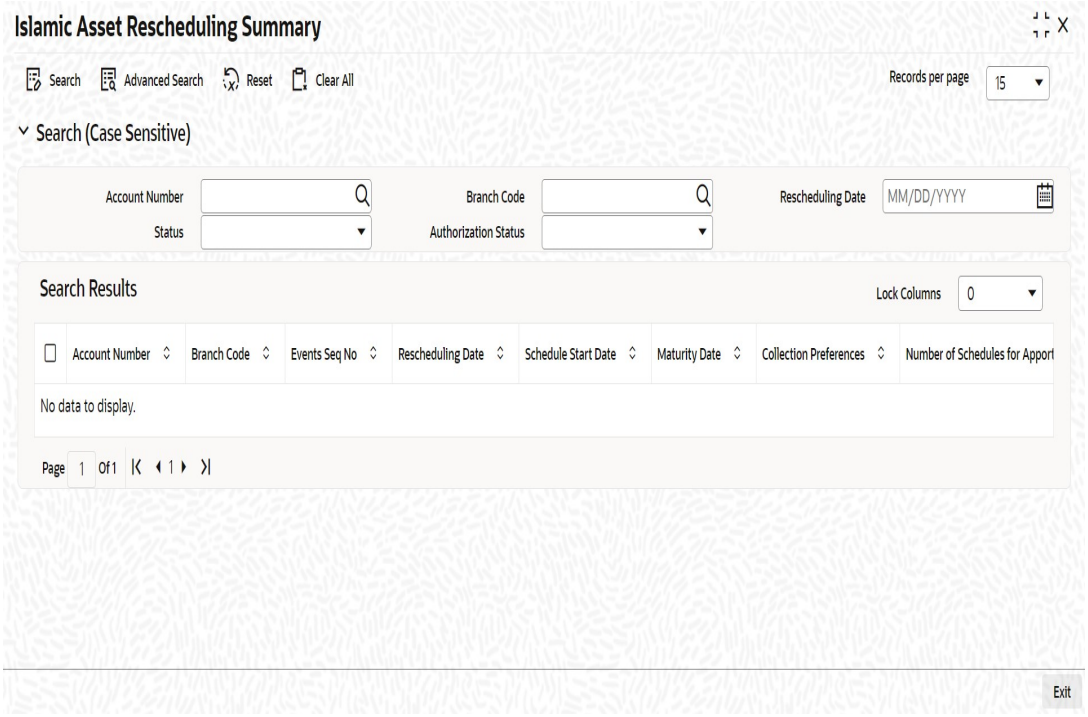
You can change the profit rate of the contract. Profit rate effective date should be greater than last paid schedule date

Only simple schedules will be applicable for Mudaraba account with frequency of profit and Principal component same.

If schedule amounts are provided, the sum of new schedule amounts should be equal to the total outstanding principal of the contract. The system will recalculate the profit.

10.17.13 Viewing Islamic Asset Rescheduling Details

You can view Islamic asset rescheduling details Amendment Details using 'Islamic Asset Rescheduling Summary' screen. You can invoke this screen by typing 'CISRSCHD' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can query a record using the following options:

- Account Number
- Branch Code
- Rescheduling Date
- Authorization Status
- Status

Click 'Search' button. The system identifies all records satisfying the specified criteria and displays the following details for each one of them:

- Account Number
- Branch Code

- Events Sequence Number
- Rescheduling Date
- Schedule Start Date
- Maturity Date
- Collection Preferences
- Number of Schedules for Apportioning
- Recomputation Basis
- Internal Remarks
- Type
- Type Description
- Status
- Authorization Status
- Maker ID
- Date Time
- Checker ID
- Checker Stamp

10.18 Deferment of Schedules

This section contains the following topic:

- Section 10.18.1, "Capturing Deferment of Murabaha Payment Schedules"
- Section 10.18.2, "Main Tab"
- Section 10.18.3, "Components Tab"
- Section 10.17.4, "Charges Tab"
- Section 10.17.5, "Advices Tab"
- Section 10.17.6, "Fields Tab"
- Section 10.17.9, "Internal Rate of Return Details Button"
- Section 10.17.10, "Events Button"
- Section 10.17.11, "Statistics Button"
- Section 10.18.10, "Processing Murabaha Deferment Schedules"
- Section 10.18.11, "Viewing Deferment Details"

10.18.1 Capturing Deferment of Murabaha Payment Schedules

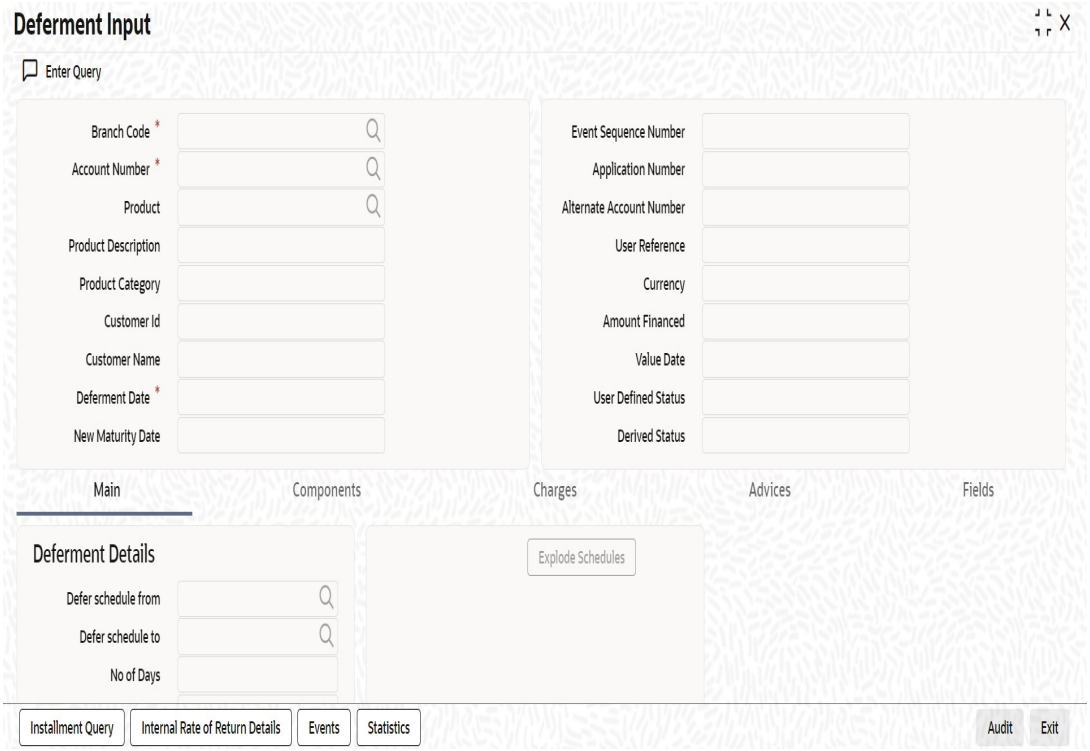
Oracle FLEXCUBE allows you to defer the payment of a future Murabaha finance instalment during Ramzan / Eid. You can add this deferred schedule to any of the subsequent schedule. You can also change the salary credit date. All the future instalments are moved forward or backward by fixed number of days. Also if you request to postpone the payments by a few instalments due to some exigency, the system will move the future instalments forward by number of instalments deferred.

The system allows deferment of future unpaid instalment. However, you cannot recalculate the profit/EMI. The system will just move the schedule amounts to the new date based on the deferment option chosen by charging the customer for the schedule deferment.

You can defer any future unpaid instalment of a Murabaha financing account using ‘Deferment Input’ screen. The instalment can be deferred to either next schedule or any future schedule within the contract period or to the maturity date.

Deferment screen will be applicable for only Murabaha finance accounts. You can query and select the account for which deferment is to be applied. The selected Murabaha account should have profit and principal schedules on the same dates. The system will validate the same while executing the query of the account details. The system will display an error message if there are any asynchronous schedules.

You can invoke ‘Deferment Input’ screen by typing ‘CIDDFRNT’ 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:

Branch Code

Specify the branch code. Alternatively, you can select the branch code from the option list. The list displays all valid branch codes maintained in the system.

Account Number

Specify the account number. Alternatively, you can select the account number from the option list. The list displays all valid account number maintained in the system.

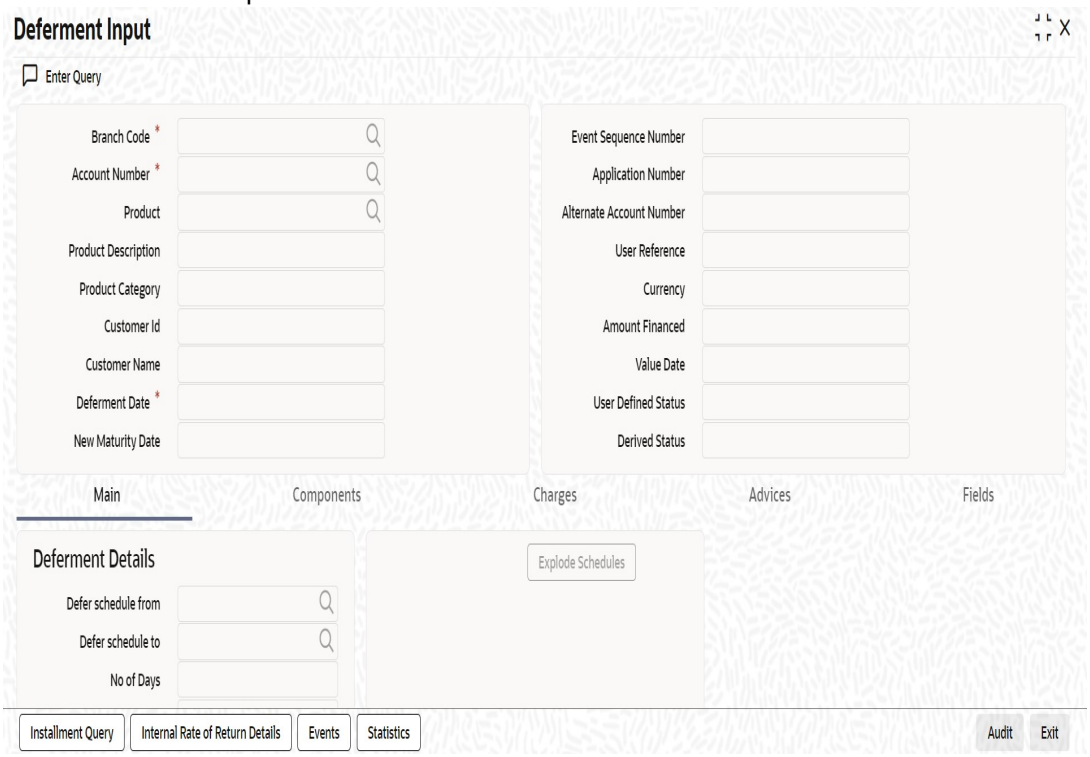
After specifying the account number, click on ‘Execute Query’ button. The system will display following details of the selected financing account:

- Product
- Product Description
- Product Category
- Customer ID
- Customer Name
- Deferment Date (defaulted to current date)
- New Maturity Date
- Event Sequence Number
- Application Number
- Alternate Account Number

- User Reference
- Currency
- Amount Financed
- Value Date
- User Defined Status
- Derived Status

10.18.2 Main Tab

Click ‘Main’ tab to capture the main details of the account.



You can specify the following details:

Deferment Details

Defer schedule from

Select the schedule date for the schedule to be deferred. Alternatively, you can select the amount due against each dates from the option list. The list displays the future dates for unpaid future schedules only.

The system will exclude the partially paid schedule dates from the list. This is a mandatory field.

Note

The schedule date moved backward during deferment cannot be moved beyond the schedule start date.

– In case of Istisna and Murabaha deferment, if any of the schedule due dates are falling during a payment holiday period, system displays a configurable override to the user.

Defer schedule to

Select the schedule date to which deferment should happen. Alternatively, you can select the amount due against each dates from the option list. The list displays the schedule dates subsequent to ‘Defer Schedules From’ date.

No of Days

Specify the number of days by which selected schedule and subsequent schedules to be deferred.

Note

All schedules from the schedule date mentioned will be moved by the number of days input.

No of Instalments

Specify the number of schedules by which selected schedule and subsequent schedules to be deferred.

After specifying the deferment details, you can initiate deferment processing by clicking ‘Explode Schedules’ button.

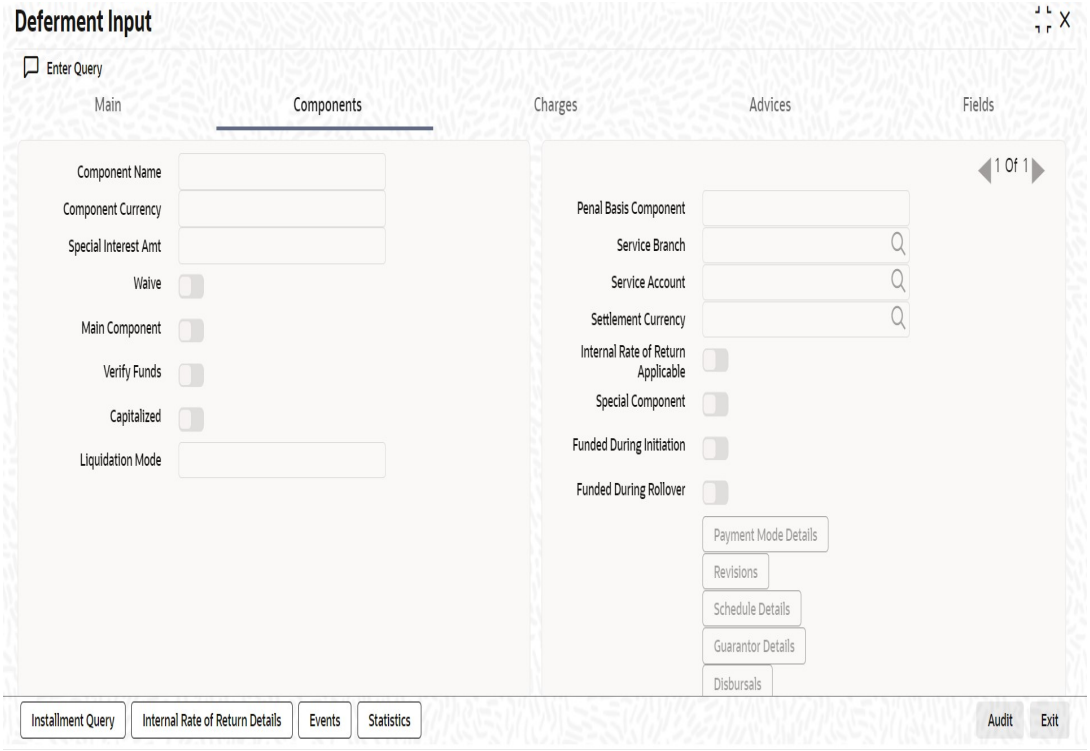
You can view updated schedule details from Components screen. However, you cannot modify any schedule in Component screen.

Note

- You can defer the schedules by installments by entering values in ‘Defer Schedule From' and 'Number of Installments' field. All schedule due dates from “Defer schedule from” date is moved by “Number of installments” specified. There will not be any change to schedule amounts.
- After authorization, DEFR event and accounting entries for charges are passed.
- While deferring schedules by installments you should not enter any value in “No. of Days” or 'Defer Schedule to' fields.
- No of Installments to be deferred cannot be greater than the corresponding schedule definition End date
- Once the final repayment schedules are built post construction and handover, such accounts are available in deferment input screen.
- Deferment is not applicable for the accounts which are under construction or Handover period. Error message ‘Deferment is applicable only after Construction Period/Grace Period/Handover Period’ will be displayed on query of such contracts'.
- Deferment functionality are made available for Istisna accounts post construction period.
- The deferment behavior for Istisna is same as Murabaha account deferment.
- If IRR based schedule redistribution is required for Istisna, the same will be performed during deferment..

10.18.3 Components Tab

Click ‘Components’ tab to view the updated schedule details.

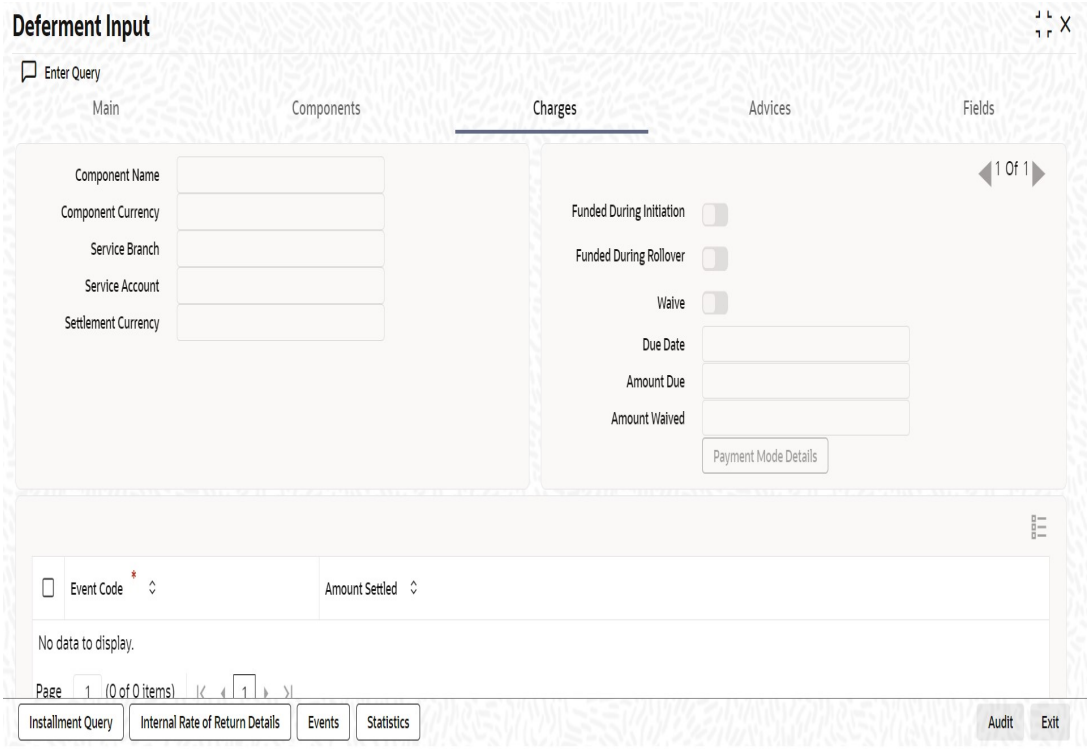


You can view the updated schedule details from Components tab. You cannot modify the schedules.

For further details on this section, please refer Components Tab section in this User Manual

10.18.4 Charges Tab

Click ‘Charges’ tab to view the charges details.

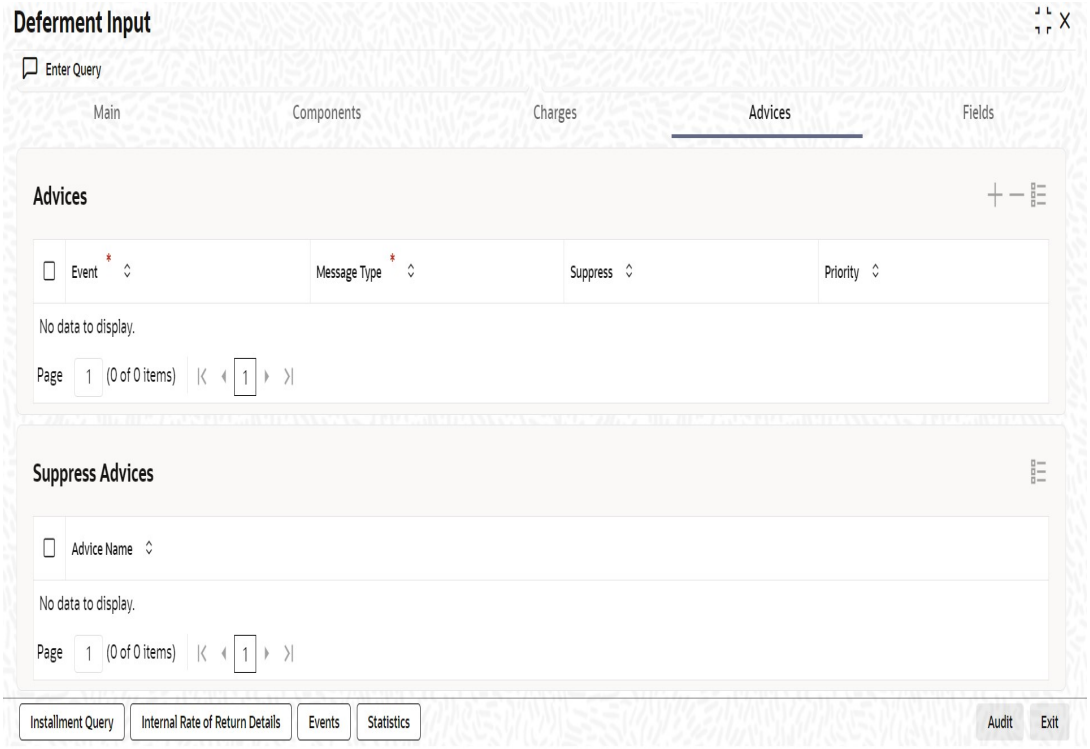


You can view the following details:

- Component Name
- Component Currency
- Service Branch
- Service Account
- Settlement Currency
- Funded During Initiation
- Funded During Rollover
- Waive
- Due Date
- Amount Due
- Amount Waived
- Event Code
- Amount Settled

10.18.5 Advices Tab

Click ‘Advices’ tab to capture advices for the events.



You can specify the following details:

Advices

Event

Specify the event code.

Message Type

The system displays all the advices for all the events for the account. The list will include all the advices that are defined at the product level.

Suppress

Select if the generated advice to be suppressed or not for a particular event from the drop-down list. The list displays the following values:

- Yes
- No

Priority

Click on the option list to select the priority of generation. The following values are displayed.:

- High
- Medium
- Low

Double click on a value to select it.

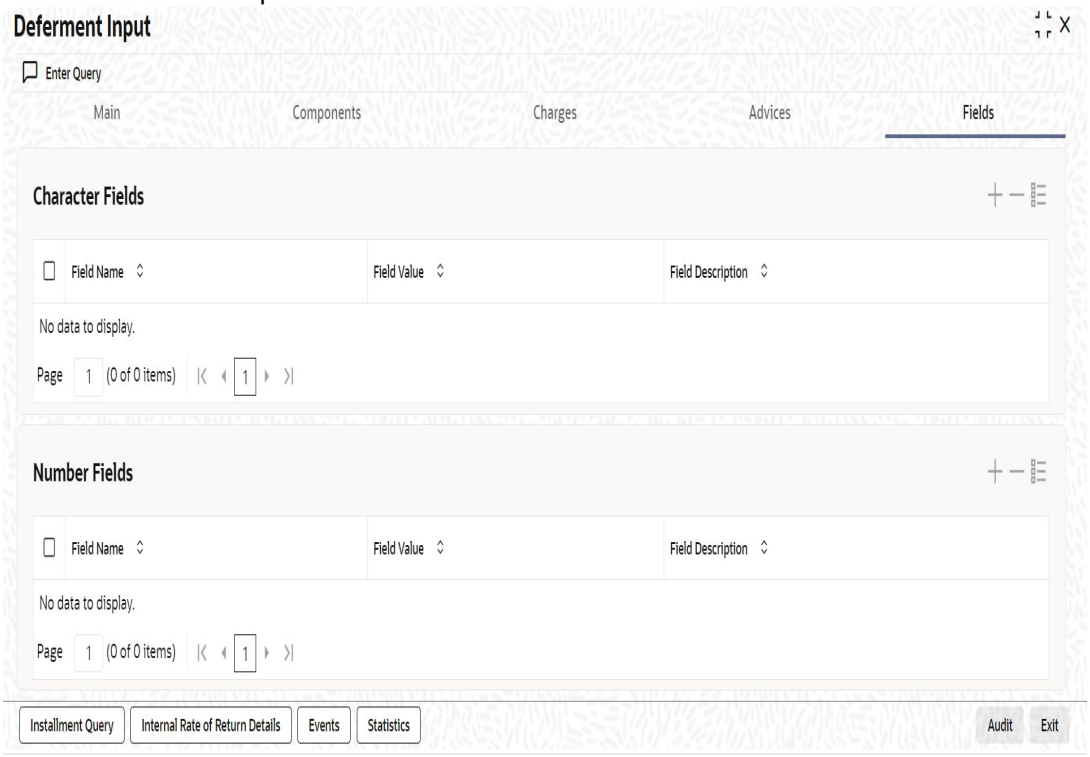
Suppress Advices

Advice Name

Specify the advice name.

10.18.6 Fields Tab

Click ‘Fields’ tab to capture field values.



You can specify the following details:

Character Fields

Field Name

Specify the field name.

Field Value

Specify the field value.

Field Description

The system displays the description for the selected field value.

Number Fields

Field Name

Specify the field name.

Field Value

Specify the field value.

Field Description

The system displays the description for the selected field value.

Date Fields

Field Name

Specify the field name.

Field Value

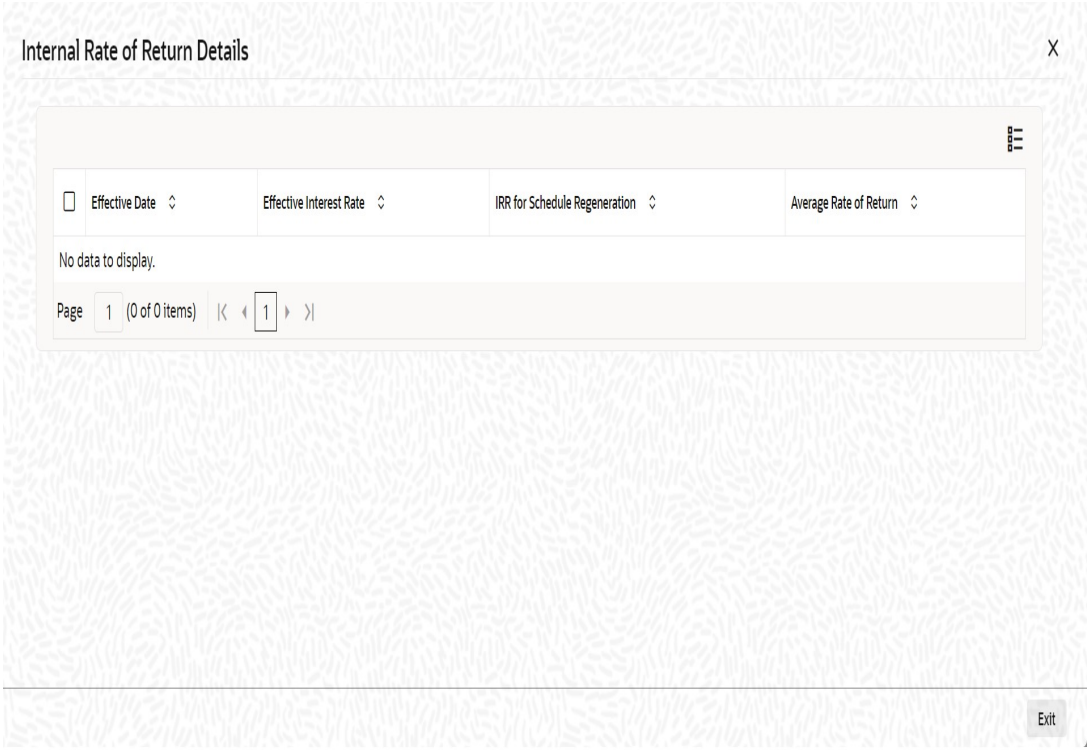
Specify the field value.

Field Description

The system displays the description for the selected field value.

10.18.7 Internal Rate of Return Details Button

Click ‘Internal Rate of Return Details’ button to invoke ‘Internal Rate of Return Details’ screen.



You can view the following details:

Effective Interest Rate

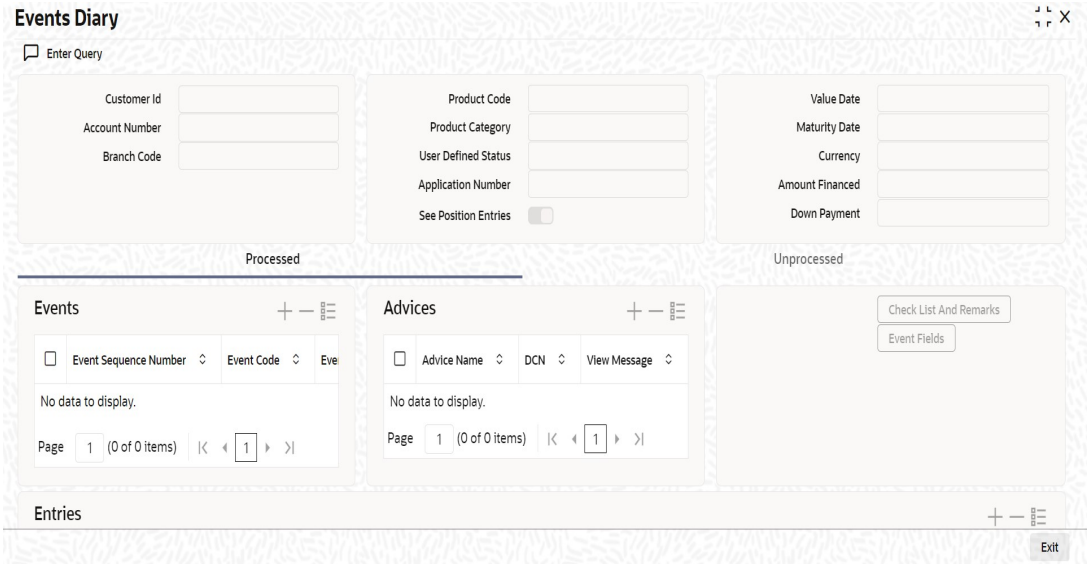
The system displays the effective interest rate.

After deferment of future Instalment amount, the system will calculate IRR based on future schedule dates if “Re compute schedules with IRR” is checked at the product level.

The system will re-calculate principal and profit split based on new IRR.

10.18.8 Events Button

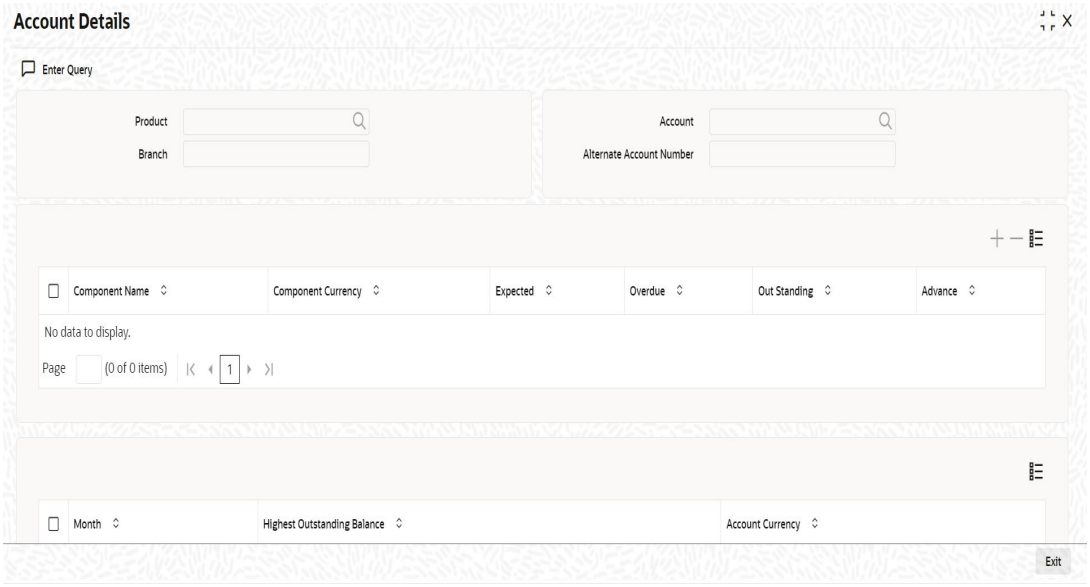
Click ‘Events’ button to invoke ‘Events Diary’ screen.



Refer the section ‘Events Diary’ in the chapter titled ‘Account Creation’ in this User Manual for details about the ‘Events Diary’ screen.

10.18.9 Statistics Button

Click ‘Statistics’ button to invoke ‘Account Details’ screen.



You can specify the following details:

Product

The system displays the product code.

Branch

The system displays the branch code.

Account

Specify the account number of the customer. Alternatively, you can select account number maintained in the system. The system displays all valid account number maintained in the system.

Alternate Account Number

The system displays the alternate account number.

The system displays the following values:

- Component Name
- Component Currency
- Expected
- Overdue
- Outstanding
- Advance
- Month
- Highest Outstanding Balance
- Account Currency

10.18.10 Processing Murabaha Deferment Schedules

During deferment processing of an instalment, which is moved to another schedule date, the system will move total amount due from the deferred schedule date to the new schedule date.

After the deferment process, the system will not recalculate the total profit and there will not be any impact in the other schedules of the account.

If deferment is done for the schedules by moving the schedules by number of days/ instalments, all the schedule dates from the deferment start date will be moved forward along with the schedule amounts. The system will modify the Maturity date accordingly.

The maturity date should not be extended beyond the maximum tenor allowed for the product. The system validates the same.

When the deferment is by days, the system will arrive at the first schedule date after deferment and rest of the schedule dates will be derived based on this date and frequency. The schedule date derivation will be dependent on the holiday preferences maintained.

If the starting schedule falls on month end, the system will adjust the subsequent schedules also to month end dates, subject to the holiday preferences maintained.

The system will trigger ‘DEFR’ event while saving the deferment and monitor the schedule amendment against this event.

If there is a change in the current period schedule date, then the system will adjust the accruals during deferment.

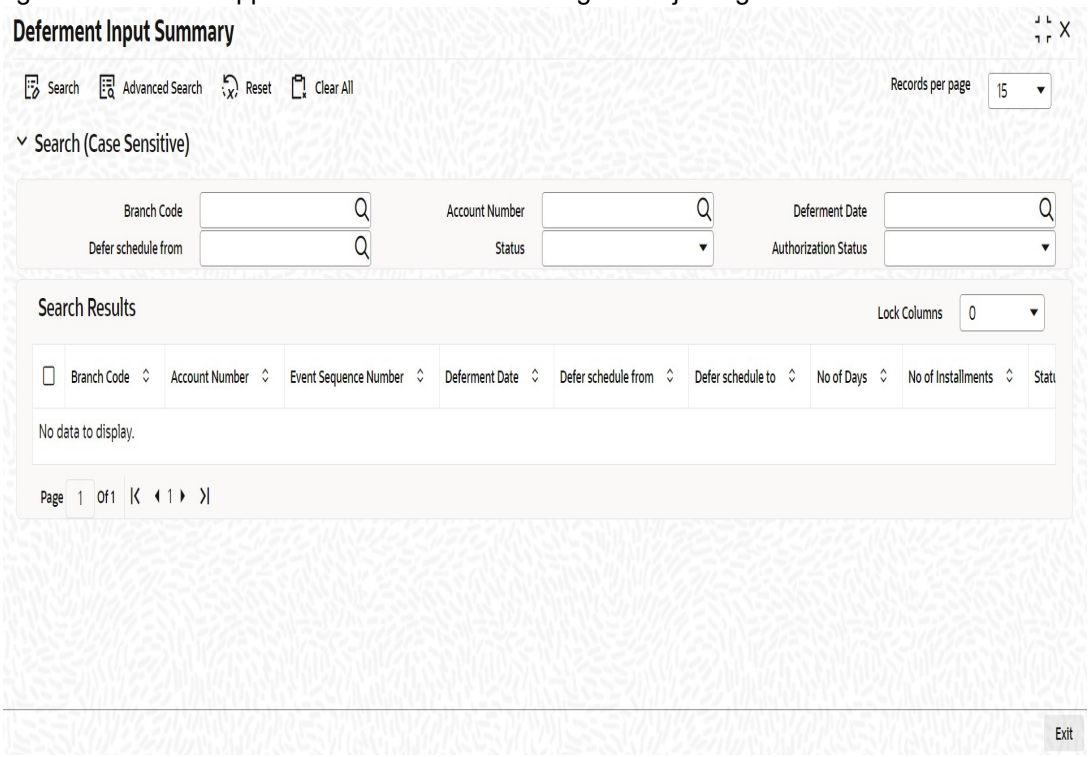
You can delete deferment before authorization. However, you cannot reverse the deferment from ‘Deferment Input’ screen. You need to initiate a version reversal for the same.

The system will use CI_DEF_ADV’ deferment advice to generate the schedule changes and existing debit advice ‘CI_DR_ADV’ format will be mapped to the event to generate advice for charges for the event.

As a result of re computation of schedules during prepayment /amendment, the future deferred schedules will be lost. The system will display an override message while saving the prepayment/amendment, if there is any deferment schedule for the selected contract.

10.18.11 Viewing Deferment Details

You can view Mudarabaha Deferment details using 'Deferment Input Summary' screen. You can invoke the 'Deferment Input Summary' screen by typing 'CISDFRNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch Code
- Deferment Date
- Status
- Account Number
- Defer schedule from
- Authorization Status

Click 'Search' button. The system identifies all records satisfying the specified criteria and displays the following details for each one of them:

- Branch Code
- Account Number
- Event Sequence Number
- Deferment Date
- Defer Schedule From
- Defer Schedule To
- Number of Days
- Number of Instalments

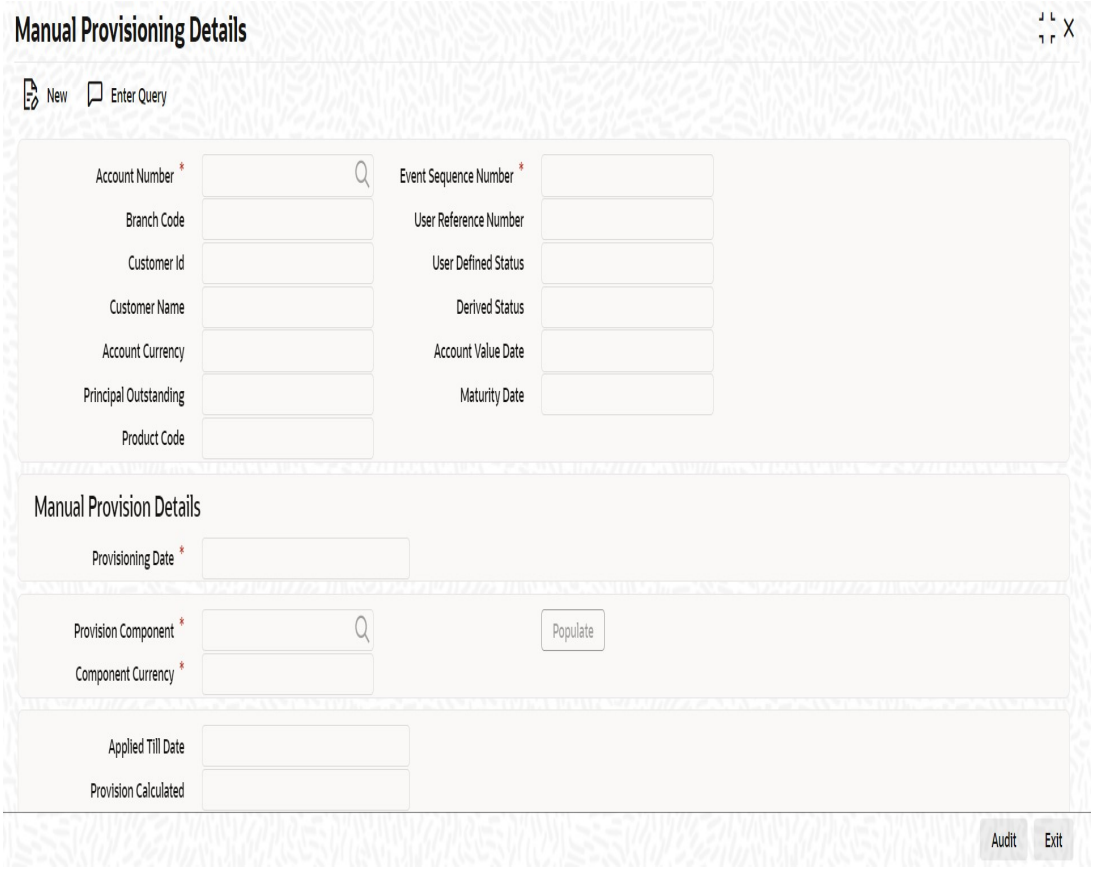
- Status
- Authorization Status

10.19 Manual Provisioning of Loan Accounts

You can manually schedule the provisioning of a loan account by defining the required parameters using the ‘Manual Provisioning Details’ screen.

For a particular loan account you can create a manual provisioning record by selecting the required provisioning component and system calculates the new provisioning details and populates them in ‘Provision Calculated’ and ‘Provision to be applied’ fields.

You can invoke the ‘Manual Provisioning Details’ screen by typing ‘CIDMNPRV’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.:



The following details are captured here:

Account Number

Select the loan account number for which you want to schedule manual provisioning from the adjoining option list. The list displays all active loan accounts for which provisioning is applicable and are enabled for manual provisioning.

On selecting the Account Number, the other field details are auto populated. Clicking on **Populate** button will update the value in ‘Event Sequence Number’ field.

Branch Code

The system displays the branch code of the loan account in this field.

Customer ID

The system displays the customer ID defined for the loan account in this field.

Customer Name

The system displays the name of the customer in this field.

Account Currency

The system displays the currency in which the loan account is operated in this field.

Principal Outstanding

The system displays the principal outstanding in the loan account in this field.

Product Code

The system displays the product code in this field.

Event Sequence Number

The system displays the event sequence number in this field.

User Reference Number

The system displays the user reference number of the loan account in this field.

User Defined Status

The system displays the user defined status of the loan account in this field.

Derived Status

The system displays the derived status of the loan account in this field.

Account Value Date

The system displays the account value date in this field.

Maturity Date

The system displays the maturity date of the loan in this field.

Manual Provision Details

Provisioning Date

The system displays the current date as the provisioning date in this field.

Provision Component

Select the provision component from the adjoining option list. The list displays all the components of the account which are marked with the component type as 'Provision' for selection.

Component Currency

The system display the component currency based on the component selected.

Applied Till Date

The system displays the Existing Provision Amount or Last provision applied amount in this field.

Provision Calculated

The system displays the new calculated provision amount based on the provision formula and rate maintenance, as per the provisioning date.

Provision to be Applied

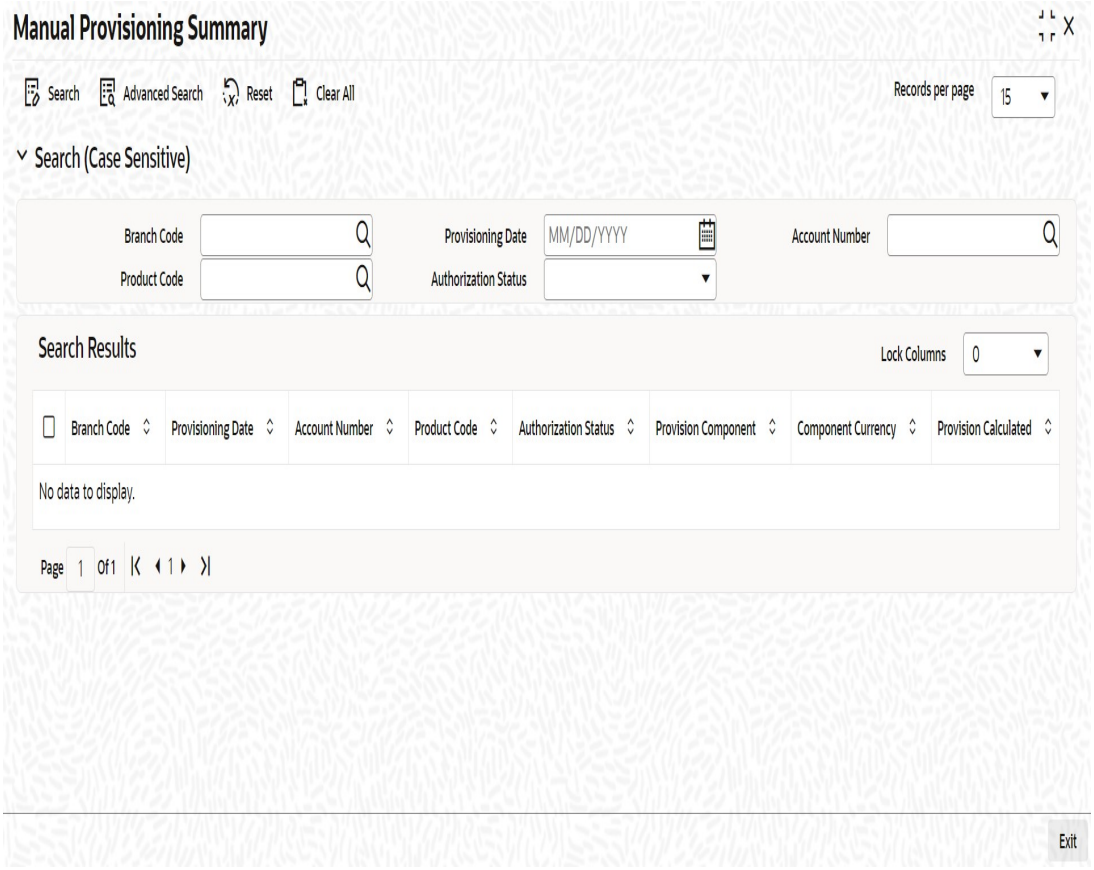
The system displays the new calculated provision amount. The same can be updated with the required amount.

Internal Remarks

Specify additional details of the provisioning, if any.

10.20 Viewing Manual Provisioning Details

You can view the manual provisioning details maintained in the ‘Manual Provisioning Details’ screen. You can invoke this screen by typing ‘CISMNPRV’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.:



In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch Code
- Account Number
- Authorization Status
- Provisioning Date
- Product Code

Select any or all of the above parameters for a query and click ‘Search’ button. The system displays the following records based on the selected criteria:

- Branch Code
- Provisioning Date
- Account Number
- Product Code
- Authorization Status
- Provision Component
- Component Currency
- Provision Calculated
- Provision to be Applied

- Event Sequence Number

10.21 Takaful Amendment

This section contains the following topics:

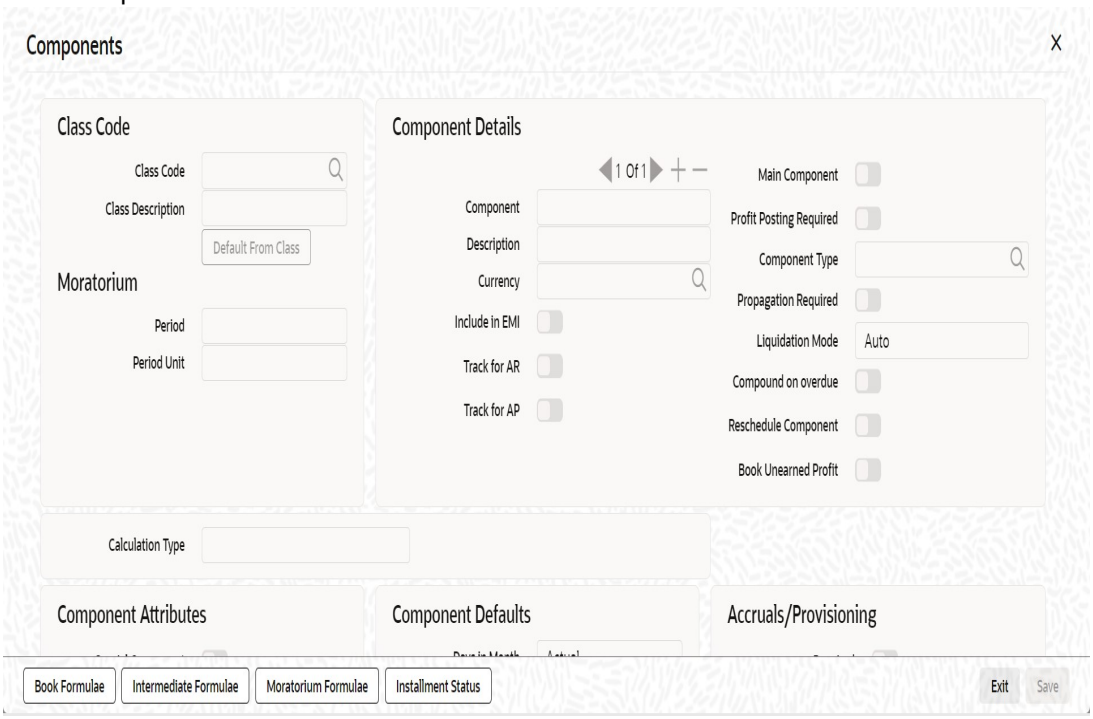
- Section 10.21.1, "Takaful Product Setup"
- Section 10.21.2, "Invoking Takaful Amendment Details"
- Section 10.21.3, "Processing Takaful Component"
- Section 10.21.4, "Viewing Takaful Amendment Details"

10.21.1 Takaful Product Setup

You can check 'Insurance Required' field in CIDPRMNT screen and provide Insurance details such as Years, Depreciation Rate and Insurance Rate.



Takaful Component definition should be as follows and Takaful Schedule should be similar to Main component schedule.



Takaful Book formulae is as follows:
@INS_PERIOD(INS_BASIS_AMT,INSURANCE_RATE,FREQUENCY,PRINCIPAL_EXPECTED)

10.21.2 Invoking Takaful Amendment Details

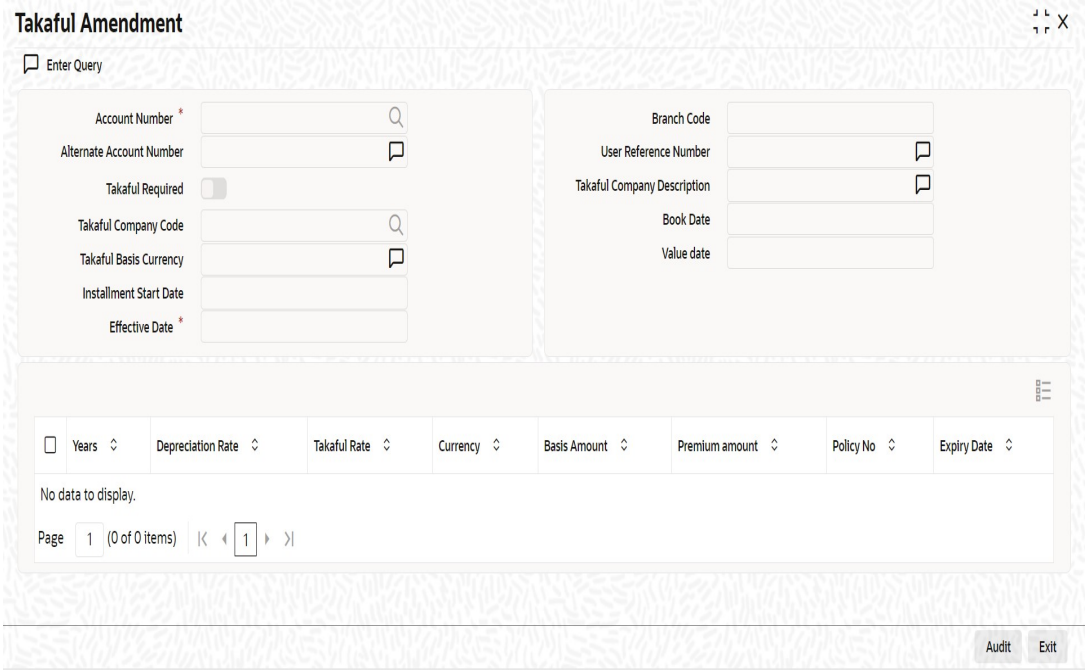
In Islamic Financing products, you can modify Takaful (Insurance) details anytime during the life-cycle using 'Takaful Amendment' screen.

On 'Takaful Amendment' VAMI, the following fields are amendable, Takaful Rate, Takaful Required, Takaful Company Name, Policy No and Depreciation Rate. The system will calculate the Basis Amount and Premium Amount based on the Depreciation and Takaful Rate combination provided.

The system will validate that any other operation on the account will not be allowed in between save and authorization, reverse and authorization of Takaful amendment through 'Takaful Amendment' screen

The system will allow Reversal of Takaful as version reversal in account screen.

You can invoke ‘Takaful Amendment’ screen by typing ‘CIDTKFVM’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Account Number

Specify the account number to be amended for Takaful details. Alternatively, you can select account number from the option list. The list displays all authorized and active accounts.

Clicking ‘Execute Query’ button, the system will display the following values:

Alternate Account Number

The system displays the alternate account number.

Takaful Required

The system displays if Takaful is required or not.

Takaful Company Code

The system displays the Takaful company code.

Takaful Company Description

The system displays the Takaful company code description.

Takaful Basis Currency

The system displays the Takaful basis currency code.

Instalment Start Date

The system displays instalment start date.

Effective Date

The system displays an effective date of the amendment, which is application date.

Branch Code

The system displays the branch code.

User Reference Number

The system displays the user reference number.

Book Date

The system displays the book date of the transaction.

Value Date

The system displays the value date of the amendment.

Years

The system displays the year of the Takaful which is inherited from the account specified at the time of input.

Depreciation Rate

The system displays the depreciation rate of the asset applicable for that year.

Depreciation Rate is amendable if Takaful Year is in future period and the schedules have not yet started for that period.

Takaful Rate

Specify the Takaful rate applicable for the year.

Takaful Rate is amendable if Takaful Year is in future period and the schedules have not yet started for that period.

Currency

The system displays the currency code.

Basis Amount

The system displays the basis amount on which Takaful premium to be calculated, based on the combination of Takaful Rate and Depreciation Rate.

If 'Takaful Required' field is checked, then this field is mandatory. This amount is modifiable only for the first record.

Premium Amount

The system displays the premium amount.

Policy No

The system displays the Takaful policy number for the year. You can amend this value.

Expiry Date

The system displays the expiry date of the Takaful period.

Note

- You cannot amend during the first year of Takaful.
- For loans with fractional tenor like 1.5,2.8 years, the Takaful premium will be collected for full year and expiry date will be more than the maturity date.

10.21.3 Processing Takaful Component

The system will validate that any other operation on the account will not be allowed in between save and authorization, reverse and authorization of Takaful amendment through 'Takaful Amendment' screen (CIDTKFVM).

Reversal of Takaful amendment will be allowed only if there is no financial event after the Takaful amendment. Reversal of Takaful is allowed as version reversal in account screen.

Takaful component schedule is drawn as follows:

- First year Takaful premium is collected at the time of account opening.
- Subsequent year's Takaful premium is collected as per frequency a year before by the end of the preceding year's corresponding frequency period. That is, if frequency is quarterly, second year's first quarter premium is collected by the end of first quarter of preceding year.

Any amendment involving a rate change or depreciation rate change will be applicable only for the future period. This includes Takaful for which collection has begun but not those that had already been collected.

Amendment of Takaful rate and depreciation rate will redraw the schedule for Takaful component for future schedules on Takaful VAMI.

Collection	**Takaful Rate increase/ Depreciation Rate decrease (Premium increase)**	**Takaful Rate decrease/ Depreciation Rate increase (Premium decrease)**
Full	Change will be ignored	Change will be ignored
Partial	Takaful instalment amount will be redrawn across remaining schedules for the year as per new rate net of collection made till date.	Takaful instalment amount will be redrawn across remaining schedules for the year as per new rate net of collection made till date. However, if new Takaful amount net of collection is negative, refund process will be manual and remaining schedules for the year will be zeroed.
None	Takaful component schedule will be redrawn as per new rate.	Takaful component schedule will be redrawn as per new rate.

If 'Takaful required' field is unchecked during amendment, the system will delete the schedules of future collection period only. That is, if second year collection has already begun,

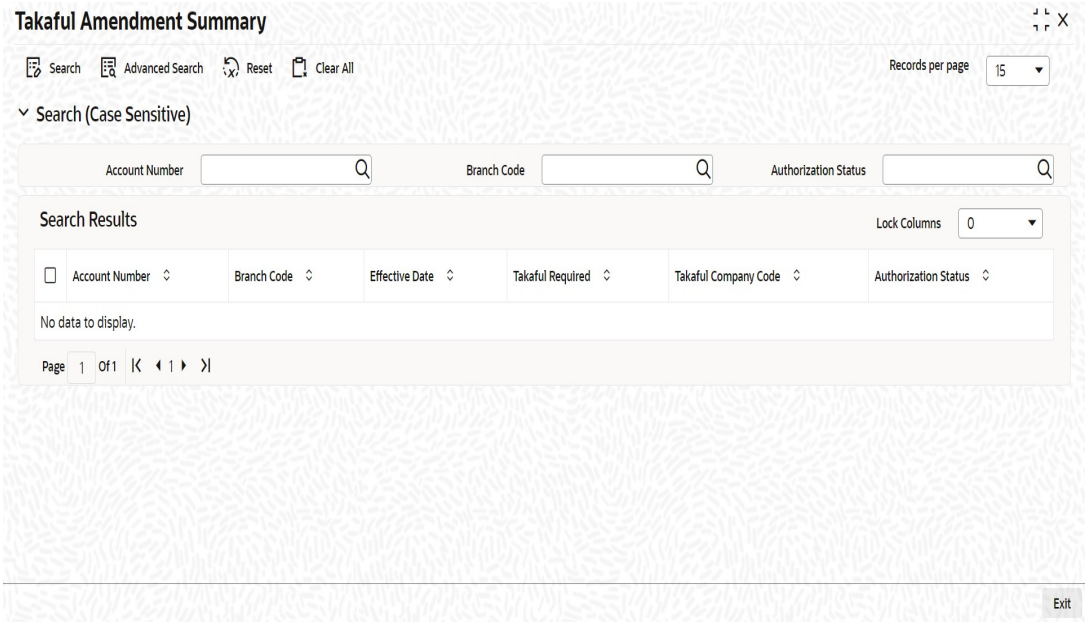
then the system will delete the schedules from third year only. Also, the system will set Amount due for yet to be collected future periods to zero.If you uncheck ‘Takaful required’ field and try to modify the record, then the system will display an error message while saving as ‘Takaful has not been opted for this account’.

Post unchecking, account will be like any other account with ‘Takaful Required’ field unchecked at the time of account input. That is, account will not be listed in the Account Number option list in Takaful Amendment function.The system will fire VAMI on save and authorization of ‘Takaful Amendment’.

On ‘Takaful Amendment’ VAMI, the system will pick the proper Takaful rate based on the effective date.

10.21.4 Viewing Takaful Amendment Details

You can view Takaful Amendment Details using ‘Takaful Amendment Summary’ screen. You can invoke this screen by typing ‘CISTKFVM’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can query a record using the following options:

- Account Number
- Branch Code
- Authorization Status

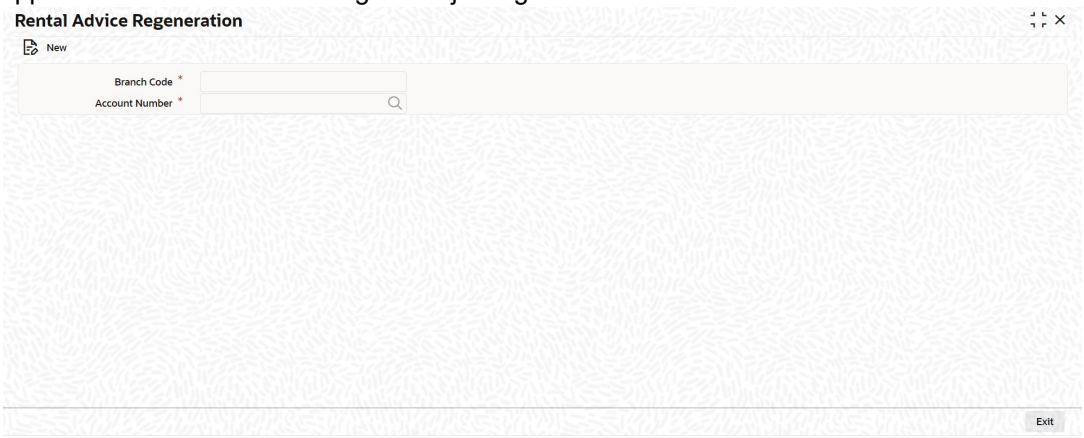
Click ‘Search’ button. The system identifies all records satisfying the specified criteria and displays the following details for each one of them:

- Account Number
- Branch Code
- Effective Date
- Takaful Required
- Takaful Company Code
- Authorization Status

10.22 Rental Advice Regeneration

Rental advice regeneration is done when recalculation of the schedule happens due to events like amendment, prepayment, or rate change.You can generate the rental advice using the ‘Rental Advice Regeneration’ screen.

You can invoke this screen by typing CIDRNTGN in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can capture the following details here:

Branch Code

Branch code of the current branch will be defaulted here.

Account Number

Specify the account number for which rental advice regeneration has to be done. Alternatively, you can also select the account number from the option list. The list displays all accounts for which rental advice is applicable under the current branch.

Click ‘OK’, to regenerate the rental advice for the current period. If the rental advice is not applicable for the account, i.e. if advice format maintained is not ‘CI_RENT_NOT’ then system throws an error message.

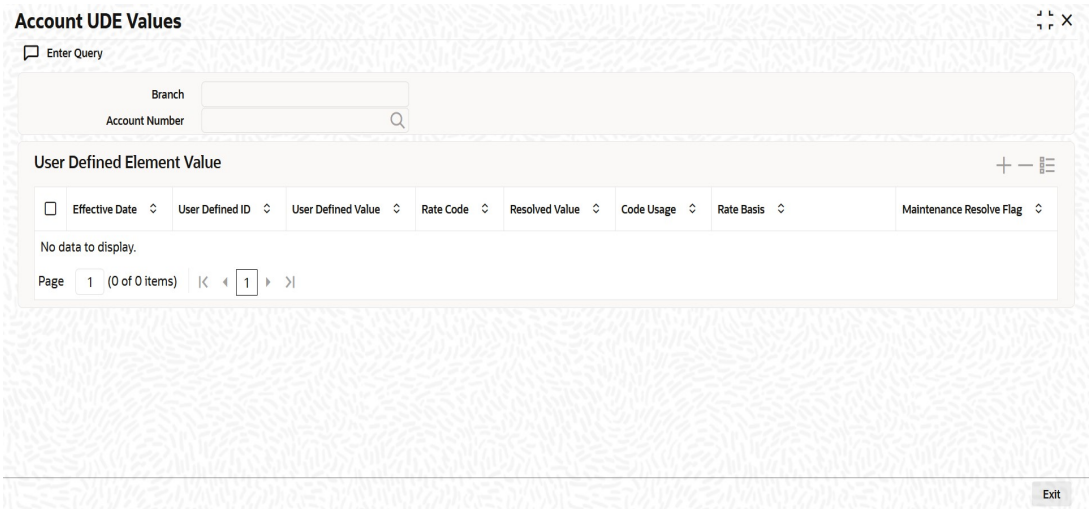
You can view the newly generated rental advice from the contract screen (Events ->Advices).

The rental advice displays the details of the due and overdue for the current period. If ‘Adjust to next rental period’ is selected for an account and if there are some compensation that is still getting calculated then system will do a projection of the compensation till the period end and will display the same in rental advice. I.e. it will calculate the compensation till end of the renal period by taking the current overdue amount.

10.23 Account UDE Values Query

You can query the account UDE values using the ‘Account UDE Values’ screen. You can invoke this screen by typing ‘CIDCCUDE’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The ‘Account UDE Values’ screen is shown below.



Click the Enter Query button to enter the following query criteria.

Branch

The system displays the branch code.

Account Number

Specify the account number.

Click the Execute Query button.

The system displays the following Account UDE Values.

- Effective Date
- User Defined ID
- User Defined Value
- Rate Code
- Resolved Value
- Code Usage
- Rate Basis
- Maintenance Resolve Flag

11. Batch Processes

The events that are to take place automatically are triggered off during what is called the Batch Process. The batch process is an automatic function that is run as a mandatory Beginning of Day (BOD) and/or End of Day (EOD) process. During EOD, the batch process should be run after end-of-transaction-input (EOTI) has been marked for the day, and before end-of-financial-input (EOFI) has been marked for the day.

This chapter contains the following sections:

- Section 11.1, "Batch Processes for Islamic Financing"
- Section 11.2, "CL Batch"

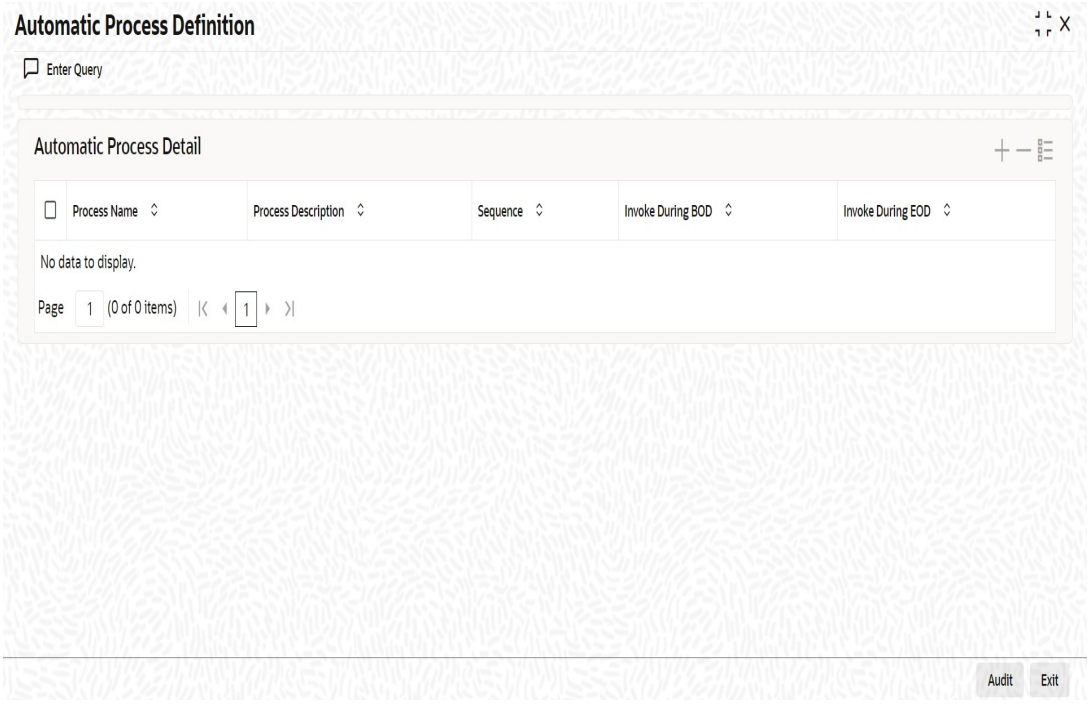
11.1 Batch Processes for Islamic Financing

This section contains the following topics:

- Section 11.1.1, "Configuring the Batch Processes for Islamic Financing"
- Section 11.1.2, "Defining Batch Processes"

11.1.1 Configuring the Batch Processes for Islamic Financing

You have the facility to configure the batch processes to be executed either at EOD or BOD or both, as per the bank's requirement. This is achieved through the 'Automatic Process Definition' screen. You can invoke this screen by typing 'CLDTPROC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, you can amend the order of the various operations in the CL batch and choose to trigger them at EOD or BOD or both.

The default configuration is given below:

Batch Operation	BOD/EOD

Forward Init of Finance Accounts	BOD
Calculation	EOD/BOD
Accruals	EOD/BOD
Auto Liquidations	EOD/BOD
Auto Disbursements	BOD
Rate Revisions	BOD
UDE Cascade	EOD
Maturity processing – Rollovers, Auto Closures	BOD/EOD
Automatic Status Change Processing	BOD
FEES	BOD
INTP (Profit Posting)	BOD
Billing & Payment Notices	BOD
Statements generation	EOD
Compensation Computation	BOD
Forward VAMIs	BOD
Revaluation	EOD
Readjustment	EOD
Handover date extension	EOD

These batch processes are factory shipped for your bank. Note that you need to set the 'UDBATEVT' batch as a predecessor to the Islamic Financing batch 'CIDBATCH'.

11.1.2 Defining Batch Processes

The batch processes are explained briefly:

Forward Init of Finance Accounts

Finance accounts maintained in the system are classified into two types:

- Active
- Inactive

When finance accounts become Active, the BOOK event is triggered for the Finance and you can specify a Value Date for the finance during this event.

This batch identifies all the accounts that are due for initiation on that day, at BOD and the INIT event is triggered for these accounts. The current system date will be taken as the value date for these accounts.

Re-Calculation

Finance parameter alterations directly affect the computation of accruals. This batch identifies such changes made to finance accounts, both at BOD and EOD. Further, it recalculates the accruals based on the altered finance components.

Accruals

This batch passes all the recalculated accrual changes required for the components. It is triggered, both at BOD and EOD.

Auto Liquidations

This batch processes the payments that are configured as auto payments and is triggered both at BOD and EOD.

Auto Disbursements

Disbursement schedules are maintained for products. As part of BOD process, the DSBR events for the accounts will be triggered.

This batch processes these schedules at BOD, which enables the DSBR events of the accounts to be initiated.

Rate Revision

As part of BOD program, this batch processes the Floating Rate revision schedules for products.

UDE Cascade

This batch is triggered at EOD in case of UDE value changes. The changes in UDE values are applied to all the affected accounts.

In case, a single account requires a UDE Change/Cascade, it can be performed online for that account alone. Such accounts are then excluded from this batch.

Maturity Processing

Maturity processing of finances is performed if the maturity date falls at BOD of a particular day. This results in either Auto Closure or Rollover of finances.

- Auto Closure: Finances that are liquidated on maturity are subject to Auto Closure, during maturity processing
- Rollover: Finances that have auto rollover maintained are rolled over during maturity processing

Status Change Processing

Certain accounts have automatic status changes, wherein the SDEs required for status change are evaluated. In such cases, this batch detects status changes at BOD. Once this is done, appropriate status change activities are triggered.

Notice Generation – Billing, Payments

For each finance, the number of days prior to which a Notice is to be generated is evaluated. In case of finances that carry dues, the Notice is generated as specified in the notice days maintained for the product. This batch is processed at BOD.

Statement Generation

At EOD, the statement is generated depending on the statement frequency and other statement based maintenance actions specified.

Forward VAMI

At BOD, this batch processes all value dated amendments that are booked with the date as Value Date.

Compensation

Compensation computations are evaluated at BOD by this batch. Any grace period maintained will have to be considered during this calculation. On completion of the grace period, the compensation components are computed from the due date till the current date.

Revaluation

At EOD, revaluation of assets and liabilities to the LCY are carried out.

> **Note**
>
> During collateral revaluation, if the collateral/collateral pool amount falls below the linked amount of the account, then the system automatically takes appropriate action.

Readjustment

This batch is processed at EOD. It is triggered in the presence of Index currencies that are not treated as a part of revaluation. It handles readjustments based on new index rates.

Force Final Disbursement

This batch is triggered at BOD and is executed after auto disbursement process in the CL batch. In this process the system validates the amortization start date and check whether the amount financed is equal to the amount disbursed for the particular account. If not, the system will make the final disbursement automatically.

Handover Date Extension

This batch initiates automatic extension of the property handover date. In a forward *Ijarah and Musharaka under construction* account, if the 'Property Handover' box is not checked till the specified handover date, then on the handover date this batch will extend the handover date to a new date. The new date will be arrived based on the values of the fields 'Unit' and 'Frequency' given for auto extension of handover date in the product preferences. Holidays will be ignored for the handover date derivation. The system will also move the first installment date and maturity date of the account. Post this extension; the system will also recalculate the profit and schedules for the period from construction end date to the new handover date and from new handover date to maturity date.

The system will also trigger the event for the additional profit calculated due to this extension.

11.1.2.1 Batch Process for Rental Advice

System generates rental advice during CI batch processing. Rental advice is generated 'N' days prior to the due date of the schedule type maintained in the 'Notice and Statements' screen at product level.

Time based advice process will fetch the rates i.e. effective as on the actual rate revision date and calculate the rental amount for the next rental period.

If 'Adjust Compensation to Next Rental' field is checked at product level (CIDPRMNT), then the system, will modify auto liquidation process to recover the compensation amount only till last billing notice generation date.

Moving the overdue rental to next rental period is applicable for auto liquidation only.

11.2 CL Batch

This section contains the following topics:

- Section 11.2.1, "Initiating the Batch Process"

- Section 11.2.2, "Status Change Batch Processing (CSDSTBTC)"
- Section 11.2.3, "Profit Posting (INTP Event)"
- Section 11.2.4, "Intra Day Accruals"
- Section 11.2.5, "Insurance Renewal Batch"

11.2.1 Initiating the Batch Process

If you have opted to trigger the batch programs at EOD, the same will be executed as part of the 'End of Cycle Operations' after marking the 'EOTI' for the day. If the trigger is maintained as 'BOD', the programs will be executed before the start of 'Transaction Input'. However, the programs will be triggered both at EOD and BOD if you opt to trigger it at both the instances.

11.2.1.1 Multi-threading of batch processes

The CL Batch process handles multi threading. The number of parallel processes and the interval between processes is maintained as part of 'CL Branch Parameters'.

Refer the section titled 'Maintaining Branch Parameters' in the 'Maintenances and Operations' chapter of this User Manual for details.

The accounts are split into multiple groups which can be processed in parallel for a particular sub process. Hence, all non conflicting parallel groups will complete the sub process after which the next sub process is taken up and so on. There is also an option to run it purely sequentially as shown above.

11.2.2 Status Change Batch Processing (CSDSTBTC)

For the CI module the Status change batch will be run along with the customer/Group and apply worst status change for the customer. This batch will use the status change events.

You can trigger the batches to run before the Common Status Change batch (CSDSTBTC). The following given batches can be run in any order:

- LCEOD
- BCAUSTCH
- CLBATCH
- ICEOD
- CIDBATCH
- MODBATCH
- CASABAT
- IAAUTDLY
- CSDSTBTC
- ICEOD
- CLDPROV
- MODPROV
- CIDPROV

The Process of Provisioning is handled by the following batches for CL, MO and CI modules respectively:

- CL provisioning batch (CLDPROV)
- Mortgage provisioning batch (MODPROV)
- Islamic loan provisioning batch (CIDPROV)

Note

The provisioning process is detached from the CLBATCH, MODBATCH and CIDBATCH.

If ‘Status Processing’ is at Individual Contract Level, then system will trigger status change based on the Customer Credit rating for the customer of the Contract /Account booked. The other contracts of the customers in the same Group will not be impacted. However if the ‘Status Processing’ is at CIF/Group level individual module (LC,CL, CI, MO, CA, IA and BC) batches will be updating common storage with the derived status of each contract and CIF/ Group level status will be triggered by the common status change batch. The common status change batch will call the individual module function for status change processing.

11.2.3 Profit Posting (INTP Event)

You need to make a provision to post an income into a separate GL. This income is the profit which you pay to the customer who has a finance account. On the profit posting date, a transaction occurs to move the receivable and the income from one GL to another. This transaction distinguishes between receivables from the income which is due and not due. Also, this profit posting is applicable for the main profit component only.

The INTP event runs at the BOD for a finance product against which it has been defined.

The following points are noteworthy:

- You can pick the INTP event during the finance product definition and maintain the accounting entries against this event. To recall, you need to click on the ‘Events’ tab in the ‘Consumer Lending Product’ screen where you specify the various events which need to be run.
- At the time of finance account creation, Oracle FLEXCUBE populates the events diary with one record of the INTP event for each schedule due date. This has the status as ‘Unprocessed’. This is done for the main profit component schedule only.
- The system also creates a record for the end of each calendar quarter during the moratorium period in the case of amortized finance products.
- Any rebuilding of repayment schedules results in the rebuilding of records in the events diary.
- The batch process picks up all the unprocessed INTP records from the events diary having the execution date on or before the current application date. The process is limited to the active accounts belonging to the current branch.
- The amount and date of due for the main profit component is fetched from the component schedule due details.
- The accounting entries get passed on the schedule due date or the calendar quarter end, as defined for the event INTP through the ‘Consumer Lending Product’ screen under the ‘Events’ tab pertaining to a finance product maintenance.
- For term finances, the transaction posting date is the same as schedule due date of the main profit component. The same is followed for amortized finances also.
- For an amortized finance with a moratorium period, the transaction posting date is the end of the calendar quarter and the end of the moratorium period. If the moratorium period is different from the end of the calendar quarter, the entries passed will not tally with the actual amount due. This difference gets passed on the schedule due date of the moratorium period.
- There are no changes in the INTP event execution behaviour in case of a partial pre-payment.

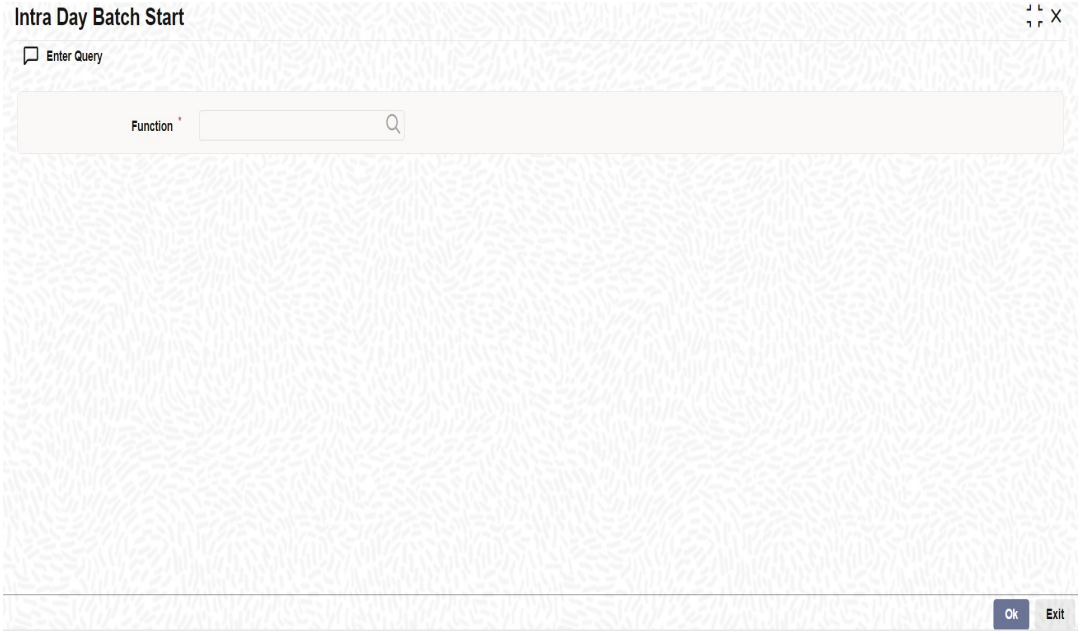
- If a finance is getting pre-closed with a complete settlement, the system does not wait till the schedule due date or calendar quarter end for passing the INTP entries. It posts the profit accrued till the current date on the date of the pre-closure.

In case of any failures during the INTP batch process, the system logs the error details for the account and processes the subsequent accounts.

11.2.4 Intra Day Accruals

The Intra Day Accruals is a batch process that computes accruals for different kinds of investments made by funds. This batch includes processing of fixed asset depreciation. The intraday accruals / depreciation are performed only for those products for which accruals / depreciation cycle is due for the day. In case of inter-fund subscriptions, the system does not calculate the profit for the investing fund. You can invoke 'Intra Day Batch Start' screen by typing 'BABIDBAT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

This is an intra day process that is applicable only to fund branches.



Intra Day Accruals work in line with the normal end of day accruals. Intra day accrual will process in the same manner as an End of Day (EOD) batch. In this module, it is processed based on the branch level accrual parameters.

11.2.5 Insurance Renewal Batch

Oracle FLEXCUBE allows you to execute a batch process 'INSR' to renew insurance for all active Islamic Financing accounts automatically. When you run this batch process at EOD, the system will pick up all active records, for which the option 'Insurance Required' is selected in the 'Product Maintenance – Main' screen and the insurance renewal is due. Note that the system computes the date of renewal for the applicable records based on the value maintained in the 'Insurance Renewal Before days' field in the 'Consumer Lending – Branch Parameters' screen. If the renewal is due on the current date, the system will renew the policy for the next year by updating the policy expiry date.

As part of the renewal, the system will trigger the INSR event and transfer the insurance premium collected from the customer to the insurance company account maintained in the 'Bills and Collections Insurance Company Maintenance' screen. In case of short collection in the customer's insurance account, the system will credit the customer's insurance account

with the differential amount i.e ‘premium for the year – sum of monthly premiums collected’ and debit the receivable account. When the payment is recovered from customer, the system will credit the receivable and debit the customer’s insurance account for the differential amount.

12. Processing Vendor Payments

This chapter explains process of making supplier/vendor payments using direct transfer or issuing Managers Check (MCK) or by onward remittance payment modes. This is done using the 'Vendor Payment Detailed' screen. This chapter also explains about independent vendor payment triggered before sale (account initiation). The chapter also discussed how to query on the outstanding vendor payments with respect to an account.

This chapter contains the following sections:

- Section 12.1, "Vendor Maintenance"
- Section 12.2, "Vendor Payment Details"

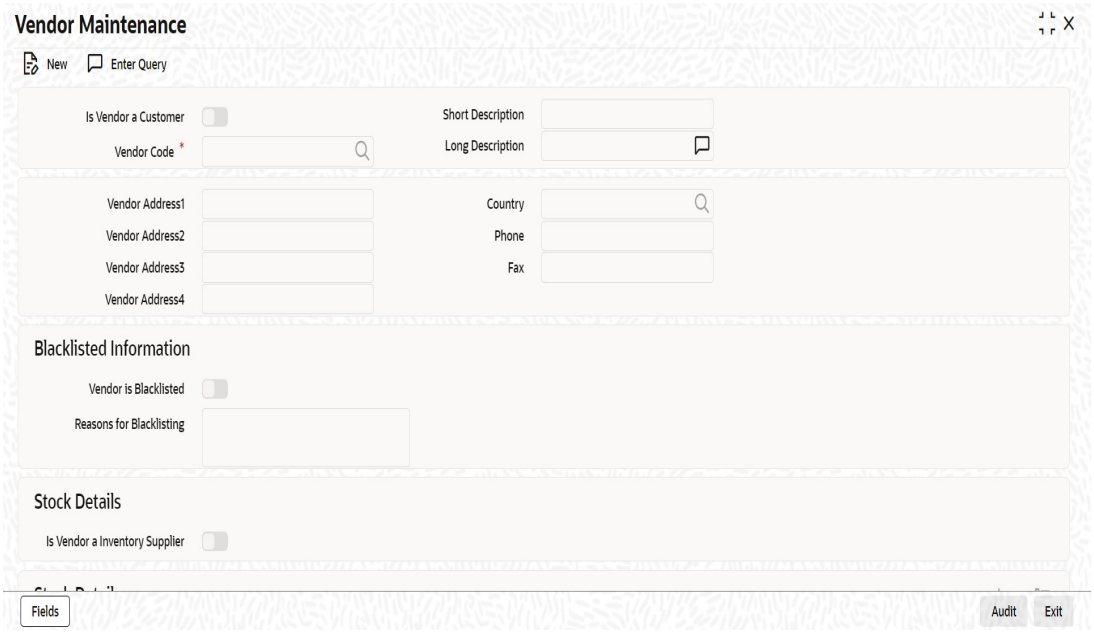
12.1 Vendor Maintenance

This section contains the following topic:

- Section 12.1.1, "Maintaining Vendor Account Details"

12.1.1 Maintaining Vendor Account Details

You can maintain the details of all the vendors with whom you deal in the 'Vendor Maintenance' screen. You can invoke this screen by typing ''XPDVNDMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In addition to other details, you can capture the following details for a vendor:

Vendor Code

If the vendor is a customer then you can select the vendor code by clicking on the option list. For vendors who are customers of the bank the option list will display the list of CIF values. For vendors who are not customers of the bank you can enter the vendor code in this field.

12.1.1.1 Capturing Vendor Account Details

Credit Account

Select the credit account or GL for the payments to be made by clicking on the option list. This list will display the list of account and GLs. For vendors who are not customers of the bank, any account or GL can be chosen. There will be no validation done against this selection.

Branch Code

The branch, in which the chosen account resides, is displayed here.

Payment Mode

Select the mode of payment from the drop-down list. The options for selection are:

- A - Account Transfer
- O - Onward Remittance
- N - None

Note

By default, the value will be 'None'.

For details about the other fields in this screen, refer the section 'Maintaining Vendor' in the chapter 'Maintaining Documents and Vendors' in the Expense Processing User Manual.

12.2 Vendor Payment Details

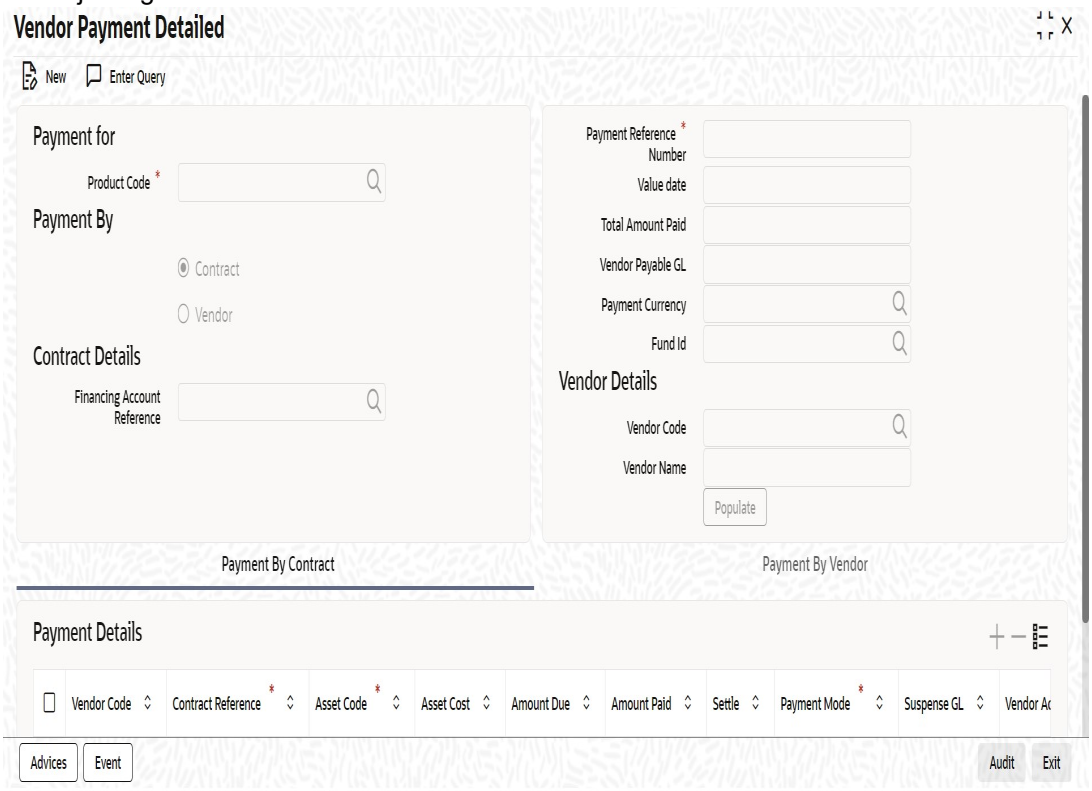
This section contains the following topics:

- Section 12.2.1, "Maintaining Vendor Payment Details"
- Section 12.2.2, "Payment By Contract Tab"
- Section 12.2.3, "Payment by Vendor Tab"
- Section 12.2.4, "Advices Button"
- Section 12.2.5, "Events Button"
- Section 12.2.6, "Vendor Credit Advice"

12.2.1 Maintaining Vendor Payment Details

Vendor payment for an account can be made before initiation. You can do this in Oracle FLEXCUBE through the 'Vendor Payment Detailed' screen. You can invoke this screen by

typing ‘VPDPYMNT’ 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:

Payment For

Product Code

You can select the product code of the payment from the option list. All the contracts displayed under the ‘Payment Details’ will be of same product code.

Payment By

Indicate whether the payment should be made for a single vendor across multiple contracts or for multiple vendors linked to a single contract by choosing the appropriate option:

- Vendor
- Contract

Payment Reference Number

Here the payment reference number automatically gets defaulted for the current payment.

Fund Identification

You can select the fund id of the payment from the option list. All the contracts displayed in the ‘Payment Details’ will be of Fund Id. If the fund Id is not associated with the payment then fund Id should not be entered.

Payment Currency

You can select the currency of the payment from the option list. All the contracts displayed under the ‘Payment Details’ will be of same currency.

Value Date

The system displays the value date of the payment.

Account Number

If you have indicated that payment should be made for a single contract, you will have to specify the account number of the contract for which vendor payment has to be made. The adjoining option list displays all valid Islamic Financing accounts maintained in the system for the given product code and currency combination. You can select the appropriate one.

Vendor Payable GL

The system displays the vendor payable GL.

12.2.1.1 Query by Vendor Id

Click 'Populate' button to query records based on the 'Payment By' criterion. If you have opted for making a payment to a single vendor linked to multiple contracts, the system will fetch all contracts along with the asset details for the given 'Vendor Id', 'Product Code' and 'Payment Currency' combination. It will display the result in the 'Payment Details' section.

12.2.1.2 Query by Contract

If you have opted for making a payment for a single contract having multiple vendors linked to it, the system will fetch all vendor details along with the asset details for the given 'Account Number', 'Product Code' and 'Payment Currency'. It will display the result in the 'Payment Details' section.

Total Amount Paid

The total amount paid to the vendor will get defaulted here only after saving the record.

Contract Details

Financing Account Reference

Specify the financing account reference number. Alternatively, you can select financing account reference number from the option list. The list displays all valid financing account reference number maintained in the system.

Vendor Details

Specify the following details if you have opted to make payment for a single vendor across multiple contracts.

Vendor Code

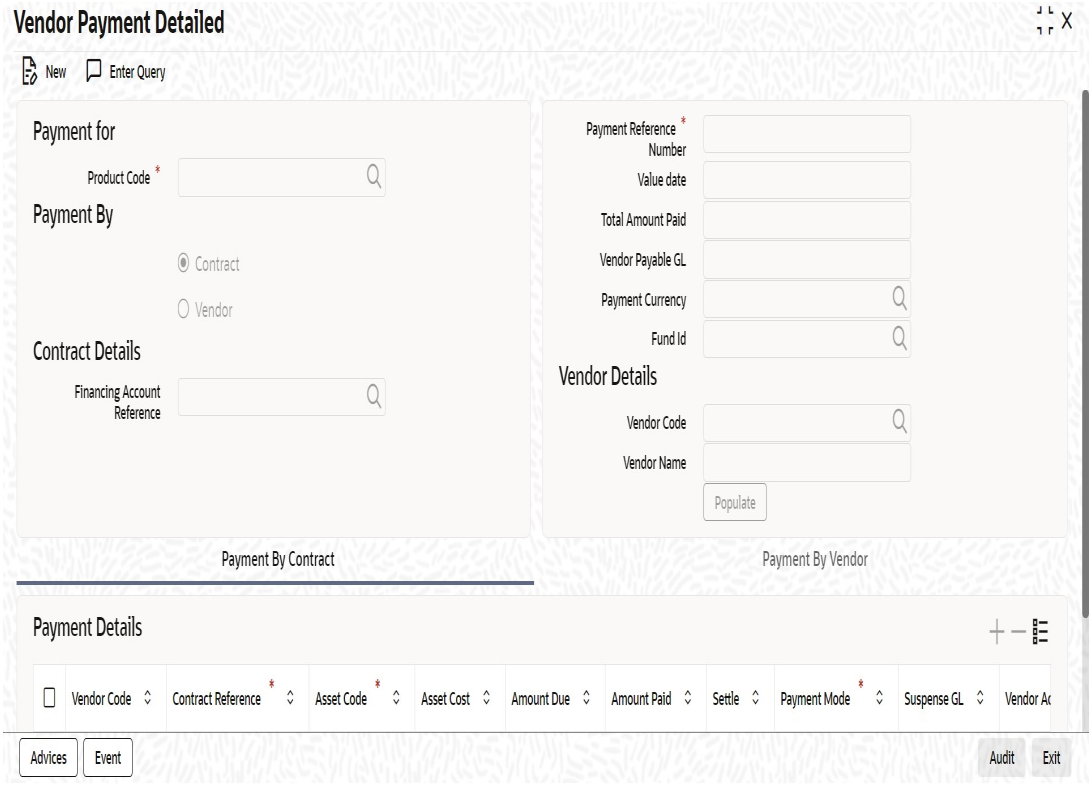
Specify the vendor Id for the payment. The adjoining option list displays all valid vendor IDs maintained in the system. You can select the appropriate one.

Vendor Name

Once you specify the Vendor Code, the corresponding vendor name is displayed here.

12.2.2 Payment By Contract Tab

Click ‘Payment by Contract’ tab in ‘Vendor Payment Detailed’ screen..



The following details are captured:

- Vendor Code of the payment
- Contract Reference Number
- Asset Code of the payment
- Asset Cost of the payment
- Amount Due
- Amount Settled
- Asset Currency

Settle

Check this box to make the payment to one vendor at a time.

Payment Mode

Select mode of payment from the drop-down list. The list displays the following values:

- Account Transfer - Select this option if the payment mode is Account Transfer.
- Onward Remittance – Select this option if the payment mode is Onward Remittance.
- Instrument - Select this option if the payment mode is Instrument.

Suspense GL

Specify the suspense GL. Alternatively, you can select suspense GL from the option list. The list displays all valid suspense GL maintained in the system.

Vendor Account

Specify the vendor account number. Alternatively, you can select vendor account number from the option list. The list displays all valid vendor account number maintained in the system.

Account Branch

The system displays the branch code.

Account Description

The system displays the account description.

Account Currency

The system displays the currency code.

Transaction Code

Specify the transaction code to be used for making the payment. Alternatively, you can select transaction code from the option list. The list displays all transaction code maintained in the system.

Instrument Type

Select the type of instrument from the drop-down list. The list displays the following values:

- Bankers Cheque - Select this option if the instrument type is Bankers Cheque
- Demand Draft - Select this option is the instrument type is Demand Draft

Payable Bank

Specify the payable bank code. Alternatively, you can select payable bank code from the option list. The list displays values from the 'Bankers Cheque or Demand Draft Issuer Bank Details' (DEDDRISB) screen.

Payable Branch

Specify the payable branch code. Alternatively, you can select payable branch code from the option list. The list displays the values from the Bankers Cheque or Demand Draft Issuer Bank Details' (DEDDRISB) screen.

Instrument Number

The system displays the instrument number.

The Instrument number will be displayed only after Authorization of vendor payment.

Instrument Transaction Reference

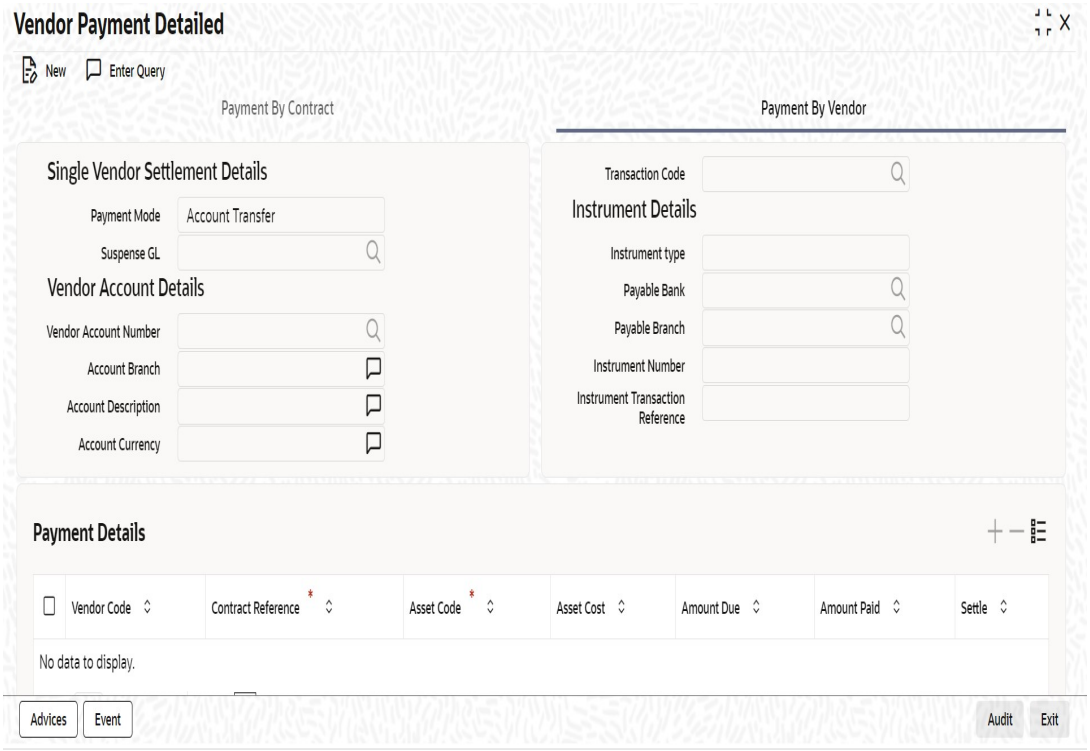
The system displays instrument transaction reference number.

The Instrument Transaction Reference will be displayed only after Authorization of vendor payment.

12.2.3 Payment by Vendor Tab

When the settlement is done through Vendor option, if there are multiple contracts, the system will make the payment through a single instrument. If you want to have multiple instruments for multiple contracts, then the system will book different Vendor Payment contracts.

Click ’Payment by Vendor’ tab in ‘Vendor Payment Detailed’ screen to specify the vendor details.



You can specify the following details:

Single Vendor Settlement Details

Payment Mode

Select mode of payment for vendor from the drop-down list. The list displays the following values:

- Account Transfer - Select this option if the payment mode is Account Transfer. If you choose to make payment through account transfer mode, the vendor settlement account will be defaulted and accounting entries will be in the contract currency. The system will generate a credit advice for the vendor. You can view the advice by clicking ‘Advices’ button.
- Onward Remittance – Select this option if the payment mode is Onward Remittance. If you choose to make payment through onward remittance mode, you need to specify ‘Suspense GL’. The system displays accounting entries in the contract currency. The payment advices will not generate for the onward remittances payment.
- Instrument - Select this option if the payment mode is Instrument.

If you have selected ‘Payment Mode’ field as ‘Instrument’, then ‘Instrument Type’ field is mandatory.

If you have selected ‘Payment Mode’ field as ‘Account Transfer’, then the fields under Vendor Account Details section will be mandatory and the fields under Instrument Details section will not be applicable.

If you have selected ‘Payment Mode’ field as ‘Onward Remittance’, then only ‘Suspense GL’ field is applicable. The fields under Vendor Account Details and Instrument Details section will not be applicable.

Suspense GL

Specify the suspense GL for vendor. Alternatively, you can select suspense GL from the option list. The list displays all valid suspense GL maintained in the system.

Vendor Account Details

Vendor Account Number

Specify the vendor account number. Alternatively, you can select vendor account number from the option list. The list displays all valid account number maintained in the system.

Account Branch

The system displays the branch code.

Account Description

The system displays the account description.

Account Currency

The system displays the currency code.

Instrument Type

Select the type of instrument from the drop-down list. The list displays the following values:

- Bankers Cheque - Select this option if the instrument type is Bankers Cheque
- Demand Draft - Select this option is the instrument type is Demand Draft

If you have selected ‘Instrument Type’ field as ‘Demand Draft’, then ‘Payable Bank’ and ‘Payable Branch’ fields will be mandatory.

Payable Bank

Specify the payable bank code, Alternatively, you can select payable bank code from the option list. The list displays .values from the ‘Bankers Cheque or Demand Draft Issuer Bank Details’ (DEDDRISB) screen.

Payable Branch

Specify the payable branch code. Alternatively, you can select payable branch code from the option list. The list displays the values from the Bankers Cheque or Demand Draft Issuer Bank Details’ (DEDDRISB) screen.

Instrument Number

The system displays the instrument number allocated at the time of vendor payment authorization

Instrument Transaction Reference

The system displays instrument transaction reference number.

Payment Details

Vendor Code

The system displays the vendor code.

Contract Reference

The system displays the contract reference number.

Asset Code

The system displays the asset code.

Amount Due

The system displays the amount due.

Amount Paid

Specify the amount paid.

Settle

Check this box to make the payment to one vendor at a time.

12.2.3.1 Processing Changes on Vendor Payment

If you have selected 'Payment Mode' as 'Instrument', then you need to specify 'Instrument Type', 'Instrument Number', 'Payable Bank', 'Payable Branch' fields.

While saving the Vendor payment transaction with payment mode as instrument, the system will generate the following Accounting entries for the VPAY event for payment mode Instrument:

Dr/Cr	Accounting GL	Amount	Transaction reference
Dr	Vendor Payable GL	Vendor Payment Amount	Vendor Payment Reference
Cr	Suspense GL	Vendor Payment Amount	Vendor Payment Reference

On authorization of the vendor payment transaction by Instrument.

The system will trigger 'BC Issue against GL' screen (8302) if payment is to be made by Banker's Cheque.

If Demand Draft option is chosen, the system will trigger 'DD Issue against GL' screen (8306) for the DD Instrument internally.

If payment is for a single contract involving multiple vendors, payment can be done by issuing multiple Instruments, if required.

Note

The validations of the instrument details and the passing of accounting entries will be same for normal instrument transaction.

The system will pick fields/GLs required for the teller transaction as follows:

Field /GL Details for teller transaction	Teller Instrument Transaction Type Banker's Cheque against GL(8302)	Teller Instrument Transaction Type Demand Draft against GL(8306)
Beneficiary name	Vendor Name	Vendor Name
Beneficiary Address	Vendor Address	Vendor Address

Field /GL Details for teller transaction	Teller Instrument Transaction Type Banker's Cheque against GL(8302)	Teller Instrument Transaction Type Demand Draft against GL(8306)
Payable Bank	N.A	Payable Bank entered in vendor payable screen
Payable Branch	Transaction Branch	Payable Branch entered in vendor payable screen
Transaction GL	Suspense GL	Suspense GL
Offset GL	As maintained for BCG/BCI in Instrument Product Maintenance (DDDPRMNT)	As maintained for DDG/DDI in Instrument Product Maintenance (DDDPRMNT)
Narrative field	Vendor Payment Reference	Vendor Payment Reference

The system will pass the following accounting entries for the Instrument transaction as follows:

Dr/Cr	Accounting GL	Amount	Transaction reference
Dr	Suspense GL	Vendor Payment Amount	Teller reference
Cr	Offset GL	Vendor Payment Amount	Teller reference

The system will waive the charges applicable to instrument transaction.

When the transaction is authorized the system will automatically populate the instrument number with the lowest unused instrument number from the inventory or from the instrument maintenance.

The system will display the related teller transaction number on authorization of vendor payment.

If any of the instruments issued is in active or paid status, the system will not allow reversal of vendor payment. This validation is done based on the Instrument transaction reference number stored.

If the instruments issued are in cancelled or refund status, the system will reverse vendor payment.

If Down Payment amount is not paid in full, the system will display an override message. This can be configured as an error, if required.

The following accounting entries are passed for the different modes of payment are given below:

For Account Transfer mode of payment:

Payment Option	Account	Dr/Cr
Direct Transfer	Vendor Payable	Dr
Direct Transfer	Vendor Settlement account	Cr

For Onward Remittance mode of payment:

Payment Option	Account	Dr/Cr
Remittances	Vendor Payable	Dr
Remittances	Suspense GL	Cr

For 'Purchase' event:

- Dr - Purchase Asset GL
- Cr - Vendor payable GL

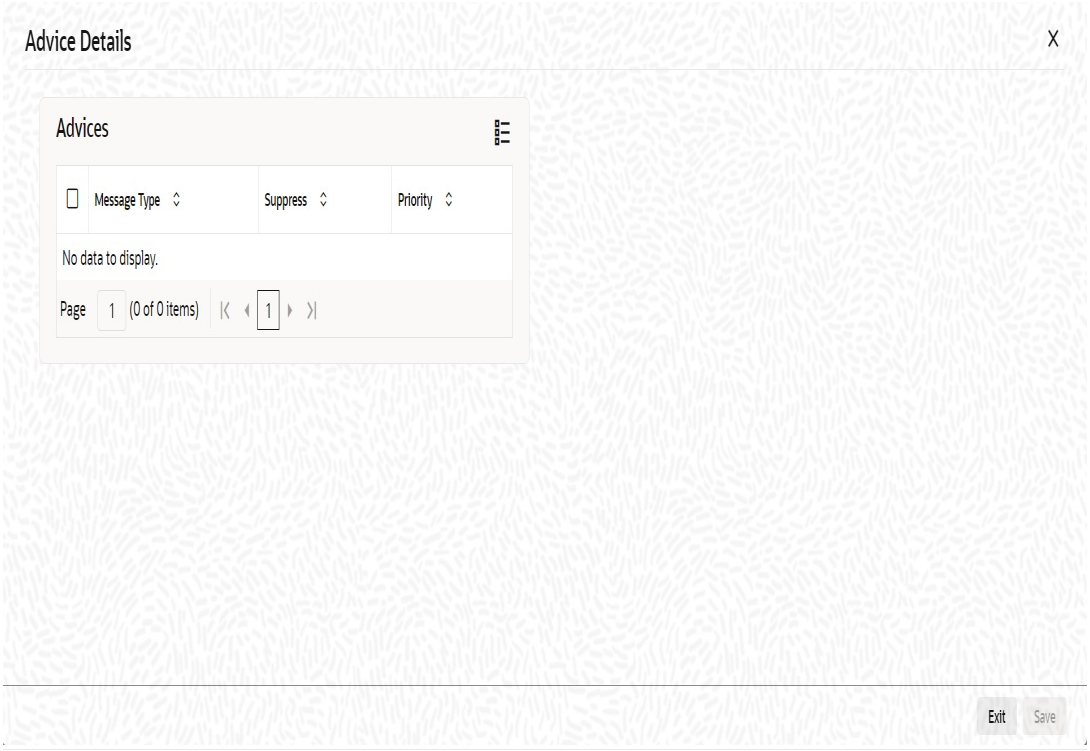
For 'Vendor Payment' event:

- Dr - Vendor payable GL
- Cr - Vendor settlement account/DAO GL/Suspense GL

In case of multiple vendors across a single contract, the system settles the payment against a single payment reference number. If a single vendor has supplied multiple assets for a single contract, then a netted payout entry will be posted to the individual vendor account based on the payment mode selected.

12.2.4 Advices Button

Click on Advices' button to invoke 'Advice Details' screen.



The system displays the following details:

- Message Type
- Suppress
- Priority

12.2.5 Events Button

You can view the event details by clicking 'Event' button in the 'Vendor Payment detailed' screen. The event VPAY is triggered for vendor payment and in case of vendor payment

reversal the event VPRV is triggered. By clicking 'Advices' button Vendor payment credit advice gets attached and the advice will be generated as part of the VPAY event.



You can specify the following details:

Reference Number

Specify the reference number.

The system displays the following events:

- Event Number
- Event Code
- Description
- Event Date
- Authorization Status
- Maker ID
- Checker ID

12.2.6 Vendor Credit Advice

The Vendor credit advice (VPCRADV) is attached using the 'Advices' button. A sample advice format is shown below:

ACCOUNT : CL1102012

USER REFERENCE NO : 000ZVPY0119401HB

CONTRACT CURRENCY : AED

CONTRACT VALUE DATE : 13-JUL-2001

WE HAVE EXECUTED THE FOLLOWING TRANSACTION ON YOUR BEHALF:

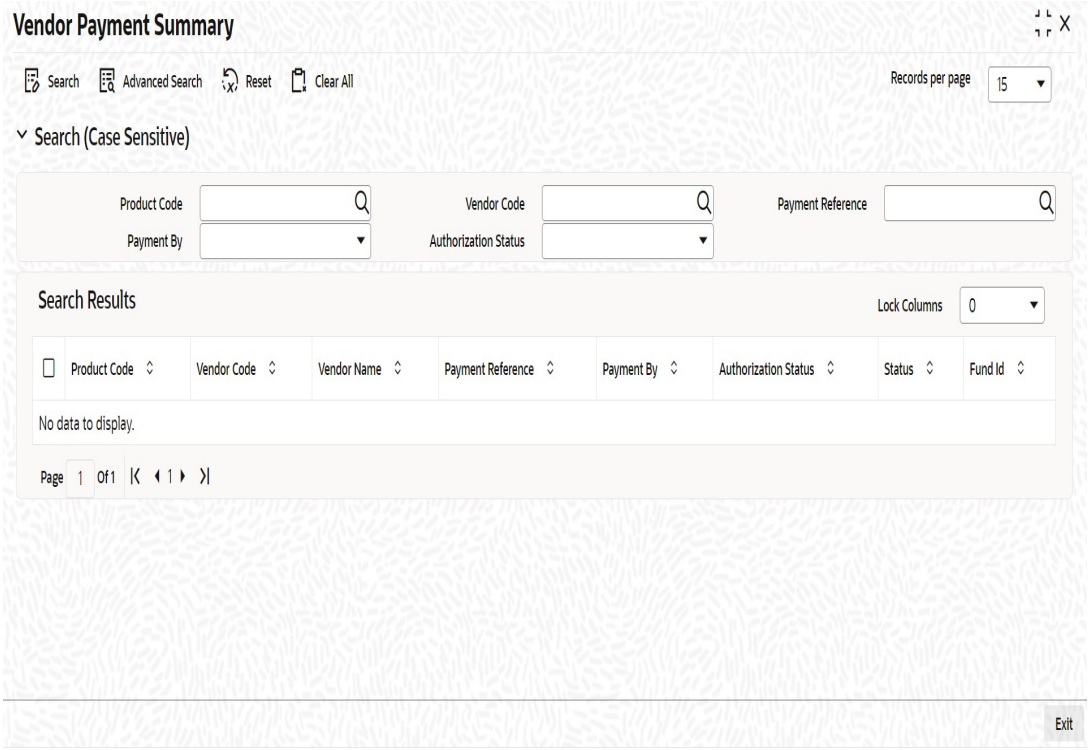
CUSTOMER NAME : BOEING CORP

VALUE DATE CCY AMOUNT

13-JUL-2001 AED 750

12.2.7 Viewing Vendor Payment Details

You can view vendor payment details using 'Vendor Payment Summary' screen. You can invoke the 'Account Summary' screen by typing 'VPSPYMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can query a record using the following options:

- Product Code
- Payment Reference
- Authorization Status
- Vendor Code
- Payment By

Click 'Search' button. The system identifies all records satisfying the specified criteria and displays the following details for each one of them:

- Product Code
- Vendor Code
- Vendor Name
- Payment Reference

- Authorization Status
- Payment By
- Status
- Fund ID

13. Annexure A – Accounting Entries and Advices

This section contains details of the suggested accounting entries that can be set up, for the Islamic Financing module of Oracle FLEXCUBE. The details of the suggested accounting entries are given event-wise.

This chapter contains the following sections:

- Section 13.1, "Events "
- Section 13.2, "Accounting Roles"
- Section 13.3, "Event-wise Advices"

13.1 Events

The following is an exhaustive list of events that can take place during the lifecycle of an Islamic Financing contract. In the subsequent paragraphs we shall examine the accounting entries and advices for each of the events listed below.

Event Code	Event Description
ACCR	Accrual
ADCH	ADHOC charge application
ALIQ	Auto liquidation
ARVN	Automatic Rate Revision
BADJ	Back Dated Adjustment
BNTC	Billing Notice Event
BOOK	Booking Of Contract
CLOS	Closure for off balance sheet comp
DNTC	Delinquency Notice Event
DSBR	Disbursement
INIT	Contract Initiation
ISTM	Profit Statement Event
LCYP	LCY update processing
LIQB	Liquidation Tanking
LSTM	Finance Statement Event
MLIQ	Manual Liquidation
NOVA	Novation
PROV	Provisioning
READ	Readjustment Processing

REOP	Reopen of finance account
REVC	Reversal Of Contract
REVD	Reversal Of Disbursement
REVN	Rate Revision
REVP	Reversal Of Payment
RNOG	Re-Negotiation
ROLB	Roll Over Booking
ROLL	Roll Over Of Contract
SROL	Special Roll over
STSH	Installment Status Change
TAXC	Specific Tax Calculation
UDCN	UDE Cascade Change
USGR	Un-Secured GL Transfer Reversal
USGT	Unsecured GL Transfer
VAMB	Value Dated Amendment Booking
VAMI	Value Dated Amendment Initiation
YACR	Yield to Maturity based Discount Accrual
UIDB	Unearned Profit Booking
PACR	Principal Accrual
CONF	Sale Confirmation
INSR	Insurance Renewal
VPRV	Vendor Payment Reversal
VPAY	Vendor Payment
TRFR	Transfer

13.2 Accounting Roles

In this section we have provided a list of sample accounting roles.

Accounting Role	Description
ASSETGL	The Customer GL to which the Finance Account movements are reported.
PRINCIPAL_LIQD	Principal Liquidated
PRINCIPAL_INCR	Principal Increased
COMPONENT _INC	Component Income
COMPONENT EXP	Component Expense
COMPONENT RIA	Component Received in Advance
COMPONENT PAY	Component Payable
COMPONENT REC	Component Receivable
COMPONENT PIA	Component Paid in Advance
BRIDGE GL	Intersystem Bridge GL
SETTLEMENT ACCOUNT	Customer Account Settled From / To
FEES_REC	Fees Receivable
CHARGES_REC	Adhoc Charges Receivable
PURCHASE ASSET	Purchase Asset GL
COMPONENT_UID	Component Unearned Profit Booking
DEFPRINCIPAL	Deferred Rental (Principal) Account
PRINCIPALINC	Income from *Ijarah* (Principal)
DealerWIPACC	Dealer work in progress in account
WAKALA_ASSETGL	Real Asset for *Wakala* account
WAKALA_SUSPGL	Suspense GL for *Wakala-Murabaha*
INSURANCE_ACC	Insurance Company account
INSURANCE_REC	Account Receivable – Insurance collection
ASSET_FINANCING	Istisna Asset financing

Accounting roles for the YACR event

Accounting Role	Acquisition Type	Role Type
EIMDISCRIA	Discount	Asset
EIMDISCINC	Discount	Asset
EIMPREMPIA	Premium	Asset
EIMPREMEXP	Premium	Asset

13.3 Event-wise Advices

In this section we will discuss the suggested events and advices that should be generated for that particular event in the life cycle of Islamic Financing.

This section contains the following topics:

- Section 13.3.1, "BOOK "
- Section 13.3.2, "INIT"
- Section 13.3.3, "UIDB"
- Section 13.3.4, "DSBR"
- Section 13.3.5, "ACCR"
- Section 13.3.6, "ADCH"
- Section 13.3.7, "ALIQ and MLIQ"
- Section 13.3.8, "STCH"
- Section 13.3.9, "VAMB and VAMI"
- Section 13.3.10, "ROLL"
- Section 13.3.11, "SROL – Special Roll-over"
- Section 13.3.12, "RNOG – Re-negotiation"
- Section 13.3.13, "NOVA – Novation"
- Section 13.3.14, "REVC – Finance Reversal"
- Section 13.3.15, "REVP - Payment Reversal"
- Section 13.3.16, "REVN – Periodic Rate Revision "
- Section 13.3.17, "ARVN – Automatic Rate Revision "
- Section 13.3.18, "UDCH – User Defined Element Value Changes"
- Section 13.3.19, "YACR – Yield to Maturity Discount Accrual"
- Section 13.3.20, "CLIQ – Charge Liquidation"
- Section 13.3.21, "PACR – Principal Accrual"
- Section 13.3.22, "INSR – Insurance Renewal"
- Section 13.3.23, "TRFR Event"
- Section 13.3.24, "AUTH Event"

13.3.1 BOOK

The system uses this event to enter details of a finance account. However, at this stage the account is not initialized thus there will not be a change in the balance but you can perform

other activities (processing fee etc) for the finance account. The accounting entries passed will be either Contingent Entries for disbursement or component liquidations entries.

Advice Name	Description	Format Name
CL_-CONT_ADV	Contract Advice	CL_CON-TR_STMT

You can maintain the following accounting entries for *Murabaha* product along with the other entries.

Accounting Role	Amount	Dr /
PURCHASE ASSET	PRINCIPAL	Dr
CR_SETTLE-MENT_BRIDGE	PRINCIPAL	Cr

The following accounting entries for ‘Amount Financed’ and ‘Down Payment’ are passed for this event:

For Financial Lease without Asset Booking

Accounting Role	Amount Tag	Dr / Cr
PURCHASE_ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL_DOWNP-MNT	Dr
CR_SETTL_BRIDGE (Dealer A/c)	PRINCIPAL	Cr
CR_SETTL_BRIDGE (Dealer A/c)	PRINCIPAL_DOWNP-MNT	Cr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr / Cr
PURCHASE_ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL_DOWNP-MNT	Dr
CR_SETTL_BRIDGE	PRINCIPAL	Cr
CR_SETTL_BRIDGE (Dealer A/c)	PRINCIPAL_DOWNP-MNT	Cr

The following accounting entries are passed for this event for the down payment:

Accounting Role	Amount Tag	Dr / Cr
PURCHASE_ASSET	PRINCIPAL	Dr
VENDORPAYABLEGL	PRINCIPAL	Cr
PURCHASE_ASSET	PRINCIPAL_DOWNP-MNT	Dr
VENDORPAYABLEGL	PRINCIPAL_DOWNP-MNT	Cr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr / Cr
ASSET_FINANCING	PRINCIPAL	Dr
VENDORPAYABLEGL	PRINCIPAL	Cr

13.3.2 INIT

The system uses this event to initiate a finance with a value date as the date of initiation. However, you can not disburse the finance under this event.

Advice Name	Description	Format Name
CL_INIT_ADV	Initiation Advice	CL_INIT_ADV
CL_CAP	Capitalization Advice	CL_CAP_ADV
CL_CONT_ADV	Contract Advice	CL_CONTR_STMT
CLST_SUM-MARY	Finance Summary Statement Advice	CL_LOAN_SUMMARY
COUPON	Coupon Advice	ADV_COUPON

The following accounting entries are passed for this event:

For Operational Lease

Accounting Role	Amount Tag	Dr / Cr
INT_INC	PRINCIPAL_DOWNP-MNT	Cr
DR_SET-TL_BRIDGE	PRINCIPAL_DOWNP-MNT	Dr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr / Cr
LOAN_ACCOUNT	PRINCIPAL	Dr
ASSET_FINANC-ING	PRINCIPAL	Cr

13.3.3 UIDB

The system uses this event whenever there is a change in principal or in rate revision. This event is triggered along with INIT, DSBR, VAMI, REVN, ROLL and MLIQ events.

Accounting Role	Amount Tag	Dr / Cr
ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL	Cr

For unearned profit booking, the entries passed are:

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_REC	COMPONENT_UINT	Dr
COMPONENT_UID	COMPONENT_UINT	Cr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_REC	COMPONENT_UINT	Dr
COMPONENT_UID	COMPONENT _UINT	Cr

For Rebate Amount Calculation

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_REC	COMPONENT_UINT	Dr
COMPONENT_UID	COMPONENT_UINT	Cr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr /Cr
PROFIT_REC	PROFIT_UINT	Dr
PROFIT_UID	PROFIT_UINT	Cr

The following accounting entries for posting entries are maintained for Book unearned profit.

Role	Tag	Dr/Cr Indicator
PROFIT_REC	PROFIT_UINT	Dr
PROFIT_UID	PROFIT_UINT	Cr

13.3.4 DSBR

This event is marked by the disbursement of the finance amount. The disbursement may be done manually or can be triggered by a disbursement schedule**.** The finance account will have debit balances after total disbursement.

Advice Name	Description	Format Name
CR_ADV	Credit Advice	CL_CR_ADV
CLST_DE-TAILS	Finance Detailed Statement Advice	CL_LOAN_DETAIL
CLST_SUM-MARY	Finance Summary Statement Advice	CL_LOAN_SUMMARY
TAX_ADVICE	Tax Advice	CL_TAX_ADVICE

The entries passed are:

Accounting Role	Amount Tag	Dr / Cr

LOAN_AC	PRINCIPAL	Dr
CR_SETTLE-MENT_BRG	PRINCIPAL	Cr

You can maintain the following accounting entries for *Murabaha* product along with the other entries.

Accounting Role	**Amount Tag**	**Dr / Cr**
ASSET	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL	Cr

The following accounting entries for ‘Amount Financed’ and ‘Down Payment’ are passed for this event:

For Financial Lease without Asset Booking

Accounting Role	**Amount Tag**	**Dr / Cr**
LOAN_ACCOUNT	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL	Cr
PURCHASE ASSET	PRINCIPAL_DOWNPMNT	Cr
DR_SETTL_BRIDGE (Customer A/c)	PRINCIPAL_DOWNPMNT	Dr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr / Cr
PURCHASE ASSET	PRINCIPAL	Cr
DEALERWIPACC	PRINCIPAL	Dr
PURCHASE ASSET	PRINCIPAL_DOWNP-MNT	Cr
DR_SET-TL_BRIDGE	PRINCIPAL_DOWNP-MNT	Dr
LOAN_ACCOUNT	PRINCIPAL	Dr
DEFPRINCIPAL	PRINCIPAL	Cr

For Insurance Refund

Accounting Role	Amount Tag	Dr / Cr
DR_SET-TL_BRIDGE	COMPO-NENT_DP	Dr
COMPONENT_PAY	COMPO-NENT_DP	Cr
COMPONENTPAY	COMPO-NENT_DP	Dr
CR_SET-TL_BRIDGE	COMPO-NENT_DP	Cr

Note

- The finance account of the customer reports to an internal GL of the bank, determined by the Role to Head mapping done at the product level.
- A settlement bridge account is used since there is a probability of the customer account being present in another system which is capable of interfacing with Oracle FLEXCUBE. During the reconciliation process, the appropriate customer account in the relevant system is credited with the finance amount.

The following accounting entries are passed for DSBR event for the down payment:

Accounting Role	Amount Tag	Dr /Cr
DPRCVDGL	PRINCIPAL_DOWNPMNT	Dr
PURCHASE_ASSET	PRINCIPAL_DOWNPMNT	Cr
LOAN_ACCOUNT	PRINCIPAL	Dr
PURCHASE_ASSET	PRINCIPAL	Cr

The following accounting entries are passed for this event for the product with Insurance Required:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTL_BRIDGE	COMPONENT_DP	Dr
COMPONENTPAY	COMPONENT_DP	Cr
COMPONENTPAY	COMPONENT_DP	Dr
CR_SETTL_BRIDGE	COMPONENT_DP	Cr

The following accounting entries can be set up for the DSBR event in insurance renewal processing:

Accounting Role	Amount Tag	Dr /Cr	Netting
DR_SETTL_BRIDGE	COMPONENT_DP	Dr	No
COMPONENTPAY	COMPONENT_DP	Cr	Yes
COMPONENTPAY	COMPONENT_DP	Dr	Yes
CR_SETTL_BRIDGE	COMPONENT_DP	Cr	No
CR_SETTL_BRIDGE	COMPONENT_PREMIUM	Dr	No
INSURANCE_ACC	COMPONENT_PREMIUM	Cr	No

The following accounting entries are maintained for *Istisna* UIDB product for this event:

Accounting Role	Amount Tag	Dr /Cr
VENDORPAYABLEGL	PRINCIPAL	Dr
CR_SETTL_BRIDGE	PRINCIPAL	Cr

13.3.5 ACCR

The accrual of the various components will be triggered based on the accrual parameters you maintain at the product level.

The following accounting entries are passed for this event:

For Profit Accrual

Accounting Role	Amount Tag	Dr /Cr
INT_REC	INT_ACCR	Dr
INT_INC	INT_ACCR	Cr

For Compensation Profit Accrual

Accounting Role	Amount Tag	Dr /Cr
PENAL_INT_REC	PENAL_INT_ACCR	Dr
PENAL_INT_INC	PENAL_INT_ACCR	Cr

For unearned profit booking

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_UID	COMPONENT_ACCR	Dr
COMPONENT_INC	COMPONENT_ACCR	Cr

For Financial Lease without Asset Booking

Accounting Role	Amount Tag	Dr /Cr
COMPONENT RECEIVA-BLE	INT_ACCR	Dr
INCOME	INT_ACCR	Cr

For Operational Lease

Accounting Role	Amount Tag	Dr /Cr
COMPONENT RECEIVA-BLE	COMPONENT _LIQD	Dr
INT_INC	COMPONENT _LIQD	Cr

The following accounting entries are passed for this event for Islamic Financing product:

For Financial Lease with Asset Booking

Accounting Role	Amount Tag	Dr / Cr
COMPONENT UID	COMPO-NENT_ACCR	Dr
COMPONENT INC	COMPO-NENT_ACCR	Cr

For Rebate Amount Calculation

Accounting Role	Amount Tag	Dr / Cr
COMPO-NENT_UID	COMPO-NENT_ACCR	Dr
COMPO-NENT_INC	COMPO-NENT_ACCR	Cr

The following accounting entries are maintained for *Istisna* UIDB product component for this event:

Accounting Role	Amount Tag	Dr / Cr
*Compname*EXP	Compna-me_ACCR	Dr
*Compname*PAY	Compna-me_ACCR	Cr

The following accounting entries for posting ACCR entries are maintained for Book unearned profit.

Role	Tag	Dr/Cr Indicator
PROFIT_UID	PROFIT_ACCR	Dr
PROFITINC	PROFIT_ACCR	Cr

13.3.6 ADCH

The following accounting entries are passed for this event for Islamic Financing product to process the insurance refund component:

Accounting Role	Amount Tag	Dr / Cr
DR_SET-TL_BRIDGE	COMPO-NENT_ADCH	Dr
COMPONENT_PAY	COMPO-NENT_ADCH	Cr

COMPONENT_PAY	COMPO-NENT_ADCH	Dr
CR_SET-TL_BRIDGE	COMPO-NENT_ADCH	Cr

13.3.7 ALIQ and MLIQ

Depending on the mode of liquidation opted for, whether automatic or manual, the appropriate event is triggered. A batch process will be triggered at EOD for payments that are marked for auto liquidation.

ALIQ

Advice Name	Description	Format Name
DR_ADV	Debit Advice	CL_DR_ADV
DELIN-QYADV	Delinquency Advice	CL_DELQ_ADV

MLIQ

Advice Name	Description	Format Name
BILNOTC	Billing Advice	CL_-BILL_ADVC
DELINQYADV	Delinquency Advice	CL_DELQ_ADV
PAYMENT_ADVICE	Payment Advice	CL_PMT_ADV

The accounting entries for these events will be as follows:

Principal Repayment

Accounting Role	Amount Tag	Dr / Cr
DR_SETTLE-MENT_BRG	PRINCI-PAL_LIQD	Dr
LOAN_AC	PRINCI-PAL_LIQD	Cr

Profit Repayment

Accounting Role	Amount Tag	Dr / Cr
DR_SETTLE-MENT_BRG	INT_LIQD	Dr
INT_REC	INT_LIQD	Cr

Compensation Profit Repayment

Accounting Role	Amount Tag	Dr / Cr
DR_SETTLE-MENT_BRG	PENAL_INT_LIQ D	Dr
PENAL_INT_REC	PENAL_INT_LIQ D	Cr

Prepayment Compensation

Accounting Role	Amount Tag	Dr / Cr
CUSTOMER	Compo-nent_LIQD	Dr
componentINC	Compo-nent_LIQD	Cr

For Rebate Amount Calculation

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER A/C (DR_-SETTL_BRIDGE)	COMPONENT_LIQD	Dr
COMPONENT_REC	COMPONENT_LIQD	Cr
COMPONENT_UID	COMPONENT_UINR	Dr
COMPONENT_REC	COMPONENT_UINR	Cr

The accounting entries for these events with the residual amount liquidation will be as follows:

Accounting Role	Amount Tag	Dr / Cr
LOAN_ACCOUNT	PRINCI-PAL_RV	Cr
DR_SETTL_BRIDGE	PRINCI-PAL_RV	Dr
COMPONENT RECEIVA-BLE	INTEREST_RV	Cr
DR_SETTL_BRIDGE	INTEREST_RV	Dr

The following accounting entries can be set up to process the product with Insurance requred:

Accounting Role	Amount Tag	Dr / Cr
DR_SET-TL_BRIDGE	COMPO-NENT_LIQD	Dr
COMPONENTPAY	COMPO-NENT_LIQD	Cr
COMPONENTPAY	COMPO-NENT_LIQD	Dr
CR_SET-TL_BRIDGE	COMPO-NENT_LIQD	Cr

The following accounting entries can be set up for the MLIQ/ALIQ event to process insurance renewal:

Accounting Role	Amount Tag	Dr / Cr	Netting
DR_SET-TL_BRIDGE	COMPO-NENT_LIQD	Dr	No
COMPONENTPAY	COMPO-NENT_LIQD	Cr	Yes
COMPONENTPAY	COMPO-NENT_LIQD	Dr	Yes
CR_SET-TL_BRIDGE	COMPO-NENT_LIQD	Cr	No
CR_SET-TL_BRIDGE	COMPONENT_REC	Dr	No
INSURANCE_REC	COMPONENT_REC	Cr	No

The following accounting entries are maintained for rebate component for this event:

Accounting Role	Amount Tag	Dr /Cr
*Compname*PAY	Compname_LIQD	Dr
CR_SETTL_BRIDGE	Compname_LIQD	Cr

The following accounting entries are maintained for ALIQ/MLIQ events for crediting the incentive to the customer if the component name is MUS_INC:

Accounting Role	Amount Tag	Dr /Cr
MUS_INC_EXP	MUS_INC_LIQD	Dr
CR_SETTL_BRIDGE	MUS_INC_LIQD	Cr

Incentive Advice format MUSH_INCENT_ADVC is used for incentive advice generation

Advice Name	Description
REFNO	Our Reference No
COUNTERPARTY	Customer
PARTY	Customer Name
PRINCIPAL-OUTSTANDING	Outstanding Principal
DUE-DATE	Payment Due Date
DIFF-AMT	Total Difference Amount
INCENT-PERCENT	Incentive Percentage
INCENT-AMT	Incentive Amount
_PAYMENT_DATE_	Payment Date
_MATURITY_DATE_	Maturity Date
_PROFIT_RATE_	Profit Rate
_PROFIT_TYPE (Fixed or Float)	Profit Type
_PROFIT_OUTSTANDING	Outstanding Profit

13.3.8 STCH

This event is triggered when a status change occurs. It could be a Forward Status Change (FSTC) where the finance moves from one adverse status to another or a Backward Status Change (BSTC) wherein, on repayment of overdue installments, a reversal of status takes place. The status derivation rule is used to resolve the status. The change may occur due to a status rule being activated. If the number of days by which a component becomes overdue, exceeds the allowed number of days (may be referred to as the grace period), the component

can undergo a status change if a status rule is defined with such a criteria. A status change is triggered if any condition defined for the rule is satisfied.

The accounting entries, if maintained for the events (FSTC and BSTC) will be triggered. The accounting role provided will be the same for all the changes. However, the Role to Head mapping rules will resolve the entries to the appropriate accounts for each status.

Profit accrual for status 'ACTIVE'

Accounting Role	Amount Tag	Dr / Cr
INT_REC (Mapped to a Real Asset)	INT_ACCR	Dr
INT_INC (Mapped to a Real Income GL)	INT_ACCR	Cr

Profit accrual for status 'PAST DUE'

Accounting Role	Amount Tag	Dr / Cr
INT_REC (Mapped to a Contingent Asset)	INT_ACCR	Dr
INT_INC (Mapped to a Contingent Liability)	INT_ACCR	Cr

13.3.9 VAMB and VAMI

These statuses are triggered because of making amendments to a finance account.

VAMB (Booking of a Value Dated Amendment)

This event is triggered when you book a value dated amendment.

You can book for an amendment of the following:

- Maturity date
- Principal Increase
- Rate change

The batch program will identify the changes booked and the same is triggered appropriately on the value date by the VAMI event.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AM-D_ADV

VAMI (Initiation of a Value Dated Amendment)

This event will pick up the future dated VAMBs and on the value date, initiate the same.

The accounting entries for an increase in principal will be as follows:

Accounting Role	Amount Tag	Dr / Cr
LOAN_AC	PRINCIPAL_IN-CREASED	Dr
CR_SETTLE-MENT_BRG	PRINCIPAL_IN-CREASED	Cr

Any change to Rate and Tenor (Maturity Date) will alter the original finance schedules.

The following accounting entries are passed for this event:

For Financial Lease without Asset Booking

Accounting Role	Amount Tag	Dr / Cr
LOAN_ACCOUNT	PRINCI-PAL_INCR	Dr
CR_SET-TL_BRIDGE	PRINCI-PAL_INCR	Cr

13.3.10 ROLL

This event is triggered when a finance is renewed with new terms. Rollover will have either a combination of liquidation and rollover of Principal. It can also have liquidation of Profit and compensation Profit.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV
CL_ROLL_ADV	Rollover Advice	CL_ROLL_ADV
PAYMENT_ADVICE	Payment Advice	CL_PMT_ADV

The entries passed for rollover of the Principal are as follows:

Accounting Role	Amount Tag	Dr /Cr
CR_SETTLEMENT_BRG	PRINCIPAL_ROLL	Cr
LOAN_AC	PRINCIPAL_ROLL	Dr

For liquidation of Principal, the following entries are passed:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	PRINCIPAL_LIQD	Dr

LOAN_AC	PRINCIPAL_LIQD	Cr

For liquidation of Profit and Compensation Profit, the entries are:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTLEMENT_BRG	LIQD_AMT	Dr
INT_REC	INT_LIQD	Cr
PENAL_INT_REC	PENAL_INT_LIQD	Cr

You may encounter the following cases:

Case 1: Rollover only Principal Outstanding; Pay Profit & Compensation Outstanding

In this case, both 'PRINCIPAL_LIQD' and 'PRINCIPAL_ROLL' will be zero and hence the 'LOAN_ACCOUNT' balance is not affected.

The Outstanding Profit and Principal will be liquidated. Referring to the accounting entries above,

- INT_LIQD = Profit Outstanding
- PENAL_INT_LIQD = Compensation Profit Outstanding
- LIQD_AMT = INT_LIQD + PENAL_INT_LIQD (If Netting is 'ON' and both have the same Settlement Account).

Case 2: Rollover Principal + Profit Outstanding; Pay Compensation Outstanding

In this case,

- PRINCIPAL_LIQD = 0,
- PRINCIPAL_ROLL = INT_ROLL (which is the Profit Rolled over as Principal);
- PENAL_INT_LIQD = Compensation Profit Outstanding
- LIQD_AMT = PENAL_INT_LIQD (If Netting is on and both have the same Settlement Account).

Case 3: Rollover Principal + Profit + Compensation Outstanding

PRINCIPAL_ROLL = INT_ROLL + PENAL_INT_ROLL

LIQD_AMT = 0

Case 4 - a: Rollover Special Amount, Amount > Principal Outstanding

This is in effect a disbursement. Therefore,

PRINCIPAL_ROLL = SPECIAL_AMOUNT – PRINCIPAL_OUTSTANDING

Since the rolled over amount is greater than the outstanding principal, it will be positive and hence an increase in the finance amount is registered.

Case 4 – b: Rollover Special Amount, Amount < Principal Outstanding

This results in a decrease in Principal and hence

PRINCIPAL_ROLL = SPECIAL_AMOUNT – PRINCIPAL_OUTSTANDING will lead to a negative amount which will reduce the Dr Balance on the Finance Account.

13.3.11 SROL – Special Roll-over

This event is triggered when a roll-over is done and it involves a change in the currency, product and customer.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV
CL_ROLL_ADV	Roll-over Advice	CL_ROLL_ADV

13.3.12 RNOG – Re-negotiation

This event is triggered when a customer is not being able to honor the terms and conditions of the credit. In such a situation, the client re-negotiates the terms and conditions of the credit before maturity date.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AMD_ADV
PAYMENT_ADVICE	Payment Advice	CL_PMT_ADV

13.3.13 NOVA – Novation

This event is triggered when a primary customer is changed.

Advice Name	Description	Format Name
CLAMDADV	Amendment Advice	CL_AM-D_ADV

13.3.14 REVC – Finance Reversal

This event is triggered when a finance is withdrawn. This will pass the DSBR entries with a reversal of signs (-ve) for the amounts, as follows:

Accounting Role	Amount Tag	Dr / Cr
LOAN_AC	- PRINCIPAL	Dr
CR_SETTLE-MENT_BRG	- PRINCIPAL	Cr

13.3.15 REVP - Payment Reversal

The latest payment made, both auto and manual, will be reversed during this event. This will pass the ALIQ or MLIQ event selected with a reversal of signs for the amounts.

Reversal of Principal Repayment

Accounting Role	Amount Tag	Dr / Cr
DR_SETTLE-MENT_BRG	- PRINCI-PAL_LIQD	Dr
LOAN_AC	- PRINCI-PAL_LIQD	Cr

Reversal of Profit Repayment

Accounting Role	Amount Tag	Dr / Cr
DR_SETTLE-MENT_BRG	- INT_LIQD	Dr
INT_REC	- INT_LIQD	Cr

Reversal of Compensation Profit Repayment

Accounting Role	Amount Tag	Dr / Cr
DR_SETTLE-MENT_BRG	- PENAL_INT_LIQD	Dr
PENAL_INT_REC	- PENAL_INT_LIQD	Cr

13.3.16 REVN – Periodic Rate Revision

This will change the Floating Profit Rates based on the periodicity that you maintain.

Advice Name	Description	Format Name
CL_INT_STMT	Profit Statement Advice	CL_INT_STMT
RATECH_ADV	Rate Change Advice	CL_RTCH_ADV

13.3.17 ARVN – Automatic Rate Revision

This will change the Floating Rate as and when the rate changes.

Advice Name	Description	Format Name
CL_INT_STMT	Profit Statement Advice	CL_INT_STMT
RATECH_ADV	Rate Change Advice	CL_RTCH_ADV

13.3.18 UDCH – User Defined Element Value Changes

This event will be triggered whenever there is a change in the UDE values. This will be required to have Rate revision advices sent to the customers.

13.3.19 YACR – Yield to Maturity Discount Accrual

This event will be triggered for the computation of IRR. The following accounting entries will be passed:

Accounting Role	Amount Tag	Dr /Cr
EIMDISCRIA	EIM_ACCR	Dr
EIMDISCINC	EIM_ACCR	Cr
EIMPREMEXP	EIM_ACCR	Dr
EIMPREMPIA	EIM_ACCR	Cr

If refunding needs to be done as part of with complete pre-payment, the following entries should be passed in addition to the ones specified above:

Accounting Role	Amount Tag	Dr /Cr
<Charge Comp>_RIA	EIM_ADJ	Dr
CR_SETTL_BRIDGE	EIM_ADJ	Cr
DR_SETTL_BRIDGE	EIM_ADJ	Dr
<Charge Comp>_PIA	EIM_ADJ	Cr

13.3.20 CLIQ – Charge Liquidation

This event triggers the liquidation of charges applicable to the finance accounts. You need to set up the following entries for this event:

Accounting Role	Amount Tag	Dr /Cr
DR_SETTL_BRIDGE	<Charge Comp>_LIQD	Dr
<Charge Comp>_RIA	<Charge Comp>_LIQD	Cr
CR_SETTL_BRIDGE	<Charge Comp>_LIQD	Dr
<Charge Comp>_PIA	<Charge Comp>_LIQD	Cr

13.3.21 PACR – Principal Accrual

This event realizes the principal payment in different accounts. You need to set up the following entries for this event:

Accounting Role	Amount Tag	Dr /Cr
DEFPRINCIPAL	PRINCIPAL_PACR	Dr

PRINCIPALINC	PRINCIPAL_PACR	Cr

13.3.22 INSR – Insurance Renewal

This event triggers renewal of insurance. You need to set up the following entries for this event:

Accounting Role	Amount Tag	Dr /Cr
INSURANCE_REC	COMPONENT_REC	Dr
CR_SETTL_BRIDGE	COMPONENT_REC	Cr
CR_SETTL_BRIDGE	COMPONENT_PREMIUM	Dr
INSURANCE_ACC	COMPONENT_PREMIUM	Cr

13.3.23 TRFR Event

The accounting entries for transferring principal outstanding Profit accrued and overdue (if any) to the new branch is:

Accounting Role	Amount Tag	Dr /Cr
LOAN_ASSET_GL	PRINCIPAL_OUTSTAND_TRFR_OBRN	Cr
PROFIT_REC	PROFIT_OUTSTAND_TRFR_OBRN	Cr
LOAN_ASSET_GL	PRINCIPAL_OUTSTAND_TRFR_NBRN	Dr
PROFIT_REC	PROFIT_OUTSTAND_TRFR_NBRN	Dr

For CI with Unearned Profit, the unearned profit GL can be transferred with entries:

Accounting Role	Amount Tag	Dr /Cr
PROFIT_UID	PROFIT_UINT_TRFR_OBRN	Dr
PROFIT_UID	PROFIT_UINT_TRFR_NBRN	Cr

To transfer the receivable GL for products with UIDB event defined the following entries need to be maintained:

Accounting Role	Amount Tag	Dr /Cr
PROFIT_REC	PROFIT_UREC_TRFR_OBRN	Cr
PROFIT_REC	PROFIT_UREC_TRFR_NBRN	Dr

For vendor Payment, the vendor payable GL is transferred during the TRFR event.

Accounting Role	Amount Tag	Dr /Cr
VENDOR_PAYABLE_GL	PRINCIPAL_VPAY_TRN_OBRN	Dr
VENDOR_PAYABLE_GL	PRINCIPAL_VPAY_TRN_NBRN	Cr

Purchase Asset

The balance in purchase asset has to be transferred during the transfer event. Hence the accounting entries maintained fro TRFR is as follows:

Accounting Role	Amount Tag	Dr /Cr
PUR_ASSET_GL	PURCHASE_ASSET_TRFR_OBRN	Cr
PUR_ASSET_GL	PURCHASE_ASSET_TRFR_NBRN	Dr

Down Payment

The balance in down payment receivable has to be transferred during the transfer of event. Hence the accounting entries maintained for TRFR is:

Accounting Role	Amount Tag	Dr /Cr
DPRCVDGL	DOWNPAY_REC_TRFR_OBRN	Cr
DPRCVDGL	DOWNPAY_REC_TRFR_OBRN	Dr

A transfer advice attached with event TRFR displays the account number, old and new branches, transfer date, the finance outstanding as on transfer date and the schedule details. The advice specifies whether the transfer is done as part of branch merger, product transfer or customer initiated transfer.

Advice Name	Description	Format Name
CI_TRFR_ADV	Transfer Advice	CI_TRFR_ADV

13.3.24 AUTH Event

The event is sent when any asset is processed to be taken over and authorized.

Advice Name	Description
CL_TKOVER	Take Over Advice

14. Retrieving Information in Oracle FLEXCUBE

During the day, or at the end of the day, you may want to retrieve information on any of the several operations that were performed during the day in your bank. You can generate this information in the form of reports in Oracle FLEXCUBE.

For every module you can generate reports, which give you data about the various events in the life of a specific contract, or across contracts, at a specific point in time. You can have analysis reports, daily reports, exception reports (reports on events that ought to have taken place on the contract but have not, due to various reasons), history reports and so on. A set of report formats is pre-defined for every module.

This chapter contains the following sections:

- Section 14.1, "Report Options"
- Section 14.2, "Accrual Control List Report"
- Section 14.3, "Accrual Control List Summary Report"
- Section 14.4, "Adverse Status Report"
- Section 14.5, "Adverse Status Summary Report"
- Section 14.6, "Amortization Report"
- Section 14.7, "Contract Retrieval Report"
- Section 14.8, "Event Report"
- Section 14.9, "Forward Contract Report"
- Section 14.10, "Forward Amendments Details Changes Report"
- Section 14.11, "Profit Calculation Analysis Report"
- Section 14.12, "Linked Contracts Utilization Report"
- Section 14.13, "Maturity Report"
- Section 14.14, "Overdue Schedules Details"
- Section 14.15, "Periodic Rate Revision"

14.1 Report Options

This section contains the following topics:

- Section 14.1.1, "Specifying the Output of a Report"
- Section 14.1.2, "Contents of the report"

14.1.1 Specifying the Output of a Report

When a report is generated, you can either Save or Print the same. To view or print the reports, the format, output, and printer details are to be maintained on the reports screen.

Select the format, output and the name of a printer defined in the Printer Maintenance table. Select the location as ‘Client’ or ‘Server’ to specify where the report needs to be spooled. The destination is determined at the maintenance level.

14.1.2 Contents of the report

The contents of the report are discussed under the following heads:

Header

The Header section of the report carries the title of the Report, information on the User who generated the report, the branch code, the date and time and the page number of the report.

Body of the report

The actual contents of the report are displayed in this section. It is detailed for each report, in the subsequent sections of this document.

14.2 Accrual Control List Report

This section contains the following topics:

- Section 14.2.1, "Generating Accrual Control List Report"
- Section 14.2.2, "Selection Options"
- Section 14.2.3, "Contents of the Report"

14.2.1 Generating Accrual Control List Report

The accrual control journal gives the details of accruals done on finance contracts, as of a specific date.

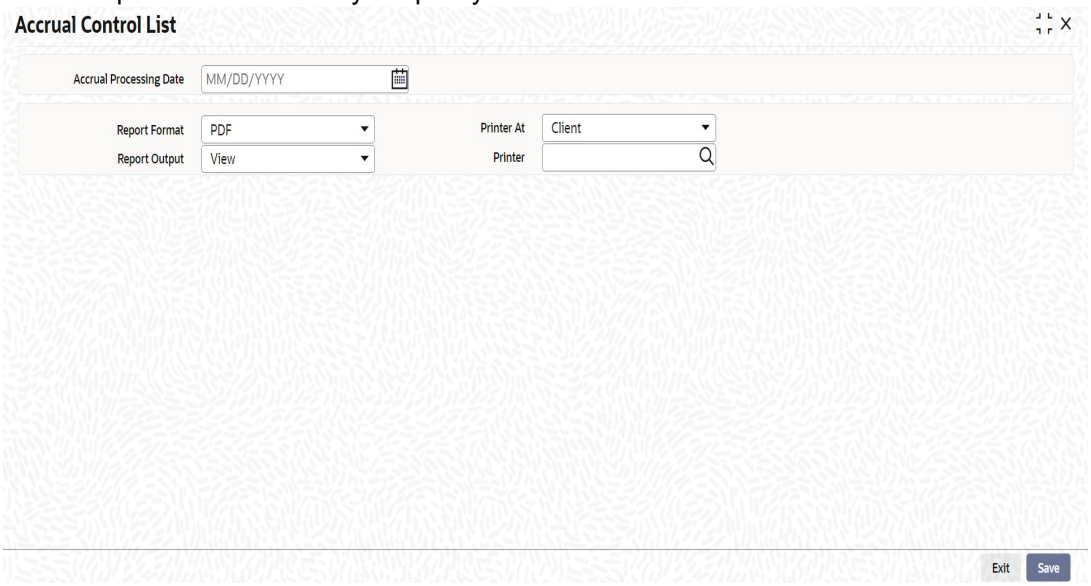
This report shows the Events and Component details for each account and will be generated for a specific combination of the Account Number, Event Date and Branch Name.

The Component and Item details will be displayed based on Events and Account Number.

You can invoke this report screen by typing ‘CIRPACCR’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

14.2.2 Selection Options

If you generate the report manually, the report will list the accounts whose Accrual Processing Date is equal to the date that you specify in the screen CL Accrual Control List.



14.2.3 Contents of the Report

The options that you have specified while generating the report are printed at the beginning of the report. Apart from the header the following information is provided for each contract:

Body of the Report

Field	Description
Account Number	The account number of the contract
Status	The status of the finance contract
Component	This is the component of the finance against which accrual entries are passed
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed
Current Accrual	This is the amount for which accrual entries are passed for the current month
Value Date	The Value Date of the contract

14.3 Accrual Control List Summary Report

This section contains the following topics:

- Section 14.3.1, "Generating Accrual Control List Summary Report"
- Section 14.3.2, "Contents of the Report"

14.3.1 Generating Accrual Control List Summary Report

The Accrual Control List Summary report summarizes the details of accruals product wise.

14.3.2 Contents of the Report

Apart from the header the following information is provided for each contract:

Field	Description
Product	This is the product for which the summary report is being generated
Status	The status of the finance contract under the product
Component	This is the component of the finance against which accrual entries are passed, for the contract under the product
Ccy	This is the component currency. If not specified at the Component level, the finance currency is displayed
Current Accrual	This is the amount for which accrual entries are passed for the current month
Value Date	The Value Date of the contract under this product

14.4 Adverse Status Report

This section contains the following topics:

- Section 14.4.1, "Generating Adverse Status Report"

- Section 14.4.2, "Selection Options"
- Section 14.4.3, "Contents of the Report"

14.4.1 Generating Adverse Status Report

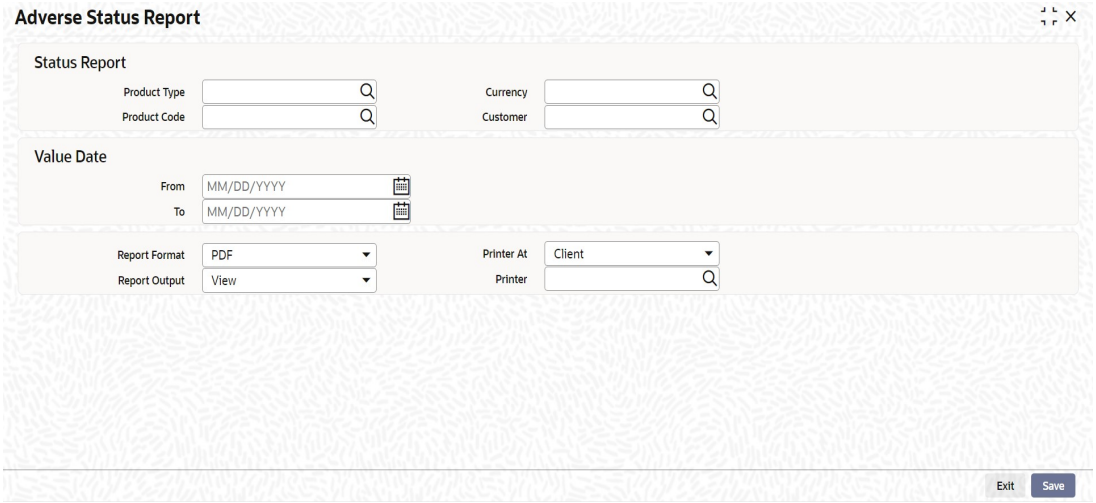
The Adverse status report gives details of finance contracts that have moved into a status other than active and liquidated.

The amounts outstanding for the various components are reported in this report.

You can invoke this report screen by typing 'CIRPSTAT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

14.4.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate the Adverse Status report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Account Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

14.4.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Apart from the header the following information is provided for each contract:

Body of the Report

Field	Description
PRODUCT	This is the product for which the report is generated
STATUS	This is the current status of the component that is in a status other than Active or Liquidated. The status codes are defined for a product and applied to contracts involving the product
CUSTOMER	This is the CIF ID of the customer involved in the finance.
CUSTOMER-NAME	The name of the customer
CONTRAC-TREFNO	This is the reference number of the finance being reported
COMPONENT	The component whose status details the report reflects
CCY	This is the component currency. If not specified at the Component level, the finance currency is displayed
MATURITY	This is the Maturity Date of the finance
MAXOVERDUE-DAYS	If more than one account is overdue under the product, this field will reflect the number of overdue days of the account with the highest number of overdue days
OVERDUEAMT	This is the total amount that is overdue for the component as of the date of report generation

14.5 Adverse Status Summary Report

This section contains the following topics:

- Section 14.5.1, "Generating Adverse Status Summary Report"
- Section 14.5.2, "Contents of the Report"

14.5.1 Generating Adverse Status Summary Report

The Adverse Status Summary report summarizes the details of each contract.

14.5.2 Contents of the Report

Apart from the header the following information is provided for each contract:

Body of the Report

Field	Description
PRODUCT	This is the product for which the report is generated
STATUS	This is the current status of the contract for which details are being reported
COMPONENT	This is the component of the finance against which the payment due is being reported. If more than one component falls due on the same day they will be reported one by one
CURRENCY	This is the component currency. If not specified at the Component level, the finance currency is displayed
EARLIEST DUEDATE	For all the finances reported, this is the earliest date on which a repayment is due
LATEST DUEDATE	For all the finances reported, this is the latest date on which a repayment is due
CUMULATIVE OVERDUEAMT	This is the total amount that is overdue for the component(s) as of the date of report generation

14.6 Amortization Report

This section contains the following topics:

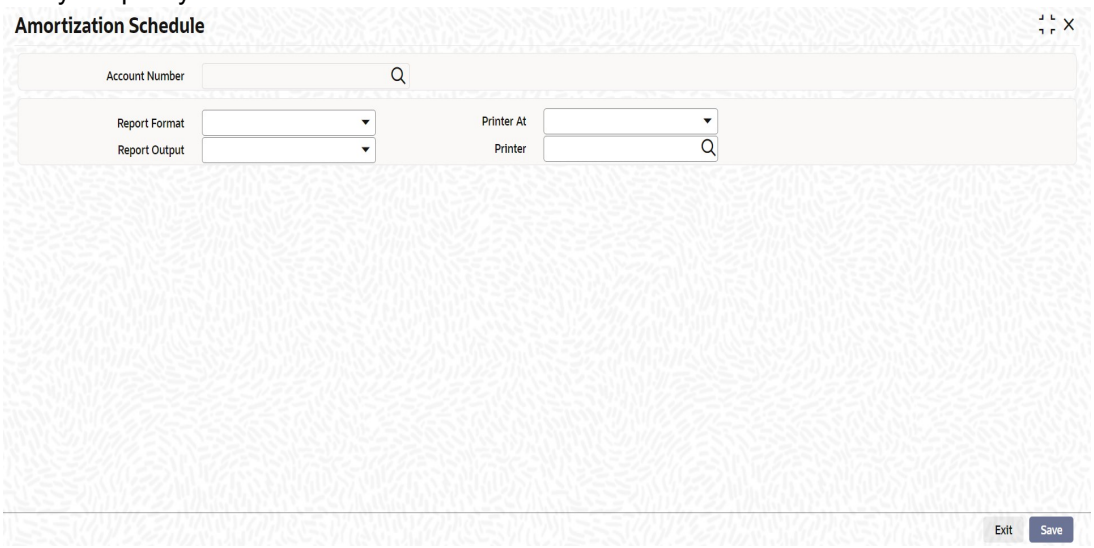
- Section 14.6.1, "Generating Amortization Report"
- Section 14.6.2, "Selection Options"
- Section 14.6.3, "Contents of the Report"

14.6.1 Generating Amortization Report

The Amortization Report gives the amortization details of finance contracts. You can invoke this report screen by typing ‘CIRPAMSC’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

14.6.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Account Number

Enter the Account Number for which amortization details should be displayed in the report. If you do not enter an account number here, the report will be generated for all accounts.

14.6.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Apart from the header the following information is provided for each contract:

Body of the Report

Field	Description
REFERENCE NO	This is the reference number of the finance being reported
PRINCIPAL	The principal amount of the finance being reported
PRODUCT	This is the product for which the report is generated
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
TENOR	The tenor of the finance being reported
YEAR	This is the year for which the amortization details are being displayed in the report
DUE DATE	The due date of an installment of the finance
INSTALLMENT	This is the installment amount of the finance
PROFIT DUE	The profit amount due
PRINCIPAL DUE	The principal amount due
TOTAL PRINCIPAL DUE	The total principal amount due on the finance

14.7 Contract Retrieval Report

This section contains the following topics:

- Section 14.7.1, "Generating Contract Retrieval Report"
- Section 14.7.2, "Selection Options"
- Section 14.7.3, "Contents of the Report"

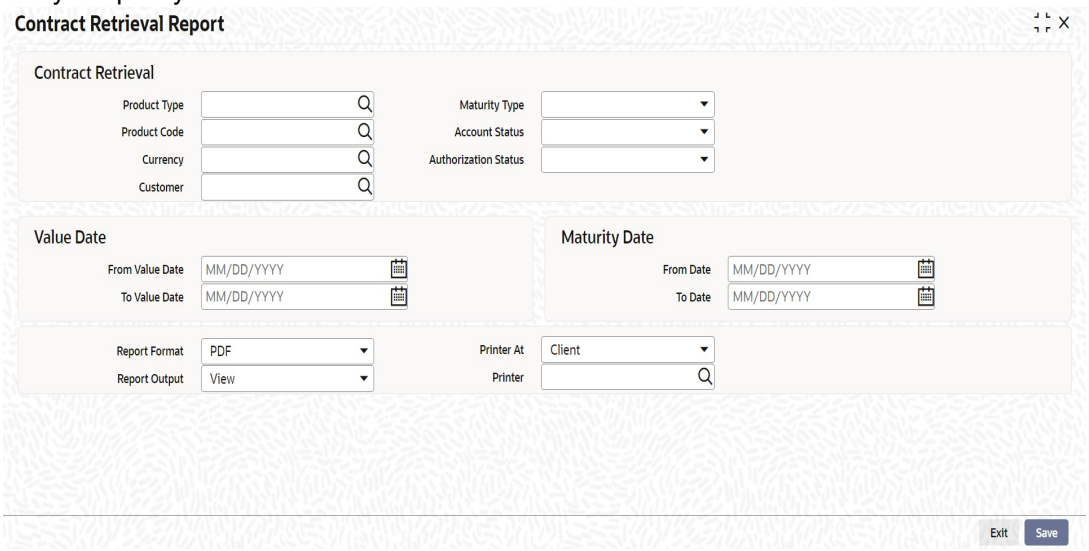
14.7.1 Generating Contract Retrieval Report

The Contract Retrieval report gives you comprehensive information about a finance contract. Information about finance contracts that are active, liquidated and reversed can be retrieved through this report. You can generate the report for a variety of reasons.

You can invoke this report screen by typing ‘CIRPRETR’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

14.7.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate the Contract Retrieval Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Account Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To (Value Date)

Enter the Value Date of the contracts. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be

- Fixed - this type of a finance has a fixed maturity date
- Call - If the maturity date is not fixed the finance can be liquidated any time

You can generate the report either for fixed maturity finances or call finances.

From (Maturity Date)

Specify the Maturity Date of the finance. The report will be generated for all contracts whose Maturity Date is equal to, or greater than the date you have specified here.

To (Maturity Date)

Specify the Maturity Date of the finance. The report will be generated for all contracts whose Maturity Date is equal to, or less than the date you have specified here.

Account Status

You can generate the report based on the status of the finance contract. The report can be generated for finances with the following statuses only:

- Active
- Liquidated
- Reversed
- To be initiated

All the finances with the specified status for the specific period will be reported.

Auth Status

You can generate the report for finance contracts either with an authorized or unauthorized status.

14.7.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
Account No.	The account number for which the report is being generated
Account Status	This is the current status of the account
Outstanding Amount	This is the total outstanding amount that the customer has to repay. This amount also includes amounts belonging to earlier schedules that are yet to be paid. In case the customer has made pre-payments the outstanding amount can be less than the due amount
Product Code	This is the product for which the report is generated
Product Category	This is the product category to which the generated report belongs
User Ref No	This is the reference number of the finance being reported
Customer	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Related Ref No	This is the alternate account number
Account Currency	The currency of the account
Financed Amount	The finance amount financed
Original Start Date	This is the original start date of the finance
Booking Date	The Booking Date of the contract
Value Date	The Value Date of the contract
Maturity Type	This is the Maturity Type of the contract
Maturity Date	The Maturity Date of the contract
Tenor	The tenor of the finance
User Defined Status	The status of the finance
Auth Status	The authorization status of the contract
Liquidation Mode	The liquidation mode of the contract
Rollover Mode	The rollover mode
Rollover Count	The rollover count
Component	The components of the finance are listed here
Ccy	This is the currency of the component
Rate Type	This is the rate type
Code Usage	This is the code usage
Effective Rate(%)	This is the effective rate

Special Amount	This is the special amount for the component

14.8 Event Report

This section contains the following topics:

- Section 14.8.1, "Generating Event Report"
- Section 14.8.2, "Selection Options"
- Section 14.8.3, "Contents of the Report"

14.8.1 Generating Event Report

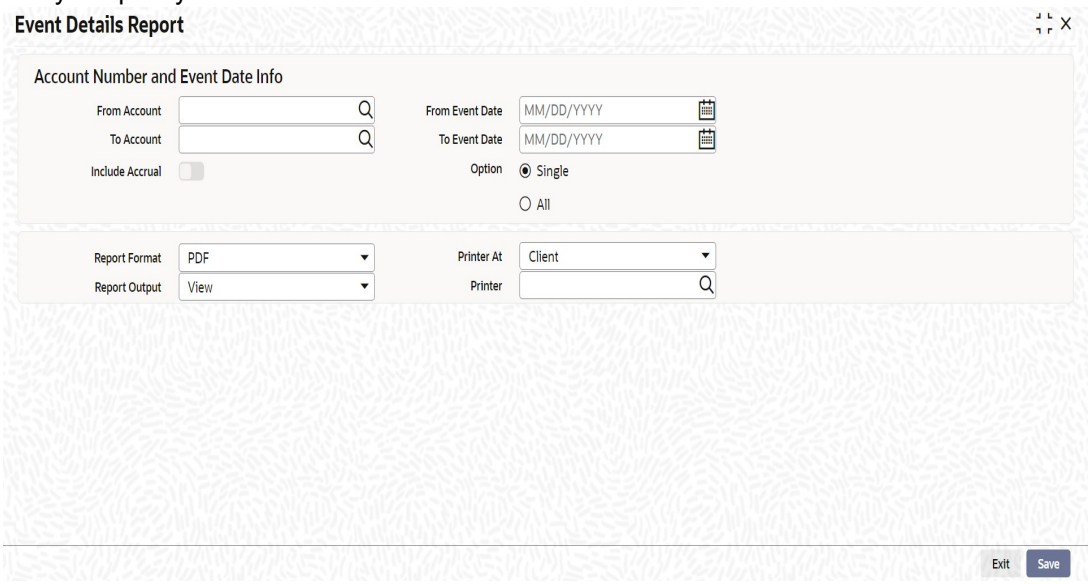
Contract events are events that have taken place during the tenor of a finance contract.

Contract Events report gives a list of all the events that have taken place during the tenor of a finance contract. The events are listed by their Value Date.

You can invoke this report screen by typing 'CIRPEVNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

14.8.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

From (Account Number)

Select the starting account number. The system will display event details of all accounts from this account number.

To (Account Number)

Select the ending account number. The system will display event details of all accounts upto this account number.

Note

If you do not enter an account number in the above two field, the system will display the event details of all accounts.

From (Event Date)

Enter the date from which event details should be generated in the report for accounts.

To (Event Date)

Enter the date upto which event details should be generated in the report for accounts.

Note

You have the option of not specifying the 'From' and 'To' dates, but if you specify the 'From Event Date', it will be mandatory for you to specify the 'To Event Date'.

Include Accrual Events also

Check this box to indicate accrual related events should be included.

Single Account No.

Select this option to indicate the report should be generated for a single account number or for a range.

All

Select this option to indicate the report should be generated for all accounts.

14.8.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
ACCOUNT NO	The account number of the contract
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
ACCOUNT CCY	The currency of the account
EVENT	This is the code of the event for which details are being reported
EVENT DATE	This indicates the date on which the event took place.
SEQ. NO.	The sequence number of the event
COMPONENT NAME	The component for which details are displayed in the report
ITEM NAME	The amount tag
ITEM VALUE	The value of the amount tag

14.9 Forward Contract Report

This section contains the following topics:

- Section 14.9.1, "Generating Forward Contract Report"
- Section 14.9.2, "Selection Options"
- Section 14.9.3, "Contents of the Report"

14.9.1 Generating Forward Contract Report

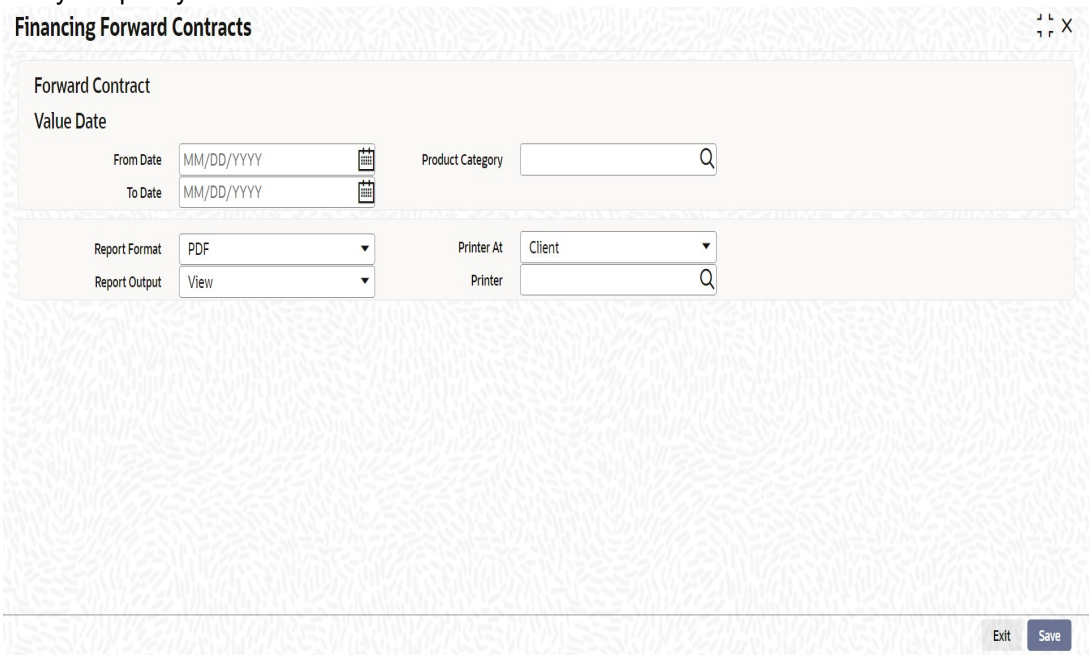
A forward contract is a finance with a future value date. The value date is the date on which the finance takes effect. The tenor of the finance contract will begin on this date. All accounting entries for the finance contract, all calculations for profit and all the other components based on the tenor will be made from this date onwards.

The forward contract report gives details of all the finance contracts with a future value date. Only contracts that take effect on a date later than or same as the specified date are included in the report.

You can invoke this report screen by typing ‘CIRPFRWD’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

14.9.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

From (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

> **Note**
>
> It is not mandatory for you to enter the 'From' and 'To' dates.

Product Category

You can generate the Forward Contract Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

14.9.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
Product Category	This is the product category to which the generated report belongs
Account No	The account number of the contract for which the report is generated
Customer Id	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Amount	This is the principal amount involved in the finance
EuroEqv	The Euro equivalent of the finance amount
Value Date	This is the date on which the finance takes effect
Mat.Type	This is the maturity type of the finance. It could be fixed or call.
Mat. Date	This is the date on which the finance matures. The maturity date is generated in the report only in case of fixed maturity finances.
CHARGE DETAILS	
Component	The component on which a charge is being applied
Amount	The charge amount
Euro Eqv.	The Euro equivalent of the charge
Waiver	Whether or not the charge has been waived
PROFIT DETAILS	
Component	The profit component
Amount	The profit amount
Euro Eqv	The Euro equivalent
Rate	The profit rate being applied
Effective Rate	The effective profit rate
Waiver	Whether the profit has been waived

14.10 Forward Amendments Details Changes Report

This section contains the following topics:

- Section 14.10.1, "Generating Forward Amendments Details Changes Report"
- Section 14.10.2, "Selection Options"
- Section 14.10.3, "Contents of the Report"

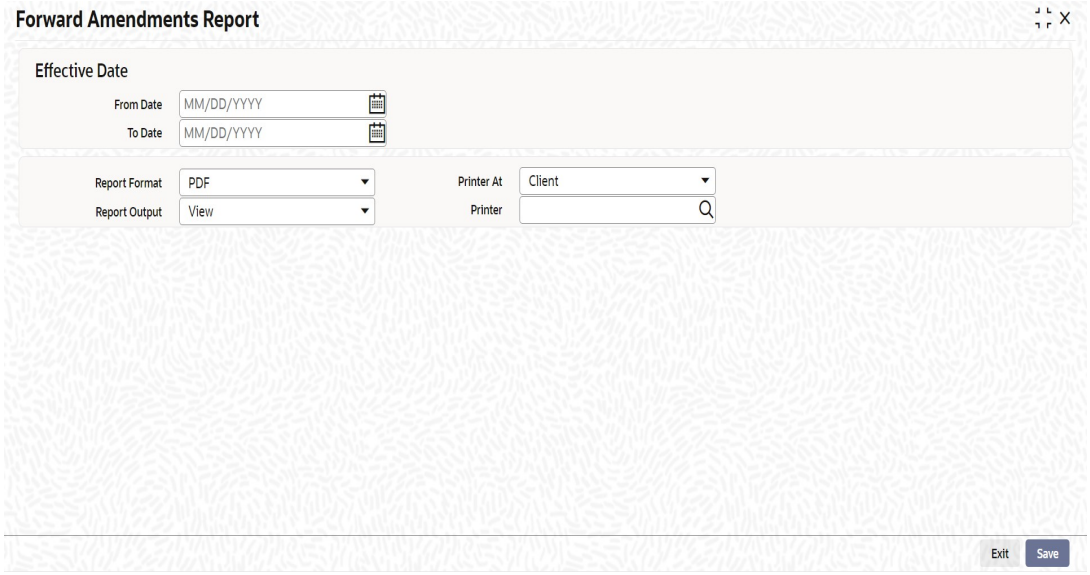
14.10.1 Generating Forward Amendments Details Changes Report

The Forward Amendments Details Changes Report gives a list of all the amendments made to contracts with a future value date.

You can invoke this screen by typing ‘CIRPFWCH’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

14.10.2 Selection Options

If you generate the report manually, the report will list the accounts whose Effective Date is between the dates that you specify in the screen Forward Amendments Report screen.



You can specify the following preferences for the report:

From (Effective Date)

Enter the date from which the report should include amendment details.

To (Effective Date)

Enter the date upto which the report should include amendment details.

14.10.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
ACCOUNT NO	The account number of the contract for which the report is being generated
MATURITY DATE	The Maturity Date of the contract
VALUE DATE	The Value Date of the contract
LOAN AMOUNT	The principal finance amount of the contract
CURRENCY	This is the component currency. If not specified at the Component level, the finance currency is displayed
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
TRANSACTION DATE	The date of the transaction
AMENDMENT DATE	The date of amendment
NEW MATURITY DATE	The Maturity Date after amendment
DIFFERENTIAL AMOUNT	This is the difference between the original financed amount and the new financed amount. If there is no change in the finance value, this field will be zero.
LATEST ESN	The latest Event Sequence Number
COMPONENT NAME	The component that has been amended
NEW RATE	The new rate that has been applied to the component
OLD RATE	The original rate
NEW RATE CODE	The new rate code
OLD RATE CODE	The original rate code
LATEST ESN	This is the latest Event Sequence Number

14.11 Profit Calculation Analysis Report

This section contains the following topics:

- Section 14.11.1, "Generating Profit Calculation Analysis Report"
- Section 14.11.2, "Selection Options"
- Section 14.11.3, "Contents of the Report"

14.11.1 Generating Profit Calculation Analysis Report

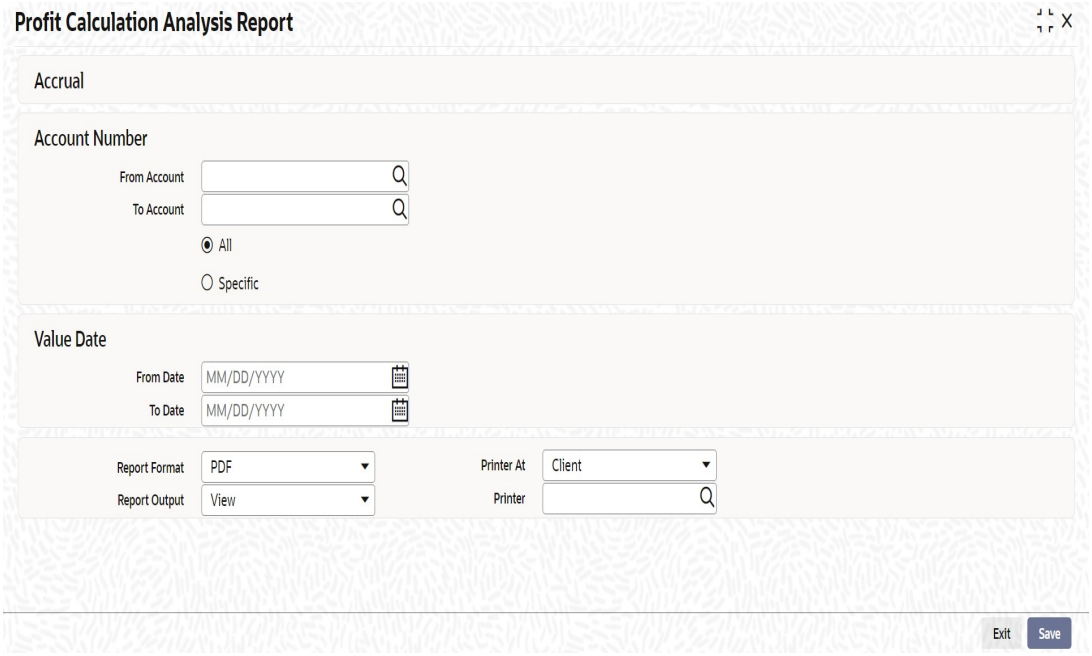
The Profit Calculation Analysis Report is generated for the accounts required between the given Value Date ranges.

The report will be generated for a specific combination of Branch, Account Number and Value Date range.

You can invoke this screen by typing 'CIRPCALC' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

14.11.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Single/Range (Account Type)

Select this option to indicate you are either specifying a range of account numbers or a specific one whose report is to be generated.

All (Account Type)

Select this option to indicate the report should be generated for all accounts.

From (Account Number)

Select the starting account number. The system will display details of all accounts from this account number.

To (Account Number)

Select the ending account number. The system will display details of all accounts upto this account number.

From (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

14.11.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
AccountNo.	The account number of the contract for which the report is being generated
Value Date	The Value Date of the contract
Maturity Date	The Maturity Date of the finance contract
Customer Id	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Component	The component for which details are being displayed in the report
Int. Method	The method if profit calculation
Currency	The account currency
Start Date and End Date	Reflects the various periods of change of profit rate
Basis Amount	The basis amount on which the profit is calculated
Rate	The profit rate applicable to a certain period
No. of Days	The number of days for which the rate is applicable
Profit Amount	The is the profit amount

14.12 Linked Contracts Utilization Report

This section contains the following topics:

- Section 14.12.1, "Generating Linked Contracts Utilization Report"
- Section 14.12.2, "Selection Options"
- Section 14.12.3, "Contents of the Report"

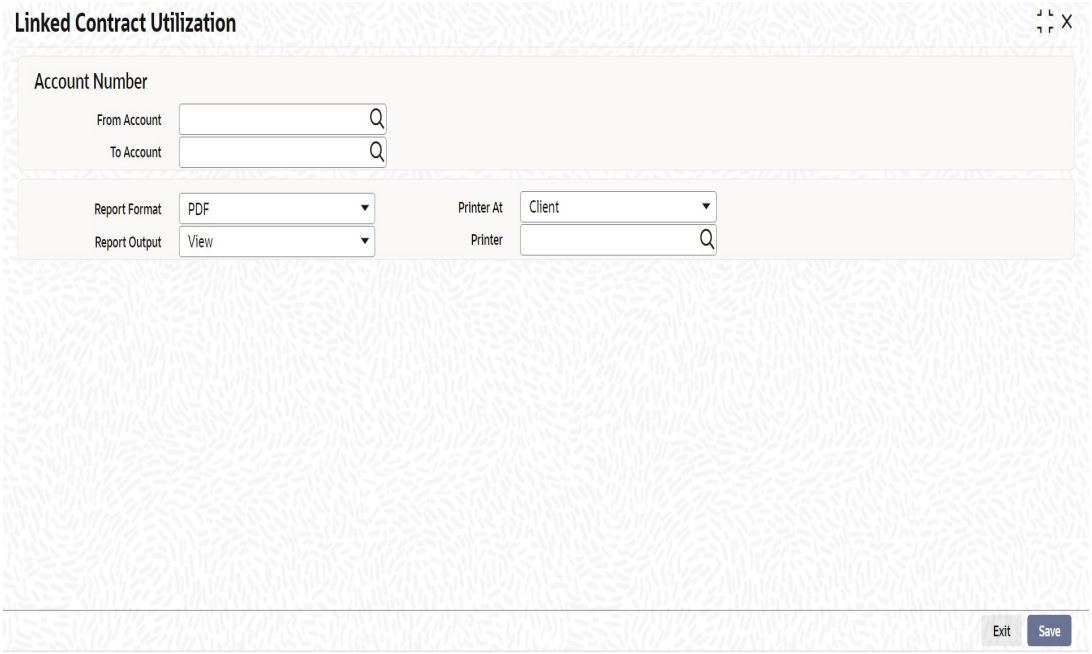
14.12.1 Generating Linked Contracts Utilization Report

This report will include the details of the accounts, lines or collaterals that have been linked to an account, based on the selection criteria. Linkage Account details and the Amount Financed will be shown for each Account in this report.

You can invoke this screen by typing ‘CIRPLICU’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

14.12.2 Selection Options

If you generate the report manually, the report will list the accounts that you have specified in the Linked Contract Utilization screen.



You can specify the following preferences for the report:

From (Account Number)

Select the starting account number. The system will display event details of all accounts from this account number.

> **Note**
>
> If you enter an account number in this field, you will have to enter an account number in the field 'To'.

To (Account Number)

Select the ending account number. The system will display event details of all accounts upto this account number.

> **Note**
>
> If you do not enter an account number in the above two fields, the system will display the event details of all accounts.

14.12.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
Account Number	The account number of the contract
Amount Financed	The finance amount
Currency	This is the component currency. If not specified at the Component level, the finance currency is displayed
Value Date	The Value Date of the contract
Maturity Date	The Maturity Date of the finance contract
Linkage Type	This is the linkage type
Linked Ref. No.	The reference number of the linkage type
Customer ID	This is the CIF ID of the customer involved in the finance
Customer Name	The name of the customer
Linkage Amount	The amount linked
Secured Portion	This is the secured portion of the finance

14.13 Maturity Report

This section contains the following topics:

- Section 14.13.1, "Generating Maturity Report"
- Section 14.13.2, "Selection Options"
- Section 14.13.3, "Contents of the Report"

14.13.1 Generating Maturity Report

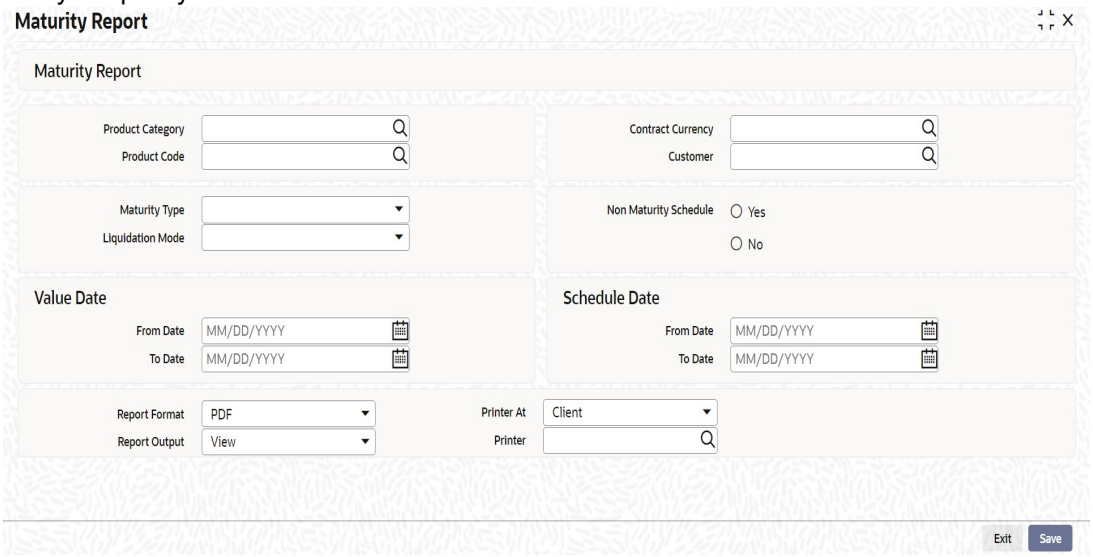
The maturity report gives information about a contract that is:

- Maturing during the period that you specify
- Have schedules falling due during that period

You can invoke this screen by typing ‘CIRPMATR’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

14.13.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate the Contract Retrieval Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Contract Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be

- Fixed - this type of a finance has a fixed maturity date.
- Call - If the maturity date is not fixed the finance can be liquidated any time.

You can generate the report either for fixed maturity finance or call finances.

From Date (Schedule Date)

Specify the Starting Date of the schedule.

To Date (Schedule Date)

Specify the Ending Date of the schedule.

Liquidation Mode

Components of a finance can be liquidated automatically or manually. In auto liquidation a schedule will be automatically liquidated on the day it falls due. In manual liquidation a schedule amount has to be liquidated manually.

You can generate the report based on the liquidation mode that you have specified. The report can be generated only for finances with auto liquidation or you can generate the report for finances that have to be manually liquidated.

Non Maturity Schedules

Select the option 'YES' to indicate you want the report to include finances which have not matured. Select the option 'NO' to indicate it should include matured finances.

14.13.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

14.13.4 Body of the Report

Field	Description
CALL CONTRACTS	
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
ACCOUNT NUMBER	The account number for which the report is being generated
Ccy	This is the component currency. If not specified at the Component level, the finance currency is displayed
FINANCED AMOUNT	The finance amount
OUTSTANDING AMOUNT	This is the total outstanding amount that the customer has to repay. This amount also includes amounts belonging to earlier schedules that are yet to be paid. In case the customer has made pre-payments the outstanding amount can be less than the due amount.
FIXED MATURITY CONTRACTS	
DUE DATE	This is the due date for the due amount
CUSTOMER ID	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
ACCOUNT NUMBER	The account number for which the report is being generated
MATURITY DATE	Maturity Date of the finance
COMPONENT	Component which is due
CCY	Currency of the component
DUE AMOUNT	The amount which is due
O/S AMOUNT	This is the due amount minus the amount paid

14.14 Overdue Schedules Details

This section contains the following topics:

- Section 14.14.1, "Generating Overdue Schedules Details Report"
- Section 14.14.2, "Selection Options"
- Section 14.14.3, "Contents of the Report"

14.14.1 Generating Overdue Schedules Details Report

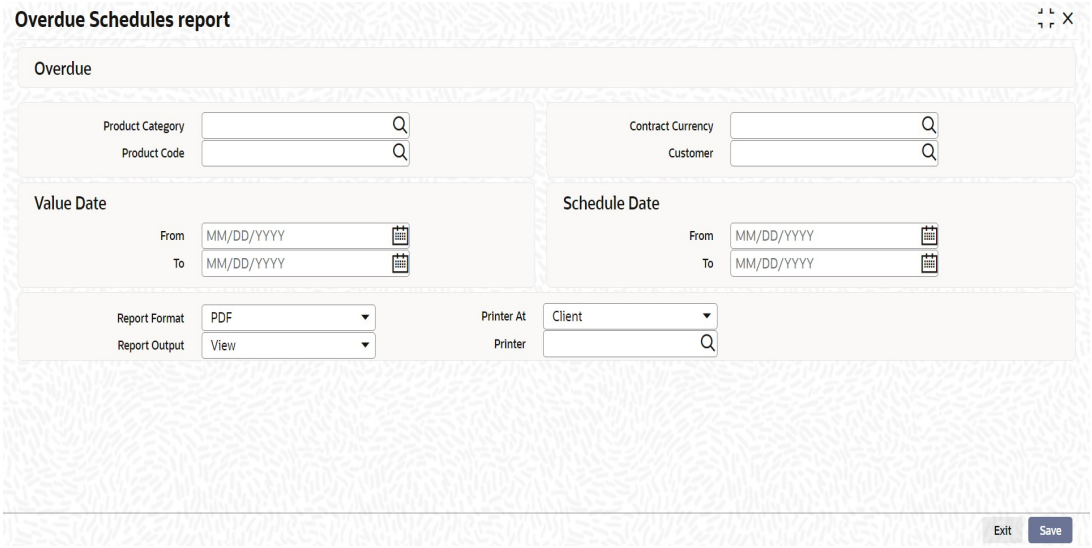
Repayment schedules can be defined for various components of a product like principal, profit, commission and fees. These schedules will apply to all the finances involving the product unless you redefine them at the time of processing the finance.

The Overdue Schedules report gives details of all repayment schedules of a finance that are overdue (i.e., are not paid even when they are beyond their scheduled repayment dates.

You can invoke this screen by typing 'CIRPOSCH' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

14.14.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



Product Category

You can generate the Overdue Schedules Report for a specific Product Category or for all categories. Select a Product Category from the option list provided.

Product Code

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Contract Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

From Date (Schedule Date)

Specify the Starting Date of the schedule.

To Date (Schedule Date)

Specify the Ending Date of the schedule.

14.14.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
DUEDATE	The due date of the component which is overdue
OVERDUEDAYS	The number of days by which the component is overdue
CUSTOMER	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
ACCOUNT NUMBER	The account number of the customer for whom the report is being generated
STATUS	The status of the component which is overdue
COMPONENT	The component which is overdue
Ccy	This is the component currency. If not specified at the Component level, the finance currency is displayed
OVERDUE AMT	This is the component amount that is overdue
EURO EQUIVALENT	This is the euro equivalent of the overdue amount

14.15 Periodic Rate Revision

This section contains the following topics:

- Section 14.15.1, "Generating Periodic Rate Revision Report"
- Section 14.15.2, "Selection Options"
- Section 14.15.3, "Contents of the Report"

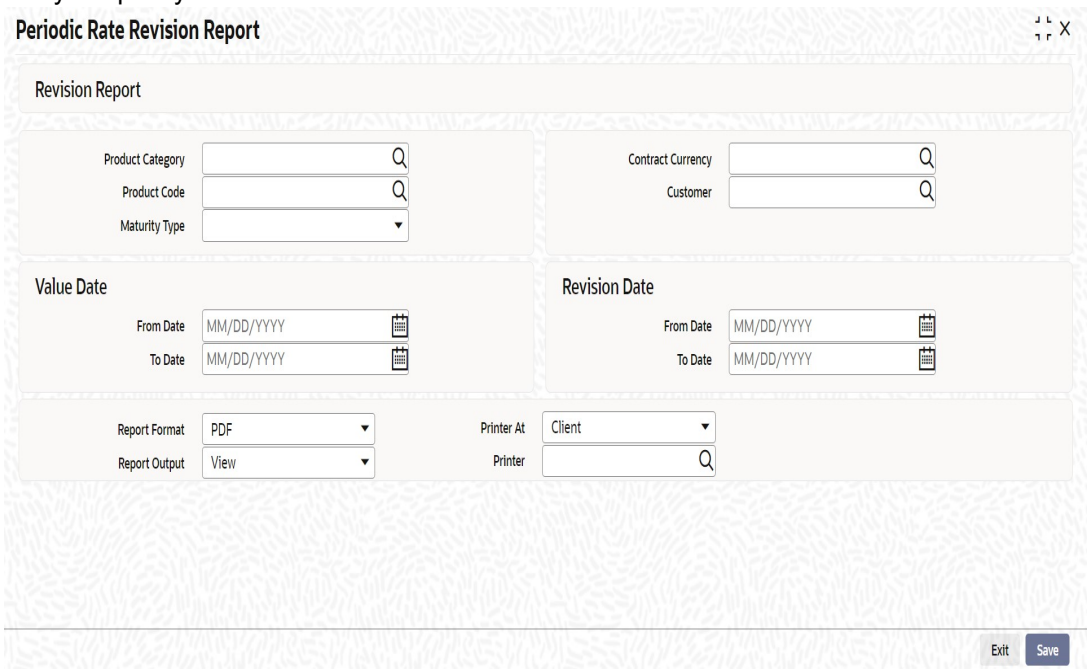
14.15.1 Generating Periodic Rate Revision Report

The Periodic Rate Revision Report lists the details of a customer, the rate revision date and the effective rate.

The report will be generated for a specific combination of Revision Date, Customer, Account Number and Rate Code. You can invoke this screen by typing ‘CIRPREVN’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

14.15.2 Selection Options

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.



You can specify the following preferences for the report:

Product Category

You can generate a product-wise report. Select the Product Code from the option list which contains all valid products under the category you have selected.

Product Code

Select the Product Code from the option list which contains all valid products under the category you have selected.

Account Ccy

Under specific Product(s), you can choose to generate reports in a specific currency(s).

Customer

You can generate this report for specific customer(s).

From Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date greater than the date you enter here.

To Date (Value Date)

Enter the Value Date of the contract. The system will generate a report for the contracts that have a Value Date lesser than the date you enter here.

Maturity Type

You can generate the report only for a particular Maturity Type. The Maturity type of a finance can be:

- Fixed - this type of a finance has a fixed maturity date
- Call - If the maturity date is not fixed the finance can be liquidated any time

You can generate the report either for fixed maturity finance or call finances.

From Date (Revision Date)

Enter the Revision Date from which the report has to be generated.

To Date (Revision Date)

Enter the Revision Date upto which the report has to be generated.

14.15.3 Contents of the Report

The report options that you selected while generating this report are printed at the beginning of the report.

Body of the Report

Field	Description
REVN DATE	The rate revision date
RATE CODE	The rate code
CUSTOMER	This is the CIF ID of the customer involved in the finance
CUSTOMER NAME	The name of the customer
CONTRACTREFNO	This is the reference number of the finance being reported
CCY	This is the component currency. If not specified at the Component level, the finance currency is displayed
CONTRACTA-MOUNT	The contract amount
COMPONENT	The component that has undergone a rate revision
COMPONENTCCY	The currency of the component
UDEID	The User Defined Element
EFFECTIVE RATE	The rate applicable

15. Function ID Glossary

B

BABIDBAT 11-7

C

CIDACCNT 7-2
CIDACCTR 8-1
CIDACCVM 10-26
CIDACHST 10-40
CIDADCHG 10-61
CIDARANT 7-119
CIDASSCL 10-22
CIDASTOP 10-64
CIDCCUDE 10-111
CIDDFRNT 10-91
CIDDPYNT 7-123
CIDIJAAC 6-12
CIDIMROL 10-42
CIDINADT 7-129
CIDISTAC 6-15
CIDMNDSB 9-2
CIDMNPRV 10-102
CIDMNROL 10-47
CIDMSTCH 10-43
CIDMUDAC 6-20
CIDMURAC 6-2
CIDMUSAC 6-22
CIDNOVDT 10-58
CIDPRDTR 8-7
CIDPRMNT 4-5, 5-3
CIDPROMT 4-74
CIDPWOFF 10-67
CIDPYMNT 10-2, 10-3
CIDRENOG 10-56
CIDRNTGN 10-111
CIDSIMNT 7-131
CIDSIMPT 10-20
CIDSIMVD 10-40
CIDTAWAC 6-26
CIDVEHMA 3-20
CIRPACCR 14-2
CIRPAMSC 14-6
CIRPCALC 14-19
CIRPEVNT 14-12
CIRPFRWD 14-14
CIRPFWCH 14-17
CIRPLICU 14-20
CIRPMATR 14-22
CIRPOSCH 14-26
CIRPRETR 14-8
CIRPREVN 14-27
CIRPSTAT 14-4
CISACCNT 7-117
CISARANT 7-121
CISASTOP 10-68
CISDFRNT 10-101
CISDPYNT 7-127
CISMNPRV 10-104
CISRSCHD 10-89
CISTKFVM 10-110
CISTRLOG 8-9
CLDBKPMT 3-3
CLDHOLMT 3-12
CLDLQSPN 10-62
CLDPOLMT 3-17
CLDPRCMT 4-2
CLDSDEMT 3-13
CLDSTDPL 3-18
CLDTPROC 11-1
CLDUDCMT 3-11
CLDUDRMT 3-8
CODTYPES 3-19

S

STDBRNTR 8-5
STDCATMT 3-21
STDCRRMT 3-22
STDCUSTR 8-2

X

XPDVNDMT 12-1