

Oracle® Banking Treasury Management

Exchange Traded Derivatives User Guide



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Preface

This manual is designed to help you to quickly get acquainted with the Exchange Traded Derivatives module of Oracle Banking Treasury Management.

This preface has the following topics:

- [Audience](#)
- [Acronyms and Abbreviations](#)
- [Conventions](#)
- [List of Topics](#)
- [Related Resources](#)
- [Symbols and Icons](#)

Audience

This guide is intended for Back Office Data Entry Clerk, Back Office Managers/ Officers, Product Managers, End of Day Operators, and Financial Controller users.

Acronyms and Abbreviations

The acronyms and abbreviations are listed in this below table:

Table 1 Acronyms and Abbreviations

| Abbreviations or Acronyms | Definition |
|---------------------------|------------------------------------|
| AEOD | Automated End of Day |
| AIF | Alternative Investment Fund |
| CLS | Continuous Linked Settlement |
| CIF | Customer Information Files |
| DV | Derivatives |
| Dr | Debit |
| EOFI | End of Financial Input |
| EOD | End of Day |
| FX | Foreign Exchange |
| GL | General Ledger |
| IRS | Internal Revenue Service |
| ICCB | Interest Commission Charge and Fee |

Table 1 (Cont.) Acronyms and Abbreviations

| Abbreviations or Acronyms | Definition |
|---------------------------|------------------------------------|
| LCY | Local Currency |
| LIBOR | London Interbank Offered Rate |
| LQ | Liquidation type of deal |
| MIS | Management Information Details |
| MM | Money Market |
| OBTR | Oracle Banking Treasury Management |
| OT | Over the Counter Options |
| RFR | Risk Free Rates |

Conventions

The following text conventions are used in this document:

Table 2 Conventions and Meaning

| Convention | Meaning |
|-----------------|--|
| boldface | Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary. |
| <i>italic</i> | Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values. |
| monospace | Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter. |

List of Topics

This guide is organized as follows:

| Topics | Description |
|--|---|
| Overview of Exchange Traded Derivatives | Explains the features that the module. |
| Underlying Asset Definition | Explains the procedures for defining Underlying Assets in Oracle Banking Treasury Management. |
| Create Instrument Products | Explains how to set up ET instruments as products in Oracle Banking Treasury Management. |
| Define ET Instruments | Explains how you can define instruments. |
| Create Portfolio products and Portfolios | Explains how you can set-up portfolio products for the ETD module. It also explains how you can create individual portfolios for your bank and your bank's customers. |
| Define Deal Products | Explains the features unique to the Deal product. |
| Define Deal Products Restriction | Explains the features unique to the Deal product Restriction. |

| Topics | Description |
|---|---|
| General Maintenance | Explains the necessity of maintaining the Instrument Prices, Commodity Price, Price Codes, Broker Accounts, and Broker Schemes. |
| Automatic Daily Processing | Explains about the Automatic Daily Processing. |
| Annexure A– Event-wise Accounting Entries for Own Portfolio | Explains the event-wise Accounting Entries for your Own Portfolio |
| Annexure B- Advice tags and Descriptions | Explains the advice tags and their descriptions |
| Error Messages | Explains the Error Codes and Error Messages. |





Related Resources

For more information, see these Oracle Banking Treasury Management resources:

- *Procedures User Manual*
- *Messaging User Manual*

Symbols and Icons

Table 3 Symbols

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

1

Overview of Exchange Traded Derivatives

The Exchange Traded Derivatives (ETD) module of Oracle Banking Treasury Management is an automated and flexible back-office system with the capability to process exchange-traded derivative instruments such as Options and Futures.

Use this module to capture details of long and short deals, and liquidation type of deals entered at your front office, process them, and track life-cycle events of holdings in your own or your customer's portfolio.

This topic contains the following sub-topics:

- [Features of Portfolios](#)
This topic describes the functions and features of Portfolios.
- [Interaction with the Margin Maintenance Sub-System](#)
This topic describes function of interaction with the Margin Maintenance sub-system.
- [Illustration of the ETD Work-flow](#)
This topic gives the illustration of the ETD Work-flow.

1.1 Features of Portfolios

This topic describes the functions and features of Portfolios.

This topic contains following sub-topics:


- [Own Portfolio](#)
- [Customer Portfolio](#)
- [Advices](#)

1.1.1 Own Portfolio

Table 1-1 Own Portfolio Functions

| Function | Description |
|-----------------------------------|---|
| Opening long and short positions: | You can book contingent entries for the Long and Short positions opened during the day. You can define the premium exchange involved in Option Style options and book the premium amount. You have the facility to define and book the brokerage amount and charges involved in the deal. |
| Closing long and short positions | You can reverse contingent entries for all closed contracts. You have the facility to calculate the closing gain and losses, and book appropriate entries for the same. |

Table 1-1 (Cont.) Own Portfolio Functions

| Function | Description |
|------------------------------------|---|
| Revaluation of Futures and Options | <p>As part of the End of Day (EOD) activities, you can perform realized revaluation on futures and future style options based on the closing price of the instrument and the series.</p> <p>For option style options, you can perform a Memo or Notional revaluation for the entire portfolio depending on the frequency that you choose to maintain.</p> |
| Exercise of Options | <p>Facility to reverse the contingent entries for exercised contracts</p> <p>Facility to calculate the exercise gain based on the difference between the price of the underlying asset, the Strike Price of the instrument, and book accounting entries for the same.</p> |
| Assignment of Options | <p>Facility to reverse the contingent entries for exercised contracts.</p> <p>Facility to calculate the assignment loss based on the difference between the price of the underlying asset, the strike price of the instrument, and book entries for the same.</p> |
| Exchange of futures for physicals | <p>Facility to reverse the contingent entries while exchanging futures for physicals.</p> <p>Facility to calculate the exchange loss or gain based on the difference between the price of the underlying asset, the acquisition price, and book entries for the same.</p> |
| Expiry of Options | <p>On the expiry date, if the series is Out of the Money, the system will process an automatic expiry for the series. Similarly, if the series is In the Money, an automatic exercise/assignment of options event will be processed.</p> <p>The system also calculates the expiry loss or gain depending on whether it is a long or short deal. The respective accounting entries are also booked.</p> |
| Expiry of Futures | <p>In the case of futures, on the expiry date, the system automatically exchanges futures for physicals.</p> <div data-bbox="906 1287 1458 1556" style="border: 1px solid #0070C0; background-color: #E6F2FF; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>While exercising and assigning options, or during the expiry of options, and futures only the price differential (that is, the Exercise Gain or the Loss) will be processed by the ETD module.</p> </div> |

For options, the price differential is the difference between the spot price of the underlying asset and the strike price of the instrument. For futures, the price differential is calculated as the difference between the spot price of the underlying asset and the acquisition price of the instrument.

1.1.2 Customer Portfolio

Table 1-2 Customer Portfolio Functions

| Function | Description |
|-----------------------------------|--|
| Opening long and short positions: | You can define the premium exchange involved in Option Style options and book the premium amount. You have the facility to define and book the charges involved in the deal. |
| Closing long and short positions | You can calculate the closing gains and losses and book appropriate entries for the same. |
| Revaluation | Based on the closing price of the instrument and the series you can perform realized revaluation on futures and future style options daily as part of the end of day activities. |
| Exercise of Options | You can book the premium for future style options. You can calculate the difference between the Strike Price and the Underlying Asset Price, and book the appropriate accounting entries for the same. |
| Assignment of Options | You can book the premium for future style options. You can book the difference between the Price of the Underlying Asset, the Strike Price of the instrument, and pass entries for the same. |
| Exchange of futures for physicals | You can book the difference between the price of the underlying asset, the acquisition price, and book entries for the same. |
| Expiry of Options | As on the expiry date, if the series is Out of the Money, the system will process an automatic expiry for the series. Similarly, if the series is In the Money automatic exercise/assignment of options event will be processed. |
| Expiry of Futures | In the case of futures with future style options the system automatically books the deal premium amount. |

1.1.3 Advices

For every deal that is entered in the system, a deal confirmation advice can be generated and sent to the portfolio customer.

1.2 Interaction with the Margin Maintenance Sub-System

This topic describes function of interaction with the Margin Maintenance sub-system.

The ETD module interacts with the Margin Maintenance sub-system to resolve money settlements arising due to the various events processed in the ETD module. The margin maintenance module offers the flexibility of netting all settlements for a counterparty (Broker or Portfolio Customer).

Note:

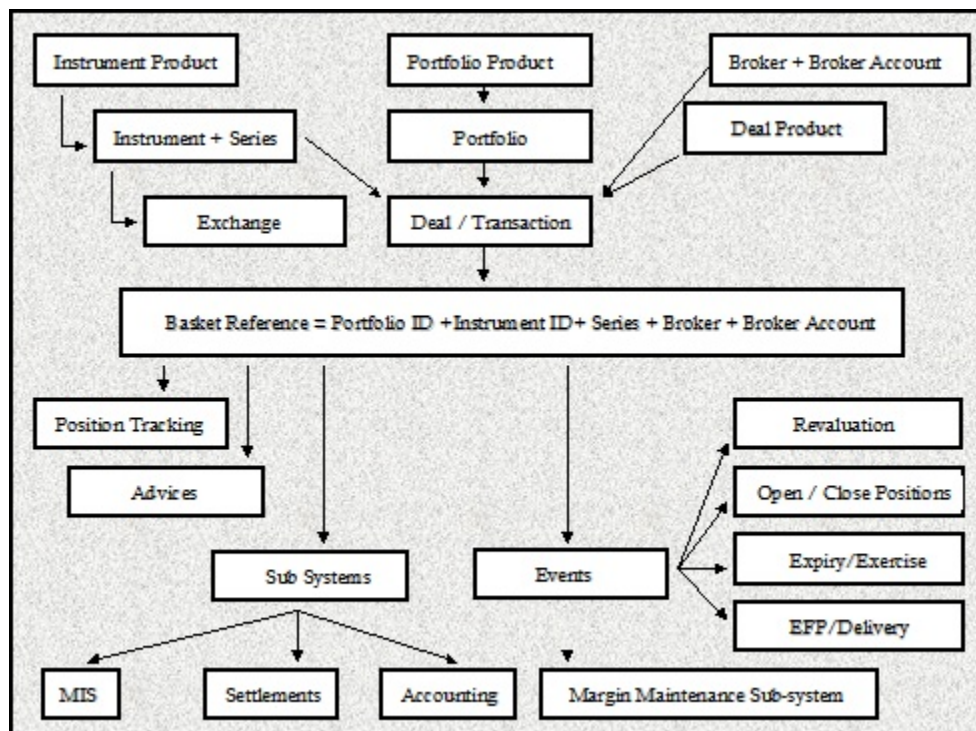
For additional information about the sub-system, refer to the Margin Maintenance user manual.

1.3 Illustration of the ETD Work-flow

This topic gives the illustration of the ETD Work-flow.

The data diagram given below appropriately illustrates the work-flow of the ETD module:

Figure 1-1 ETD Work-flow



2

Underlying Asset Definition

Derivatives are contracts, which convey the right/obligation to buy or sell a specified asset at a specified price at a specified future date. An underlying asset (or also called Commodity) of the derivative contract is the one that is to be bought or sold on a future date. Existing currencies within Oracle Banking Treasury Management can be identified as underlying assets. For example, U S Dollar (USD), which is recognized as a currency in Oracle Banking Treasury Management, would be the underlying asset for a US Dollar option. Similarly, Equities, Bonds and Zero Coupon bonds can also be defined as underlying assets.

This topic details the procedures for defining Commodities (or Underlying Assets) in Oracle Banking Treasury Management.

This topic contains the following sub-topics:

- [Process Underlying Asset Definition](#)
This topic describes the systematic instruction to process Underlying Asset Definition screen.

2.1 Process Underlying Asset Definition

This topic describes the systematic instruction to process Underlying Asset Definition screen.

In Oracle Banking Treasury Management, the underlying assets or commodities can be categorized and maintained through the Underlying Asset Definition screen.

1. On the Home page, type **EDDCOMDF** in the text box, and then click next arrow.
The **Commodity Definition** screen is displayed.

Figure 2-1 Commodity Definition

The screenshot shows the 'Commodity Definition' screen. At the top, there is a title bar with 'Commodity Definition' and window control icons. Below the title bar, there are two buttons: 'New' and 'Enter Query'. The main area contains a form with the following fields:

- Asset Type ***: A text input field with a search icon.
- Nature of Asset**: A dropdown menu with 'Real' selected.
- Underlying Asset ***: A text input field.
- Underlying Asset Description**: A text input field with a comment icon.
- Pricing Size ***: A text input field.
- Pricing Unit ***: A text input field.

At the bottom of the screen, there are three buttons: 'Fields', 'Audit', and 'Exit'.

2. On the **Commodity Definition** screen, click **New**.
3. On the **Commodity Definition** screen, specify the fields, and then click **Enter Query**.
For more information on the fields, refer to the below Field Description table.

Table 2-1 Commodity Definition - Field Description


| Field | Description |
|-------------------------------------|---|
| Underlying Asset | <p>Specify a name for the underlying asset here. This name that you give to an underlying asset identifies the underlying asset throughout the module. Ensure that the name assigned to the underlying asset is unique.</p> <p>You can follow your convention for naming the commodity. However, the name should not exceed 16 characters.</p> <p>This field is mandatory.</p> |
| Underlying Asset Description | <p>You can provide additional details of the underlying asset here. Your description for the underlying asset can be in no more than 255 characters. This description is associated with the underlying asset for information retrieval purposes only.</p> |
| Asset Type | <p>Type the Asset Type under which your asset should be grouped. Although you can define as many asset types as required, a list of predefined asset types is available in Oracle Banking Treasury Management. This list includes:</p> <ul style="list-style-type: none"> • Bond • Commodity • Currency • Derivatives • Equity • Index • Interest rates <p>Select the appropriate asset type from the adjoining list of options.</p> <div style="border: 1px solid #0070C0; padding: 10px; margin: 10px 0;"> <p> Note:</p> <p>Individual underlying assets can be mapped to any one of the above asset types. However, while defining currency assets (like US Dollar, Great British Pound, Japanese Yen, to name a few) you have to strictly map them to the Asset Type – Currency. Similarly, while defining indices (such as the BSE Sensex, NYSE, LSE, and so on) you must map them to the Asset Type – Index.</p> </div> <p>For example, while maintaining USD (U.S Dollar) as a commodity, you must group it under the Asset type – Currency. Similarly, if you create a commodity titled – BSESENSEX, it should be grouped under the asset type – INDEX.</p> <p>This field is mandatory.</p> |

Table 2-1 (Cont.) Commodity Definition - Field Description

| Field | Description |
|---|---|
| Nature of Asset | <p>Select the nature of the asset under which the underlying asset is categorized. This indicates the basic nature of the underlying asset. The available options are:</p> <ul style="list-style-type: none"> • Real • Contingent <p>Indicate whether the nature of the underlying asset is Real or Contingent depending on the physical holding of the underlying. Let us assume that you are identifying a particular currency in Oracle Banking Treasury Management as an underlying asset. In this case, the nature of the asset will be Real. However, if you are maintaining an option on a currency swap as an underlying asset, then the underlying asset or commodity is not the currency but the currency swap itself. Therefore the underlying asset becomes a contingent asset.</p> |
| Pricing Size and Underlying Pricing Unit | <p>You can indicate how the underlying asset is priced in the market by specifying the market price per unit of the underlying. Since every instrument that is processed in the system automatically inherits the characteristics of the underlying asset, the pricing size and the unit will be defaulted to the Instrument.</p> <p>This field is mandatory.</p> |

- [Examples for Pricing Size and the Pricing Size Unit](#)
This topic describes example for prizing size and prizing unit.

2.1.1 Examples for Pricing Size and the Pricing Size Unit

This topic describes example for prizing size and prizing unit.

For instance, let us assume you are maintaining the currency DEM (Deutsche Mark) as an underlying asset in Oracle Banking Treasury Management. If DEM is quoted in the market in terms of 1 DEM, then the Pricing Size and the Pricing Size Unit that you specify will be as follows:

Table 2-2 Field Value

| Field | Value |
|-------------------|-------|
| Pricing Size | 1 |
| Pricing Size Unit | DEM |

Similarly, if you are capturing the details of the commodity titled Crude Oil and Crude Oil which are quoted in the Market in terms of 1 barrel, your entries in the respective fields will be:

Table 2-3 Field Value

| Field | Value |
|--------------|-------|
| Pricing Size | 1 |

Table 2-3 (Cont.) Field Value

| Field | Value |
|-------------------|--------|
| Pricing Size Unit | Barrel |

Below examples explains how to define an underlying asset in Oracle Banking Treasury Management

Let us assume you want to define the following underlyings:

- DEM (Deutsche Mark)
- Crude Oil

While maintaining the details of each underlying your entries in Oracle Banking Treasury Management as follows:

Table 2-4 Scenario 1 – DEM

| Field | Value |
|-------------------|----------|
| Underlying Asset | DEM |
| Asset Type | CURRENCY |
| Nature of Asset | Real |
| Pricing Size | 1 |
| Pricing Size Unit | DEM |

Table 2-5 Scenario 2 - Crude OIL

| Field | Value |
|-------------------|--------|
| Commodity | CRUDE |
| Asset Type | FUEL |
| Asset Nature | Real |
| Pricing Size | 1 |
| Pricing Size Unit | Barrel |

3

Create Instrument Products

An Instrument Product is a broad classification of instruments. It provides a general framework and serves to classify or categorize instruments. The first attribute you define for a product is its Type. In other words, you indicate the type of instruments that the product involves. In Oracle Banking Treasury Management, you can set up products for the following instrument types:

- Futures
- Options

After making this basic classification, you can create the product to suit your requirements. Within the broad categories of the type of instruments listed above, you can further define attributes that are characteristic to the type. All the instruments associated with the product inherit the attributes that you define for the product. You will not be allowed to change any of these attributes at the time of capturing a specific contract.

A product can be created only in the Head Office of your bank. Any user in the head office with the requisite rights can create a product.

This topic contains the following sub-topics:

- [Process Exchange Derivatives Instrument Product Definition](#)
This topic describes the systematic procedure to process **Exchange Derivatives Instrument Product Definition** screen.

3.1 Process Exchange Derivatives Instrument Product Definition

This topic describes the systematic procedure to process **Exchange Derivatives Instrument Product Definition** screen.

You can create and maintain an instrument product through the Exchange Derivatives Instrument Product Definition screen.

1. On Homepage, type **ENDINPRO** in the text box, and then click next arrow.
The **Exchange Derivatives Instrument Product Definition** screen is displayed.

Figure 3-1 Exchange Derivatives Instrument Product Definition


2. On the Exchange Derivatives Instrument Product Definition screen, click New.
3. On the Exchange Derivatives Instrument Product Definition screen, specify the fields, and then click Enter Query.

For more information on the fields, refer to the below Field Description table.

Table 3-1 Exchange Derivatives Instrument Product Definition Field Description

| Field | Description |
|----------------------------|---|
| Product Code | Type a four-character product code for your product. Every product that you create is identified by its unique product code. This field is mandatory. |
| Product Description | Type a short description for identifying the instrument product quickly. The short description cannot exceed 35 characters. It is meant for information purposes only and will not be printed on any customer correspondence. This field is mandatory. |
| Product Type | Select the appropriate product type by selecting it from the adjoining list of options. An important detail in defining a product is to specify the nature of the product you are creating. The product type identifies the basic nature of a product. An ETD Instrument product that you create can be of the following types: <ul style="list-style-type: none"> • Options (O) • Futures (F) Indicate the appropriate product type by selecting it from the adjoining list of options. |
| Product Group | Specify each product under a specific group. The different groups are defined in the Product Group Definition screen. Indicate the group to which a product belongs by selecting the group code from the adjoining list of options. |
| Product Slogan | Type a marketing punch line to be associated with the product. This slogan is printed on all the advices that are sent to the customers of instruments associated with this product. |

Table 3-1 (Cont.) Exchange Derivatives Instrument Product Definition Field Description

| Field | Description |
|--|---|
| Product Start Date and End Date | <p>For using a product over a specific period, you can define a Start Date and an End Date. The settlement date of an instrument involving a product should be:</p> <ul style="list-style-type: none"> • Same as or later than the Start Date • Same as or earlier than the End Date of the product <p>The Start and End Date of a product is useful when you are defining a product that is applicable for a specific period.</p> <div style="border: 1px solid #0070C0; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>If you do not specify an End Date, the product can be used until it is closed.</p> </div> |

4. On the **Exchange Derivatives Instrument Product Definition** screen, click **Preference**. The **Preferences** screen is displayed.

Figure 3-2 Preference

In the **Preference** screen, the following are displayed from the values you specify in the Product Maintenance screen:

- Product code and Description
- Product Type and Description

You can specify the following product preferences in the Preferences screen.

5. On the **Preferences** screen, specify the fields.

Preferences are the options available for defining the attributes of a product. The instruments categorized under a product will inherit the preferences that are defined for it.

For more information on the fields, refer to below Field Description table.

Table 3-2 Preference - Field Description

| Field | Description |
|-------------------------------------|--|
| Product Code | System displays the product code. |
| Product Description | System displays the product code description. |
| Product Type | System displays the product type. |
| Product Description | System displays the product type description. |
| Asset Type | You need to associate the product with an asset type. A list of all the asset types maintained at your bank is available in the adjoining list of options. From this list select the asset type to be linked to the product. |
| Physical Settlement Possible | <p>Here you can indicate whether the long party involved in the deal can take physical possession of the underlying asset upon exercise or expiry of the instrument.</p> <p>Select the Physical Settlement Possible checkbox to indicate that for instruments involved in the product the long party can take possession of the underlying asset. Leave this box unchecked to indicate that physical settlement is not possible.</p> <p>For example, consider that you are specifying the preferences of a product that is meant for Index futures. In such a case as there is no physical delivery of the index involved you must leave this box unchecked.</p> |
| Prior Settlement Possible | <p>Positions in the Options contracts can be exchanged for the underlying assets by exercising the options. Similarly, you can settle positions in Futures contracts by exchanging them for the underlying physical assets/Underlyings.</p> <p>You have to indicate whether the positions of instruments involving this product can be exchanged for positions in the underlying asset before the expiry date. Select the Prior Settlement Possible check box to allow exchange of positions before the expiry date. Leave this box unchecked to indicate that exchange of positions should not be allowed.</p> |
| Auto Exercise | <p>Select this check box to indicate that instruments should be exercised automatically. During EOD process, any instrument will be automatically exercised only if this option is checked for the underlying product.</p> <p>Whenever an instrument is liquidated before expiry, the instrument will be open until it is exercised manually or through an upload from an external system.</p> |
| Remarks | Provide information about the product for the internal reference of your bank. These remarks are shown when the details of the instrument are displayed or printed. This information is not printed on any correspondences with the customer. |

Table 3-2 (Cont.) Preference - Field Description

| Field | Description |
|----------------------------------|--|
| Branch Restriction List | Indicate whether you want to create a list of allowed branches or disallowed branches by choosing one of the following options: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Allowed • Disallowed |

Let us assume you want to define an American Currency Option, where the product code is ACYO. It must be linked to the underlying asset type Currency. You want to allow the long party to take possession of the underlying asset. Moreover, the instrument involving this product can be settled before the expiry date. Your entries in the Instrument Product screen must look like this:

Table 3-3 Field Value

| Field | Value |
|------------------------------|----------|
| Pricing Size | 1 |
| Pricing Size Unit | DEM |
| Asset Type | Currency |
| Physical Settlement Possible | Yes |
| Prior Settlement Possible | Yes |

While capturing the details of a European Index Option, apart from specifying a unique product code, you will have to specify Index in the Asset Type field and leave the Physical Settlement Possible box unchecked.

6. On the **Exchange Derivatives Instrument Product Definition** screen, click **MIS**.
The **MIS Details** screen is displayed.

Figure 3-3 MIS Details

The screenshot displays the 'MIS Details' configuration screen. It features several input fields and sections:

- Product Code:** A single text input field.
- MIS Group:** A text input field with a search icon.
- Pool Code:** A text input field with a search icon.
- Default From MIS Group:** A button located to the right of the MIS Group field.
- MIS Classes:** A section containing a table with columns for 'MIS Class' and 'MIS Code'. The table is currently empty, displaying 'No data to display.' and a pagination control for 'Page 1 (0 of 0 items)'.
- Cost Code:** A section with five vertically stacked text input fields, each accompanied by a search icon.

At the bottom right of the screen, there are 'Exit' and 'Save' buttons.

You can define the Management Information Details (MIS) details for the instrument product that you are creating through the MIS Details screen. Through the MIS product details screen you can link the product to transaction MIS codes. The transaction codes linked to the product are defaulted to the instrument.

For more details on MIS Details screen, refer to MIS user manual.

4

Define ET Instruments

Each instrument that you enter in Oracle Banking Treasury Management should necessarily be associated with an instrument product. To recall, you have already defined instrument products to group together or categorize instruments that share broad similarities. Instrument products provide a general framework and services to classify or categorize instruments. Under each Product that you have defined, you can enter specific instruments. By default, an instrument inherits all the attributes of the instrument product, which is associated with it. These include:

- Instrument Type
- Asset Type linked to the product
- Whether physical settlement of the underlying asset is possible
- Whether settlement can be made prior to the Expiry Date

This means that you will not have to define the general attributes each time you enter the instrument details. In addition to the product preferences, you will have to capture the other details of the instrument. They include:

- Instrument details
- Underlying Asset details
- Pricing details
- Price movement details
- Max Open and Long positions
- Days of settlement
- Initial margin per contract

This topic has the following subtopics:

- [Instrument Definition](#)
This topic describes how to define the instrument and actual instrument examples.
- [Process Instrument Margin](#)
This topic describes the systematic instruction to process the Instrument Margin screen.
- [Process Margin Details and Instrument Price Details](#)
This topic describes the systematic instruction to process the Margin Details and Instrument Price Details.
- [Position and MTM Calculations for Instruments](#)
This topic describes the Position and MTM calculations can be done through the batch process.

4.1 Instrument Definition

This topic describes how to define the instrument and actual instrument examples.

This topic has the following subtopics:

- [Process Instrument Definition](#)
This topic describes the systematic instruction to process the **Instrument Definition** screen.
- [Examples of Capturing Actual Instruments in Oracle Banking Treasury Management](#)
In this topic we will see how the details of actual ET instruments, traded in the market can be captured using the ETD module of Oracle Banking Treasury Management.

4.1.1 Process Instrument Definition

This topic describes the systematic instruction to process the **Instrument Definition** screen.

1. On the Home page, type **ENDUINST** in the text box, and then click next arrow.
The **Instrument Definition** screen is displayed.

Figure 4-1 Instrument Definition

The screenshot shows the 'Instrument Definition' screen with the following sections and fields:

- Product Code:** Searchable text field.
- Asset Type:** Text field with a dropdown menu showing 'P'.
- Physical Settlement Possible:** Toggle switch.
- Prior Settlement Possible:** Toggle switch.
- Derivative Type:** Text field.
- Instrument Details:**
 - Instrument Reference:** Text field.
 - Contract Size:** Text field with an asterisk.
 - Call/Put:** Text field.
 - Instrument Id:** Text field with an asterisk.
 - Unit:** Text field with an asterisk.
 - Premium Style:** Text field.
 - Instrument Description:** Text field with a help icon.
 - Value:** Text field with a help icon.
- Underlying Asset Details:**
 - Underlying Asset:** Searchable text field with an asterisk.
 - Asset Nature:** Text field.
 - Pricing Size:** Text field.
 - Pricing Multiple:** Text field with an asterisk.
 - Pricing Unit:** Text field.
 - Price Code:** Searchable text field with an asterisk.
- Price Details:**
 - Pricing Currency:** Searchable text field with an asterisk.
 - Instrument Pricing Size:** Text field with an asterisk.
 - Asset Currency:** Searchable text field with an asterisk.
 - Instrument Pricing Unit:** Text field with an asterisk.
 - Precision:** Text field with an asterisk.
 - Multiple:** Text field with an asterisk.
- Max Open Position:**
 - (Long) Customer:** Text field.
 - (Short) Customer:** Text field.
- Days For Settlement:**
 - Physical:** Text field.
 - Money:** Text field with an asterisk.
- Initial Margin % Per Open Contract:**
 - (Long) Self:** Text field.
 - (Short) Self:** Text field.
 - Long:** Text field.
 - Short:** Text field.
 - Margin Currency:** Searchable text field.
- Price Movement:**
 - Minimum Movement:** Text field with an asterisk.
 - Maximum Movement:** Text field.
- Other Details (top):** Searchable text field with an asterisk.
- Other Details (bottom):**
 - Default Broker:** Searchable text field.
 - Contract Standard:** Text field with a help icon.
 - Issuer:** Searchable text field with an asterisk.
 - Clearing House:** Searchable text field with an asterisk.

At the bottom, there are buttons for 'Series', 'MIS', 'Fields', 'Audit', and 'Exit'.

All ET instruments must be designated at inception either as Future or as Option instruments. At the time of product definition, you would have indicated whether the product being defined is meant for future instruments or options. When you associate an instrument with a product, the specifications you made for the

instrument product default to the instrument. You will not be allowed to change the defaulted specifications.

2. On the **Instrument Definition** screen, under Instrument Details section, specify the fields.

For more information on the fields, refer to the below table.

Table 4-1 Instrument Details - Field Description

| Field | Description |
|----------------------------------|--|
| Reference | In Oracle Banking Treasury Management, the system generates instrument reference numbers automatically and sequentially by the system. This number tag is used to identify the instrument that you are entering. It is also used in all transactions related to this instrument. Here the system generates a unique 16 digit alphanumeric reference value for each instrument. |
| Instrument Identification | Type the reference number or value for the instrument here. This is called the 'Instrument Identification'. The 'Instrument Identification' in addition to the 'Reference' generated by the system identifies the instrument. The 'Instrument Identification' should be unique and cannot be used to identify any other instrument. It also cannot exceed 16 characters. By default, the system generates an Instrument Reference number which is taken as the Instrument ID. |
| Description | Here you can provide a brief description for the instrument. This description cannot exceed 35 characters. |
| Contract Size and Unit | Indicate the number of the units of the underlying asset that makes this instrument as part of specifying the instrument details. Refer to the below field values table. |
| Value | You can capture additional details pertaining to the instrument or the underlying. The details that you capture in this field are meant for your bank's internal reference and will not be used for processing the contract. |
| Call/Put | Select Call/Put option from the Call/Put list. While capturing the details of an Option instrument, you need to indicate whether the option is a Call or a Put option. In the ETD module the Call and Put Options are treated as two separate instruments in all respects. Therefore, when an Exchange issues Call and Put options on the same underlying assets, you need to have defined two instruments to take care of the two Options. |

Table 4-1 (Cont.) Instrument Details - Field Description

| Field | Description |
|----------------|--|
| Premium | <p>Indicate the premium style, which should be picked up for the particular option.</p> <p>You can choose one of the following options here:</p> <ul style="list-style-type: none"> Select Option Style for booking the Premium Amount for the Deal during the Opening/Closing of the Position, along with the deal. This means there is no Variation Margin (Cash Settlement of Revaluation Differences based on Daily Closing Price of the Instrument) to be processed for such instruments. For your portfolios, you are allowed to do a Notional Revaluation for such Instruments. Select Futures Style for not booking the Premium Amount during the Opening/Closing of Position, that is, there is no exchange of Cash during the deal. But based on the every day closing prices of the Instrument, there will be a variation Margin Computation that has to be exchanged between the Portfolio and Broker (Revaluation based on Cash Basis). |

For instance, let us assume that the underlying asset for an instrument is Wheat. Each instrument entitles the holder to buy or sell 100 Kilograms of Wheat. Your entries in the Contract Size and Unit fields will be as follows:

Table 4-2 Field Value

| Field | Value |
|---------------|------------|
| Contract Size | 100 |
| Unit | Kilo-grams |

Table 4-3 Field Value

| Field | Value |
|---------------|-----------|
| Contract Size | 1,000,000 |
| Unit | DEM |

- On the **Instrument Definition** screen, under Underlying Asset details section, specify the fields.

For more information on the fields, refer to below Field Description table.

Table 4-4 Underlying Asset details - Field Description

| Field | Description |
|-------------------------|---|
| Underlying Asset | <p>After you have indicated the instrument details, you must specify the underlying asset, which is to be linked to the instrument being defined. The option list available for this field is populated based on the Asset Type linked to the product involving this instrument. You can select an appropriate underlying code.</p> |

Table 4-4 (Cont.) Underlying Asset details - Field Description

| Field | Description |
|-------------------------|--|
| Pricing Multiple | Specify the Pricing Multiple of the underlying. The Pricing Multiple is the multiplication factor that should be applied to the Price of the Underlying to arrive at the price per contract. Refer to the below field value table. |
| Price Code | <p>A single underlying can be linked to several instruments issued at various exchanges. As a result, there might be slight price variations in the closing price of the same underlying in each exchange where the instrument is traded.</p> <p>Since the system automatically picks up all open position contracts for auto Expiry/Exercise, on the expiry date of the instrument, the closing price of the underlying is required for triggering this process. Therefore, if each of the exchanges where the underlying trades is identified by a unique price code, it becomes possible to associate the price code to be used to pick up the closing price of the underlying for processing the Expiry/Exercise event.</p> <p>On saving the record, the other details of the underlying - such as the Pricing Size, the Pricing Unit and the Nature of the Asset - are defaulted from the Underlying Asset Maintenance screen, depending on the underlying that you link with the instrument. You cannot change them.</p> |

Table 4-5 Field Value

| Field | Value |
|---------------|------------|
| Contract Size | 100 |
| Unit | Kilo-grams |

The underlying you have linked to this instrument is Gold and it is priced in terms of 10 grams.

The Pricing Multiple that you define for this contract will be:

10 kilograms of gold/10 grams of gold = 1000.

Thus, on the option Exercise Date if the Spot Price of Gold is 50 USD for 10 grams of gold, the instrument will be considered to be at the money, if it has a Strike Price of 50000 USD (50 USD X 1000) per contract.

Indicate the multiplication factor that should be applied to the commodity price of the underlying.

4. On the **Instrument Definition** screen, under Price Details section, specify the fields. For more information on the fields, refer to below Field Description table.

Table 4-6 Price Details - Field Description

| Field | Description |
|--|--|
| Pricing Currency and Asset Currency | Indicate the currency in which the instrument is to be priced in. The asset currency of the product involved in the instrument defaults as the pricing currency. |

Table 4-6 (Cont.) Price Details - Field Description

| Field | Description |
|---|--|
| Precision | Specify the maximum decimal places that can be allowed for quoting the Instrument price. |
| Pricing Size, Pricing Unit and Instrument Pricing Multiple | While specifying the contract size of the Gold Option instrument you have indicated that the contract size was 10 kilograms of Gold. Now, as part of specifying the premium of this option if we were to specify that it should be quoted per every gram of gold, the instrument pricing size and unit are given in the below table. For Instrument Pricing Size, value is 1 and Instrument Pricing Unit, the value is in Gram Consequently, the multiplication factor to arrive at the Cost Per Contract (Pricing Multiple) equals 10000. |

Table 4-7 Instrument Pricing Size and Unit

| Field | Value |
|-------------------------|-------|
| Instrument Pricing Size | 1 |
| Instrument Pricing Unit | Gram |

You can change the pricing currency only if the underlying asset also happens to be a currency. In such a case, since the asset currency differs from the pricing currency you have to change it manually.

For example, Scenario I

Let us carry forward the earlier example of the Gold Option. In this example the Pricing Currency is USD. The Asset Currency will also be USD. Therefore, if you were to take a long Position (Call), the system will pass Contingent Entries to the Contingent Bought and Contingent Bought Offset GLs. Both the entries will be posted in USD.

Scenario II:

You are processing a DEM Call Option priced in USD. In this case the Pricing Currency will be USD and the Asset Currency will be DEM. Therefore, if you were to take a long position (Call), the system will post Contingent Entries to the Contingent Bought and Contingent Bought Offset GLs. In this case, the Contingent Asset entry will be posted in DEM (asset currency) and the Contingent Bought Offset will be posted in USD (pricing currency).

5. On the **Instrument Definition** screen, specify the following price movement details.

For more information on the fields, refer to below Field Description table.

Table 4-8 Price Movement Details - Field Description

| Field | Description |
|-------------------------|---|
| Minimum Movement | Specify a certain minimum movement in the price of the instrument to trade in the instrument the exchange. The price that you enter in this field is merely for informational purposes and is not used during contract processing. This value is also referred to as the Tick Size of the Instrument. |

Table 4-8 (Cont.) Price Movement Details - Field Description

| Field | Description |
|-------------------------|--|
| Maximum Movement | Specify the maximum movement value. The value that you capture in this field is meant for your internal reference only. No processing is done in Oracle Banking Treasury Management based on this value. This price is set at the exchange and is indicative of the forward movement in the instrument price. When the instrument price reaches this limit, trading in this instrument will be suspended for the particular day by the exchange. |

6. On the **Instrument Definition** screen, under **Maximum Open Positions Details** section, specify the fields.

Certain exchanges you deal in may place restrictions to mitigate the default risk by the various investors. Irrespective of the exchange having this restriction, your bank may want to restrict the open positions held by your portfolio customers. You can do this by specifying the maximum open long and short positions.

Your entries in this field are meant purely for information purposes. Oracle Banking Treasury Management being a back end processing system will not perform any validations against these values that you capture in these fields.

7. On the **Instrument Definition** screen, under **Day for Settlement** section, specify the fields.

For more information on the fields, refer to below Field Description table.

Table 4-9 Days for Settlement - Field Description

| Field | Description |
|-----------------|--|
| Money | Specify the Money settlement days. When a particular deal involves money settlement, (Option Premium in case of an Open Deal for an Option or an Exercise deal) the money settlement days are used to arrive at the date on which the money settlement should take place. For instance if you indicate that the money settlement date is two days, the system calculates the money settlement date in the following manner: Deal Date + 2 Working Days Your entry in this field determines the Value Date for Money Settlement. |
| Physical | When a particular deal involves the physical settlement of the underlying asset, (Exercise of Stock Options or Interest Rate Options) you need to indicate the physical settlement days. The system calculates the Value Date of the Physical Settlement based on the number of days that you specify in this field. For instance, if you specify the number of days as one, the value date for physical settlement of the underlying asset will be done in the following manner: Deal Date + 1 Working Day |

8. On the **Instrument Definition** screen, under **Initial Margin Details** section, specify the fields.

For more information on the fields, refer to below Field Description table.

Table 4-10 Initial Margin Details - Field Description

| Field | Description |
|-----------------------|---|
| Long and Short | <p>In certain exchanges, it is mandatory that you deposit as collateral (Initial Margin), a fixed percentage of the Contract Value. You need to specify the percentage of initial margin for every open contract held by the investor. The percentage that you specify can change on a day-to-day basis. Similarly, the percentage per Open Short Contract may differ from the percentage per Open Long Contract</p> <p>Since the ETD module does not calculate the Initial Margin Requirements, the value that you specify in this field represents an approximate percentage that will be required as Initial Margin. The percentage of the contract amount that you enter in these fields will not be considered for processing.</p> |
| Currency | <p>Indicate the currency in which the percentage amount is to be paid. This field assumes significance only when the margin amount is paid in cash. A list of currencies maintained in Oracle Banking Treasury Management is displayed in the available option list. You can choose the appropriate currency.</p> |

9. On the **Instrument Definition** screen, under Other Details section, specify the fields.

For more information on the fields, refer to the below Field Description table.

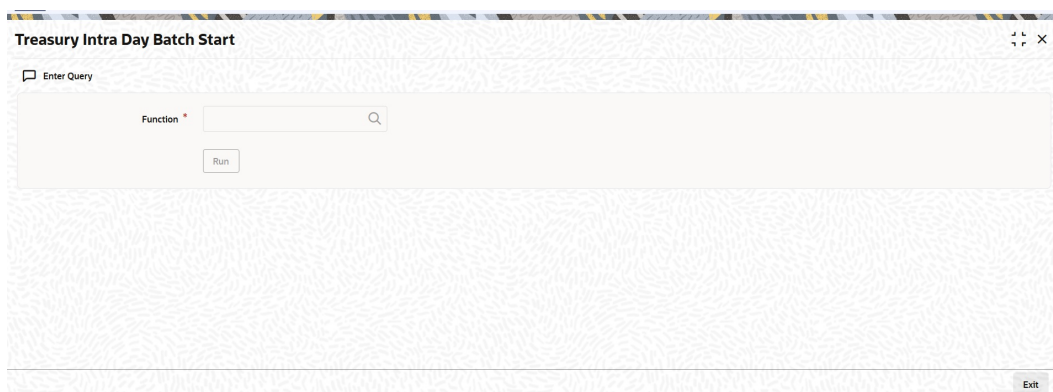
Table 4-11 Other Details - Field Description

| Field | Description |
|-----------------------|---|
| Default Broker | <p>Your bank can trade-in instruments involving brokers and clearinghouses. You have to indicate the ID of the broker/ clearing member involved in the deal. A list of all customers categorized as brokers and clearing members through the Customer Information maintenance screen are available in the list of options. You can choose the appropriate ID.</p> <p>Subsequently, whenever this instrument is chosen in the deal, the broker for the deal defaults from this value. You can change the broker ID if necessary.</p> |
| Issuer | <p>This is the ID of the exchange that has issued the particular instrument. The list of options available for this field contains a list of all customers categorized as Issuers through the Customer Information File details screen. You can associate the appropriate issuer ID with this instrument.</p> |
| Clearing House | <p>You can capture the ID of the clearing house where the settlement of trades is to take place.</p> <p>The daily settlement of trades is Oracle Banking Treasury Management will be carried out, based on your holiday specifications in the Holiday Calendar maintenance screen. Processing for a day is skipped, if both the branch and the clearing house are configured for a holiday as of the processing date.</p> |

Table 4-11 (Cont.) Other Details - Field Description

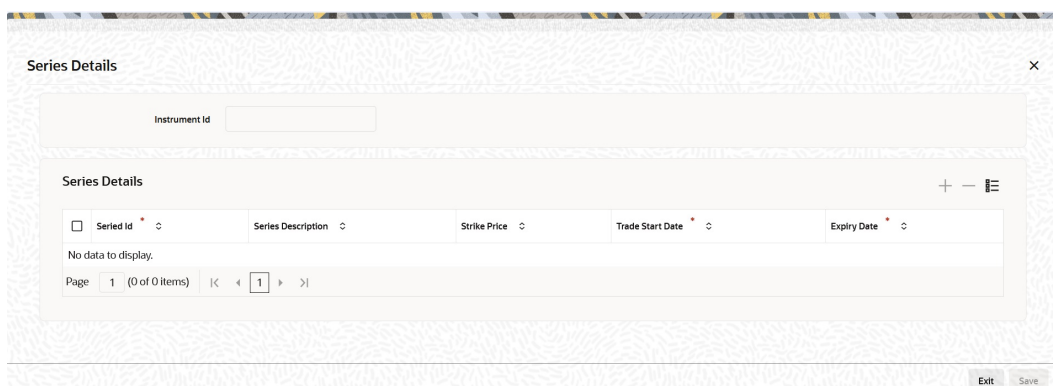
| Field | Description |
|--------------------------|--|
| Contract Standard | <p>You can capture additional information about the ETD instrument that you are processing. The additional text that you capture should not exceed 255 characters. The details that you capture in this field can pertain to any of the following:</p> <ul style="list-style-type: none"> • Instrument involved in the deal • Underlying asset • Physical settlement of the deal • Money settlement of the deal <p>This information will be printed on all the advices that are sent to your portfolio customers if you identify Contract Standard as an Advice Tag, while specifying message formats in the Messaging sub-system.</p> |

Figure 4-2 Treasury-Intra Day Batch Start - Login Page



- In the **Instrument Definition** screen, click **Series**.
The **Series Details** screen is displayed.

Figure 4-3 Series Details



Each time the exchange introduces a new series for the instrument, the instrument maintenance record should be unlocked and the details of the new series captured.

11. On the **Series Details** screen, specify the fields.

For more information on the fields, refer to the below Field Description table.

Table 4-12 Instrument Series - Field Description

| Field | Description |
|---|--|
| Series ID | To identify the series, you need to assign a unique 16 character code to the series. After you associate a code with the series, you have to capture a brief description of the series. This description will be associated with the series for information retrieval purposes. |
| Strike Price | While capturing the details of an option instrument, you need to indicate the price at which the option buyer can purchase the asset for a call option or sell the asset in the case of a put option. The Strike Price is specified in terms of the Pricing Size and Unit maintained for the Instrument. Therefore, it is multiplied by the instrument pricing multiple to arrive at the contract value. |
| Trade Start Date and Expiry Date | You can indicate the time period for which the series can be traded in the market by specifying the following: <ul style="list-style-type: none"> Trade Start Date Expiry Date <p>The Trade Date is the first date on which the series can be traded in the market. The value dates of deals involving the particular series cannot be earlier than the Trade Date.</p> <p>The Expiry Date is the date on which the series expires. The value dates of any of the deals involving the series cannot be later than the expiry date. The automatic Expiry/Exercise liquidation of all open positions for a series is done as part of the End of Day activities on the expiry date of the series.</p> |

A single instrument can have multiple series attached to it. At a given point in time multiple series of the same instrument can be traded simultaneously depending on the expiration months for each series.

Let us assume, you are maintaining the details of Wrought Iron Futures, traded in the London metal exchange. The instrument has two series attached to it.

Table 4-13 Series I

| Series | Description |
|-------------|--|
| Series ID | LME – Wrought Iron Futures – DEC 2000 series |
| Opening Day | 01 Dec 2000 |
| Lifetime | 6 months |

Table 4-14 Series II

| Series | Description |
|-----------|--|
| Series ID | LME – Wrought Iron Futures – JAN 2001 series |

Table 4-14 (Cont.) Series II

| Series | Description |
|-------------|-------------|
| Opening Day | 01 Dec 2001 |
| Lifetime | 5 months |

4.1.2 Examples of Capturing Actual Instruments in Oracle Banking Treasury Management

In this topic we will see how the details of actual ET instruments, traded in the market can be captured using the ETD module of Oracle Banking Treasury Management.

Example I - One Month Euribor Futures

Below are some samples:

Table 4-15 One Month Euribor Futures

| Function | Value |
|---|--|
| Contract Standard | The European Interbank Offered Rate (EURIBOR) for one-month euro time deposits. |
| Contract Value | EUR 3,000,000 |
| Settlement | Cash Settlement, payable on the first exchange trading settlement day immediately following the Last Trading Date. |
| Price Determination | In percent, with three decimal places, expressed as 100 minus the going rate of interest. |
| Minimum Price Change | 0.005 percent, equivalent to a value of EUR 12.50. |
| Maturity Months | The six nearest calendar months. The longest term available is therefore six months. |
| Last Trading Day – Final Settlement Day | Two exchange trading days prior to the third working Wednesday of the respective settlement month, provided that on that day the FBE/ACI has determined the reference interest rate EURIBOR pertaining to one-month euro time deposits; otherwise, the preceding day. Trading in the maturing contract ceases at 11:00 am CET. |
| Daily Settlement Price | The volume-weighted average price of the last five trades of the day, provided they are not older than 15 minutes; or, if more than five trades have occurred during the final minute trading, then the volume weighted average price of all trades that occurred during that final minute. If such a price cannot be determined, or if the price so determined does not reasonably reflect prevailing market conditions, then Eurex will establish the official settlement price. |

Table 4-15 (Cont.) One Month Euribor Futures

| Function | Value |
|------------------------|---|
| Final Settlement Price | Eurex establishes the final settlement price at 11:00 am CET on the last trading day based on the reference interest rate (EURIBOR) for one-month euro time deposits as determined by FBE/ACI. To fix the Final Settlement Price, the EURIBOR rate is rounded to the nearest price interval (0.005, 0.01 or multiple thereof) and is then subtracted from 100 |
| Trading Hours | 8.45 am until 7.00 pm CET. |

In Oracle Banking Treasury Management

To fit this requirement in Oracle Banking Treasury Management you have to specify the following details in the Instrument Definition screen:

Table 4-16 Instrument Definition

| Field | Value |
|----------------------|--------------|
| Product Code | FEU1 |
| Option/Future | Future |
| Asset Type | Time Deposit |
| Physical Settlement | Yes |
| Settle Before Expiry | Yes |

Table 4-17 Instrument Details

| Field | Value |
|------------------------|-------------------------------------|
| Reference | 000FEU100123 |
| Instrument | 1-Month-Euribor-TimeDeposit- Future |
| Nature of Asset | Real |
| Asset Currency | EUR |
| Contract Size | 1 |
| Contract Size Unit | Deposit |
| Contract Value | 3000000 |
| Pricing Currency | EUR |
| Pricing Size | 1 |
| Pricing Size Unit | Deposit/30000 |
| Pricing Unit Multiple | 30000 |
| Precision | 3 |
| Minimum Price Movement | 0.005 |

Table 4-18 Underlying Asset Details

| Field | Value |
|-----------------------|-----------------------------------|
| Underlying Asset | ETD (1-Month-Euribor-TimeDeposit) |
| Pricing Size | 1 |
| Pricing Size Unit | Deposit / 30000 |
| Pricing Unit Multiple | 30000 |
| Price Code | EUREX |

Table 4-19 Example II – Option on Three month Euribor Futures

| Function | Value |
|------------------------|--|
| Contract Standard | Three-Month EURIBOR Futures. The nominal value of one futures contract is EUR 1,000,000. |
| Contract Value | One Three-Month EURIBOR Futures contract. |
| Settlement | The exercise of a Three-Month EURIBOR Futures option results in the creation of a corresponding Three-Month EURIBOR Futures position for the buyer as well as the seller to whom the exercise is assigned. The position is established after the Post-Trading Period of the exercise day, and is based on the agreed exercise price. |
| Price Determination | In points, with three decimal places. |
| Minimum Price Change | 0.005 of a point, equivalent to a value of EUR 12.50. |
| Last Trading Day | Two exchange trading days prior to the third Wednesday of the respective settlement month, provided that on that day the FBE/ACI has determined the reference interest rate EURIBOR pertaining to three-month euro time deposits; otherwise, the preceding day. Trading in the maturing contract ceases at 11:00 a.m. CET. |
| Daily Settlement Price | The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price. |
| Exercise | American style, i.e. an option can be exercised up to the end of the Post-Trading Period on any exchange trading day during the lifetime of the option. |
| Expiration Months | The next four months within the cycle March, June, September and December; i.e. options contracts are available with a lifetime of 3, 6, 9 and a maximum of 12 months. The maturity month of the underlying futures contract and the expiration month of the option are identical. |
| Exercise Value | Options series have exercise prices with intervals of 0.10 of a point (e.g. 96.40, 96.50, 96.60). Twenty-one exercise prices are introduced initially for each expiration month. |
| Option Premium | The premium is settled using the 'futures-style' method. |
| Trading Hours | 8:30 a.m. until 7:00 p.m. CET. |

In Oracle Banking Treasury Management

To fit this requirement in Oracle Banking Treasury Management you have to specify the following details in the Instrument Definition screen:

Table 4-20 Instrument Definition

| Field | Value |
|----------------------|----------------------|
| Product Code | OEU3 |
| Option/Future | Option |
| Asset Type | Interest Rate Future |
| Physical Settlement | Yes |
| Settle Before Expiry | Yes |

Table 4-21 Instrument Details

| Field | Value |
|------------------------|--|
| Reference | 000OEU300123 |
| Instrument | Option on Three-Month EURIBOR Futures contract. |
| Nature of Asset | Contingent |
| Asset Currency | EUR |
| Contract Size | 1 |
| Contract Size Unit | Future Contract |
| Contract Value | One Three-Month EURIBOR Futures contract. |
| Pricing Currency | EUR |
| Pricing Size | 1 |
| Pricing Size Unit | Future Contract / 30000 |
| Pricing Unit Multiple | 30000 |
| Precision | 3 |
| Minimum Price Movement | 0.005 |
| Contract Standard | Three-Month EURIBOR Futures. The nominal value of one futures contract is EUR 1,000,000. |

Table 4-22 Underlying Asset Details

| Field | Value |
|-----------------------|---|
| Underlying Asset | One Three-Month EURIBOR Futures contract. |
| Pricing Size | 1 |
| Pricing Size Unit | Future Contract / 30000 |
| Pricing Unit Multiple | 30000 |
| Price Code | EUREX |

Example III – Equity Options on German Shares

Below shows example for equity options on German shares.

Table 4-23 Equity Options on German Shares

| Function | Value |
|------------------------|---|
| Contract Size | Contracts are generally based on 100 shares of the underlying instrument. However, for shares with a nominal or calculated value of DEM 50 or equivalent in euro, the contract size is 10 shares. Options on Munich Re and Allianz have a contract size of 50 shares. |
| Minimum Price Change | The minimum price change for options is EUR 0.01. In the case of options on shares with a nominal value of DEM 50, price changes of DEM 0.1 are possible. |
| Settlement | Physical delivery of 10, 50, or 100 shares, respectively, of the underlying security. |
| Settlement Day | Two exchange trading days after exercise. |
| Last Trading Day | The third Friday of the expiration month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. |
| Daily Settlement Price | The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price. |
| Exercise | American style, i.e. an option can be exercised until 18:30 on any exchange trading day during the lifetime of the option, except on days where resolutions regarding dividends take place. |
| Expiration Months | Group A shares: the three nearest calendar months, as well as the following two months within the cycle March, June, September and December thereafter (i.e. up to a maximum lifetime of 9 months). Group B shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter (i.e. up to a maximum lifetime of 12 months). Group C shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, and the following two months within the cycle June and December thereafter (i.e. up to a maximum lifetime of 24 months). |
| Exercise Price | Options series may have the following exercise prices: Shares with a nominal or calculated value of DEM 50 Shares with a nominal or calculated value of DEM 50 |
| Underlying Instruments | Eurex equity options on German shares are traded in the following groups according to their expiration months: |

Table 4-24 Exercise Price Intervals

| Exercise Prices | Exercise Price Intervals |
|----------------------|--|
| EUR 1 to EUR 20 | EUR 1 |
| EUR 22 to EUR 50 | EUR 2 |
| EUR 52,50 to EUR 100 | EUR 2,50 only the two next expiration months |
| EUR 55 to EUR 100 | EUR 5 |
| EUR 110 to EUR 200 | EUR 10 |
| EUR 220 to EUR 500 | EUR 20 |

Table 4-24 (Cont.) Exercise Price Intervals

| Exercise Prices | Exercise Price Intervals |
|----------------------|--|
| EUR 525 to EUR 1.000 | EUR 25 only the two next expiration months |
| EUR 550 to EUR 2.000 | EUR 50 |
| EUR 2.100 and above | EUR 100 |

Shares with a nominal or calculated value of DEM 5 and DEM10 or equivalent in euro:

Table 4-25 Exercise Price Intervals

| Exercise Prices | Exercise Price Intervals |
|----------------------|--|
| EUR 1 to EUR 20 | EUR 1 |
| EUR 22 to EUR 50 | EUR 2 |
| EUR 52,50 to EUR 100 | EUR 2,50 only the two next expiration months |
| EUR 55 to EUR 200 | EUR 5 |
| EUR 210 and beyond | EUR 10 |

For each expiration month, there are at least three call and three put series, providing an in the money, at-the money and out-of-the-money exercise price. For options contracts with lifetimes of 18 or 24 months (XXL Options), the exercise price intervals are doubled.

Table 4-26 Expiration Months

| Group A | Group B | Group C |
|-------------------------|-----------------------------|-------------------------------------|
| 1, 2, 3, 6 and 9 months | 1, 2, 3, 6, 9 and 12 months | 1, 2, 3, 6, 9, 12, 18 and 24 months |
| NA | NA | NA |

Shares with a (calculated) nominal value of DEM 5 or equivalent in euro:

Table 4-27 Nominal Value

| Group A | Group B | Group C |
|-----------------------------------|----------------------------------|------------------------|
| Adidas (ADS) | Bay. Hypo- und Vereinsbank (HVM) | Allianz-Holding (ALV) |
| Degussa Hüls (DHA) | Dresdner Bank (DRB) | BASF (BAS) |
| Henkel Vz. (HEN3) | Lufthansa (LHA) | Bayer (BAY) |
| Metro (MEO) | Mannesmann (MMN) | Commerzbank (CBK) |
| Münchener Rückversicherung (MUV2) | RWE (RWE) | Daimler Chrysler DCX) |
| SAP Vz. (SAP3) | Thyssen Krupp (TKA)* | Deutsche Bank (DBK) |
| Schering (SCH) | - | Deutsche Telekom (DTE) |
| - | - | Hoechst (HOE) |

Table 4-27 (Cont.) Nominal Value

| Group A | Group B | Group C |
|-----------------------------------|---------|---------------|
| - | - | Siemens (SIE) |
| - | - | VEBA (VEB) |
| - | - | VW (VOW) |
| Münchener Rückversicherung (MVUZ) | - | - |

Shares with a nominal or calculated value of DEM 50 or equivalent in euro:

Table 4-28 Field Value

| Field | Value |
|----------------|----------------|
| Karstadt (KAR) | BMW (BMW) |
| Linde (LIN) | Preussag (PRS) |
| MAN (MAN) | VIAG (VIA) |

Table 4-29 Field Value

| Field | Value |
|---------------------|--|
| Trading Hours (CET) | 9:00 a.m. until 5:00 p.m. CET. All equity options are subject to mandatory market making. |
| Option Premium | Payable in full on the exchange trading day immediately following the trade date. |

In Oracle Banking Treasury Management

The details that you specify in the Instrument Definition screen should be as follows:

Table 4-30 Instrument Definition

| Field | Value |
|----------------------|--------|
| Product Code | OTSK |
| Option/Future | Option |
| Asset Type | Equity |
| Physical Settlement | Yes |
| Settle Before Expiry | Yes |

Table 4-31 Instrument Details

| Field | Value |
|------------|----------------------------------|
| Reference | 000OTSK00123 |
| Instrument | Option on Allianz -Holding (ALZ) |

Table 4-31 (Cont.) Instrument Details

| Field | Value |
|--------------------------|--|
| Nature of Asset | Real |
| Asset Currency | EUR |
| Contract Size | 100 |
| Contract Size Unit | Shares |
| Call Put Indicator | Call |
| Pricing Currency | EUR |
| Pricing Size | 1 |
| Pricing Size Unit | Share |
| Pricing Unit Multiple | 100 |
| Precision | 2 |
| Minimum Price Movement | 0.01 |
| Money Settlement Days | 1 |
| Physical Settlement days | 2 |
| Contract Standard | 100 Shares of Allianz-Holding of par value 5 DEM each (or equivalent in EUR) |

Table 4-32 Underlying Asset Details

| Field | Value |
|-----------------------|-----------------|
| Underlying Asset | Allianz-Holding |
| Pricing Size | 1 |
| Pricing Size Unit | Share |
| Pricing Unit Multiple | 100 |
| Price Code | FSE |

Table 4-33 Example IV Dax® Futures

| Function | Value |
|----------------------|--|
| Contract Standard | The Deutscher Aktienindex (DAX). |
| Contract Value | EUR 25 per DAX index point. |
| Settlement | Cash settlement based on the Final Settlement Price, payable on the first exchange trading day following the Last Trading Day. |
| Price Determination | In points, with one decimal place. |
| Minimum Price Change | 0.5 of a point, equivalent to a value of EUR 12.50. |
| Maturity Months | The three successive quarterly months within the cycle March, June, September and December. |

Table 4-33 (Cont.) Example IV Dax® Futures

| Function | Value |
|------------------------|--|
| Last Trading Day | The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading ceases at the start of the call phase of the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET. |
| Daily Settlement Price | The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price. |
| Final Settlement Price | The value of the DAX , determined on the basis of the aggregate prices of the DAX component shares on the Last Trading Day, as determined in the Intraday Auction on the electronic system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET. |
| Trading Hours | 8:25 a.m. until 5:00 p.m. CET. |

To fit this requirement in Oracle Banking Treasury Management you have to specify the following details in the Instrument Definition screen:

Table 4-34 Instrument Definition

| Field | Value |
|----------------------|--------|
| Product Code | FDAX |
| Option/Future | Future |
| Asset Type | Index |
| Physical Settlement | No |
| Settle Before Expiry | Yes |

Table 4-35 Instrument Details

| Field | Value |
|-----------------------|------------------------------|
| Reference | 000FDAX00123 |
| Instrument | DAX-Future |
| Nature of Asset | Real |
| Asset Currency | EUR |
| Contract Size | 1 |
| Contract Size Unit | Point |
| Contract Value | EUR 25 per DAX ® index point |
| Pricing Currency | EUR |
| Pricing Size | 1 |
| Pricing Size Unit | Point |
| Pricing Unit Multiple | 25 |
| Precision | 1 |

Table 4-35 (Cont.) Instrument Details

| Field | Value |
|-------------------|-----------------------------------|
| Contract Standard | The Deutscher Aktienindex (DAX®). |

Table 4-36 Underlying Asset Details

| Field | Value |
|-----------------------|-----------------------------------|
| Underlying Asset | The Deutscher Aktienindex (DAX®). |
| Pricing Size | 1 |
| Pricing Size Unit | Point |
| Pricing Unit Multiple | 25 |
| Price Code | DAX-5:30 Quote |

Table 4-37 Example V- Dax® Futures

| Function | Value |
|------------------------|---|
| Contract Standard | The Deutscher Aktienindex (DAX). |
| Contract Value | EUR 5 per DAX index point. |
| Settlement | Cash settlement, payable on the first exchange trading day following the Last Trading Day. |
| Price Determination | In points, with one decimal place. |
| Minimum Price Change | 0.1 of a point, equivalent to a value of EUR 0.50. |
| Last Trading Day | The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading ceases at the start of the call phase of the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET. |
| Daily Settlement Price | The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price. |
| Final Settlement Price | The value of the DAX, determined on the basis of the aggregate prices of the DAX component shares on the Last Trading Day, as determined in the Intraday Auction on the electronic system of the Frankfurt Stock Exchange (Xetra), at 1:00 p.m. CET. |
| Exercise | European style, i.e. an option may only be exercised on the Last Trading Day of the respective option series, up to the end of the Post-Trading Period. |
| Expiration Months | The three nearest calendar months, the three following months within the cycle March, June, September and December thereafter, as well as the two following months of the cycle June and December thereafter; i.e. options contracts are available with a lifetime of 1, 2, 3, max 6, max 9, max 12, as well as max 18 and max 24 months. |
| Exercise Price | Exercise price intervals for DAX(r) Options are given. |

Table 4-38 Expiration Months

| Expiration months with a remaining term up to | Number of exercise prices | Exercise price intervals, in Index Points |
|---|---------------------------|---|
| 9 months | 9 | 50 |
| 12 months | 5 | 100 |
| 24 months | 5 | 200 |

At least five exercise prices are introduced initially for each expiration month.

Table 4-39 Field Value

| Field | Value |
|---------------------|---|
| Option Premium | The EUR equivalent of the premium in points is payable in full, on the first exchange trading day following the trade date. |
| Trading Hours (CET) | 8:25 a.m. until 5:00 p.m. |

In Oracle Banking Treasury Management

The details that you specify in the Instrument Definition screen should be as follows:

Table 4-40 Field Value

| Field | Value |
|----------------------|--------|
| Product Code | ODAX |
| Option/Future | Option |
| Asset Type | Index |
| Physical Settlement | No |
| Settle Before Expiry | Yes |

Table 4-41 Instrument Details

| Field | Value |
|--------------------|---------------------------|
| Reference | 000ODAX00123 |
| Instrument | DAX-Option |
| Nature of Asset | Real |
| Asset Currency | EUR |
| Contract Size | 1 |
| Contract Size Unit | Point |
| Contract Value | EUR 5 per DAX index point |
| Call Put Indicator | Call |
| Pricing Currency | EUR |
| Pricing Size | 1 |
| Pricing Size Unit | Point |

Table 4-41 (Cont.) Instrument Details

| Field | Value |
|--------------------------|-----------------------------------|
| Pricing Unit Multiple | 5 |
| Precision | 1 |
| Minimum Price Movement | 0.1 |
| Money Settlement Days | 1 |
| Physical Settlement days | 2 |
| Contract Standard | The Deutscher Aktienindex (DAX ®) |

Table 4-42 Underlying Asset Details

| Field | Value |
|-----------------------|------------------------------------|
| Underlying Asset | The Deutscher Aktienindex (DAX ®). |
| Pricing Size | 1 |
| Pricing Size Unit | Point |
| Pricing Unit Multiple | 5 |
| Price Code | DAX-Daily-5.30 |

4.2 Process Instrument Margin

This topic describes the systematic instruction to process the Instrument Margin screen.

Specify User ID and Password, and login to Homepage.

Initial and maintenance margins are maintained at the instrument level for a combination of instrument ID and portfolio. The Instrument Margin screen can be used to capture details regarding percentage of initial and maintenance margins for each open contract.

1. On the Home page, type **ENDINMRG** in the text box, and then click next arrow.
The **Instrument Margin** screen is displayed.

Figure 4-4 Instrument Margin

2. On the **Instrument Margin** screen, click **New**.
3. On the **Instrument Margin** screen, specify the following details, and then click Enter Query.

For more information on the fields, refer to the below Field Description table.

Table 4-43 Instrument Margin - Field Description

| Field | Description |
|-------------------------------------|--|
| Branch | The current logged-in branch is displayed here. |
| Instrument Identification | Select the instrument ID from the adjoining list of values provided. |
| Portfolio Identification | Select the portfolio ID from the adjoining list of values provided. |
| Initial Margin Level (%) | Indicate the initial margin percentage per open contract for a combination of instrument ID and Portfolio. |
| Maintenance Margin Level (%) | Indicate the maintenance margin percentage per open contract for a combination of instrument ID and Portfolio. |

4.3 Process Margin Details and Instrument Price Details

This topic describes the systematic instruction to process the Margin Details and Instrument Price Details.

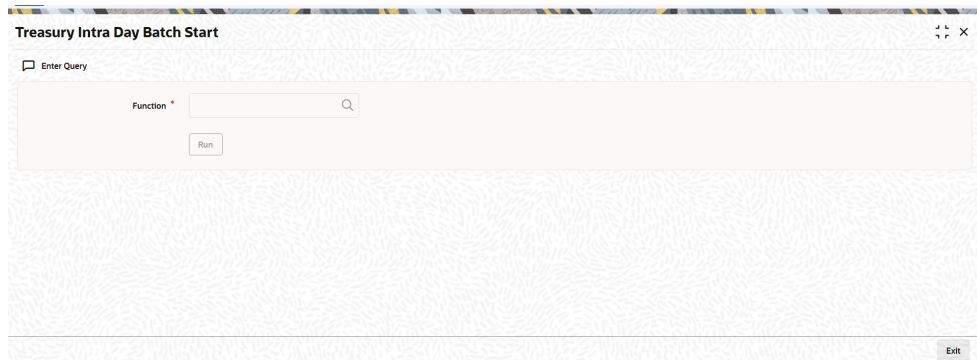
Specify User ID and Password, and login to Homepage.

Use the Intra Day Batch Start screen to upload the Initial and maintenance margin details (Function Id - MGSCHUPL) and Instrument Price details (Function Id - EDINPRUP) into Oracle Banking Treasury Management from an external system.

1. On the Home page, type **BADTRIDB** in the text box, and then click next arrow.

The **Treasury-Intra Day Batch Start** screen is displayed.

Figure 4-5 Treasury-Intra Day Batch Start



2. To start upload, type the Function and then click **Ok**.

The system processes records with the details one by one and uploads all the valid records into the system and rejects ones with errors. The system also checks for duplicate records and if they exist, then they are amended.

4.4 Position and MTM Calculations for Instruments

This topic describes the Position and MTM calculations can be done through the batch process.

Position and MTM calculations can be done through the batch process for Position and MTM calculation the next day with effective date as the previous day. To facilitate this, maintain the parameters specified in the table below in the **Batch EOD Function Inputs** screen:

Table 4-44 Parameters for Position and MTM Calculations

| Parameter | Remarks |
|------------------|---|
| PROCESS_FROM_DT | Specify the Effective Date on which the ETD Intraday Batch is required to be triggered. The default value is the previous working date. |
| PORTFOLIO | Choose the specific Portfolio ID for which batch reprocessing is required. The default value is ALL. |
| CURRENCY | Choose the specific currency for which batch reprocessing is required. The default value is ALL. |
| INSTRUMENT | Choose the specific Instrument for which batch reprocessing is required. The default value is ALL. |
| SERIES | Choose the specific Instrument series for which batch reprocessing is required. The default value is ALL. |
| BROKER | Choose the specific Broker for which batch reprocessing is required. The default value is ALL. |
| BROKER_ACC | Choose the specific Broker account for which batch reprocessing is required. The default value is ALL. |
| BASKET_REFERENCE | Choose the specific Basket for which batch reprocessing is required. The default value is ALL. |

Table 4-44 (Cont.) Parameters for Position and MTM Calculations

| Parameter | Remarks |
|------------------|---|
| IMPACTED_BASKETS | <p>This box is applicable during the MTM Recalculation process.</p> <p>When you trigger the normal ETD batch process, set the Effective date and do not check the Impacted Baskets box.</p> <p>After a price correction or on receiving a new back dated deal, set the effective date to today and then check the Impacted Baskets box.</p> <p>FLEXCUBE picks up all the baskets which are impacted as part of Price Modification or Back value dated deal for MTM processing.</p> <p>This box is not checked by default.</p> |

As part of the MTM process, the system:

- checks that Closing prices are available for all the instruments in which the bank has Positions
- calculates and posts entries for the Realized profit or loss using the appropriate costing methods applicable for the portfolio, for the positions squared off or liquidated on the given date
- calculates and posts entries for the MTM gain or loss using the costing method applicable for the portfolio with the closing prices available as of the given date

You can run this batch for a past date too, depending on the maximum back value days maintained at the ETD bank parameters level.

If the date is greater than Maximum number of backdated days captured in ETD Bank parameter or the date is lesser than the last EOM execution date (even if the backdated days is within the limit), the system displays an appropriate error message.

5

Portfolio Products and Portfolios Creation

A Portfolio Product is a category or a type of portfolio. For instance, you can define your investment portfolio of Currency Options, as a product in Oracle Banking Treasury Management. A portfolio product can, thus, serve to classify the portfolios that you maintain in your bank.

Grouping your portfolios into products helps you standardize your bank portfolios across branches.

A product is created in the Head Office branch of your bank. Any user in the head office, with the requisite rights, can create a product.

This topic contains the following sub-topics:

- [Create Portfolio Product](#)
This topic describes how to define
- [Process Margin Product Definition](#)
This topic describes the systematic instruction to process Margin Product Definition.
- [Process Margin Settlement](#)
This topic describes the systematic instruction to process Margin Settlement screen.
- [Process Scheme Maintenance](#)
This topic describes the systematic instruction to process scheme maintenance.
- [Portfolios Definition](#)
This topic describes the usage and maintenance of Portfolios Maintenance screen.
- [Process Portfolio Definition Maintenance](#)
This topic describes the systematic instruction to process Portfolio Definition Maintenance screen.
- [Process Portfolio Events](#)
This topic describes the portfolio events and profit loss.
- [Query FIFO / LIFO / DMAT Portfolio Profit-Loss](#)
This topic describes the portfolio events to view the profit-loss calculated for each basket.

5.1 Create Portfolio Product

This topic describes how to define

This topic describes to create portfolio products.

This topic contains the following sub-topics:

- [Process Exchange Derivatives Portfolio Product Definition](#)
This topic describes the systematic instruction to process Exchange Derivatives Portfolio Product Definition screen.

5.1.1 Process Exchange Derivatives Portfolio Product Definition

This topic describes the systematic instruction to process Exchange Derivatives Portfolio Product Definition screen.

You can capture information pertaining to a portfolio product through the Exchange Derivatives Portfolio Product Definition screen.

1. On the Home page, enter **EDDPFRD** in the text box, and then click next arrow.
The **Exchange Derivatives Portfolio Product Definition** screen is displayed.

Figure 5-1 Exchange Derivatives Portfolio Product Definition


2. On the **Instrument Definition** screen, click New.
3. On **Instrument Definition** screen, specify the following Instrument Details, and then click Enter Query.

For more information on the fields, refer to the below Field Description table.

Table 5-1 Instrument Definition - Field Description

| Field | Description |
|---|--|
| Product Code and Product Description | You can identify a product that you maintain with a unique Product Code, and a brief description. In the Product Code field, you must assign the product a unique code (which is unique across all the modules of Oracle Banking Treasury Management). This code helps in identifying the product. You can briefly describe a product that you create in the Description field. |
| Product Module | The services that you offer in a module will be specific to the module. For example, a portfolio maintenance scheme is specific to the ETD (Portfolio) module. To view the module in which you are creating a product in the Product Module field. |

Table 5-1 (Cont.) Instrument Definition - Field Description

| Field | Description |
|--|--|
| Product Type | <p>The first attribute that you define for a portfolio product is its type. You can broadly classify portfolio products into two types:</p> <ul style="list-style-type: none"> Customer Portfolio (C) – the definition and maintenance of customer portfolio products help you manage your customer's trades and investments. Own Portfolio (O) – the definition and maintenance of Own portfolio products help you manage your banks own trades and investments. <p>Under each type you can create multiple portfolio products.</p> |
| Product Slogan | <p>Type a slogan for the product that you are creating. In the Slogan field enter a slogan that suitably announces the product to your customers.</p> <p>If you are creating your own portfolio, you can identify it with an appropriate slogan for your bank's internal reference purposes.</p> |
| Product Group | <p>Grouping products according to the common features they share, helps you organize information relating to the services you provide. This helps you retrieve information easily.</p> <p>You can invoke a list of all the product groups that you have maintained in your bank. Choose the product group to which the product you are creating belongs.</p> |
| Product Start Date and End Date | <p>When you create a product, you must also specify a date from which it can be offered. You may also specify the date up to which you would like to offer the product. Enter these dates in the Start Date and End Date fields.</p> <div style="border: 1px solid #0070c0; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>You cannot offer a product beyond the specified end date. If you do not specify an end date for a product, you can offer it for an indefinite period.</p> </div> |
| Remarks | <p>If you want to enter any remarks regarding the product, do so in the Remarks field.</p> |

4. On the **Exchange Derivatives Portfolio Product Definition** screen, specify the other Details for the Portfolio Product

Every product that you maintain in Oracle Banking Treasury Management, will impact specific accounting heads (GLs). When you build a Class of Accounting Roles and Heads, you will have to identify all heads specific to a service and indicate their roles, individually.

The different stages in the life cycle of a portfolio are referred to as events. After identifying accounting roles and mapping them with account heads, you will have to identify the accounting entries, which ought to be posted when individual events are triggered in Oracle Banking Treasury Management. For instance, the opening of long and short positions will be recorded as two separate events in Oracle Banking Treasury Management.

The mapping of accounting roles to respective account heads and the identification of life-cycle events at which they ought to be triggered automates the process of posting accounting entries.

A single portfolio product can have multiple portfolios within it. Although, the various events that are likely to occur in a portfolio can be defined under a single product, you can choose to post accounting entries to specific GLs for the different portfolios and Instruments within a portfolio product.

Assume this scenario: Your bank is trading in a variety of Currency, Index Options and in Commodity, Index and Interest Rate Futures.

Typically on a daily basis you would like to process the following activities or events for all types of Options and Futures:

- Open Long / Short Positions
- Revalue Long/Short Positions
- Close Long /Short positions
- Process expiry of Long/Short positions
- Exercise Long positions
- Assign Short positions
- Exchange for physicals in Long / Short positions

When each of these events is triggered in Oracle Banking Treasury Management, appropriate accounting entries need to be posted to a variety of GLs.

Besides, you would also like to perform notional revaluation for the open positions on a daily basis.

To cater to these diverse requirements you would need to set-up portfolio products, wherein for each product you have to:

- Identify the GL types and GLs that would be impacted
- Define life-cycle events
- Create role to head mappings

In addition to identifying the accounting entries, you would also need to identify the MIS Heads under which you would like to report the portfolio

To eliminate the process of defining multiple portfolio products, and to restrict portfolios within a product from holding specific instrument products, you need to follow a preferential hierarchy while defining accounting roles and account heads. The order in which you would need to define Role to Head mappings is as follows:

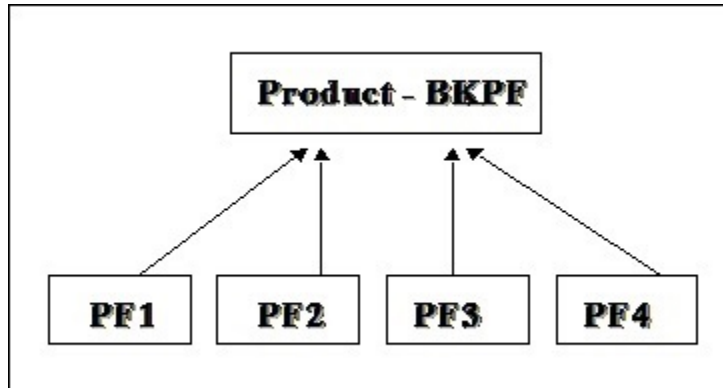
- A portfolio and the Instrument involved in the portfolio.
- A portfolio and the Instrument Product involved in the portfolio.
- A specific portfolio.
- A portfolio product as a whole.

By defining role to head mappings at the four hierarchical levels you can maintain a single, comprehensive portfolio product, which can be used to process all possible events for options as well as futures for all portfolios.

Let us assume that your bank has maintained a portfolio product titled BKPF. Since a product can have multiple portfolios, you have maintained several

portfolios within BKPF. Each of these portfolios will cater to specific instrument types.

Figure 5-2 Portfolio Product – Portfolio Relationship Diagram



The portfolio PF1 is meant for deals involving Currency and Index Options

As per the preferential hierarchy method, the role to head mappings specified for this product is as follows:

Table 5-2 Preference I - Portfolio ID + Instrument ID

| Portfolio ID | Instrument ID | Accounting Class |
|--------------|------------------|------------------|
| PF1 | DEM_OPTION_LIFFE | ACR01 |

Table 5-3 Preference II – Portfolio ID + Instrument Product

| Portfolio ID | Instrument ID | Accounting Class |
|--------------|---------------|------------------|
| PF1 | CCYO | ACR02 |

Table 5-4 Preference III – Portfolio ID

| Portfolio ID | Accounting Class |
|--------------|------------------|
| PF1 | ACR03 |

Table 5-5 Preference IV – Portfolio Product

| Portfolio Product | Accounting Class |
|-------------------|------------------|
| BKPF | ACR04 |

Table 5-6 AR01

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET | CA001 |

Table 5-6 (Cont.) AR01

| Accounting Role | Account Head |
|-----------------|--------------|
| SOLD_CCY_EQ | CL001 |

Table 5-7 AR02

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET | CA002 |
| SOLD_CCY_EQ | CL002 |

Table 5-8 AR03

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET | CA003 |
| SOLD_CCY_EQ | CL003 |

Table 5-9 AR04

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET | CA004 |
| SOLD_CCY_EQ | CL004 |

Scenario I

You want to Open a Long Position (EOLG), in the Currency Option – USD_Options_CME in PF1

Table 5-10 Accounting Entries

| Accounting Role | Description | Dr./Cr. Indicator |
|------------------|-------------|-------------------|
| Contingent Asset | Asset Value | Debit |
| Contingent Asset | Asset Value | Credit |

When this event is triggered, the system posts the relevant accounting entries only after identifying the respective Role to Head mapping based on the preferential hierarchy that we have set up.

Since we have not associated an accounting class with the PF1+ USD_Options_CME (Portfolio ID+ Instrument ID) combination, it will move to the next level and search for the class associated with the PF1 + CCYO (Portfolio ID + Instrument Product) combination.

We have already associated the accounting class ACR02 with this combination; therefore the relevant accounting entries are posted to GLs maintained within this class:

Table 5-11 AR04

| Accounting Role | Account Head |
|-----------------|--------------|
| BOT_ASSET | CA004 |
| SOLD_CCY_EQ | CL004 |

Scenario II

Similarly, assume you want to Open a Long Position in the Index Option – DAX_OPTION_FSE in PFI. As in the previous case, the Contingent Asset is to be debited and the Offset account is to be credited.

Since the system has to pick up the relevant accounting entries based on the hierarchical preference, it will search for the accounting class associated with the:

- PF1 + DAX_OPTION_FSE (Portfolio ID + Instrument ID) combination.
- PF1+INDO (Portfolio ID + Instrument Product) combination.
- PF1 (Portfolio ID)

Table 5-12 Accounting Entries

| Accounting Role | Description | Account Head | Dr./Cr. Indicator |
|-----------------|---------------------|--------------|-------------------|
| BOT_ASSET | Option Strike Price | CA003 | Debit |
| SOLD_CCY_EQ | Option Strike Price | CA003 | Credit |

 **Note:**

Therefore, to open a long position for both Index and Currency options within the portfolio PF1, the accounting treatment remains the same. However, the Account Heads (GLs) that are impacted (debited/credited) while posting the entries differ.

For the Currency Option, in P F1 the account heads that are impacted are:

- CA002 (Contingent Asset)
- CL002 (Contingent Asset Offset)

For the Index Option, in PF1 the account heads that are impacted are:

- CA003 (Contingent Asset)
- CL003 (Contingent Asset Offset)

Scenario III

Assume, you have not maintained the first three hierarchical preferences. When the search results prove unsuccessful, the accounting entries will be posted directly to the default GLs maintained at the portfolio product level.

Table 5-13 Accounting Entries

| Accounting Role | Description | Account Head | Dr./Cr. Indicator |
|-----------------|---------------------|--------------|-------------------|
| BOT_ASSET | Option Strike Price | CA004 | Debit |
| SOLD_CCY_EQ | Option Strike Price | CA004 | Credit |

- On the **Exchange Derivatives Portfolio Product Definition** screen, click the **Accounting Roles** tab.

The Accounting Role screen is displayed.

You can map appropriate Accounting Roles to Account Heads for the portfolio product through the Role to Head mapping screen.

For a detailed procedure on how to map Accounting Roles to Account Heads, refer to the Common Procedures User Manual of Oracle Banking Treasury Management.

 **Note:**

The Role to Head mapping definition for the following hierarchical levels:

- Portfolio + Instrument ID
- Portfolio + Instrument Product
- Portfolio ID

- On **Exchange Derivatives Portfolio Product Definition** screen, click the **Events** tab.

The Events Details screen is displayed.

After mapping accounting roles to specific heads you have to define life-cycle events for deals involving this product and identify the accounting entries which ought to be posted when individual events are triggered in Oracle Banking Treasury Management.

For a detailed procedure on how to map Accounting Roles to Account Heads, refer to the Common Procedures User Manual of Oracle Banking Treasury Management.

The following is the list of events for a portfolio, which you can maintain in Oracle Banking Treasury Management:

- Assignment of Exercise
- Closing of Long /Short positions
- Exchange of physicals - Take /Make delivery
- Opening of Long /Short positions
- Revaluation of Long / Short positions
- Expiry of Long / Short options
- Exercise of Options
- Reversal – Assignment of Exercise
- Reversal – Closing of Long / Short position

- Reversal Exchange of Physicals – Take /Make delivery
- Reversal – Opening of Long / Short positions
- Reversal – Reversal of Long position
- Reversal – Reval of Short positions
- Reversal – Expiry of Long / Short positions
- Reversal Exercise of Options

You have to identify the life-cycle events which need to be associated with the portfolio product you are setting up.

When each of these events is triggered in Oracle Banking Treasury Management, appropriate accounting entries need to be posted. For instance, while 'Opening a Long Position' you will:

- Debit the Contingent Asset
- Credit the Contingent Asset Offset

Therefore you need to associate every event with appropriate accounting entries. You can define the accounting entries that have to be passed for a set of events, as an 'Event Accounting Entries and Advices Class'. You can associate event-wise accounting entries through The Event Accounting Entry and Advice definition of the Product Definition screen. To do this, click 'Events' button from the Portfolio Product screen.

 **Note:**

Refer to the *Common Procedures User Manual* of Oracle Banking Treasury Management for a detailed procedure on how to associate accounting entries with events.

For further details on maintaining Accounting Entries and Advices, refer Product Definition User Manual under Modularity.

7. On **Exchange Derivatives Portfolio Product Definition** screen, click the **MIS** tab. The **MIS Details** screen is displayed.

Figure 5-3 MIS Details

Through the MIS product details screen you can link the product to transaction MIS codes. The transaction codes linked to the portfolio product are defaulted to all the portfolios involving the product.


For more details on **MIS Details** screen, refer *MIS User Manual*.

8. On the **Exchange Derivatives Portfolio Product Definition** screen, click the **Preferences** tab.

The **Preferences** screen is displayed.

Figure 5-4 Preferences

Table 5-14 Preferences - Field Description

| Field | Description |
|-----------------------------------|--|
| Costing Method | <p>costing method is used to determine your holding cost in a portfolio. Based on the preference of your bank you can select an option from the option list: The costing methods are as given below:</p> <ul style="list-style-type: none"> • Weighted Average Cost (WAC) • Last in first out (LIFO) • First in first out (FIFO) • Deal matching (DMAT) <div style="border-left: 2px solid #0070C0; padding-left: 10px; margin-top: 10px;"> <p> Note:</p> <p>In Oracle Banking Treasury Management profit and loss calculations are maintained only for the bank's own portfolio. Therefore, you can specify this preference only while setting up your own portfolios.</p> </div> |
| Allow Deal Matching | <p>Select this box to indicate that intra-day manual matching should be allowed, even though the costing method selected is FIFO or LIFO. This check box is enabled only when costing method selected is 'FIFO/LIFO'. For any other costing method, this is disabled.</p> |
| Open Individual Position | <p>Select this box to indicate that accounting entries for opening and closing of positions should be posted individually for each deal, when the costing method is DMAT. This checkbox is enabled only when costing method selected is 'DMAT'. For any other costing method, this is disabled.</p> |
| Post Deal -wise PL Entries | <p>Select this box to indicate that accounting entries for realized PL should be posted individually for each pair of deals matched, when the costing method is FIFO, LIFO or DMAT. This checkbox is enabled only when costing method selected is 'FIFO/LIFO/DMAT'.</p> |

5.2 Process Margin Product Definition

This topic describes the systematic instruction to process Margin Product Definition.

You can maintain Margin Products in Oracle Banking Treasury Management. The information about a margin product is captured through the Margin Product Maintenance screen.

1. On the Home page, type **MGDCPROD** in the text box, and then click next arrow. The **Margin Product Maintenance** screen is displayed.

Figure 5-5 Margin Product Maintenance

2. On the **Margin Product Maintenance** screen, click **New**.
3. On the **Margin Product Maintenance** screen, specify the following Instrument Details, and then click **Enter Query**.

For more information on the fields, refer to the below Field Description table.


For further information on the generic attributes that you can define for a product, please refer the following Oracle Banking Treasury Management User Manuals under Modularity:

- Product Definition
- Charges
- User Defined Fields

Table 5-15 Margin Product Definition - Field Description

| Field | Description |
|---|--|
| Product Code and Product Description | You can identify a product that you maintain with a unique Product Code, and a brief description. In the Product Code field, you must assign the product a unique code (which is unique across all the modules of Oracle Banking Treasury Management). This code helps in identifying the product. You can briefly describe a product that you create in the Description field. |
| Product Module | The services that you offer in a module will be specific to the module. For example, a portfolio maintenance scheme is specific to the ETD (Portfolio) module. You can view the module in which you are creating a product in the Product Module field. |

Table 5-15 (Cont.) Margin Product Definition - Field Description

| Field | Description |
|--|--|
| Product Type | <p>The first attribute that you define for a portfolio product is its type. You can broadly classify portfolio products into three types:</p> <ul style="list-style-type: none"> • Broker Margin Product (BR) – the definition and maintenance of broker margin products help you manage the broker’s margin requirement. • Customer Margin Product (PF) – the definition and maintenance of Customer portfolio products help you manage the margin requirement of the bank that the customer is to satisfy. • Margin for Repo and Reverse Repo (RP) - the definition and maintenance of Repo products help you manage the margin requirement of the bank that the customer is to satisfy. <p>Under each type you can create multiple portfolio products.</p> |
| Product Slogan | <p>You can enter a slogan for the product that you are creating. In the Slogan field enter a slogan that suitably announces the product to your customers.</p> <p>If you are creating your own portfolio, you can identify it with an appropriate slogan for your bank’s internal reference purposes.</p> |
| Product Group | <p>Grouping products according to the common features they share, helps you organize information relating to the services you provide. This helps you retrieve information easily.</p> <p>You can invoke a list of all the product groups that you have maintained in your bank. Choose the product group to which the product you are creating belongs.</p> |
| Product Start Date and End Date | <p>When you create a product, you must also specify a date from which it can be offered. You may also specify the date up to which you would like to offer the product. Enter these dates in the Start Date and End Date fields.</p> <div style="border-left: 2px solid #0070C0; padding-left: 10px; margin-top: 10px;"> <p> Note:</p> <p>You cannot offer a product beyond the specified end date. If you do not specify an end date for a product, you can offer it for an indefinite period.</p> </div> |
| Remarks | <p>If you want to enter any remarks regarding the product, do so in the Remarks field.</p> |

4. On the **Margin Product Main** screen, click **Preference**.
The **Margin Product Preference** screen is displayed.

Figure 5-6 Margin Product Preference

The screenshot shows the 'Margin-Netting Product Preferences' window. It contains several sections:

- Product:** Fields for 'Product' and 'Product Description'.
- Applicable For:** A group of checkboxes for 'Cash', 'Securities', 'Collateral Product', and 'Netting Product'. To the right are search fields for 'Securities Deliver Product', 'Securities Receive Product', 'Block Product', and 'Internal Product'. Further right are dropdowns for 'Net Cash' (set to 'Net'), 'Netting Tenor' (set to 'All'), and 'FX Netting Type' (set to 'Currency-Wise').
- Rekey Fields:** A grid of checkboxes for 'Rekey Required', 'Party ID', 'Scheme ID', 'Scheme Event', 'Agreement Code', 'Settlement Amount', 'Settlement Currency', 'Settlement Date', 'Margin Code', 'Margin Account', 'Transfer Action', 'Component', 'Security ID', 'Portfolio ID', and 'Nominal/Units'.
- Product Restriction:** Radio buttons for 'Categories List' (selected 'Disallowed'), 'Currency Restrictions' (selected 'Disallowed'), and another 'Currency Restrictions' (selected 'Disallowed').
- Holiday Check Required:** Checkboxes for 'Local Holiday', 'Currency Holiday', and 'Financial Center Holiday' (repeated twice).

At the bottom right, there are 'Exit' and 'Save' buttons.

In Oracle Banking Treasury Management, all operations on a deal (input, amendment, modification, etc.) have to be authorized by a user other than the one who entered the deal details. These operations have to be carried out before the end-of-day activities have begun. Authorization is a way of checking the entries made by a user.

As part of specifying the preferences for a deal product, you can indicate that details of certain fields should be re-entered when a deal is invoked for authorization, as a cross-checking mechanism. The complete details of the deal will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the 're-key' fields.

If no re-key fields have been defined, the details of the deal involving the product will be displayed immediately when the authorizer calls the deal for authorization. The re-key option also serves as a means of ensuring the accuracy of inputs.

- Specify the following details in the **Margin Product Preference** screen.

For more information on the fields, refer to the below Field Description table.

Table 5-16 Margin Product Preference - Field Description

| Field | Description |
|------------------------|---|
| Categories List | Indicate whether you want to create a list of allowed customers or disallowed customers by choosing one of the following options: <ul style="list-style-type: none"> Allowed Disallowed |

Table 5-16 (Cont.) Margin Product Preference - Field Description

| Field | Description |
|------------------------------|--|
| Currency Restrictions | Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options: <ul style="list-style-type: none"> • Allowed • Disallowed |

5.3 Process Margin Settlement

This topic describes the systematic instruction to process Margin Settlement screen.

Settlement transactions may be in the form of initial margin collected or paid to a customer or broker or the liquidation of a net receivable or payable position of a scheme. You can capture settlement details through the Margin Settlement screen.

1. On the Home page, type **MGDSETLM** in the text box, and then click next arrow.
The **Margin Settlement** screen is displayed.

Figure 5-7 Margin Settlement

Cash-Margin Settlement Scheme Maintenance

New Enter Query

Product * Scheme ID *

Product Description Scheme Description *

Branch Scheme Reference *

Customer Details

Customer No * Customer Description

Fund Id

Settlement Preferences

Settlement Currency * FX Rate Type

Settlement Days FX Rate Code

Netting Preferences

Net Settlement-Bridge GL * Override Limit %

GL Description Stop Limit %

Accounts Fields Holiday Preferences

2. On the **Margin Settlement** screen, click **New**.
3. On the **Margin Settlement** screen, specify the following details, and then click **Enter Query**.

For more information on the fields, refer to the below Field Description table.

Table 5-17 Margin Settlement - Field Description

| Field | Description |
|---------------------------|---|
| Scheme ID | Select the ID of the scheme for which margin settlement will be processed. When you select a Scheme ID, the description of the scheme, the currency, the counterparty and transaction date will be defaulted. You will not be allowed to change these details. You will, however, be allowed to change the Settlement Branch and Account defaulted. |
| Scheme Event | Select the scheme event to be triggered during margin settlement. You can either choose the option Refund or Top Up. |
| Amount | Enter the amount to be settled in the transaction. |
| Settlement Account | As mentioned above, the settlement branch and account will be defaulted when you select the Scheme ID. You have the option of changing the same. |
| Value Date | Enter the date on which the margin settlement should be carried out. You will be allowed to delete an unauthorized settlement transaction. You can also reverse a transaction. The event RTOP or RREF will be triggered depending on whether the scheme event is MTOP or MREF. |

5.4 Process Scheme Maintenance

This topic describes the systematic instruction to process scheme maintenance.

You can maintain scheme details in the Scheme Maintenance screen.

1. On the Home page, type **MGDSCEM** in the text box, and then click next arrow.
The **Scheme Maintenance** screen is displayed.

Figure 5-8 Scheme Maintenance

The screenshot shows the 'Cash-Margin Settlement Scheme Maintenance' interface. It features a header with 'New' and 'Enter Query' options. The main area is divided into four sections:

- Product:** Fields for Product, Product Description, Branch, Scheme ID, Scheme Description, and Scheme Reference.
- Customer Details:** Fields for Customer No, Fund Id, and Customer Description.
- Settlement Preferences:** Fields for Settlement Currency, Settlement Days, FX Rate Type, and FX Rate Code (Mid Rate).
- Netting Preferences:** Fields for Net Settlement-Bridge GL, GL Description, Override Limit %, and Stop Limit %.

At the bottom, there are tabs for 'Accounts', 'Fields', and 'Holiday Preferences', along with 'Audit' and 'Exit' buttons.

2. On the **Scheme Maintenance** screen, click **New**.
3. On the **Scheme Maintenance** screen, specify the following details, and then click **Enter Query**.

You can query the margin balances of a scheme through the Scheme Balances Query screen.

For more information on the fields, refer to the below Field Description table.

Table 5-18 Scheme Maintenance - Field Description

| Field | Description |
|---|--|
| Product | Select the margin product from the option list. When you select the product, the Scheme Type will be defaulted. |
| Reference Number | In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the instrument you are entering; it is also used in all transactions related to this instrument. Hence the system generates a unique 16 digit alphanumeric number for each instrument. |
| Scheme ID | Enter an ID or reference number for the scheme. The Scheme ID, in addition to the Reference generated by the system, will identify the scheme. This ID should be unique and cannot be used to identify any other scheme. Besides it cannot exceed 16 characters. By default, the instrument Reference number generated by the system will be taken as the Scheme ID. |
| Scheme Type | When you select the product, the Scheme Type will be displayed here. You will not be allowed to change the same. |
| Description | You can capture a brief description that is to be associated with the scheme. The description that you enter cannot exceed 35 characters. |
| Customer No. | Select the customer for whom the scheme is being created. |
| Rate Type | Select the Rate Type. You have the following options: <ul style="list-style-type: none"> • Buy/Sell Rate • Mid Rate The system will pick this up during conversion to scheme currency. |
| Currency | Select the currency in which the scheme is to be maintained. |
| Rate Code | Select the Rate Code from the option list provided. The system will pick this up during conversion to scheme currency. |
| Fund ID | Select the fund id from the option list provided. |
| Settlement Branch and Account | The settlement branch and account will be defaulted for the scheme. You will be allowed to change the same. |
| Auto settlement during margin call | You can indicate if the system needs to collect the required margin when the margin balance is lesser than the maintenance margin. If you check this box, the system will collect the required margin from the settlement account. In case, the system was not able to collect the margin, a margin call is generated. |
| Calc Date | Enter the date on which the initial margin and maintenance margin are entered in the system. |
| Initial | Enter the initial margin here. |
| Maintenance | Enter the maintenance margin here. |

Table 5-18 (Cont.) Scheme Maintenance - Field Description

| Field | Description |
|---------|---|
| Balance | This displays the current balance of the margin scheme. |

5.5 Portfolios Definition

This topic describes the usage and maintenance of Portfolios Maintenance screen.

After you have created ET Portfolio Products, you can proceed to set up an ET portfolio. To recall, in Oracle Banking Treasury Management you can define ET portfolios for your:

- Bank
- Bank's Customers

In addition, you can maintain any number of portfolios for each branch or customer.

The portfolios that you set up should necessarily be associated with a portfolio product. All portfolios associated with a portfolio product will inherit the attributes defined for it. You can change certain attributes that are defaulted to suit the portfolio you are defining.

While setting up a portfolio you can indicate the following details:

- Portfolio product that is to be associated with the portfolio.
- Notional revaluation method and frequency. (in case of a bank portfolio)
- Costing method that is to be used - LIFO, FIFO, deal matching, WAC (in case of a bank portfolio).
- Margin Scheme, which is to be linked to the particular portfolio (in case of a customer portfolio).
- Brokers and Broker Accounts which are to be associated with the portfolio.

You can further specify restrictions on the instruments and instrument products that the portfolio can trade in. The other preferences specified for the portfolio product are defaulted to the portfolio. These preferences cannot be changed. However, you can set-up the Role to Head mappings for the first three hierarchical levels (Portfolio + Instrument ID, Portfolio + Instrument Product, Portfolio ID) at the portfolio level.

You can enter the details of a portfolio through the **Portfolio Definition Maintenance** screen.

5.6 Process Portfolio Definition Maintenance

This topic describes the systematic instruction to process Portfolio Definition Maintenance screen.

It is necessary to maintain a mandatory program, to run Portfolio Definition Maintenance Screen.

1. On the Home page, type **EDDPFMNT** in the text box, and then click next arrow.
The **Portfolio Definition Maintenance** screen is displayed.

Figure 5-9 Portfolio Definition Maintenance

2. On the **Portfolio Definition Maintenance** screen, click New.
3. On the **Portfolio Definition Maintenance** screen, specify the following details, and then click Enter Query.

For more information on the fields, refer to the below Field Description table.

Table 5-19 Portfolio Definition Maintenance - Field Description

| Field | Description |
|---------------------------------|--|
| Portfolio Product | <p>You should necessarily use a product that has already been created to enter the details of a portfolio. Depending on the type of portfolio you are creating, you can select an appropriate product code from the option list available.</p> <p>A portfolio inherits all the attributes defined for the product associated with it. You can also add details that are specific to the portfolio depending on the portfolio type you are creating. For instance if you are setting your own portfolio you can indicate the following:</p> <ul style="list-style-type: none"> • Option costing method that is to be used • Whether notional revaluation is required. <p>If you are maintaining the details of your customer's portfolio, you must specify the customer involved in the portfolio along with the other details.</p> |
| Reference Number | <p>In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the portfolio you are defining. Hence the system generates a unique number for each portfolio.</p> <p>The portfolio reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number.</p> |
| Portfolio Identification | <p>Enter a unique reference ID for the portfolio. This ID, in addition to the Reference Number generated by the system, will be used to identify the portfolio. This ID should be unique and cannot be used to identify any other portfolio. It cannot exceed 16 characters.</p> |

Table 5-19 (Cont.) Portfolio Definition Maintenance - Field Description



| Field | Description |
|------------------------------|---|
| Portfolio Description | In addition to the ID, you can also capture a brief description that is to be associated with the portfolio. The description that you enter cannot exceed 35 characters. |
| Portfolio Type | <p>The product type is defaulted depending on the portfolio product that you associate with the portfolio. For instance, if you are setting up a portfolio or manage your bank's own trades and investments you will associate the portfolio with the appropriate portfolio product meant for your bank's use. Upon association, the value in the Portfolio Type field will be defaulted as Own.</p> <p>Similarly, if you are defining a customer portfolio the value in the Portfolio Type field will be defaulted as Customer.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>For each product type you can set up multiple portfolios.</p> </div> |
| Customer Number | <p>Indicate the ID of the customer involved in the portfolio. You can select the respective CIF ID from the available list.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>CIF IDs are assigned to customers of your bank through the Customer Information File Definition screen of the Core Services module of Oracle Banking Treasury Management.</p> </div> |
| Fund Identification | <p>You can identify and define specific branches of your bank as Fund Branches. In fund branches, only the bank's own portfolios can be defined.</p> <p>When the branch for which you are setting up a portfolio has been defined as Fund Branch, you must associate the portfolio with a Fund ID. Since there might be multiple funds defined in the branch, you must select the appropriate Fund ID from the available list. The portfolio that is associated with the Fund ID becomes the fund's portfolio.</p> |

Table 5-19 (Cont.) Portfolio Definition Maintenance - Field Description



| Field | Description |
|------------------------------|--|
| <p>Costing Method</p> | <p>A costing method is used to determine your holding cost in a portfolio. Since futures and options with future style of premium are revalued on a cash basis (Variation Margin) everyday, the system automatically uses the Weighted Average method as the basis for costing these instruments.</p> <p>While setting up a bank portfolio for options with option style of premium, you have to indicate the costing method that is to be used. Based on the preference of your bank you can select an option from the option list:</p> <p>The costing methods for options are as given below:</p> <ul style="list-style-type: none"> • Weighted Average Cost (WAC) • Last in first out (LIFO) • First in first out (FIFO) • Deal matching (DMAT) <p>The costing method for futures will only be WAC.</p> <div style="background-color: #e6f2ff; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>In Oracle Banking Treasury Management profit and loss calculations are maintained only for the bank's own portfolio. Therefore, you can specify this preference only while setting up your own portfolios.</p> </div> <div style="background-color: #e6f2ff; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>If the costing method is LIFO or FIFO, at the time of processing EOLG, EOSH and Exchange of physicals, the system will automatically do a matching of deals based on deal time stamp to arrive at the closure and EFP gain or loss.</p> <p>If the costing method is DMAT, you will have to carry out a manual matching based on which, the system will compute the closure gain or loss at the end of the day.</p> <p>If the costing method is DMAT and deal matching has not been done, the EOD Batch will skip the basket</p> </div> <p>For a Non WAC Portfolio, the Closure and EFP gain or loss is computed as follows: $(\text{Number of contracts} * \text{Cost per contract of closing / expiry deal}) - (\text{Latest WAC for the basket})$ The total deal cost is computed as follows: Cost per contract * No. of matched contracts for deals that are matched with the closing deal.</p> <p>During EEPL/ EEPS the closing deal will be the liquidation deal booked manually or automatically at expiry.</p> <p>For a WAC Portfolio, the Closure and EFP gain or loss is computed as follows:</p> |

Table 5-19 (Cont.) Portfolio Definition Maintenance - Field Description

| Field | Description |
|--------------------------------------|---|
| | (Number of contracts * Cost per contract of the closing/expiry deal) – (Total deal cost) |
| Notional Revaluation required | Check the box Notional Reval Req'd. to indicate the portfolio has to be revalued notionally. |
| Frequency | <p>If you have indicated that the portfolio has to be revalued notionally, you have to specify the frequency at which it has to be revalued. The options available are as follows:</p> <ul style="list-style-type: none"> • Daily • Monthly • Yearly <p>In the case of monthly, quarterly, half yearly or yearly revaluation, you should specify the date on which the revaluation should be done during the month. For example, if you specify the date as '30', revaluation will be carried out on that day of the month, depending on the frequency.</p> <p>If you want to fix the revaluation date for the last working day of the month, you should specify the date as '31' and indicate the frequency. If you indicate the frequency as monthly, the revaluation will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.</p> <p>If you specify the frequency as quarterly and fix the revaluation date as 31, the revaluation will be done on the last day of the month at the end of every quarter. It works in a similar fashion for half-yearly and yearly revaluation frequency.</p> <p>If you set the revaluation frequency as quarterly, half yearly or yearly, you have to specify the month in which the first revaluation has to begin, besides the date on which the revaluation should be done.</p> <p>For example, let us assume that the revaluation date falls due on 31 June, which happens to be a holiday. The system completes the revaluation on the 30 June, which happens to be a working day.</p> |
| Statement Details | Specify the Statement Details. |
| Frequency | <p>If you have indicated that a Statement of holdings and transaction should be generated for the customer portfolio, you have to indicate the frequency with which a statement should be generated.</p> <p>The frequency that you specify can be:</p> <ul style="list-style-type: none"> • Daily • Monthly • Quarterly • Half-yearly • Yearly <p>Based on the frequency that you specify you can also indicate the start date and month for the generation of the statement. The system generates a statement of holding and transactions automatically, as part of the end of cycle processing based on the preferences that you specified here.</p> <p>When the statement generation date falls on a holiday, the statement is generated on the next working day after the holiday.</p> |

You have selected the half-yearly option and specified the start date as 31 and the start month as June.

The first revaluation will be done on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December.

If the revaluation date falls on a holiday, the system does the revaluation on the previous working day before the holiday.

For example, let us assume that the revaluation date falls due on 31 June, which happens to be a holiday. The system completes the revaluation on the 30 June, which happens to be a working day.

4. On the **Portfolio Definition Maintenance** screen, click the **Role to Head** tab. The **Role to Head Mapping** screen is displayed.

Figure 5-10 Role to Head Mapping

In the Portfolio Role to Head Mapping screen, you can link accounting Role to Head mapping classes with any of the following:

- Portfolio and an Instrument ID
- Portfolio and an Instrument Product
- Portfolio ID

 **Note:**

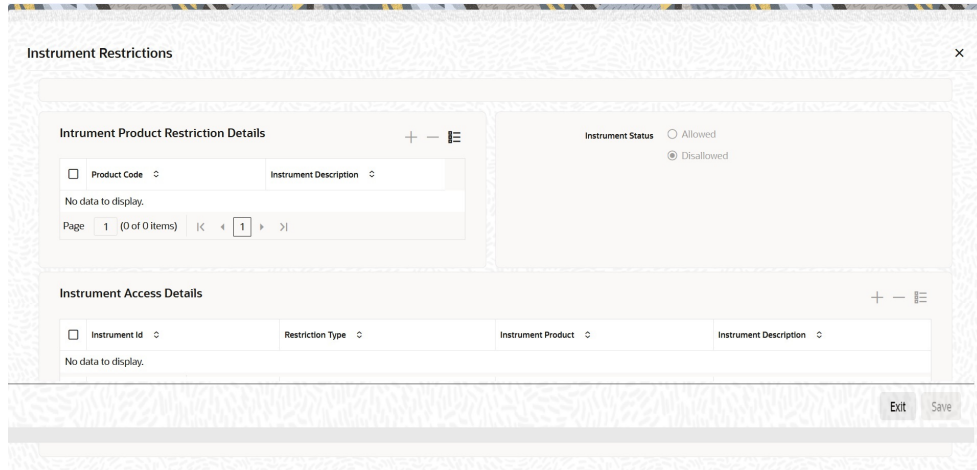
For a detailed procedure on:

- How to map Accounting Roles to Account Heads, or
- How to link an accounting class with any of the three levels.

Refer to the Common Procedures User Manual of Oracle Banking Treasury Management.

5. On Portfolio Definition Maintenance screen, click the Instrument Restrictions tab. The Instrument Restrictions screen is displayed.

Figure 5-11 Instrument Restrictions



In this screen, you can identify the Instruments or Instrument Products the portfolio can trade in. As a result, the portfolio will not be allowed to trade in those instruments/instrument products that you restrict in this screen.

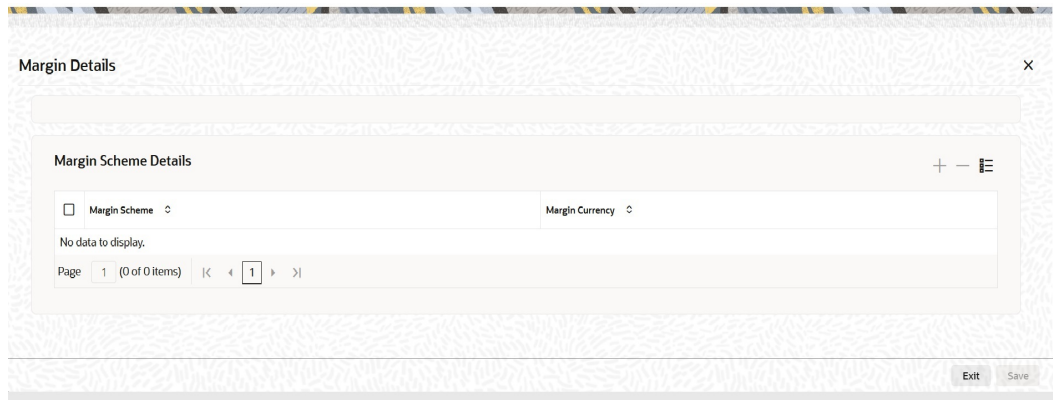
You can establish certain controls over the instruments and instrument products that a portfolio can trade in. You can achieve these controls by specifying restrictions through the Instrument Restrictions screen.

 **Note:**

For a detailed procedure on how to restrict specific instruments or instrument products refer to the Common Procedures manual of Oracle Banking Treasury Management.

6. On Portfolio Definition Maintenance screen, click the Margin tab. The Margin Details screen is displayed.

Figure 5-12 Margin Details



The different stages in the life-cycle of an ET deal are called events. All of these events involve money settlements either with the broker involved in the deal or with the portfolio customer. In the case of customer portfolios you may have to do money settlements with the broker as well as with the portfolio customer.

In Oracle Banking Treasury Management, you have the option of netting settlements for the broker and the portfolio customer across events and portfolios. You can do this by linking the portfolio and the broker account with a margin scheme.

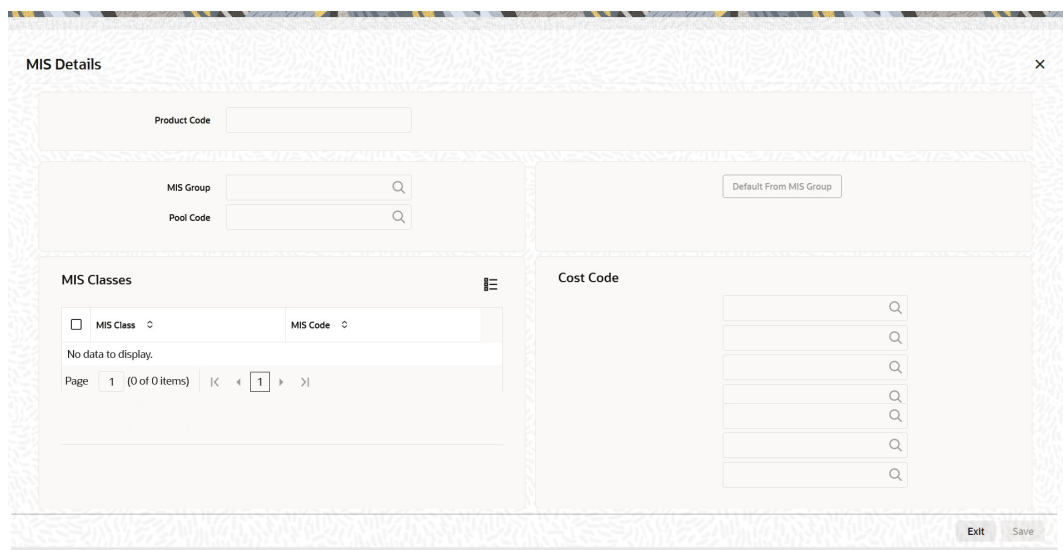
A margin scheme is a pool of balance maintaining a net receivable or payable position for a broker or a Customer. You can choose to liquidate the scheme either partially or wholly at any given point in time.

While defining a customer portfolio you can link a margin scheme for every currency that the customer holds positions in. To link a margin scheme with a portfolio you can click the Margin button in the Product Definition screen.

7. On the **Portfolio Definition Maintenance** screen, click the **MIS** tab.

The **MIS Details** screen is displayed.

Figure 5-13 MIS Details



As part of specifying the portfolio product details you would have identified the MIS transaction codes under which portfolios within the product are to report to. These transaction codes will be defaulted to portfolio. You can choose to change the defaults specifically for a portfolio. Click 'MIS' button in the Portfolio Definition screen. The Transaction MIS Maintenance screen will be displayed.

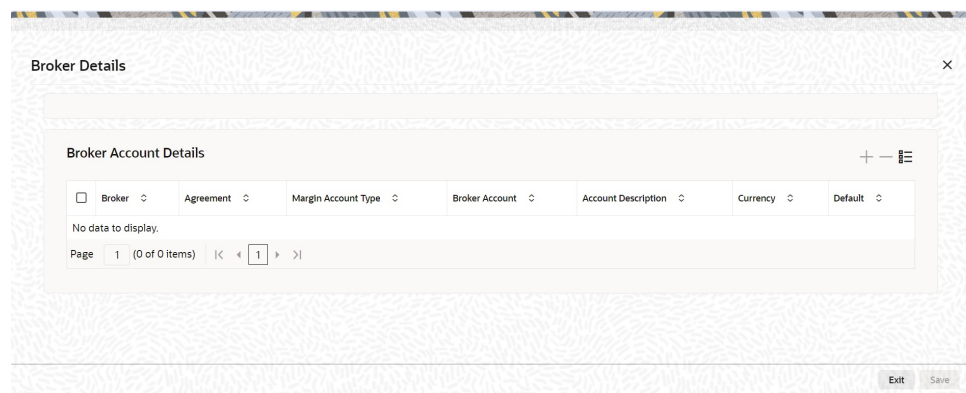
You can Identify the transaction code (s) under which you would like to report the portfolio.

Refer to the Common Procedures manual for a detailed procedure.

8. On the **Portfolio Definition Maintenance** screen, click the **Broker** tab.

The **Broker Details** screen is displayed.

Figure 5-14 Broker Details



Annexure A lists all the possible accounting entries for your banks and customer portfolios.

Through the Portfolio Broker Account Linkage screen you can:

- Identify the brokers that are to be associated with the portfolio.
- Identify broker accounts and map them to relevant Broker codes.

5.7 Process Portfolio Events

This topic describes the portfolio events and profit loss.

During EOD, the system performs the following while processing the Long/Short and Liquidation deals:

- It identifies all deals that are booked, amended, reversed, matched or unmatched today
- It processes each deal in the same order in which the different actions were performed during the day
- It identifies all other deals that would be impacted by the action performed on a deal
- It processes each deal along with the deals impacted together.
- It decides the appropriate portfolio event that should be triggered, based on the nature of the deal, direction of the position and the action performed:

- All the identified events are processed in the same order
- While triggering each event, the system performs the following actions
- It updates the latest event triggered for the deal and record in the contract event log
- It creates a link between the event triggered and the deal, along with additional details like number of contracts considered, event sequence number, etc.
- It updates the settled balances for the basket
- It updates value dated balance movements for the basket
- For portfolios following WAC costing method, the system recalculates WAC and update WAC balances/movements
- It calculates the amounts (tags) required for posting accounting entries
- It posts the accounting entries configured for the event in the portfolio
- For Portfolios following FIFO/LIFO costing methods, while triggering closing event for a deal, the system:
 - checks whether the deal is already matched
 - automatically matches the deal with other deals in the opposite direction and having unmatched contracts, if the deal is not matched,
 - calculates Realized Profit-Loss individually for each matched deal pair or for the Net PL for all contracts matched for the deal
 - You can view the accounting entries posted for the basket in the 'Basket Balances' screen. And you can view the Settled balances and Value dated balance movements updated
 - You can view the updated WAC for the basket in the 'WAC Balances'. Also, you can view the WAC movements updated and the accounting entries posted

During EOD, while processing Option style Option deals, the system checks and applies the rules below:

- For all new deals booked today, the system posts one of the below accounting entries as configured for EOLG / EOSH events in the portfolio
- Expense or Income against premium payable or receivable respectively
- Contingent Asset or Liability against premium payable or receivable respectively.
- For all deals with Money Settlement Date as tomorrow, the system posts one of the below accounting entries as configured for EOPL / EOPS events in the portfolio.
- Premium payable or receivable against Variation Margin Account (VM_ACCOUNT)
- Premium payable or receivable against Broker Settlement Bridge.
- For all the deals that are set-off/liquidated today, the system posts the below accounting entries if configured for the closing events in the portfolio
- Expense or Income against premium payable or receivable respectively
- Expense or Income against Contingent Asset or Liability respectively

These entries should not be configured for the closing events, if expense or income entries were configured for EOLG / EOSH events for the same portfolio. For Futures and Future style Options, these entries will not be posted. Actual Settlement of Premium from Variation Margin Account or Broker Settlement Bridge can be triggered manually through 'Broker Margin Settlement' screen.

- Portfolio Profit Loss

5.7.1 Portfolio Profit Loss

After BOD is completed, you can view the Realized Profit-Loss and Revaluation Profit-Loss entries posted for Futures basket in the 'Portfolio Profit-Loss' screen, by selecting the respective Portfolio.

You can select a specific Basket to view the Profit-Loss.

You can also view the Profit-Loss for each value date or different deal pairs in different tables for the selected basket

5.8 Query FIFO / LIFO / DMAT Portfolio Profit-Loss

This topic describes the portfolio events to view the profit-loss calculated for each basket.

This function would display profit-loss only for those Portfolios that follow FIFO/LIFO/DMAT costing methods

1. On the Home page, type **EDDQBSFL** in the text box, and then click next arrow. The **FIFO/LIFO/DMAT Portfolio Profit- Loss** screen is displayed.

Figure 5-15 FIFO/LIFO/DMAT Portfolio Profit- Loss

Non-WAC Portfolios Profit-Loss Query

Enter Query

Portfolio: Branch:
Instrument: ALL Basket Reference: ALL
Series: ALL Own/Customer:
Broker: ALL PF Customer:
Broker Account: ALL Costing Method:
Basket Reference: As Of Date:
Basket Event:
Basket ESN:

Query Clear

Basket Profit-Loss

Option/Future Instrument Series Broker Broker Account Basket Reference Pricing Currency Matched Contracts Realized PL Open C

No data to display.

Page 1 (0 of 0 items) |< < 1 > >|

Value Dated Profit-Loss

Basket Reference P/L Booking Date Pricing Currency Matched Contracts Realized PL Open Contracts Revaluation PL

No data to display.

Page 1 (0 of 0 items) |< < 1 > >|

Deal Profit-Loss

Closing Deal Reference Closing Deal Type Open Deal reference Open Deal Type Pricing Currency Matched Contracts Realized PL Open Contracts Revaluation PL

No data to display.

Page 1 (0 of 0 items) |< < 1 > >|

Accounting Entries Exit

2. On **FIFO/LIFO/DMAT Portfolio Profit- Loss** screen, click **Enter Query**.
3. Query by selecting the following Portfolio details to view the profit-loss:
 - Portfolio
 - Instrument
 - Series
 - Broker
 - Broker AccountBasket Reference
4. Click the **Query or Execute Query** button. The system displays the following fields:
 - Branch - branch to which the portfolio belongs
 - As of Date - latest date for which profit-loss calculations are available for the portfolio
 - Own/Customer - 'O' for Bank's own portfolios and 'C' for customer portfolios
 - PF Customer - Customer to whom the portfolio belongs, if applicable
 - Costing Method - configured for the portfolio

Basket Profit-Loss - In this section, all baskets satisfying the search criteria specified would be displayed

- Option/Future, Instrument, Series, Broker, Broker Account, Basket Reference,
- Pricing Currency – Currency in which the Profit-Loss is calculated for the basket
- Matched contracts – Total number of contracts matched across all deals under the basket
- Realized PL – Net Profit-Loss Realized across all matching under the basket
- Open Contracts – Total number of unmatched contracts across all deals under the basket
- Revaluation PL – Net Notional Profit-Loss posted for the basket either individually for each deal or for the Net PL for the basket, based on the configuration for the portfolio

Value Dated Profit Loss - In this section, the profit-loss realized on each value date will be displayed.

- Basket Reference
- Value Date
- Pricing Currency
- Matched Contracts
- Realized PL
- Open Contracts
- Revaluation PL

One record would be displayed with 'As of Date' as Value Date with Open Contracts in that basket and the Revaluation PL (if available).

Deal Profit-Loss - When you select a Value date in the table, the profit-loss realized for each matching performed on that date will be displayed.

For Matched deal pairs, the system displays the following fields:

- Closing Deal Reference, Closing Deal Type, Open Deal Reference, Open Deal Type, Pricing Currency

- Matched Contracts and Realized PL – for the deal pair
- Basket ESN – portfolio accounting event reference
- Basket Event – portfolio accounting event that posted entries for Realized PL

For Un-matched/Partially matched deals, the system displays the following fields:

- Open Deal Reference, Open Deal Type, Open Contracts
 - Open Deal Reference would display Basket Reference, if the Revaluation was posted for the Net PL
 - Revaluation PL – calculated by the system for the deal
 - Basket ESN – portfolio accounting event reference for revaluation event
 - Basket Event – revaluation event that posted entries for Revaluation PL
5. When the you select deal pair or deal and click on 'Accounting Entries' button, the system displays the accounting entries posted for Realized PL for the selected deal pair or Revaluation PL posted for the deal/basket. It enables this button only when a record with valid Basket ESN is selected from the 'Deal Profit-Loss' section
 6. Click the **Clear** button. Data displayed in all the fields and tables is cleared and reset.
- [SGEN Messages Generation](#)

5.8.1 SGEN Messages Generation

The system can send SGEN messages 'n' number of days before the value date where 'n' is the value maintained as settlement days in 'Currency Definition' screen.

This is applicable for the following events:

- MTOP - Margin Top Up
- MREF - Margin Refund

In the case of future-dated events of contracts, SGEN messages are required to be sent before the value date or payment date. For such contracts, the system generates the settlement message after taking into account both currency holidays and local holidays maintained. It generates the SWIFT messages in the BOD batch.

For SGEN Message on contract initiation, when the SGEN date is calculated as the branch date or lesser than the branch date, the system sends out an online SGEN message during contract initiation itself.

You can maintain payment messages either at the SGEN event or at the respective events only, not at both levels. You can also maintain a product without the SGEN event and attach the payment message in the respective events.

Contract Level Message Generation

You need to perform the following for contract level message generation:

- Perform cash margin net settlement process using Margin Settlement screen and check system has generated the Credit/Debit message to MTOP/MREF based on settlement event when customer type is bank/corporate and settlement account type is Normal/Nostro.
- The credit/Debit message will be generated with MTOP/MREF event when CUST_PMT_ADV advice is mapped at product level.

- System generates the Payment Message MT210/MT202 for customer type as Bank and settlement account as Nostro, when PAYMENT_MESSAGE advice is configured in MTOP/MREF event at product level. If SGEN is configured at product level, Payment message will be generated as part of SGEN event based on currency settlement days.
- The system does not allow you to maintain CUST_PMT_ADV to SGEN event. Only PAYMENT_MESSAGE can be configured to SGEN event.
- PAYMENT_MESSAGE advice can be configured either in SGEN event or to specific event only (not at both simultaneously).
- CUST_PMT_ADV message can be configured to specific events only at product level.
- When CUST_PMT_ADV advice is maintained at specific events, the system will restrict you to maintain CREDIT_ADVICE / DEBIT_ADVICE and displays an appropriate error message.
- Both PAYMENT_MESSAGE and CUST_PMT_ADV can be mapped to same event. The system generates the messages at contract level based on the product.
- You need to maintain the following details for the contract level message generation:
Treasury message type for MG module and message type 'CUST_PMT_ADV' using the 'Treasury Message Type Maintenance' screen. Maintain advice 'CUST_PMT_ADV' for MTOP and MREF Event using the 'Margin Product Maintenance' screen.

6

Define Deal Products

A Deal product is a category or type of deal. It provides a general framework and serves to classify or categorize deals. A deal product can also represent a specific service offered by your bank. The first attribute that you can define for a product is its Type. In other words, you indicate the type of deals that the product can cater to. In Oracle Banking Treasury Management you can set up products for the following deal types:

- Liquidation deals (LQ deals)
- Long / Short deals (LS deals)

You can use Liquidation type of deal products for processing deals which involve any of the following activities:

- Manual exercise of options
- Manual assignment of options
- Exchange for physicals of futures

Long and Short type of deal products can be used for processing deals involving the following activities:

- Opening of Long and Short Positions in Futures and Options
- Closing of Long and Short Positions in Futures and Options

The accounting entries passed, the messages that are generated, and the processing of deals involving a product are determined by your entry in the Product Type field. Whenever a product is created or modified, on authorization of the deal product, Oracle Banking Treasury Management notifies the external system of the modification and creation of deal products. The notification code used will be NOTIF_ET_DEALPRODUCT. Refer the documentation on Messages for further information on Notification Message.

This topic has the following subtopics.

- [Process Exchange Derivatives Deal Product Definition](#)
This topic describes the systematic instruction to process Exchange Derivatives Deal Product Definition screen.
- [Display Long and Short Deals summary](#)
This topic describes the systematic instruction to fetch Long and Short Deals summary.
- [Process ET Deal](#)
This topic describes the processing of ET deal, long and short deals.
- [Liquidation Deals](#)
This topic describes the liquidation deals and how to process the liquidation deal.
- [Deals Matching](#)
This topic describes the match deals for your bank's own portfolios.

6.1 Process Exchange Derivatives Deal Product Definition

This topic describes the systematic instruction to process Exchange Derivatives Deal Product Definition screen.

The information about the deal product is captured through the Exchange Derivatives Deal Product Definition screen.

1. On the Home page, type **EDDDLPRD** in the text box, and then click next arrow.
The **Exchange Derivatives Deal Product Definition** screen is displayed.

Figure 6-1 Exchange Derivatives Deal Product Definition



2. On the **Instrument Definition** screen, click **New**.
3. On the **Instrument Definition** screen, specify the following details, and then click Enter Query.

The basic details about the product are common for every product that you capture in the ETD module of Oracle Banking Treasury Management. However, while defining a deal product you need to specifically indicate the exchange rate variance that is to be associated with the product.

Table 6-1 Instrument Definition- Field Description

| Field | Description |
|---|--|
| Product Code and Product Description | Specify the product code and product description. |
| Product Type | Specify the product code. |
| Product Slogan | Type a slogan for the product that you are creating. |
| Product Group | Grouping products according to the common features they share helps you organize information relating to the services you provide. This helps you retrieve information easily. |

Table 6-1 (Cont.) Instrument Definition- Field Description

| Field | Description |
|--|--|
| Product Start Date and End Date | <p>When you create a product, you must also specify a date from which it can be offered. You may also specify the date up to which you would like to offer the product. Enter these dates in the Start Date and End Date fields.</p> <div style="border: 1px solid #0070C0; padding: 5px; background-color: #E6F2FF;"> <p> Note:</p> <p>You cannot offer a product beyond the specified end date. If you do not specify an end date for a product, you can offer it for an indefinite period.</p> </div> |
| Remarks | If you want to enter any remarks regarding the product, do so in the Remarks field. |
| Exchange Rate Variance | <p>For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance.</p> <p>When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all deals associated with the deal product.</p> |
| Override Limit | If the variance between the default rate and the rate input varies by a percentage between the Rate Override Limit and the Rate Stop Limit, you can save the deal by providing an override. |
| Stop Limit | If the variance between the defaulted rate and the rate that is entered varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the deal. |
| Rate Code | While settling charges for cross-currency settlements, you can choose to debit the customer by applying the mid-rate or by using the buy/sell spread over the mid-rate. |
| Rate Type | <p>Indicate the Rate Type which should be picked up for exchange rate conversions involving settlement of charges for cross currency deals. You can maintain any one of the following as the Rate Type:</p> <ul style="list-style-type: none"> • Cash Rate • TT Rates • Bill Rates <div style="border: 1px solid #0070C0; padding: 5px; background-color: #E6F2FF;"> <p> Note:</p> <p>Information about specific attributes of a product has to be defined in the sub-screens within the Product Definition Main screen.</p> </div> |

4. On the **Exchange Derivatives Deal Product Definition** screen, click the **Preferences** tab.

The **Preference** screen is displayed.

Figure 6-2 Preference

The screenshot shows a 'Preference' window with the following sections:

- Product Code** and **Product Description**: Text input fields.
- Rekey Fields**: A list of fields with toggle switches: Portfolio Id Key, Instrument Id Key, Series Id Key, Broker Id Key, Broker Account Key, No of Contracts Key, and Price Key.
- Holiday Check Required**: A section with toggle switches for Local Holiday, Currency, and Financial Center.
- Product Restriction**: Radio button options for Branch Restrictions, Categories List, and Currency Restrictions, each with 'Disallowed' (selected) and 'Allowed' options.
- Deal Product Restriction**: Radio button options for Portfolio Restrictions, Instrument Restrictions, and Instrument Restrictions, each with 'Disallowed' (selected) and 'Allowed' options.

At the bottom right, there are 'Exit' and 'Save' buttons.

5. Specify the fields in the **Preferences** screen.

Table 6-2 Preference - Field Description

| Field | Description |
|----------------------------|---|
| Product Code | System displays the product code. |
| Product Description | System displays the product code description. |

Table 6-2 (Cont.) Preference - Field Description

| Field | Description |
|------------------------------|---|
| Rey-key Fields | <p>In Oracle Banking Treasury Management, all operations on a deal (input, amendment, modification, etc.) have to be authorized by a user other than the one who entered the deal details. These operations have to be carried out before the end-of-day activities have begun. Authorization is a way of checking the entries made by a user.</p> <p>Indicate that details of certain fields should be re-entered when a deal is invoked for authorization. The complete details of the deal is displayed only after the values to these fields are entered. The fields for which the values have to be given are called the Re-key fields.</p> <p>You can specify any or all of the following as re-key fields:</p> <ul style="list-style-type: none"> • Broker Account • Instrument ID • Portfolio ID • Series ID • Broker ID • Number of Contracts • Price <p>If no re-key fields are defined, the details of the deal involving the product will be displayed immediately when the authorizer calls the deal for authorization. The re-key option also serves as a means of ensuring the accuracy of inputs.</p> |
| Currency Restrictions | <p>Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options:</p> <ul style="list-style-type: none"> • Allowed • Disallowed |
| Categories List | <p>Indicate whether you want to create a list of allowed customers or disallowed customers by choosing one of the following options:</p> <ul style="list-style-type: none"> • Allowed • Disallowed |
| Currency Restrictions | <p>Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options:</p> <ul style="list-style-type: none"> • Allowed • Disallowed <p>You can specify the authorization re-key fields through the Deal Product Preferences screen.</p> |
| Local Holiday | <p>Select this check box, to execute the local holiday validation of the date and movement of schedules.</p> |
| Currency | <p>Select this check box, to execute the currency holiday calendar validation of the dates and movement of schedules.</p> |
| Financial Center | <p>Select this check box, to execute the financial center holiday calendar validation of the dates and movement of schedules.</p> |

6. On the **Exchange Derivatives Deal Product Definition** screen, click the **Charges** tab.
7. On the **Charges Details** screen, specify the charge details.

In the ETD module of Oracle Banking Treasury Management, charges can be associated and accounted for, only with the Booking of the deal. You can calculate and deduct charges as a percentage of the deal amount.

You can specify the charge components applicable to a product, when your bank has to;

- Collect money from the Customer/Broker
- Pay money to the Customer/Broker

Table 6-3 Deals

| Deal | Value |
|---------------|---------------------------------------|
| Futures Deals | Future Price X Number of Contracts. |
| Options Deals | Option Premium X Number of Contracts. |

Table 6-4 Deals

| Deal | Value |
|---------------|--|
| Futures Deals | Underlying Spot Price X Number of Contracts. |
| Options Deals | Underlying Spot Price X Number of Contracts. |

You should necessarily use a charge class to indicate the charge components applicable to the product. A charge class is a specific type of component that you can build with certain attributes. You can build a charge class, for instance, with the attributes of a specific type of charge component, such as Charges for booking an LS deal. The charges that you link to the deal product will be made applicable to all the deals involving the product.

You can link charge components with the deal product through the Deal Charge Definition screen.

8. On the **Exchange Derivatives Deal Product Definition** screen, click the **Events** tab.
9. On the **Event Details** screen, specify the event details.

The different stages in the life cycle of a deal are referred to as Events. In the ETD module, the following events are possible for a deal:

Table 6-5 Event Code - Description

| Event Code | Description |
|------------|--|
| EBOOK | Booking a deal |
| EAMD | Amendment of trade time stamp of a deal that is yet to be booked |
| EMAT | Deal Matching |
| EREV | Reversal of a deal |

At an event, you may want to generate advice or post accounting entries. For instance, while booking a deal in your customer portfolio, you would:

- Pass the requisite charge related entries

- Print a confirmation advice for the benefit of your customer

When defining a deal product, firstly, you have to identify the accounting roles and heads for the product in the Product Accounting Role to Head Mapping screen. Similarly, you have to specify the different event details in through the Product Event Accounting Entries and Advices screen, by either of the following ways:

- Associating the product with an appropriate Role to Head Mapping class and an Events Class
- Mapping accounting roles to heads and defining event details specifically for the product.

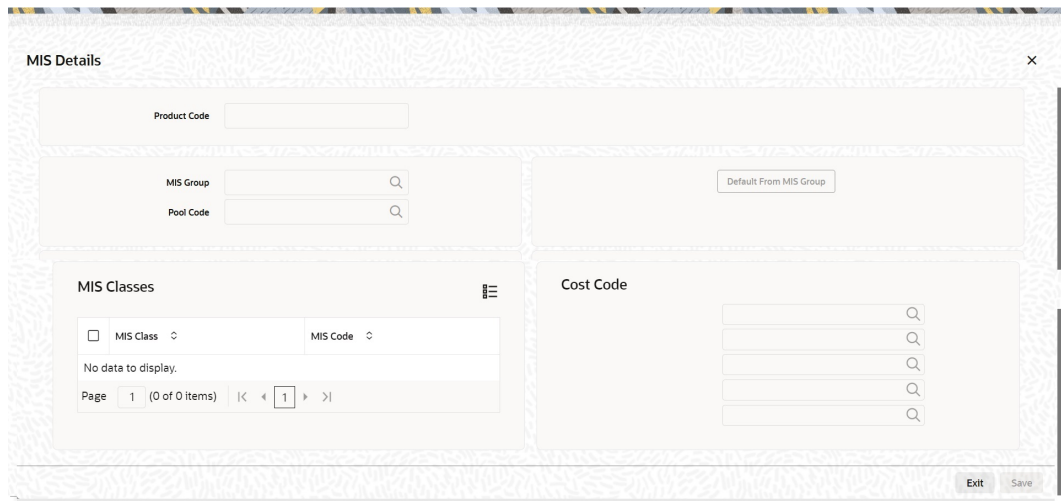
The appropriate accounting entries will be posted and the relevant advices can be generated only while booking a deal (EBOK event). During the amendment of trade time stamp of a deal that is yet to be processed in the system, (EAMD) and for deal matching (EMAT), the system will not post any accounting entries. Neither will you be allowed to generate any advices for these events.

For reversing a deal (EREV), the system does an automatic reversal of all the accounting entries that were passed when the particular deal was booked (EBOK).

For further details on maintaining Accounting Entries and Advices, refer Product Definition User Manual under Modularity.

10. On the **Exchange Derivatives Deal Product Definition** screen, click the MIS tab. The **MIS Details** screen is displayed.

Figure 6-3 MIS Details



11. Specify the fields details in the **MIS Details** screen.

For more information on the fields, refer to the below Field Description table.

Table 6-6 MIS Details - Field Description

| Field | Description |
|------------------|---|
| MIS Group | You should link a product to an MIS group. By doing so, you indicate the MIS group under which all deals linked to the product should be tracked. |

Table 6-6 (Cont.) MIS Details - Field Description

| Field | Description |
|--------------------------|---|
| Pool Code | On linking the product to an MIS group, you should also indicate the Pool code from the product will borrow and lend. |
| Transaction Codes | If you have linked a product to an MIS Group, the Transaction MIS Codes defined for the group will be displayed by default. If you have not linked an MIS Group, you can specify the applicable Transaction Codes here. The number of transaction codes displayed depends on the number of transaction MIS codes maintained for your bank. |
| Cost Codes | Similarly, if you have linked an MIS Group to the product, the cost codes defined for the group will be displayed. You have the option to change them. If you have not linked an MIS Group with the product, you can indicate the applicable cost codes. After you make the specifications, click OK to save them. On saving your entries, you are returned to the ET Product Definition screen. For further details refer to the MIS user manuals. |

6.2 Display Long and Short Deals summary

This topic describes the systematic instruction to fetch Long and Short Deals summary.

1. On Home page, type **EDSLSONL** in the text box, and click next arrow.
Long and Short Deals Summary screen is displayed.

Figure 6-4 Long and short Deals Summary

2. On the **Long and Short Deals Summary** screen, specify the fields.

Table 6-7 Queries - Parameters

| Field | Description |
|--------------------------|--|
| Recommended Field | Contract Reference Number On screen launch, the application default with the Branch code value followed by % in the Contract Reference Number field. Click the Search button to display the contract summary. Alternatively, you can select the reference number from the option list. The list displays all valid reference numbers maintained in the system. |
| Optional Fields | Select any one or all of the parameters from the Optional Field in the summary screen and click the Search button. The records meeting the selected criteria are displayed in the summary screen. |

3. Click Search or Advanced Search to fetch the details by inputting any one of the Optional Fields.

The records matching the specified search criteria are displayed.

6.3 Process ET Deal

This topic describes the processing of ET deal, long and short deals.

Using the ETD module of Oracle Banking Treasury Management, you can process the following deal types:

- Liquidation Deals
- Long and Short Deals

These are value dated today, or back value dated deals.

Each deal that you enter in Oracle Banking Treasury Management should necessarily be associated with a deal product.

You have already defined deal products to group together or categorize deals that share broad similarities. Deal products provide a general framework and serve to classify or categorize deals.

Under each Product that you have defined, you can enter specific deals based on your requirements. By default, a deal inherits all the attributes of the product, which is associated with it.

A deal would require information on the following:

- ET instrument involved in the deal
- Series, which is being traded
- Number of contracts that are traded
- Deal Type being processed (whether it is a buy/sell or liquidation type of deal)
- Option Premium or the price at which an option is bought or sold, excluding any commissions, trading fees, and applicable levies. The option premium is expressed in index points per contract. While capturing future deals, you will have to indicate the Future Price.
- Value Date of the money settlement

- Portfolio involved in the deal – whether it is a customer or bank portfolio
- Broker involved in the deal
- Details of the broker account involved in the deal

In the ETD module you have to process Long and Short and Liquidation deals using two separate screens. They are:

- Long Short deal input screen
- Liquidation deal input screen

Moreover, these deals are directly captured in Oracle Banking Treasury Management or uploaded from an external system. You can nevertheless amend an uploaded deal in Oracle Banking Treasury Management. In case of uploaded deals, users other than the maker also can unlock an unauthorized deal and modify the details of the record.

For deal matching purposes of your bank's own portfolios, you can use the ET Deal Matching screen.

These details, and several others, required to process the two types of ET deals in Oracle Banking Treasury Management are discussed in the course of this chapter.

This topic has the following sub-topics:

- [Process Long and Short Deals](#)
- [Long Short Deal Financial Amendment](#)

6.3.1 Process Long and Short Deals

It is necessary to maintain a mandatory program, to **Margin Product Definition** screen.

1. On Homepage, enter **EDDLSONL** in the text box, and then click next arrow.
The **Long and Short Deals** screen is displayed.

Figure 6-5 Long and Short Deals

The screenshot shows the 'Long and Short Deals' form with the following sections and fields:

- Product Details:** Product Code, Source Code, Contract Reference, External Reference Number, Product Description, Reverse Contract Reference, User Reference, Basket Reference.
- Instrument Details:** Instrument Id, Series Id, Commodity, Unit, Pricing Unit, Option/Future, Instrument Name, Series Name, Currency, Expiry Date, Strike Price.
- Basket Details:** Portfolio Id, Customer, Broker/Clearing Member, Broker Account, Portfolio Description, Customer Name, Broker Name, Broker Account Description.
- Execution Details:** Dealer, After Hours Trade, Voice Trade.
- Deal Details:** Deal Type (set to Long), Contracts, Premium/Future Price, Booking Date, Money Settlement Date, Value Date, Deal Size, Deal Value, Deal Input Time, Remarks.

At the bottom, there are tabs for: Events, Settlements, Charges, Brokerage, MIS, Fields, Holiday Preferences, Linked Entities, Collateral-Netting, Audit, and Exit.

You can choose to enter the details of a deal either by using a deal product. You should necessarily use a Long and Short deal product that has already been created to enter the details of a Long and Short deal. Based on the type of deal you are entering, you can select a product from the list of options positioned next to the Product field.

2. On the **Long and Short Deals** screen, click **New**.
 3. On the **Long and Short Deals** screen, specify the following deal details,.
- For more information on the fields, refer to the below Field Description table.

Table 6-8 Long and Short Deals - Field Description

| Field | Description |
|---------------------------|--|
| Contract Reference | In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the deal you are entering, it is also used in all the accounting entries and transactions related to this deal. Hence the system generates a unique number for each deal. |

Table 6-8 (Cont.) Long and Short Deals - Field Description

| Field | Description |
|--|--|
| User Reference | Enter a reference number for the deal. A deal is identified by this number in addition to the Deal Reference Number generated by the system. This number should be unique and cannot be used to identify any other deal. By default, the Deal Reference Number generated by the system will be taken as the User Reference Number. |
| External Ref No | If the transaction is being uploaded from an external source, specify the identification for the deal in the external source, as the external reference number. |
| Reversed Reference | The reference number of the contract that is being reversed and re-booked is displayed here. |
| Source | Specify the source from which deal is to be uploaded. |
| Remarks | Type a remark. |
| Option/Future | Specify the deal as an Option or Future. |
| Clearing House | The system defaults the clearing house maintained at the Instruments level. |
| Instrument Identification and Series Identification | <p>Indicate the instrument and series that the deal involves.</p> <p>You have already restricted specific instruments from trading in the deal product in the Instrument Restriction screen of the Deal Product screen. When you associate a product with the deal, the restrictions defined for the particular product are made applicable to the deal.</p> <p>Select the Instrument Identification which is to be associated with the deal. A list of all the Allowed instruments is available alongside. As you have already maintained the instrument, all the attributes of the deal like the contract size, unit, underlying details, pricing details, initial margin per contract, and days of settlement will be processed based on these details.</p> |
| Contracts | <p>Indicate the number of contracts that are to be traded. The system multiplies the Number of Contracts and the Contract Size to arrive at the quantity of the actual underlying that is involved in the trade.</p> <p>Based on the number that you specify, the system calculates the quantity of the actual underlying that is involved in the trade and displays it in the adjacent field.</p> <p>For example, refer Table 6-9.</p> |
| Execution Broker | Specify the execution broker for the deal. The adjoining option list displays the brokers maintained for the portfolio. You can choose the appropriate one. |
| Execution Broker Name | The system displays the name of the execution broker selected. |
| Dealer | Specify the dealer involved for the deal. The adjoining option list displays all valid dealers maintained in the system. You can choose the appropriate one. |
| Trading Venue | Specify the trading venue for the deal. |
| After Hour Trade | Check this box to indicate that after hour trade or day time for the deal is allowed for this deal. |
| Voice Trade | Check this box to indicate that voice trade is allowed for this deal. |

Table 6-8 (Cont.) Long and Short Deals - Field Description

| Field | Description |
|--|--|
| Deal Type | While capturing the details of a specific deal you have to indicate whether it is a Buy (Long) or Sell (Short) type of deal. Select the appropriate preference from the available list. |
| Premium/Future Price | For Options, the Option Premium is the price at which an option is bought or sold excluding any commissions, trading fees, and applicable levies. For index-based options, the price has to be specified in index points per contract. For non-index-based options, the premium has to be expressed in terms of the Instrument Pricing Unit specified at the time of defining the instrument. While capturing future deals you will have to indicate the Future Price. For index-based futures, the price has to be specified in index points per contract. For non-index-based futures, the price has to be expressed in terms of the Instrument Pricing Unit, indicated at the time of instrument definition. For Example, refer Table 6-10 . |
| Value Date | Specify the Value Date here. The Value Date represents the date from which the obligation or the right on the underlying asset takes effect on the parties involved in the deal. The Value Date you specify can be one of the following: <ul style="list-style-type: none"> • Today's date • Past Date |
| Time Stamp and Transaction Date | The Time Stamp is the exact time at which the deal transaction took place in the exchange. You have to specify the time at which the deal transaction took place. The transaction date is the date on which you entered the deal into Oracle Banking Treasury Management. The system gives the present date as the transaction date. You cannot change it. |
| Money Settlement Date | The Money Settlement Date (or the MSTL Date) represents the Value Date of the Money Settlement of the Premium Amount in a Long and Short option deal. If there is any money settlement involved in the deal you are processing, you can indicate the date on which the money settlement for the Premium Amount in a Long and Short option should be done. |

Table 6-8 (Cont.) Long and Short Deals - Field Description



| Field | Description |
|-----------------------------------|--|
| Portfolio Identification | <p>Every deal that you capture in Oracle Banking Treasury Management should be associated with the respective portfolio. For instance, if you are capturing the details of a deal on behalf of your bank's customer, you must link it to the relevant customer portfolio. Similarly, while entering the details of a deal on behalf of your bank, you have to link it to the appropriate bank portfolio.</p> <p>While defining a deal product, you would have established certain controls over the portfolios that your branches can deal with by defining restrictions for the product. The list provided alongside this field contains all the 'allowed' portfolios for this product. Select the appropriate portfolio from this list.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>If you are capturing the details of a deal on behalf of your customer's portfolio, then the CIF ID and the Name of the customer involved in the portfolio default in the respective fields.</p> </div> |
| Broker/Clearing Member | <p>Specify the Broker ID of the broker through whom the deal was brokered. You can select a Broker ID from the available list. The available list contains the codes assigned to brokers with whom you can enter deals.</p> |
| Broker Account Description | <p>Select the Broker Account from the adjoining list. This account represents the actual account where the positions will be updated.</p> |
| Deal Input time | <p>This field captures the deal execution time at the time of deal booking received from front office.</p> <p>Format: YYYY-MM-DD HH:MM:SS:SSS (Default). Here SSS is milliseconds.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>The above format can be changed in the user setting option based on requirement.</p> </div> <p>System throws an error when you give the wrong date or time format on modification.</p> |
| Basket Reference | <p>The Basket Reference number is the unique reference number or identifier that the system assigns, each time you process a deal with the following combination:</p> <p>Portfolio ID + Instrument ID + Series ID + Broker + Broker Account</p> <p>The reference number is referred to as the Basket Reference.</p> <p>Once generated, all subsequent deals in the same combination will be referenced with this ID. Life cycle processing for all events in the basket will be carried out based on the basket reference number.</p> |

Table 6-8 (Cont.) Long and Short Deals - Field Description

| Field | Description |
|----------------------|--|
| Other Details | <p>These details of the instrument involved in the deal are displayed in the respective fields. These details include:</p> <ul style="list-style-type: none"> • Strike Price (if any) of the instrument series). • Expiry date of the instrument series. • Underlying Asset associated with the instrument involved in the deal. • Contract Standard or any additional details of the instrument involved in the deal. |

Let us assume, you are processing a contract with the following details:

Table 6-9 Field Value

| Field | Value |
|----------------|--|
| Deal Reference | 000DP01003260006 |
| User Reference | LDeal001 |
| Product | Long Short deals for Portfolio Customers. |
| Instrument ID | CME90DTB-PUTE-OP. |
| Description | Chicago Mercantile Exchange – 90 Day T-bill Put Option |
| Series | 96-NOV-2000 |
| Contract | 15 |
| Deal Type | Long |

Where the Long holder, for each long contract held, has the right to sell hundred units of the T-bill. Consequently, a deal involving 15 Contracts translates to 1500 (15 x 100) units of the T-bill involved in the trade.

For Premium/Future Price instance, let us assume that you are capturing the details of a commodity Option. The commodity involved in the instrument is Wheat and the Option Premium is quoted in the market in terms of kilograms.

Accordingly you have priced the instrument as described in the below table.

Table 6-10 Field Value

| Field | Value |
|------------------------------|------------|
| Instrument Pricing Size | 1 |
| Instrument Pricing Size Unit | Kilo-grams |

The system calculates and displays the Deal Value of the contract in the adjacent field, based on your entry in this field. The Deal Value is calculated in the following manner:

Example: Futures Price/Option Premium X Number of Contracts X Instrument Pricing Multiple

You are capturing the details of a Short type of deal with the following details:

Table 6-11 Field Value

| Field | Value |
|------------------------------|------------|
| Instrument Pricing Size | 1 |
| Instrument Pricing Size Unit | Kilo-grams |

The Instrument Details, which will be taken into account for processing, are:

- The Contract Size – 10 Kilograms.
- The Asset Currency - USD.
- The Pricing Currency - USD.
- The Pricing Multiple = 10.

Since the Number of Contracts involved is 12, the quantity of the actual commodity involved in the trade will be calculated as follows:

$$12 \text{ (Number of Contracts)} \times 10 \text{ (Contract Size)} = 120 \text{ KGs.}$$

The Option Premium is 0.25 USD Per Kilogram. Therefore the Deal Value will be calculated as follows:

$$0.25 \text{ (Option Premium)} \times 12 \text{ (Number of Contracts)} \times 10 \text{ (Pricing Multiple)}.$$

The Deal Value will be displayed as 30 USD

4. On the **Long and Short Deals** screen, click **Charges**.
5. On the **Charge Details** screen, specify charge details.

You can specify the charges that should be levied on every deal that is booked in the ETD module. The charge components linked to the deal product default to the deal.

You can choose to recover the charges either from the Broker or the Portfolio Customer.

When a charge component that is applied to a deal is liquidated, the relevant accounting entries are passed based on the accounting entry set-up for the deal product.

6. On the **Long and Short Deals** screen, click **Events**.
7. On the **Event Details** screen, specify event details.

As stated earlier, in the ETD module you can collect charges for booking the deal in Oracle Banking Treasury Management. You have already associated the required charge components at the time of defining the product. Additionally, you have also identified the GL/SLs that ought to be impacted when accounting entries are posted for these charges.

You can view the accounting entries for the deal-booking (EBOK) event through the Events Accounting Entry and Overrides screen. All the accounting entries that were passed for the booking event will be displayed.

The following information is provided for each event:

- Branch
- Account
- The currency of the Account

- The amount tag
 - The transaction code associated with the deal
 - Dr/Cr indicator
 - Value Date
 - The Charge Amount in the Currency of the Account, when the currency is a foreign currency.
 - The exchange rate that was used for the conversion, if the Account is a foreign currency account.
 - Amount in local currency
 - All the overrides that were encountered for the event will also be displayed.
 - The date and time on which the entry was entered in Oracle Banking Treasury Management.
8. On the **Long and Short Deals** screen, click **Settlements**.
 9. On the **Settlements** screen, specify settlement details.

Along with other charge related details of a deal, you have to specify the accounts that have to be debited or credited depending on whether the charges are to be collected or paid. The Debit and Credit accounts and the amount indicate the accounting entry that has to be passed at your bank to affect the deal.

Apart from the details of accounts that have to be debited and credited for the charge amount you will have to capture the following details to effect a deal successfully:

- Details about the route through which the money settlement should take place.
 - Indicate whether a payment message needs to be generated.
10. On the **Long and Short Deals** screen, click **Advices**.
 11. On the **Advice Details** screen, specify settlement details.
 12. In the **Long and Short Deals** screen, click the **Fields** tab.

The **Fields** screen is displayed.

Figure 6-6 Fields

The screenshot shows the 'Fields' configuration screen in Oracle Banking Treasury Management. At the top, there is a text input field for 'Contract Reference Number'. Below this is a table with the following structure:

| Field Name | Value | Mandatory | Value Description |
|---------------------|-------|-----------|-------------------|
| No data to display. | | | |

At the bottom of the table, there is a pagination control showing 'Page 1 (0 of 0 items)' and navigation arrows. In the bottom right corner of the screen, there are 'Exit' and 'Save' buttons.

You can add to the list of fields defaulted from the product but you will not be allowed to remove a field from the defaulted list.

You can change the values defaulted from the product to suit the deal you are processing.

For more details on defining custom fields in Oracle Banking Treasury Management, refer the 'User Defined Fields' User Manual.

13. In the **Long and Short Deals** screen, click the **MIS** tab.

The **MIS Details** screen is displayed.

Figure 6-7 MIS Details

You can choose to perform MIS Refinancing on a daily basis for all bill contracts, only if this option has been enabled in the Bank-wide Preferences screen. If the MIS refinancing has been set to a daily frequency, you have to indicate the refinance rate pick up specification through the transaction MIS sub-screen while processing the contract.

In this screen, the transaction type of MIS class, the cost code, and pool code will be picked up from the product under which the deal is processed. The composite MIS code will be picked up from the definition made for the customer, on behalf of whom the deal is being processed.

You have to indicate whether the system should pick up the MIS Rate associated with the pool linked to the contract or whether you would like to maintain a rate specific to the contract. You can indicate your choice by selecting any one of the following options:

- Pool Code – indicating that the MIS Rate maintained for the pool code should be used for refinancing.
- Contract Level – indicating that you would like to maintain a specific MIS Rate for the particular contract.

Refer the *MIS User Manual* for more details on maintaining MIS related information for a product and contract.

14. On the **Long and Short Deals** screen, click **Brokerage**.

The **Brokerage** screen is displayed.

Figure 6-8 Brokerage

The screenshot shows the 'Brokerage' application window. At the top, there is a 'Contract Reference' input field. Below it are three expandable sections: 'Broker Details', 'Rule Details', and 'Slab Details'. Each section contains a table with various fields and a 'Populate' button. The 'Broker Details' table has columns for Broker Type, Broker ID, Broker Name, and New Commission Setup. The 'Rule Details' table has columns for Rule Applied, Brokerage Currency, Brokerage Amount, Currency, Amount, Booking Method, Consider For Discount, Liquidation Status, and Liquid. The 'Slab Details' table has columns for Sub Rule, Broker Type, Effective Date, Basis From, Basis To, Fixed Rate, Flat Amount, Max Amount, and Min Amount. All tables currently show 'No data to display.' and are on page 1 of 0 items. At the bottom right, there are 'Exit' and 'Save' buttons.

15. On the **Brokerage** screen, you can view the below details of the brokerage.

Table 6-12 Brokerage - Field Description

| Field | Description |
|------------------------------|--|
| Broker Type | The system displays the Broker type |
| Broker ID | The system displays the Broker ID |
| Broker Name | The system displays the name of the Broker |
| New Commission Setup | The system displays the new commission setup |
| Rule Applied | The system displays the Rule that has been applied |
| Brokerage Currency | The system displays the Broker currency |
| Brokerage Amount | The system displays the brokerage amount |
| Currency | The system displays the currency |
| Amount | The system displays the amount |
| Booking Method | The system displays the booking method |
| Consider For Discount | The system displays the preference for the broker being considered for discounts |
| Liquidation Status | The system displays the liquidation status |
| LIQ Reference Number | The system displays the liquidation reference number |
| Sub Rule | The system displays the Sub-rule |
| Effective Date | The system displays the effective date for the slab rule |

Table 6-12 (Cont.) Brokerage - Field Description

| Field | Description |
|--------------------|---|
| Basis From | The system displays the basis (from) detail for the slab rule |
| Basis To | The system displays the basis (to) detail for the slab rule |
| Fixed Rate | The system displays the fixed rate for the slab rule |
| Flat Amount | The system displays the basis detail for the slab rule |
| Max Amount | The system displays the maximum amount for the slab rule. While booking deal in these screen, Max amount is considered for Fixed rate +Flat amount. |
| Min Amount | The system displays the minimum amount for the slab rule. While booking deal in these screen, Min amount is considered for Fixed rate +Flat amount. |

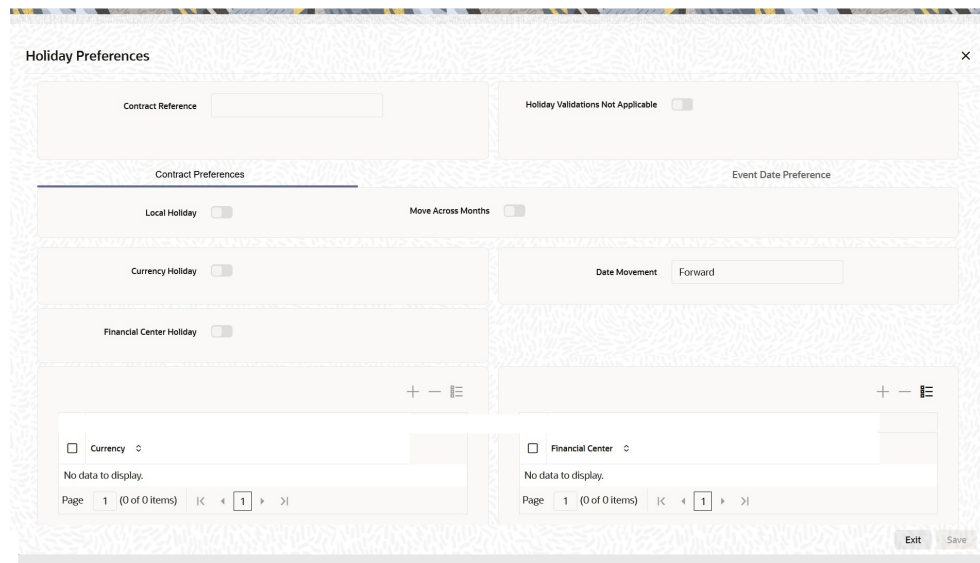
16. On the **Long and Short Deals** screen, click **Holiday Preferences**.

Financial center holidays are validated during contract input for ETD transactions. Users should modify the dates appropriately during deal input.

Financial center holidays are validated during contract input for transactions received through interface. Appropriate validation message(s) are returned to the interface.

Holiday Preferences screen is displayed.

Figure 6-9 Holiday Preferences



17. On the **Holiday Preferences** screen, Specify the details as required.

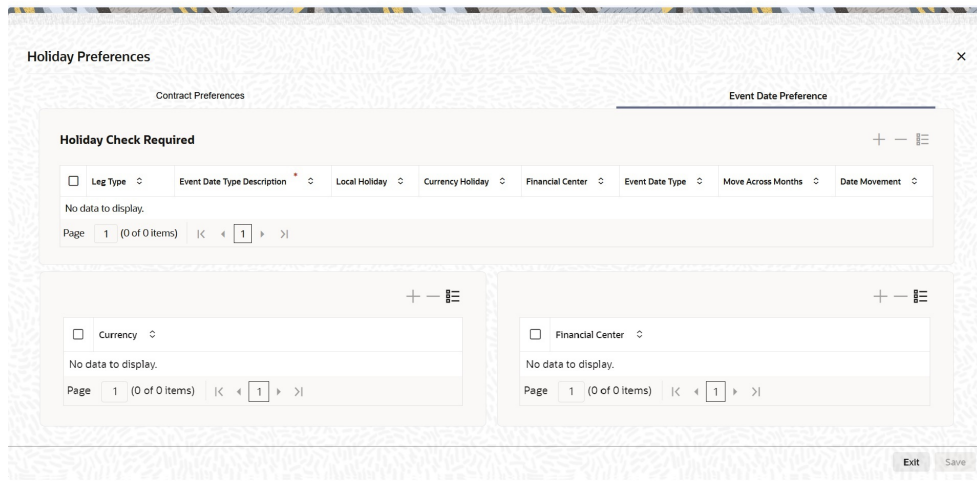
See the below table for field descriptions:

Table 6-13 Field screen- Field Description

| Field | Description |
|---|--|
| Contract Reference | The Contract Reference number from the main screen is displayed here. |
| Holiday Validations Not Applicable | Check this box to indicate that the holiday calendar validation must not be performed. |
| Contract Level | |
| Local Holiday | Select this check box, if the local holiday calendar validation of dates is required. |
| Currency Holiday | Select this check box, if the currency holiday calendar validation of dates is required. |
| Financial Center Holiday | Select this check box, if the financial center holiday calendar validation of dates is required. |
| Move Across Months | This is not applicable for ETD module. |
| Date Movement | This is not applicable for ETD module. |
| Currency | Specify the currency from the adjoining option list for which Currency Holiday Calendar validation is required. The list displays all currencies maintained in the system. You can choose the appropriate one. This field is mandatory if the Currency Holiday checkbox is checked in Contract Preferences tab. |
| Financial Center | Specify the financial center from the adjoining option list for which Financial Center Holiday Calendar validation is required. The list displays all active financial centers maintained in the system. You can choose the appropriate one. This field is mandatory if the Financial Center Holiday checkbox is selected in Contract Preferences tab. |

18. On the **Holiday Preferences** screen, click **Event Date Preference**
Holiday Preferences with Event Date tab details is displayed.

Figure 6-10 Holiday Preferences screen with the Event Date Tab




19. On the **Event Date Preference** tab, specify the details as required.

The following are the field descriptions:

Table 6-14 Field Description

| Field | Description |
|------------------------------------|---|
| Leg Type | This is not applicable for ETD module. |
| Event Date Type Description | Specify the description of event date type for which the holiday calendar validations must be performed. The adjoining option list displays all valid event description maintained in the system. You can choose the appropriate one. |
| Local Holiday | Select this check box if the local holiday calendar validation of the event date is required. |
| Currency Holiday | Select this check box if the currency holiday calendar validation of the event date is required. |
| Financial Center | Select this check box if the financial center holiday calendar validation of the event date is required. |
| Event Date Type | The code of the event date type is displayed in this field. |
| Move Across Months | This is not applicable for ETD module. |
| Date Movement | This is not applicable for ETD module. |
| Currency | Specify the currency from the adjoining option list for which Currency Holiday Calendar validation is required. The list displays all valid currencies maintained in the system. You can choose the appropriate one. This field is mandatory if the Currency Holiday checkbox is checked in Event Date Preference tab. |

Table 6-14 (Cont.) Field Description

| Field | Description |
|------------------|---|
| Financial Center | <p>Specify the financial center from the adjoining option list for which Financial Center Holiday Calendar validation is required. The list displays all active financial centers maintained in the system. You can choose the appropriate one.</p> <p>This field is mandatory if the Financial Center Holiday checkbox is checked in Event Date Preference tab.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>Based on the requirement you can choose more than one holiday check at the same time.</p> </div> |

20. In ETD, local holiday, currency holiday and financial center holiday validations is applicable for:

- Value Date and Money Settlement Date in Long and Short Deals screen.
- Value Date, Transaction Date, Settlement Date and Money Settlement Date in Liquidation Deals screen.

The system displays an applicable override message if these dates fall on holiday and configured for holiday validation. You can ignore the override message or change the respective date as deemed appropriate.

Also, the system validates the local, currency and financial center holidays during deal input for transactions received through the interface. Appropriate validation message(s) are returned to the interface.

6.3.2 Long Short Deal Financial Amendment

During amendment, if any field other than the Time Stamp and Remarks fields of a deal is modified, then the system will treat the amendment as a financial amendment. The system will reverse the previous deal and book a new deal with modified details. The external reference number of the original deal is retained and the two deals are linked by the external reference number.

Oracle Banking Treasury Management provides the facility to amend the financial details of an LS deal through external upload. If an amendment is uploaded without settlement details but there is no change in the product ID, instrument ID and the portfolio, system will default the settlement details of the original deal.

Financial amendments of LS deals are uploaded by the service FCUBSETD Service with the operation ETDLSDealModify.



Note:

System allows financial amendments of LS deals only through Gateway uploads and not through the front-end.

6.4 Liquidation Deals

This topic describes the liquidation deals and how to process the liquidation deal.

Through the Liquidation Deal (LQ) Input you can:

- Manually exercise European Options for Long Positions on the Expiry Date.
- Manually exercise American Options for Long Positions on or before the Expiry Date.
- Manually assign European Options for Short Positions on the Expiry Date.
- Manually assign American Options for Short Positions on or before the Expiry Date.
- Manually exchange for Physicals for Long and Short Future Positions.

This topic has the following subtopics:

- [Process Liquidation Deals](#)
- [Liquidation Deal Financial Amendment](#)

6.4.1 Process Liquidation Deals

While entering the details of a liquidation deal you should necessarily use an LQ product that exists in the system. You can select the appropriate product code from the available list.

1. On the Home page, type **EDDLQONL** in the text box, and then click next arrow.
The **Liquidation Deals** screen is displayed.

Figure 6-11 Liquidation Deals

While entering the details of a liquidation deal, you should necessarily use an LQ product that exists in the system. You can select the appropriate product code from the available list.

2. On the **Liquidation Deals** screen, click **New**.
3. On the **Liquidation Deals** screen, specify the following details, and then click Enter Query.

For more information on the fields, refer to the below Field Description table.

Table 6-15 Liquidation Deals - Field Description

| Field | Description |
|---------------------------|---|
| User Reference | Specify the identification for the deal in the external source, as the external reference number. |
| Reversed Reference | System displays the reference number of the contract that which is being reversed and re-booked. |

Table 6-15 (Cont.) Liquidation Deals - Field Description



| Field | Description |
|------------------------------|---|
| Source | Indicate the source from which deal is to be uploaded. |
| Basket Reference | <p>After you identify the product, which should be used to capture the details of the deal you have to specify the Basket to which the deal belongs. Select the Basket Reference number from the list of options alongside this field. After selecting the reference number, click Basket button.</p> <p>On indicating the Basket reference number the following details about the basket are displayed:</p> <ul style="list-style-type: none"> • Portfolio ID • Instrument ID • Series ID • Broker • Broker Account <p>If you are processing a Customer Deal, the name of the customer involved in the portfolio will be displayed as well.</p> <div style="border: 1px solid #0070C0; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>The current balance in the basket will also be displayed for your reference. You have to identify the basket to which the deal you are liquidating belongs. If you select the portfolio, the instrument and the broker, and for this combination that you have specified, there is no Basket Reference Number, the basket will be created and the balance of the same will be updated. If the liquidation amount of the contracts is more than the balance available in the basket, the system will save the liquidation deal, but at EOD display the message 'Insufficient Balance in Basket'.</p> </div> |
| Clearing House | The system displays the clearing house maintained at the Instrument level. |
| Option/Future | Specify the deal as Option or Future. |
| Contracts | The number of contracts that have been liquidated in the basket defaults as the current balance in the basket. You can change this default value and indicate the number of contracts within the basket that have to be liquidated. |
| Execution Broker | Specify the execution broker for the deal. The adjoining option list displays all valid execution brokers maintained for the portfolio. You can choose the appropriate one. |
| Execution Broker Name | The system displays the name of the execution broker specified. |
| Dealer | Specify the dealer involved for the deal. The adjoining option list displays all valid dealers maintained in the system. You can choose the appropriate one. |
| Trading Venue | Specify the trading venue for the deal. |
| Voice Trade | Check this box to indicate that voice trade is allowed for this deal. |

Table 6-15 (Cont.) Liquidation Deals - Field Description

| Field | Description |
|---|---|
| After Hour Trade | Check this box to indicate that after hour or day time trade is allowed for this deal. |
| Deal Type | <p>After identifying the number of contracts, which you have to indicate the type of liquidation that has to be performed on the contracts. The options available are:</p> <ul style="list-style-type: none"> • Exercise of Options • Assignment of Options • EFP of Futures Long • EFP of Futures Short <p>Select the appropriate option from the list.</p> |
| Spot Price | Specify the Spot Price of the underlying asset involved in the instrument. The spot price is to be expressed in terms of the Underlying Pricing Unit as maintained in the Underlying Asset Definition screen. |
| Value Date | The Value Date represents the date on which the basket is to be liquidated. This is the date that the accounting entries will be posted for booking the liquidation gains and losses. |
| Time Stamp and Transaction Date | <p>You have to capture the exact time at which the deal transaction took place in the exchange.</p> <p>The transaction date is the date on which you entered the deal into Oracle Banking Treasury Management. The system puts today's date as the transaction date. You cannot change this date.</p> |
| Settle Date | <p>If the basket involves the physical settlement of the underlying asset, you have to indicate the date on which the physical settlement of futures should be done.</p> <div style="border-left: 2px solid #0070C0; padding-left: 10px; margin-top: 10px;"> <p> Note:</p> <p>The ETD module of Oracle Banking Treasury Management does not support any processing with respect to the physical settlement of deals.</p> </div> |
| Money Settlement Date | If there is any money settlement involved in the liquidation deal you are processing, you can indicate the date on which the money settlement of liquidation gains/losses is to be done. |
| Other details of the LQ Details screen | <p>The following details of the Liquidation details screen are picked up from the Instrument Definition screen and displayed in their respective fields on saving your entries:</p> <ul style="list-style-type: none"> • Strike Price at which the option buyer can purchase the asset for a call option or sell the asset in the case of a put option. • Underlying Asset involved in the deal • Basket Reference number involved in the deal • Expiry Date of the series • Additional information about the instrument pertaining to the instrument itself, or the underlying asset, the physical settlement of the deal or the money settlement of the deal is displayed in the Standard field. |

4. On the **Liquidation Deals** screen, click **Settlements**.

5. On the **Settlements** screen, specify settlement details.

The settlement accounts are the accounts, which will be impacted (debited/credited) for settling the liquidation gains and losses. For more information, refer to the *Settlements User Manual*.

6. On the **Liquidation Deals** screen, click **Charges**.

7. On the **Charge Details** screen, specify charge details.

You can specify the charges that should be levied on every LQ deal that is booked in the ETD module. The charge components linked to the deal product will be defaulted to the LQ deal.

You can choose to recover the charges either from the Broker or the Portfolio Customer.

During liquidation, the relevant accounting entries are passed based on the accounting entry set-up for the deal product.

8. On the **Liquidation Deals** screen, click **Events**.

9. On the **Events Accounting Entries and Overrides** screen, specify event details.

The charge components associated with the liquidation product will be defaulted to the deal. You can view the GL/SLs that will be impacted when accounting entries are posted for booking (EBOK) the liquidation deal through the Liquidation Events Accounting Entries and Overrides screen.

The accounting entries will be displayed along with the overrides that were encountered while processing the transaction.

10. On the **Liquidation Deals** screen, click **Advices**.

11. On the **Advice** screen, specify advice details.

The details of the advices applicable for an event are displayed in the Advices screen. The party ID to whom a specific advice should be sent is picked up automatically based on the Party/Advice mapping done for the counter party.

12. On the **Liquidation Deals** screen, click **Fields**.

13. On the **Fields** screen, specify field details.

You can view the UDFs only if you have maintained the same for the product involved in the deal.

You can add to the list of fields defaulted from the product but you will not be allowed to remove a field from the defaulted list.

You can change the values defaulted from the product to suit the deal you are processing.

For more details on defining custom fields in Oracle Banking Treasury Management, refer the User Defined Fields User Manual.

The list of fields and default values specified for the product to which the deal is associated is displayed.

14. On the **Liquidation Deals** screen, click **MIS**.

The **MIS Details** screen is displayed

Figure 6-12 MIS Details

15. On the **MIS Details** screen, specify MIS details.

You can choose to perform MIS Refinancing on a daily basis for all bill contracts, only if this option has been enabled in the Bank-wide Preferences screen. If the MIS refinancing has been set to a daily frequency, you have to indicate the refinance rate pick up specification through the transaction MIS sub-screen while processing the contract.

In this screen, the transaction type of MIS class, the cost code and pool code are picked up from the product under which the deal is processed. The composite MIS code is picked up from the definition made for the customer, on behalf of whom the deal is being processed.

You have to indicate whether the system should pick up the MIS Rate associated with the pool linked to the contract or whether you would like to maintain a rate specific to the contract. You can indicate your choice by selecting any one of the following options:

- Pool Code – indicating that the MIS Rate maintained for the pool code should be used for refinancing.
- Contract Level – indicating that you would like to maintain a specific MIS Rate for the particular contract.

Refer the *MIS User Manual* for more details on maintaining MIS related information for a product and contract.

16. On the **Liquidation Deals** screen, click **Brokerage**.

17. On the **Brokerage** screen, view brokerage details.

For further information on the Brokerage screen, refer to the section on Brokerage in the Long and Short Deals in this chapter.

18. On the **Liquidation Deals** screen, click **Holiday Preferences**.

19. On the **Holiday Preferences** screen, specify the details as required.

For more Information on Holiday Preferences, see the section *Holiday Preferences section*.

6.4.2 Liquidation Deal Financial Amendment

During amendment, if any field other than the Time Stamp and Remarks fields of a module is modified, system will treat the amendment as a financial amendment. System will reverse the previous deal and book a new deal with modified details. The external reference number of the original deal is retained and the two deals are linked by the external reference number.

Oracle Banking Treasury Management provides the facility to amend the financial details of a liquidation deal through external upload. If an amendment is uploaded without settlement details but there is no change in the product ID, instrument ID and the portfolio, system will default the settlement details of the original deal.

Financial amendments of liquidation deals are uploaded by the service FCUBSETDService with the operation ETDLQDealModify.



Note:

System allows financial amendments of LQ deals only through Gateway uploads and not through the front-end.

6.5 Deals Matching

This topic describes the match deals for your bank's own portfolios.

This topic has the following sub-topics:

- [Process exchange derivatives deal matching](#)
- [Operations that perform on Matched and Unmatched Deal](#)

6.5.1 Process exchange derivatives deal matching

You can match deals for your bank's own portfolios through the ETD module of Oracle Banking Treasury Management. If the portfolio from which you are buying or selling is priced using the Deal Matching methodology, you should identify the buy deal against which the sell/liquidation deal is to be matched. You can do this through the 'Deal Matching' screen of the ETD module.

1. On the Home page, type **EDDMATCH** in the text box, and then click next arrow. The **Deal Matching** is displayed.

Figure 6-13 Deal Matching

2. On the **Deal Matching** screen, click **New**.
3. On the **Deal Matching** screen, specify the following Liquidation Deals, and then click **Enter Query**.

For more information on the fields, refer to the below Field Description table.

Table 6-16 Deal Matching - Field Description

| Field | Description |
|-------------------------|--|
| Basket Reference | <p>In this screen, first you specify the Basket Reference for which you intend to do the Deal Matching. The Basket Reference number available in the option list is displayed based on the following criteria:</p> <ul style="list-style-type: none"> • The Portfolio involved in the basket should be your Bank's own portfolio. • The Baskets which are booked in the portfolios with either 'Costing Method' as DMAT or 'Allow Deal Matching' checkbox checked (toggled on) will be eligible for matching • The Instrument involved in the Basket should be Futures, Future Style Options and Option Style Options deals. <p>You can select a valid Basket Reference Number from the available list. The other details involved in the Basket are displayed in the respective fields on saving your entries. These details include:</p> <ul style="list-style-type: none"> • Instrument ID • Series ID • Portfolio ID • Broker ID • Broker Account |

Table 6-16 (Cont.) Deal Matching - Field Description

| Field | Description |
|-------------------------------|--|
| Closing Deal Reference | After having specified the Basket Reference, you should indicate the closing deal reference number. The Closing Deal can either be a Long and Short type of a deal or can be an Exercise/Assignment Deal. This closing deal has to be matched to one or more opening deals. Also, the total number of contracts of the Closing Deal that should be matched should be equal to the number of contracts that you wish to close. |
| Open Deal Reference | Specify the number of deals for Opening Deals. The system will allow you to specify multiple Open Deal input against a single Closing Deal |
| Profit / Loss | The system will display the PL calculated for the matched pair of deals for each Open deal in the grid |
| Net Profit / Loss | The system will display the Net PL calculated across all open deals matched with the closing deal |

For Example:

Scenario I

Let us assume, you are 20 Contracts long in a particular instrument where the instrument details are as follows:

Strike Price = 10 USD.

Contract Size is 1 Unit of the Underlying Asset.

The balance of 20 Contracts have been built up by the following deals.

Table 6-17 Deal Matching

| No. of Contracts | Long/Short | Deal | Value |
|------------------|------------|---------|----------------------------------|
| 10 Contracts | Long | Deal001 | Premium Paid= 2 USD per Contract |
| 4 Contracts | Long | Deal002 | Premium Paid= 3 USD per Contract |
| 6 Contracts | Long | Deal003 | Premium Paid= 4 USD per Contract |

Let us assume you are doing an Exercise Deal for 12 Contracts (Deal004 – Underlying Price = 12 USD). You would like to match this Exercise Deal of 12 Contracts partially to Deal001 and Deal003.

Your deal matching preferences in the Deal Matching screen will read as follows:

Table 6-18 Deal Matching Preferences

| Deal | Matched Deal | No. of Contracts |
|--------------------|--------------|------------------|
| Deal004 matched to | Deal001 | 6 Contracts |
| Deal004 matched to | Deal003 | 6 Contracts |

After, this matching

- Deal001 will have unmatched number of Contracts as 4.
- Deal002 will have unmatched number of Contracts as 4.
- Deal003 will have unmatched number of Contracts as 0.
- Deal004 will have unmatched number of Contracts as 0.

The system will compute the Exercise Gain / Loss as follows:

- Cost of Deal001 for 6 Contracts = $6 \times 2 = 12$ USD
- Cost of Deal003 for 6 Contracts = $6 \times 4 = 24$ USD

Total Cost = 36 USD.

The difference between the Underlying Price and Strike Price will be computed as:

- $12 - 10 = 2$ USD per Contract
- $2 \times 6 = 12$ USD for 6 Contracts

Thus, the Exercise Loss will be computed as 36 USD – 12 USD = 24 USD

In the above example, the number of Contracts matched were equal to the Number of Contracts of the Closing Deal (exercise deal) i.e. 12.

Now, consider this scenario.

Scenario II

You are long in an Option for 5 Contracts - Deal001

Subsequent to that, you do a Short Deal for 10 Contracts - Deal002

Since, Deal002 is subsequent to Deal001, deal matching should be done as follows:

Table 6-19 Deal Matching Preferences

| Deal | Matched Deal | No. of Contracts |
|--------------------|--------------|------------------|
| Deal004 matched to | Deal001 | 6 Contracts |
| Deal004 matched to | Deal003 | 6 Contracts |

This will result in,

- Deal001 having '0' unmatched number of Contracts.
- Deal002 having '5' unmatched number of Contracts.

Deal002 will be processed for the following events:

- ECLG - Closing of Long Position for 5 Contracts.
- EOSH - Opening of Short Position for 5 Contracts.

The Basket will now result in a balance of 5 Short.

6.5.2 Operations that perform on Matched and Unmatched Deal

The deal matching operation results in the event EMAT for the closing deal.

- When you query a closing deal already matched, open deals of the matching would be automatically displayed in the table.

- You will be able to 'Un-Match' only those deals that were manually matched earlier. For the portfolios that follow FIFO or LIFO costing methods and having 'Allow Deal Matching' checkbox checked (toggled-on), only manually matched deals would be allowed to be un-matched.
- All un-matched deals would be available for matching again.
- When 'Un-Match' is performed, the system will automatically trigger un-matching of all the subsequent matches performed either manually or automatically.
- All un-matched deals would be matched again manually or automatically, following the rules applicable for the respective costing method.

 **Note:**

Authorization of the EUMT (Unmatching) event results in the reversal of the Closing Deal.

During the end of day batch run, the system will compute the number of contracts for which a closing operation has to be performed (EXRL, EAXS, ECLG, ECSH). If the number of contracts that have been matched for the closing deal does not tally with the number of contracts that need to be closed, the entire basket will be skipped as an exception. This basket will be subsequently picked up for processing the next day provided the matching has been rectified.

7

Deal Product Restriction

This topic describes the use of Deal products in **Exchange Derivative Deal Product Restrictions** screen. You can restrict the use of Deal products in Exchange Derivative Deal Product Restrictions screen.

This topic contains the following sub-topics:

- [Process Deal Product Restriction](#)
This topic describes the systematic instruction to process Deal Product Restriction.

7.1 Process Deal Product Restriction

This topic describes the systematic instruction to process Deal Product Restriction.

In Oracle Banking Treasury Management, the underlying assets or commodities can be categorized and maintained through the Underlying Asset Definition screen.

1. On Homepage, type **EDDPRDRS** in the text box, and then click next arrow.
The **Deal Product Restriction** screen is displayed.

Figure 7-1 Deal Product Restriction

The screenshot shows the 'Exchange Derivatives Deal Product Restrictions' interface. At the top, there are 'New' and 'Enter Query' buttons. Below this is a search area with 'Product Code' and 'Product Description' input fields. The main content area is divided into two panels: 'Portfolio Restriction' and 'Instrument Restriction'. The 'Portfolio Restriction' panel contains a table with columns for 'Product Code' and 'Product Description', which is currently empty. The 'Instrument Restriction' panel contains a table with a column for 'Port Follo Product Allow' and a value of 'Disallowed'. At the bottom of the screen, there are buttons for 'Change Log', 'Audit', and 'Exit'.

2. On the **Deal Product Restriction** screen, click New.
3. On the **Deal Product Restriction** screen, specify the following details.

Table 7-1 Deal Product Restriction - Field Description

| Field | Description |
|----------------------------|--|
| Product Code | Specify a four character product code for your product. Alternatively, you can select the product from the list. |
| Product Description | system displays the product restriction based on the product code selected. |

4. On the **Deal Product Restriction** screen, click **Portfolio Restrictions** tab.
5. On the **Deal Product Restriction** screen, under Portfolio Restrictions tab, specify the details.

You can establish certain controls over the portfolios that your branches can deal with. You can achieve these controls by specifying Restrictions. While defining a deal product, you can choose to specify portfolio restrictions for the product by the following:

- Using a portfolio restriction class or
- Defining these restrictions specifically for the product.

The respective branch of your bank will not be allowed to trade in deals involving the portfolio that you have chosen to restrict.

 **Note:**

Refer to the Common Procedures User Manual of Oracle Banking Treasury Management for a detailed procedure on how to restrict specific portfolios for a deal product.

6. On **Deal Product Restriction**, click the **Instrument Restrictions** tab.
7. On the **Deal Product Restriction** screen, under Instrument Restrictions tab, specify charge details.

You can choose to restrict specific instruments from trading in the deal product through the Instrument Restriction screen. You can maintain a list of allowed/disallowed instruments for a specific deal product through the Instrument Restrictions screen in the Deal Product Definition screen.

 **Note:**

For a detailed procedure, refer to the *Common Procedures User Manual* of Oracle Banking Treasury Management.

8

General Maintenance

As part of the general maintenance required for the successful functioning of the ETD module you should maintain:

- Instrument Prices
- Underlying Asset Prices
- Price Codes
- Broker Account details
- Broker Schemes
- Broker Commission Setup

The necessity for maintaining these details is explained in topics dedicated to these topics in the sub-topics that follow.

This topic contains the following sub-topics:

- [Prerequisites for the Application Login](#)
This topic provides the systematic instructions to login to the application to access all of the features.
- [Define a New Product and Static Data](#)
This topic provides the systematic instructions to define a new product and static data.
- [Maintain an Existing Product and Static Data](#)
This topic provides the systematic instructions to maintain an existing product and static data, or to revisit the data saved as draft.
- [Process Bank Parameters](#)
This topic describes the systematic instruction to process the Bank Parameters.
- [Process Price Code Maintenance](#)
This topic describes the systematic instruction to process the Price Code Maintenance.
- [Process Underlying Asset Definition](#)
This topic describes the systematic instruction to process Underlying Asset Definition screen.
- [Process Instrument Price Details](#)
This topic describes the systematic instruction to process the Instrument Price Details.
- [Process Broker Master Maintenance](#)
This topic describes the systematic instruction to process the Broker Master Maintenance.
- [Process Broker Scheme Definition](#)
This topic describes the systematic instruction to process the Broker Scheme Definition.
- [Treasury Broker Commission Setup](#)
This topic describes the systematic instruction to set up Treasury Broker Commission details.

- [Treasury Broker Commission Setup Summary](#)
This topic describes the systematic instruction to view Treasury Broker Commission details.

8.1 Prerequisites for the Application Login

This topic provides the systematic instructions to login to the application to access all of the features.

To login to the application, perform the following:

1. Enter the **User ID**.
2. Enter the **Password**.

The Home page is displayed.

8.2 Define a New Product and Static Data

This topic provides the systematic instructions to define a new product and static data.

To define a new product and static data, on the respective Maintenance screen follow this procedure:

1. Click **New** at the top of the screen.
2. Enter the values in the required fields.
3. Click **Save** to create the product with the new details.

8.3 Maintain an Existing Product and Static Data

This topic provides the systematic instructions to maintain an existing product and static data, or to revisit the data saved as draft.

1. Click **Enter Query** at the top of the respective Maintenance screen.
2. Enter the unique Code or Id of the product to define a static data.
3. Click **Execute Query** to view the existing details of the product or static.
4. Click **Unlock** to enable the screen for editing the details.
5. Review the saved existing values saved or kept on hold.
6. Enter new values for the fields if required..
7. Click **Save** to update the product and static data with the new details.

8.4 Process Bank Parameters

This topic describes the systematic instruction to process the Bank Parameters.

You need to maintain bank parameters for the ETD module. The same can be done through the Bank Parameter Maintenance screen.

Specify User ID and Password, and login to Homepage.

1. On the Home page, enter **EDDBANK** in the text box, and then click next arrow.

The **Exchange Traded Derivative Bank Parameter Maintenance** screen is displayed.

Figure 8-1 Exchange Traded Derivative Bank Parameter Maintenance

2. On the **Exchange Traded Derivative Bank Parameter Maintenance** screen, click **New**.
3. On the **Exchange Traded Derivative Bank Parameter Maintenance** screen, specify the field details and then click **Enter Query**.

For more information on the fields, refer to the below Field Description table.

Table 8-1 Exchange Traded Derivative Bank Parameter Maintenance - Field Description

| Field | Description |
|--------------------------------|---|
| Expiry Deal Product | Select an expiry deal product. During EOD, when expiry happens, the system will book the deal using the product that you have specified here. |
| Exercise Deal Product | Select an exercise deal product. During EOD, when exercise happens, the system will book the deal using the product that you have specified here. |
| Maximum Back Value Days | Specify the maximum number of days before the current system date up to which the batch process can be triggered for a past date |

8.5 Process Price Code Maintenance

This topic describes the systematic instruction to process the Price Code Maintenance.

You need to maintain price codes for each Underlying Asset and Instrument that is maintained in the system. You can do this through the Price Code Maintenance screen.

1. On Homepage, type **EDDPCMNT** in the text box, and then click next arrow.

The **Price Code Maintenance** screen is displayed.

Figure 8-2 Price Code Maintenance

2. On the **Price Code Maintenance** screen, click **New**.
3. On the **Price Code Maintenance** screen, specify the field details and then click **Enter Query**.

For more information on the fields, refer to the below Field Description table.

Table 8-2 Price Code Maintenance - Field Description

| Field | Description |
|--------------------|---|
| Price Code | Type the price code |
| Description | Type the brief description for the price code |

8.6 Process Underlying Asset Definition

This topic describes the systematic instruction to process Underlying Asset Definition screen.

In Oracle Banking Treasury Management, the underlying assets or commodities can be categorized and maintained through the Underlying Asset Definition screen.

1. On the Home page, type **EDDCOMDF** in the text box, and then click next arrow.

The **Commodity Definition** screen is displayed.

Figure 8-3 Commodity Definition

2. On the **Commodity Definition** screen, click **New**.
 3. On the **Commodity Definition** screen, specify the fields, and then click **Enter Query**.
- For more information on the fields, refer to the below Field Description table.

Table 8-3 Commodity Definition - Field Description


| Field | Description |
|-------------------------------------|---|
| Underlying Asset | <p>Specify a name for the underlying asset here. This name that you give to an underlying asset identifies the underlying asset throughout the module. Ensure that the name assigned to the underlying asset is unique.</p> <p>You can follow your convention for naming the commodity. However, the name should not exceed 16 characters.</p> <p>This field is mandatory.</p> |
| Underlying Asset Description | <p>You can provide additional details of the underlying asset here. Your description for the underlying asset can be in no more than 255 characters. This description is associated with the underlying asset for information retrieval purposes only.</p> |
| Asset Type | <p>Type the Asset Type under which your asset should be grouped. Although you can define as many asset types as required, a list of predefined asset types is available in Oracle Banking Treasury Management. This list includes:</p> <ul style="list-style-type: none"> • Bond • Commodity • Currency • Derivatives • Equity • Index • Interest rates <p>Select the appropriate asset type from the adjoining list of options.</p> <div style="border-left: 2px solid #0070C0; padding-left: 10px; margin-top: 10px;"> <p> Note:</p> <p>Individual underlying assets can be mapped to any one of the above asset types. However, while defining currency assets (like US Dollar, Great British Pound, Japanese Yen, to name a few) you have to strictly map them to the Asset Type – Currency. Similarly, while defining indices (such as the BSE Sensex, NYSE, LSE, and so on) you must map them to the Asset Type – Index.</p> </div> <p>For example, while maintaining USD (U.S Dollar) as a commodity, you must group it under the Asset type – Currency. Similarly, if you create a commodity titled – BSESENSEX, it should be grouped under the asset type – INDEX.</p> <p>This field is mandatory.</p> |

Table 8-3 (Cont.) Commodity Definition - Field Description

| Field | Description |
|---|---|
| Nature of Asset | <p>Select the nature of the asset under which the underlying asset is categorized. This indicates the basic nature of the underlying asset. The available options are:</p> <ul style="list-style-type: none"> • Real • Contingent <p>Indicate whether the nature of the underlying asset is Real or Contingent depending on the physical holding of the underlying. Let us assume that you are identifying a particular currency in Oracle Banking Treasury Management as an underlying asset. In this case, the nature of the asset will be Real. However, if you are maintaining an option on a currency swap as an underlying asset, then the underlying asset or commodity is not the currency but the currency swap itself. Therefore the underlying asset becomes a contingent asset.</p> |
| Pricing Size and Underlying Pricing Unit | <p>You can indicate how the underlying asset is priced in the market by specifying the market price per unit of the underlying. Since every instrument that is processed in the system automatically inherits the characteristics of the underlying asset, the pricing size and the unit will be defaulted to the Instrument.</p> <p>This field is mandatory.</p> |

- [Examples for Pricing Size and the Pricing Size Unit](#)
This topic describes example for prizing size and prizing unit.

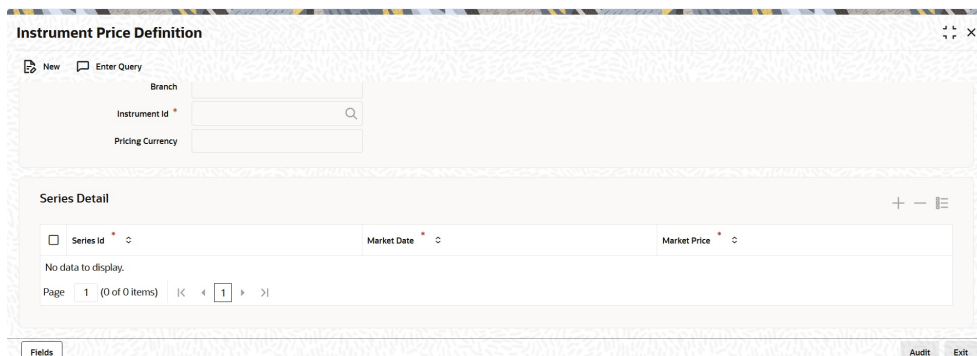
8.7 Process Instrument Price Details

This topic describes the systematic instruction to process the Instrument Price Details.

As you have to revalue the prices of underlying assets/commodities linked to instruments keep fluctuating based on the market conditions the prices of instruments maintained in Oracle Banking Treasury Management, you have to capture the revalued prices for each instrument through the Instrument Price Definition screen.

1. On the Home page, type **EDDINRAT** in the text box, and then click next arrow.
The **Instrument Price Details** screen is displayed.

Figure 8-4 Instrument Price Details



2. On the **Instrument Price Details** screen, click **New**.
3. On the **Instrument Price Details** screen, specify the field details and then click **Enter Query**.

For more information on the fields, refer to the below Field Description table.

Table 8-4 Instrument Price Details - Field Description

| Field | Description |
|----------------------------------|--|
| Instrument Identification | Select the instrument for which you are maintaining prices. You can specify the following details under Series Details. |
| Series ID | Select the ID of the Series to which the instrument is attached. The option list includes all Series Ids you have maintained through the Instrument Series screen. |
| Market Date | Indicate the date as of which you are maintaining the market price for the instrument. |
| Market Price | Specify the Market Price of the instrument. If you fail to update this price, during EOD, the system will pick up the previous day's price for revaluation. |

8.8 Process Broker Master Maintenance

This topic describes the systematic instruction to process the Broker Master Maintenance.

You can capture details of broker accounts, which should be associated with the Broker ID through the Broker Master Maintenance screen. Only those accounts maintained in this screen will be impacted while processing margin settlement transactions involving the particular broker.

1. On the Home page, type **BRDMASTER** in the text box, and then click next arrow. The **Treasury Broker Master Maintenance** screen is displayed.

Figure 8-5 Treasury Broker Master Maintenance

2. On the **Treasury Broker Master Maintenance** screen, click **New**.
3. On the **Treasury Broker Master Maintenance** screen, specify the field details and then click **Enter Query**.

Table 8-5 Treasury Broker Master Maintenance - Field Description

| Field | Description |
|-------------------------|--|
| Broker ID | Select the broker ID. |
| Name | Specify the name of the broker. |
| Execution Broker | Check this box to indicate that the broker created is an Execution Broker. |
| Clearing Broker | Check this box to indicate that the broker created is a Clearing Broker. |
| Category | Select the customer category under which the broker is categorized. You have the following options: <ul style="list-style-type: none"> • Broker • Exchange • Clearing Member |

Table 8-5 (Cont.) Treasury Broker Master Maintenance - Field Description



| Field | Description |
|--|--|
| Booking | <p>Select the method in which the brokerage amount is to be liquidated. The options available are:</p> <ul style="list-style-type: none"> • Advance • Arrears <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>The Arrears option is not valid if you have selected the Exchange Traded Derivatives check box.</p> </div> |
| Tax Paid | Select the account, which is to be debited when tax is to be paid in the field Account. Also, select the transaction code associated with the account in the field Txn Code. |
| Tax Payable | Select the tax payable account in the field Account and select the transaction code associated with the Tax Payable account in the field Txn Code. |
| Liquidation Transaction Code | Select the transaction code, which is to be associated with brokerage liquidation. |
| Tax Scheme | Select the tax scheme, which is to be associated with the Broker Account and Currency combination. |
| Scheme Description | The system will display the description of the scheme. |
| Payable Currency | Select the currency in which the brokerage amount is to be booked. |
| Applicable For – Exchange Traded Derivatives | <p>Select this check box to indicate the broker, whose details you are maintaining, can be used in the ETD module of Oracle Banking Treasury Management.</p> <p>If you check this box, the system will display an override stating the booking method will be Advance.</p> <p>Under the Broker Account table, you can specify the following.</p> |
| Applicable For – Enable Treasury Commission Setup | Check this box to indicate that the broker commission setup should be used for brokerage calculation. |
| Default Agreement | Specify the default agreement for the broker. The adjoining option list displays the relevant agreements. You can choose the appropriate one. |
| Margin Type | <p>Select the margin account type from the adjoining option list. The list displays the following values:</p> <ul style="list-style-type: none"> • Initial Margin • Variation Margin |

Table 8-5 (Cont.) Treasury Broker Master Maintenance - Field Description

| Field | Description |
|--------------------|---|
| Account | Specify the account of the broker. The adjoining option list gives you a list of accounts. Choose the appropriate one. You cannot specify the same account number for another broker. Each broker should have account numbers unique to him. <div style="border: 1px solid #0070C0; padding: 5px; background-color: #E6F2FF;"> <p> Note: It is mandatory for you to specify at least one account number for the broker.</p> </div> |
| Description | Type a brief description for the account |
| Currency | Specify the currency for the broker account. |

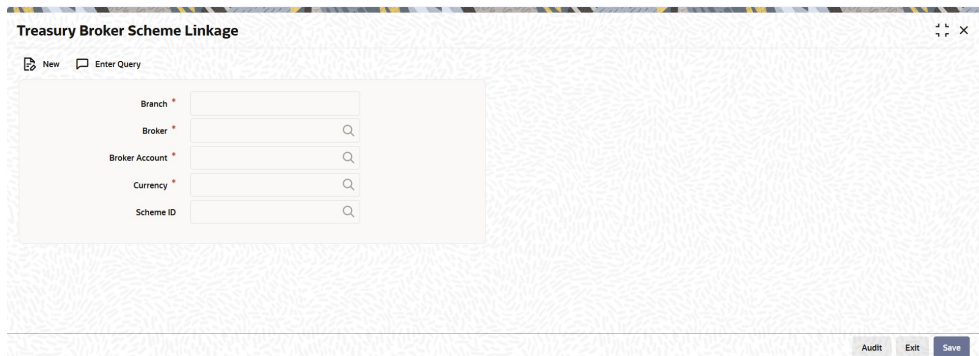
8.9 Process Broker Scheme Definition

This topic describes the systematic instruction to process the Broker Scheme Definition.

You can associate a broker with an existing broker margin scheme through the Broker Scheme Linkage screen.

1. On the Home page, type **BRDUATST** in the text box, and then click next arrow. The **Broker Scheme Definition** screen is displayed.

Figure 8-6 Broker Scheme Definition



2. On the **Broker Scheme Definition** screen, click **New**.
3. On the **Broker Scheme Definition** screen, specify the field details and then click **Enter Query**.

Table 8-6 Broker Scheme Definition - Field Description

| Field | Description |
|-----------------------|---|
| Branch | Specify the branch code of the branch in which you are maintaining the Broker Scheme details record. |
| Broker | Specify the Broker ID of the broker, for whom you are maintaining the Broker Account, Currency, and Margin Scheme combination. |
| Broker Account | Specify the broker account to be used for settling margin transactions. |
| Currency | Specify the currency of the scheme, which is to be linked to the Broker ID. |
| Scheme ID | Specify a valid broker Scheme ID. The options list available for the Scheme ID will be populated depending on your specifications in the Currency field. For instance, if you select USD as the currency, the system displays the broker schemes with USD as the scheme currency. |

8.10 Treasury Broker Commission Setup

This topic describes the systematic instruction to set up Treasury Broker Commission details.

You can capture the different values applicable for arriving at brokerage for Exchange Traded Derivatives

1. On the Home page, type **TRDBKRUL** in the text box, and then click next arrow.
The **Treasury Broker Commission Setup** screen is displayed.

Figure 8-7 Treasury Broker Commission Setup

2. On the **Treasury Broker Commission Setup** screen, click **New**.
3. On the **Treasury Broker Commission Setup** screen, specify the field details and then click **Enter Query**.

Table 8-7 Treasury Broker Commission Setup - Field Description

| Field | Description |
|------------------------------|--|
| Rule ID | Specify a unique Rule ID for the Broker ID-brokerage currency-branch code-module code-clearing house/market combination. |
| Branch Code | Specify the branch code. The adjoining option list displays the branch codes maintained in the system. You can choose the appropriate one. You can choose 'ALL' if it is applicable for all branches. |
| Module Code | Specify the module code for which the maintenance is applicable. The adjoining option list displays the module codes maintained in the system. You can choose the appropriate one. You can choose 'ALL' if it is applicable for all modules. |
| Broker ID | Specify the required Broker ID. The adjoining option list displays the brokers maintained in the system. You can choose the appropriate one. |
| Brokerage CCY | Specify the brokerage currency. The adjoining option list displays the currencies maintained in the system. You can choose the appropriate one. You can choose 'CCY' if it is applicable for all currency deals. |
| Clearing House/Market | Specify the clearing house or market for the treasury broker. The adjoining option list displays the clearing houses (markets for trade) maintained in the system. You can choose the appropriate one. You can choose 'ALL' if it is applicable for all clearing houses. Only one rule can be maintained for a particular Branch code+Module Code+Broker ID+Brokerage CCY+ Clearing House/Market combination. |
| Description | Specify an appropriate description for the Rule |
| FX Rate Code | Specify the FX rate code to be used from the adjoining option list. |
| Rate Type | Select the rate type from the adjoining drop-down list. The list displays the following values: <ul style="list-style-type: none"> • Mid • Buy • Sell |
| Priority | Specify the priority for the rule. This needs to be a unique number. The system will not allow duplicate priority. |
| Product Type | Specify the product type. The adjoining option list displays the product types maintained in the system. You can choose the appropriate one. You can choose 'ALL' if it is applicable for all product types. |
| Product Code | Specify the product code for the instrument. The adjoining option list displays the relevant product codes. You can choose the appropriate one. You can choose 'ALL' if it is applicable for all product codes. |
| Instrument ID | Specify a valid Instrument ID. The adjoining option list displays the relevant Instrument IDs. You can choose the appropriate one. You can choose 'ALL' if it is applicable for all Instrument IDs. |

Table 8-7 (Cont.) Treasury Broker Commission Setup - Field Description

| Field | Description |
|------------------------|---|
| Deal Type | Specify the deal type. The adjoining option list displays all deal types maintained in the system. You can select the appropriate one. The respective deal type is applied for deals booked in Long Short Deal screen and the Liquidation Deal screen. |
| Medium | Select the preference for medium from the adjoining drop-down list. The list displays the following values: <ul style="list-style-type: none"> • Online • Voice Trade • ALL |
| Trade Time | Select the trade time preference from the adjoining drop-down list. The list displays the following values <ul style="list-style-type: none"> • After Hours Trade • Day Trade • ALL |
| Broker Type | Select the broker type from the adjoining drop-down list. The list displays the following values: <ul style="list-style-type: none"> • Clearing • Execution • Both |
| Brokerage Basis | Select the basis to compute brokerage from the adjoining drop-down list. The list displays the following values: <ul style="list-style-type: none"> • Contract Amount • No. of Contracts • Premium Amount (Options Only) |
| Brokerage Type | Select the brokerage type from the adjoining drop-down list. The list displays the following options: <ul style="list-style-type: none"> • Round Turn • Half turn For Half-Turn Commission, all Long/ Short Deals and liquidation deals booked will process commission as part of 'EBOK' Event. |
| Pro-rate | Select the preference for split slab rule from the adjoining drop-down list. The list displays the following values: <ul style="list-style-type: none"> • Yes • No If 'Yes' is selected, the split slab rule is picked up and used for calculating the brokerage amount. |
| Active | Check this box to indicate that the Rule is active. If this box is unchecked, the sub-rule will not be picked up for calculation of brokerage. |
| Sequence Number | Specify the sub-rule sequence number |
| Effective Date | Specify the effective date for the rule |
| Basis From | Specify the starting amount for the slab |
| Basis To | Specify the ending amount for the slab |

Table 8-7 (Cont.) Treasury Broker Commission Setup - Field Description

| Field | Description |
|--------------------|---|
| Fixed Rate | Specify the fixed rate to be used. If the brokerage is a combination of 'Fixed Amount + Fixed Percentage' then both 'Flat Amount' and 'Fixed Rate' should be specified. |
| Flat Amount | Specify the flat amount. If the brokerage is a combination of 'Fixed Amount + Fixed Percentage' then both 'Flat Amount' and 'Fixed Rate' should be specified. |
| Max Amount | Specify the maximum amount. While creating the record in this screen, Max amount is considered only for Flat amount. |
| Min Amount | Specify the minimum amount for the slab. While creating the record in this screen, Min amount is considered only for Flat amount. |

You can also upload multiple rules into this screen using an excel.

For cross-currency deals where the deal currency and the rule currency are different, the system converts the deal amount into the rule currency amount to calculate brokerage. It uses the Rate Code and Rate Type maintained here to perform the conversion. If the rule has multiple slabs too, the system derives the slab using the Rate Code and Rate Type maintained here. If the deal currency and rule currency are different and the brokerage basis is No. of Contracts, the system does not allow currency conversion. This derivation for slabs and calculating brokerage is applicable for deal booking and deal liquidation.

8.11 Treasury Broker Commission Setup Summary

This topic describes the systematic instruction to view Treasury Broker Commission details.

- On the Home page, type **TRSBKRUL** in the text box, and then click next arrow. The **Treasury Broker Commission Setup Summary** screen is displayed.

Figure 8-8 Treasury Broker Commission Setup Summary

On the **Treasury Broker Commission Setup Summary** screen, specify the field details and then click Search.

- **Authorization Status**
- **Record Status**
- **Rule ID**
- **Module Code**
- **Broker ID**
- **Brokerage CCY**
- **Branch Code**
- **Clearing House/Market**

9

Automatic Daily Process

The End of Cycle (EOC) events constitute a set of programs, which are automatically triggered during the batch processes. The EOD process is designed to tie up all the operations for a financial day and prepare the system for the next day.



Note:

During End of Day, the batch process should be run after End of Transaction Input (EOTI) has been marked for the day, but before End of Financial Input (EOFI) has been marked for the day.

As part of running the End of Day processes for Exchange Traded Derivatives, the system does an automatic Deal Settlement, whereby all deals that were booked during the day will be processed sequentially. This includes:

For Futures:

- Deals that result in Open Positions in the Basket.
- Deals that close an existing Open Position.
- Deals that Exchange Open Positions for Physicals.
- Automatic Exchange for Physicals (on the Futures Expiry Date)

For Options:

- Exercise deals.
- Assignment deals
- Automatic Expiry of Out of Money options (on the Option Expiry Date)
- Automatic Exercise / Assignment of In the Money options (on the Option Expiry Date).

All the deals within a basket are processed in the order of the Value Date + Trade Time Stamp of the Deal.

This topic contains the following sub-topics:

- [ETD Batch Processes at EOD](#)
This topic describes the ETD batch process at EOD.
- [Automatic Events Executed during End of Day for Futures](#)
This topic describes the settlement of opening deals, realized revaluation of open positions, settlement of all closing deals for day, and liquidation of all open positions on expiry date for futures.
- [Automatic Events Executed during End of Day for Options](#)
This topic describes the settlement of opening deals, realized revaluation of open positions, settlement of all closing deals for day, and Notional revaluation for open positions, automatic exercise, automatic expiry of out/at the money positions, reversal of

notional revaluation, produce instrument details, portfolio event processing executed during End of Day for options.

- [Sample Accounting Entries for Various Events](#)
This topic describes the samples of accounting entries that will be posted during the batch processing programs for Futures as well as Options.

9.1 ETD Batch Processes at EOD

This topic describes the ETD batch process at EOD.

The ETD batch process is a POST-EOTI batch function. The batch can be run anytime, after marking EOTI and before marking EOFI. As part of the End of Day (EOD) process for ETD, the system does an automatic deal settlement in the order in which the deals have been booked during the day.

All deals within a basket are processed in the order of Value Date + Time Stamp of deal. Notional Revaluation done during the previous EOD will be reversed before processing for the day begins. If there is a backdated deal, all the events in the basket after the back valued time stamp will be reversed during EOD, and all deals booked after that back valued time stamp will be processed again.

This topic contains the following sub-topics:

- [Process End of Day Batch Start](#)
This topic describes the systematic instruction to process the End of Day Batch Start.

9.1.1 Process End of Day Batch Start

This topic describes the systematic instruction to process the End of Day Batch Start.

To run the Batch process, use the **End of Day Batch Start** screen.

1. On the Home page, type **AEDSTART** in the text box, and then click next arrow. The **End Of Cycle Operations** screen is displayed.

Figure 9-1 End Of Cycle Operations

The screenshot shows a web-based interface for 'End of Cycle Operations'. It features a header with the title and window controls. The main content area is divided into two sections. The first section, 'Branch Status', contains three input fields: 'Branch Code' with the value '000', 'Branch Name' with the value 'FLEXCUBE UNIVERSAL BANK', and 'End Of Input' with the value 'D'. The second section, 'Mark Branch Status', contains a single button labeled 'Drop End of Transaction Input'. A 'Cancel' button is positioned at the bottom right of the interface.

2. On the **End of Cycle Operations** screen, click **New**.
3. On the **End of Cycle Operations** screen, specify the field details and then click **Enter query**.

Table 9-1 End of Cycle Operations - Field Description

| Field | Description |
|-----------------|--------------------------------------|
| Select Activity | Select the activity to run the batch |

- To exit the screen without running the batch, click **Exit** or **Cancel** button.
You cannot cancel an EOD Batch process once it has begun.

9.2 Automatic Events Executed during End of Day for Futures

This topic describes the settlement of opening deals, realized revaluation of open positions, settlement of all closing deals for day, and liquidation of all open positions on expiry date for futures.

This topic contains the following topics:

- [Settlement of Opening Deals](#)
- [Realized Revaluation of Open Positions](#)
- [Settlement of All Closing Deals for Day](#)
- [Liquidation of All Open positions on Expiry Date](#)

9.2.1 Settlement of Opening Deals

This process will update the Cost of the portfolio based on the new holdings. The events that can be triggered in Oracle Banking Treasury Management for settling open deals are:

Table 9-2 Event Code - Description

| Event Code | Description |
|------------|---------------------------|
| EOLG | Opening of Long Position |
| EOSH | Opening of Short Position |

Table 9-3 Example

| Field | Value |
|------------------------------|-------------------------------------|
| Opening Position for the day | 10 Contracts Long |
| Last Market Price | 230 USD for 10 contracts. |
| Deals for the Day | 2 Contracts Long at 25 USD/Contract |

The result of the Settlement Process will be 12 Contracts at 280 USD, where the average cost of holding will be (280/12 USD) 23.33 USD.

9.2.2 Realized Revaluation of Open Positions

As part of this running, this process the system will equal the Holding Cost of the portfolio to the Current Market Price and account for the Realized Gain or Loss.

Table 9-4 Event Code - Description

| Event Code | Description |
|------------|-------------------------------|
| ERVL | Revaluation of Long Position |
| ERVS | Revaluation of Short Position |

Let us extend the above example and see what happens when Realized Revaluation is done for all Open Positions in Futures:

Table 9-5 Existing Positions

| Field | Value |
|------------------------------|-------------------------------------|
| Opening Position for the day | 10 Contracts Long |
| Last Market Price | 230 USD for 10 contracts. |
| Deals for the Day | 2 Contracts Long at 25 USD/Contract |

Table 9-6 Result

| Field | Value |
|------------------------------|---|
| Result of Settlement Process | 12 Contracts at 280 USD |
| Average Cost of Holding | $9280/12) = 23.33$ USD |
| New Price per Contract | 25 USD |
| Revaluation Gain | 1.67 USD per contract = 20.04 for 12 contracts. |
| New Holding Cost | 25 USD per contract * 12 contracts = 300 USD. |

9.2.3 Settlement of All Closing Deals for Day

As part of settling all Closing deals for the day, the system calculates and posts accounting entries for the closure gain or loss.

Table 9-7 Event Code - Description

| Event Code | Description |
|------------|----------------------------|
| ECLG | Closure of Long Positions |
| ECSH | Closure of Short Positions |

9.2.4 Liquidation of All Open positions on Expiry Date

As of the Expiry Date the system will identify all series expiring on that day and liquidate all Open positions in the series. The system reverses contingents.

Table 9-8 Event Code - Description

| Event Code | Description |
|------------|---------------------------------|
| EEPL | Liquidation of Long Positions |
| EEPS | Liquidation of Short Positions. |

- [Portfolio Event Processing](#)
The system supports all costing methods for Futures as a part of Batch processes for managing positions.

9.2.4.1 Portfolio Event Processing

The system supports all costing methods for Futures as a part of Batch processes for managing positions.

All the deals booked during the day would be processed in the order they were booked..

The type of Portfolio event that need to be triggered for the deal, would be decided based on the following:

- Nature of the Deal – For creating Long or Short position or Liquidation deal for Exercise, Expiry or Physical Delivery
- Direction of the Position – in the same direction as the existing position or in the opposite direction
- Action performed – Deal Booking or reversal, Deal Matching or un-matching

Accounting entries would be posted which will depend on the following:

- Nature of the Instrument - Futures, Future style Options, Option style Options
- Underlying Asset type - Currency pair or Others
- Portfolio Configuration - Open Individual Position, Post Deal-wise PL Entries

For each event, accounting entries would be posted for the components as applicable.

- For the portfolios that follow FIFO/LIFO/WAC costing methods, the entries will be posted for Asset or Liability for all deals in the order they were booked and based on the direction of the deal
- For the portfolios that follow DMAT costing method, if 'Open Individual Position' is toggled-on, then Asset or Liability entries would be posted for opening the position individually for all the deals irrespective of the direction of the deal and whether they are matched or not. Otherwise, entries would be posted only after the deals were matched. However, basket balances would be updated by all the deals immediately after they were booked considering the direction of the deal, resulting in a Net Position in the basket.
- For the portfolios that follow WAC costing method, the existing process for Futures WAC and PL calculation would continue
- Both Notional Profit-Loss for Option style Options and Realized Profit-Loss for other instruments would be posted from the ERVL/ ERVS

Reversal entries would be posted only for Notional Profit-Loss on the next business date.

Entries would be for posted for individual PL for each pair of matched deals, if 'Post Deal-wise PL Entries' is toggled-on for the portfolio associated

Entries for Realized PL would be posted against 'Broker Margin (VM) Account', based on the setup for the broker

Entries would be for posted for individual Notional Profit-Loss for each deal, if 'Post Deal-wise PL Entries' is toggled-on for the portfolio associated

Otherwise, single set of entries would be posted for the net Notional Profit-Loss calculated for the basket in that portfolio.

9.3 Automatic Events Executed during End of Day for Options

This topic describes the settlement of opening deals, realized revaluation of open positions, settlement of all closing deals for day, and Notional revaluation for open positions, automatic exercise, automatic expiry of out/at the money positions, reversal of notional revaluation, produce instrument details, portfolio event processing executed during End of Day for options.

This topic contains the following topics:

- [Settlement of Opening Deals for Options](#)
- [Settlement of Closing Deals](#)
- [Notional Revaluation of Open Positions for Options with Option Style Premium](#)
- [Automatic Exercise of Options/Assignment of Exercise](#)
- [Automatic Expiry of Out/At the Money Positions](#)
- [Reversal of Notional Revaluation for Options with Option Style of Premium](#)
- [Produce Instrument Detail and Instrument Price Detail Hand-offs](#)
- [Portfolio Event Processing](#)

9.3.1 Settlement of Opening Deals for Options

While running this process the system updates the cost of the portfolio based on the new holdings. This is done as per the costing method (Deal Matching / Weighted Average / LIFO / FIFO) defined for the portfolio.



Note:

While running this process, the system updates the cost of the portfolio based on the new holdings. This is done as per the costing method (Deal Matching/Weighted Average/LIFO/FIFO) defined for the portfolio.

Table 9-9 Event Code - Description

| Event Code | Description |
|------------|---------------------------|
| EOLG | Opening of Long Position |
| EOSH | Opening of Short Position |

Table 9-9 (Cont.) Event Code - Description

| Event Code | Description |
|------------|---------------------------------------|
| EOPL | Premium Settlement for Options Bought |
| EOPS | Premium Settlement for Options Sold |

9.3.2 Settlement of Closing Deals

As part of the settlement of Closing deals for your bank own portfolios, the closure gain or loss will be computed and accounted for depending on the portfolio Costing Method.

While processing the settlement of closing deals for customer portfolios, the system does not process any accounting for profit and loss. However, the deal premium will be passed from the Broker/Customer to the Customer/Broker.

Table 9-10 Event Code - Description

| Event Code | Description |
|------------|---------------------------|
| ECLG | Closure of Long position |
| ERVS | Closure of Short Position |

9.3.3 Notional Revaluation of Open Positions for Options with Option Style Premium

Notional revaluation of open positions can be done only for your bank's portfolios. The system does a notional revaluation of open positions to compare the current Option Premium with the Acquisition Premium of the basket and to compute the revaluation gain/loss.

The events that will be triggered in Oracle Banking Treasury Management for calculating the Notional Revaluation of open positions is as follows:

Table 9-11 Event Code - Description

| Event Code | Description |
|------------|---------------------------------|
| EURL | Revaluation of Long Positions. |
| ERVS | Revaluation of Short Positions. |

9.3.4 Automatic Exercise of Options/Assignment of Exercise

For Automatic Exercise/Assignment exercise of options, the system will identify all 'In the Money' instruments on the Expiry Date and fire automatic exercise (for Long Positions) and Assignment of Exercise (for Short Positions) for the portfolio.

The Instrument and the Series (which is being traded) will be marked as Expired and will be unavailable for further trading.

For your bank's own portfolios, the system will compute the Exercise Gain and Assignment Loss and post relevant accounting entries for the same.



Note:

For Customer portfolios, for Options with Future Style Premium, the system does the money settlement for the difference between the underlying asset Spot Price and the Option Strike Price. Also, the money settlement for the Deal Premium is calculated.

9.3.5 Automatic Expiry of Out/At the Money Positions

The Automatic Expiry of Out of the Money / At the Money positions will identify all out of/at the money instruments on the Expiry Date and fire an automatic expiry for the portfolio.

The Instrument and Series, which is being traded, will be marked as expired and will not be available for future trading.

For long positions in your bank's own portfolios, the acquisition premium (paid / to be paid – depending on the Premium Style) will be expensed out. For short positions within your bank's own portfolios, the received / to be received premium will be credited as income.

For your customer portfolios, the basket is marked as 'Expired'. In case of Options with Future style of Premium, the money settlement of the premium will be done during the Expiry event.

9.3.6 Reversal of Notional Revaluation for Options with Option Style of Premium

Reversal of Notional revaluation will be done only for your bank's own portfolios.

Table 9-12 Event Code - Description

| Event Code | Description |
|------------|---|
| RRVL | Reversal of Notional Revaluation for Long Positions. |
| RRVS | Reversal of Notional Revaluation for Short Positions. |



Note:

For Options with future style of premium, the system does a Realized Revaluation.

9.3.7 Produce Instrument Detail and Instrument Price Detail Hand-offs

The instrument details and instrument price details that were created or modified during the day can be handed off in an XML format using the Instrument Batch Hand-

off process. This batch process collects the data of the instrument details that are either created or modified during the day and generates a notification for the same.

To run the Instrument Batch Hand-off process automatically at EOD, you must maintain two mandatory programs – for instrument detail and instrument price detail - under the batch operations. You can do this using the Mandatory Batch Program Maintenance screen.

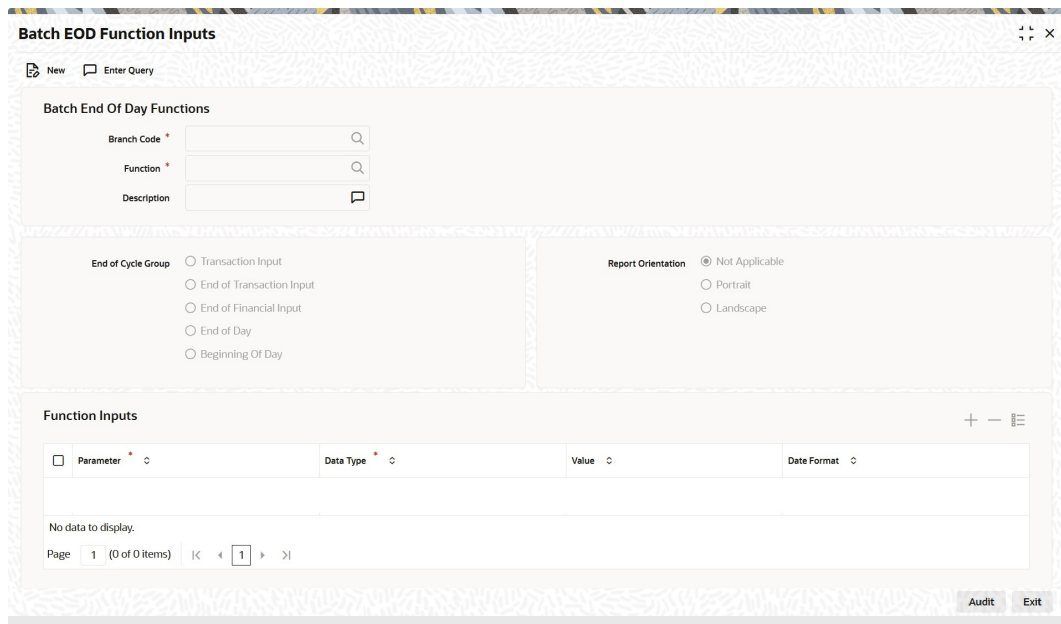
- [Process Function Inputs](#)

9.3.7.1 Process Function Inputs

Prior to maintaining the mandatory programs, you must first maintain the function inputs for Batch EOD Functions.

1. On the Home page, type **BADEODFE** in the text box, and then click next arrow. The **Batch EOD Function Inputs** screen is displayed.

Figure 9-2 Batch EOD Function Inputs



2. On the **Batch EOD Function Inputs** screen, click **New**.
3. On the **Batch EOD Function Inputs** screen, specify the fields details, and then click **Enter Query**.

Table 9-13 Batch EOD Function Inputs - Field Description

| Field | Description |
|--------------------|---|
| Branch Code | Select the Branch of the bank involved |
| Function | Select the Function Identification of the EOD function <ul style="list-style-type: none"> • EDINPRHF for Instrument Price Details Hand-off • EDINSTHF for Instrument Details Hand-off |

Table 9-13 (Cont.) Batch EOD Function Inputs - Field Description

| Field | Description |
|---------------------------|---|
| End of Cycle Group | Select the End of Cycle Group to which the function belongs (in this case you must choose End Of Day) |
| Report Orientation | Select Orientation of the generated report (this is optional) |

After specifying the above details, you can add the input of the function for the function in the Function Inputs table. You must mandatorily specify the Parameter and Data Type for each function. Now you can proceed with maintaining the Instrument Batch Hand-off process as a mandatory program.

9.3.8 Portfolio Event Processing

As part of the existing batch process, the system will identify all Option style Option deals that have premium settlement on the next day (Money Settlement Date):

- For all Long option deals, the system will trigger Premium Settlement for Options Bought (EOPL) event.
- For all Short option deals, system will trigger Premium Settlement for Options Sold (EOPS) event
- Entries will be posted for premium settlement as configured for EOPL/EOPS events configured for the portfolio. And entries will be posted for Payable / Receivable against 'Broker Margin (VM) Account', based on the setup for the broker
- Entries for Position Opening and Closing events will be triggered for the option deals as configured for the portfolio.

9.4 Sample Accounting Entries for Various Events

This topic describes the samples of accounting entries that will be posted during the batch processing programs for Futures as well as Options.

This topic contains the following sub-topics:

- [Future Deals](#)
This topic describes the samples of accounting entries that will be posted during the batch processing programs for Future Deals.
- [Option Deals](#)
This topic describes the samples of accounting entries that will be posted during the batch processing programs for Option Deals.

9.4.1 Future Deals

This topic describes the samples of accounting entries that will be posted during the batch processing programs for Future Deals.

Instrument Details - CME-90 day US T-bill-Future

Table 9-14 Field Values

| Field | Values |
|----------------------------------|-----------------------------|
| Instrument Product | BNDF |
| Instrument Type | Future |
| Underlying Asset Type | Bond |
| Nature of Underlying Asset | Real |
| Underlying Asset | 90 Day US T-Bill |
| Underlying Asset Currency | USD |
| Instrument ID | CME-90 day US T-bill-Future |
| Pricing Currency | USD |
| Contract Size | 100 |
| Contract Size Unit | T-Bill |
| Pricing Precision | 4 Decimals |
| Instrument Pricing Size | 1 |
| Instrument Pricing Size Unit | Unit |
| Instrument Pricing Size Multiple | 1010 |
| Underlying Pricing Size | 1 |
| Underlying Pricing Size Unit | T-bill |
| Underlying Price Code | CME |
| Min Price Movement | 0.01 |
| Max Price Movement in a Day | 10% |
| Max Long Position Customer | 10000 |
| Max Short Position customer | 10000 |
| Max Long Position Self | 100000 |
| Max Short Position Self | 10000 |
| Default Broker ID | CITI |
| Issuer Exchange | CME |
| MSTL Days | 1 |
| Physical Settlement Days | 2 |
| Initial Margin per Open Long | 10% |
| Initial Margin per Open Short | 10% |
| Clearing House | NSCC |
| Margin CCY | USD |

Table 9-15 Series I

| Field | Values |
|------------------------|---|
| Instrument Series | Nov-00 |
| Instrument Description | Bonds future 90 Day T-Bill USCMEN on-00 |
| Instrument Start Date | 28-Aug-2000 |
| Instrument Expiry Date | 24-Nov-2000 |

As mentioned earlier in the manual, each time you process a deal with the following combination:

Basket = Portfolio ID + Instrument ID + Series ID + Broker + Broker Account

The system assigns a unique reference number known as the Basket Reference Number to this combination.

Table 9-16 Event Values

| Field | Values |
|-------------------------|-----------------------------|
| Basket Reference Number | BSK001 |
| Portfolio ID | PF001 |
| Instrument ID | CME-90 day US T-bill-Future |
| Series ID | Nov-00 |
| Broker ID | CITI |
| Broker Account | CB001 |

Deal I – Reference Number D20101

Table 9-17 Nature of Contract - Open Long Position for Own Portfolio

| Field | Values |
|------------------|-----------------------------|
| Deal Number | D20101 |
| Deal Type | LS |
| Deal Product | DP03 |
| Instrument ID | CME-90 day US T-bill-Future |
| Series | Nov-00 |
| Buy/Sell | B |
| Booking Date | 21-Nov-2000 |
| Value Date | 21-Nov-2000 |
| Trade Rate | 97 |
| No. of Contracts | 200 |

The Basket BSK001 is updated with a balance of 200 Long contracts.

The event that needs to be processed in the Basket because of this Deal is EOLG. The accounting entries posted for this event are as follows:

Table 9-18 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|---------|----------------------------------|
| Contingent Asset | Debit | USD | 1940000 | Bought Asset at Asset Currency |
| Contingent Asset offset | Credit | USD | 1940000 | Bought Asset at Pricing Currency |

Realized Revaluation entries at EOD

Let us assume that the EOD price of the Instrument is 97.25 USD. At the End of Day, the event ERVL is triggered and the following entries will be passed:

Table 9-19 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|--------|---|
| Contingent Asset | Debit | USD | 5000 | Increase in Contingent asset on Revaluation in Pricing Currency |
| Contingent Asset offset | Credit | USD | 5000 | |
| Customer | Debit | USD | 5000 | Revaluation Gain realized in pricing currency |
| Income | Credit | USD | 5000 | |

Deal II – Reference Number D20302

Table 9-20 Nature of Contract - Partial Liquidation of Long Position for your Own Portfolio.

| Field | Values |
|------------------|-----------------------------|
| Deal Number | D20302 |
| Deal Type | LS |
| Deal Product | DP03 |
| Instrument ID | CME-90 day US T-bill-Future |
| Series | Nov-00 |
| Buy/Sell | S |
| Booking Date | 21-Nov-2000 |
| Value Date | 21-Nov-2000 |
| Expiry Date | 21-Nov-2000 |
| Trade Rate | 97.75 |
| No. of Contracts | 100 |

In this case, since the Portfolio, Instrument, Series, Broker, and Broker Account combination is the same as the one that was used to process the earlier deal – D20101, the system uses the same basket BSK001.

The balance in the basket before processing this deal was 200 Long contracts. Since we are processing a short deal, the balance in the basket will come down to 100 long contracts.

The accounting entries posted for partial liquidation of long contracts will be as follows:

Table 9-21 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|--------|-------------------------------------|
| Contingent Asset | Debit | USD | 3500 | Increase in Contingent Asset |
| Contingent Asset offset | Credit | USD | 3500 | |
| Contingent Asset offset | Debit | USD | 977500 | Eq. Amt in pricing currency |
| Contingent Asset | Credit | USD | 977500 | Sold Asset in Asset Currency |
| Settlement Bridge | Debit | USD | 977500 | Closing Price in Pricing Currency |
| Control | Credit | USD | 977500 | |
| Control | Debit | USD | 977500 | Holding Cost in Pricing Currency |
| Settlement Bridge | Credit | USD | 977500 | |
| Control | Debit | USD | 3500 | Gain on closure in Pricing Currency |
| Income | Credit | USD | 3500 | |

Deal III – Reference Number D20401

Table 9-22 Nature of Contract – Settlement by exchange of physicals on Contract Expiry (Own Long Position).

| Field | Values |
|-------------------|-----------------------------|
| Deal Number | D20401 |
| Deal Type | XPL |
| Deal Product | DP04 |
| Instrument ID | CME-90 day US T-bill-Future |
| Instrument Series | Nov-00 |
| Booking Date | 21-Nov-2000 |
| Value Date | 21-Nov-2000 |
| Expiry Date | 21-Nov-2000 |
| Trade Rate | 97.80 |
| No. of Contracts | 100 |

The Current balance in the Basket is 100 long contracts. Since the instrument expires on 24-Nov-00, all 100 contracts within the basket will cease to exist on the Expiry Date.

The accounting entries that will be posted for the settlement of exchange of physicals on contract expiry will be as follows:

Table 9-23 Event Code - EEPL

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|--------|---|
| Contingent Asset | Debit | USD | 3500 | Increase in Contingent Asset |
| Contingent Asset offset | Credit | USD | 1500 | Increase in contingent asset in pricing currency. |
| Contingent Asset offset | Debit | USD | 977800 | Reversal of contingents on EFPy |
| Contingent Asset | Credit | USD | 977800 | |
| Real Asset | Debit | USD | 977800 | EFP value in Asset Currency |
| Settlement Bridge | Credit | USD | 977800 | EFP value in Pricing Currency |
| Settlement Bridge | Debit | USD | 1500 | Gains on EFP |
| Control | Credit | USD | 1500 | |

9.4.2 Option Deals

This topic describes the samples of accounting entries that will be posted during the batch processing programs for Option Deals.

This topic contains the following sub-topics:

- [European Option Deals with Option Style Premium](#)
- [American Option Deals with Future Style Premium](#)

9.4.2.1 European Option Deals with Option Style Premium

In the earlier topic, we had a look at the sample accounting entries that were triggered during the EOD processing of future deals. We will now have a look at the accounting entries that will get triggered during BOD and EOD, processing for Option deals with Option and Future style premium.

The Instrument involved in all the European option deals is CME-90dayUSTbill-96-Option-Call. The details of this instrument are given below:

Instrument Details - CME-90dayUSTbill-96-Option-Call

Table 9-24 Field Values

| Field | Values |
|----------------------------|--------|
| Instrument Product | BNEO |
| Instrument Type | Option |
| Underlying Asset Type | Bonds |
| Nature of Underlying Asset | Real |

Table 9-24 (Cont.) Field Values

| Field | Values |
|----------------------------------|---|
| Underlying Asset | 90 Day T-Bill US |
| Underlying Asset Currency | USD |
| Call Put Indicator | Call |
| Instrument ID | CME90DTB-CL-E-0P |
| Instrument Series | 96 Nov-00 |
| Instrument Description | BondsOption90 Day T-Bill USCME96 Nov-00 |
| Instrument Start Date | 28-Aug-2000 |
| Instrument Expiry Date | 24-Nov-2000 |
| Pricing Currency | USD |
| Contract Size | 100 |
| Contract Size Unit | T-Bill |
| Pricing Precision | 4 Decimals |
| Instrument Pricing Size | 1 |
| Instrument Pricing Size Unit | Unit |
| Instrument Pricing Size Multiple | 100 |
| Underlying Pricing Size | 1 |
| Underlying Pricing Size Unit | T-bill |
| Underlying Pricing Unit Multiple | 100 |
| Underlying Price Code | CME |
| Min Price Movement | 0.01 |
| Max Price Movement in a Day | Nil |
| Max Long Position Customer | 10000 |
| Max Short Position customer | 10000 |
| Max Long Position Self | 100000 |
| Max Short Position Self | 100000 |
| Default Broker ID | CITI |
| Issuer Exchange | CME |
| MSTL Days | 1 |
| Physical Settlement Days | 2 |
| Initial Margin per Open Long | Nil |
| Initial Margin per Open Short | 10% |
| Clearing House | NSCC |
| Margin CCY | USD |

The details of the basket involved in the option deals in our example are as follows:

Table 9-25 Field Values

| Field | Values |
|-------------------------|------------------|
| Basket Reference Number | BSK002 |
| Portfolio ID | PF001 |
| Instrument ID | CME90DTB-CL-E-0P |
| Series ID | 96/Nov-00 |
| Broker ID | CITI |
| Broker Account | CB001 |

Deal I – Reference Number D10103

Table 9-26 Nature of Contract - Open Long European Call with Option Style Premium on Own Account

| Field | Values |
|-------------------|-------------------|
| Deal Number | D10103 |
| Deal Type | LS |
| Deal Product | DP03 |
| Instrument ID | VCME90DTB-CL-E-0P |
| Instrument Series | 96/Nov-00 |
| Strike Price | 96 |
| Buy/Sell | B |
| Booking Date | 21-Nov-2000 |
| Value Date | 21-Nov-2000 |
| Trade Rate | 1.95 |
| Premium Style | Option |
| No. of Contracts | 200 |

As a result of processing this deal, the system creates a basket BSK002 with the following combination:

PF001 + CME90DTB-CL-E-0P + 96/Nov-00 + CITI + CB001

The basket will be created with a balance of 80 Long contracts.

At EOD, the event that needs to be processed in the Basket because of this Deal is EOLG. The accounting entries posted for this event are as follows:

Table 9-27 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|------------------|-----------------|----------|---------|--------------------|
| Contingent Asset | Debit | USD | 1940000 | Bought Asset Value |

Table 9-27 (Cont.) Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|---------|--------------|
| Contingent Asset offset | Credit | USD | 1940000 | |
| Premium Paid | Debit | USD | 15600 | Deal Premium |
| Settlement Bridge | Credit | USD | 15600 | |

For the event ERVL, the following entries will be posted:

Table 9-28 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|--------------------|-----------------|----------|--------|------------------------|
| Unrealized Expense | Debit | USD | 160 | Notional Loss on Reval |
| Reval Liability | Credit | USD | 160 | |

Deal II –Reference Number D10201

Table 9-29 Nature of Contract - Open Long European Call with Option Style Premium on Own Account

| Field | Values |
|-------------------|------------------|
| Deal Number | D10201 |
| Deal Type | LS |
| Deal Product | DP03 |
| Instrument ID | CME90DTB-CL-E-0P |
| Instrument Series | 96/Nov-00 |
| Strike Price | 96 |
| Buy/Sell | B |
| Booking Date | 22-Nov-2000 |
| Value Date | 22-Nov-2000 |
| Expiry Date | 24-Nov-2000 |
| Trade Rate | 1.9 |
| Premium Style | Option |
| No. of Contracts | 20 |

The balance in the basket before processing this deal was 80 Long contracts. Since we are processing a long deal, the current balance in the basket will go up to 100 Long contracts.

At EOD, the event that needs to be processed in the Basket because of this Deal is EOLG. The accounting entries posted for this event are as follows:

Table 9-30 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|--------|--------------------|
| Contingent Asset | Debit | USD | 192000 | Bought Asset Value |
| Contingent Asset offset | Credit | USD | 192000 | |
| Premium Paid | Debit | USD | 3800 | Deal Premium |
| Settlement Bridge | Debit | USD | 3800 | |

ERVL is triggered and the following entries are posted:

Table 9-31 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-----------------|-----------------|----------|--------|--------------------|
| Reval Asset | Debit | USD | 192000 | Bought Asset Value |
| Unrealized Gain | Credit | USD | 192000 | |

Deal II –Reference Number D10402

Table 9-32 Nature of Contract – Auto Exercise of Long position in an In the Money European Call on Expiry.

| Field | Values |
|-------------------|------------------|
| Deal Number | D10402 |
| Deal Type | LS |
| Deal Product | DP03 |
| Instrument ID | CME90DTB-CL-E-0P |
| Instrument Series | 96/Nov-00 |
| Strike Price | 96 |
| Booking Date | 27-Nov-2000 |
| Value Date | 24-Nov-2000 |
| Expiry Date | 21-Nov-2000 |
| No. of Contracts | 100 |

The current balance in the Basket is 100 long contracts. Since the instrument expires on 24-Nov-00, all 100 contracts within the basket will cease to exist on the Expiry Date.

The accounting entries that are posted for the settlement of exchange of physicals on contract expiry will be as follows:

Table 9-33 Event Code - EXRL

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|--------|------------------------------|
| Contingent Asset Offset | Debit | USD | 960000 | Increase in Contingent Asset |
| Contingent Asset | Credit | USD | 960000 | |
| Control | Debit | USD | 19400 | |
| Premium Paid | Credit | USD | 19400 | |
| Settlement Bridge | Debit | USD | 18000 | Spot Strike Difference |
| Control | Credit | USD | 18000 | |
| Expense | Debit | USD | 1400 | Loss on Exercise |
| Control | Credit | USD | 1400 | |

9.4.2.2 American Option Deals with Future Style Premium

The Instrument involved in all the American option deals is - NSE-HLL-230-Option-Put. The details of this instrument are given below:

Instrument Details - CME-90dayUSTbill-96-Option-Call

Table 9-34 Field Values

| Field | Values |
|------------------------------|------------------------------------|
| Instrument Product | EQAO |
| Instrument Type | Option |
| Underlying Asset Type | Equity |
| Nature of Underlying Asset | Real |
| Underlying Asset | HINDLEVER |
| Underlying Asset Currency | INR |
| Call Put Indicator | Put |
| Instrument ID | NSE-HLL-230-Option-Put |
| Instrument Series | 23 Jan-01 |
| Instrument Description | EquityOptionHINDLEVERNSE230 Jan-01 |
| Instrument Start Date | 30-Oct-2000 |
| Instrument Expiry Date | 26-Jan-2001 |
| Pricing Currency | INR |
| Contract Size | 100 |
| Contract Size Unit | Share |
| Pricing Precision | 2 Decimals |
| Instrument Pricing Size | 1 |
| Instrument Pricing Size Unit | Share |

Table 9-34 (Cont.) Field Values

| Field | Values |
|----------------------------------|--------|
| Instrument Pricing Size Multiple | 100 |
| Underlying Pricing Size | 1 |
| Underlying Pricing Size Unit | Share |
| Underlying Pricing Unit Multiple | 100 |
| Underlying Price Code | NSE |
| Min Price Movement | 0.05 |
| Max Long Position Customer | 10000 |
| Max Short Position customer | 10000 |
| Max Long Position Self | 100000 |
| Max Short Position Self | 100000 |
| Default Broker ID | SCG |
| Issuer Exchange | NSE |
| MSTL Days | 1 |
| Physical Settlement Days | 2 |
| Initial Margin per Open Long | 5% |
| Initial Margin per Open Short | 10% |
| Clearing House | NSCCL |
| Margin CCY | INR |

The details of the basket involved in the option deals in our example are as follows:

Table 9-35 Field Values

| Field | Values |
|-------------------------|------------------------|
| Basket Reference Number | BSK003 |
| Portfolio ID | PF001 |
| Instrument ID | NSE-HLL-230-Option-Put |
| Series ID | 230/Jan-01 |
| Broker ID | CITI |
| Broker Account | CB001 |

Deal I – Reference Number D20104

Table 9-36 Nature of Contract - Open Short in American Put Future Style Option.

| Field | Values |
|--------------|--------|
| Deal Number | D20104 |
| Deal Type | LS |
| Deal Product | DP03 |

Table 9-36 (Cont.) Nature of Contract - Open Short in American Put Future Style Option.

| Field | Values |
|-------------------|-----------------|
| Instrument ID | NSE-HLL-PUT-AFP |
| Instrument Series | 230/Jan-01 |
| Strike Price | 230 |
| Buy/Sell | S |
| Booking Date | 21-Nov-2000 |
| Value Date | 21-Nov-2000 |
| Expiry Date | V25-Jan-2001 |
| Trade Rate | 35 |
| No. of Contracts | 20 |

As a result of processing this deal, the system creates a basket BSK003 with the following combination:

PF001 + NSE-HLL-230-Option-Put + 230 Jan-01+ CITI + CB001

The basket will be created with 20 short contracts.

At EOD, the event that needs to be processed in the Basket because of this Deal is EOSH. The accounting entries posted for this event are as follows:

Table 9-37 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|--------|-----------------------------|
| Contingent Asset | Debit | USD | 390000 | Bought Asset Value |
| Contingent Asset offset | Credit | USD | 390000 | Asset value net of premium. |

For the event ERVS, the following entries will be posted:

Table 9-38 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|--------|------------------------------|
| Contingent Asset | Debit | INR | 6000 | Increase in Asset |
| Contingent Asset Offset | Credit | INR | 6000 | |
| Customer | Debit | INR | 6000 | Realized gain on revaluation |
| Income | Credit | INR | 6000 | |

Deal II –Reference Number D10402

Table 9-39 Nature of Contract - Assignment Prior to Expiry of Own Short Position in American Put.

| Field | Values |
|-------------------|-----------------|
| Deal Number | D20601 |
| Deal Type | XRS |
| Deal Product | DP04 |
| Instrument ID | NSE-HLL-PUT-AFP |
| Instrument Series | 230/Jan-01 |
| Strike Price | 230 |
| Booking Date | 28-Nov-2000 |
| Value Date | 28-Nov-2000 |
| Expiry Date | 25-Jan-2001 |
| No. of Contracts | 20 |

At EOD, the event that needs to be processed in the Basket because of this Deal is EAXS. The accounting entries posted for this event are as follows:

Table 9-40 Accounting Entries

| Accounting Role | Dr/Cr Indicator | Currency | Amount | Description |
|-------------------------|-----------------|----------|---------|---------------------------------|
| Contingent Asset Offset | Debit | INR | 40400 0 | Reversal of contingents |
| Contingent Asset | Credit | INR | 40400 0 | |
| Control | Debit | INR | 50000 | Spot strike difference |
| Settlement Bridge | Credit | INR | 50000 | |
| Settlement Bridge | Debit | INR | 56000 | Deal Premium |
| Control | Credit | INR | 56000 | |
| Control | Debit | INR | 6000 | Gain on Assignment of positions |
| Income | Credit | INR | 6000 | |

A

Event-wise Accounting Entries

This topic contains the details of the suggested accounting entries that can be maintained, while setting up a portfolio product (for your bank and for your customer's as well) for the ETD module of Oracle Banking Treasury Management. The details of the suggested accounting entries are listed event-wise. This topic describes the following sub-topics:

The following is an exhaustive list of events that can take place during the life cycle of an E deals. In the subsequent paragraphs we shall examine the accounting entries for each of the events listed below.

Table A-1 Event Code - Description

| Event Code | Event Description |
|------------|--|
| EOLG | Opening of Long Position |
| ERVL | Revaluation of long Position |
| ECLG | Closure of Long Position |
| EOSH | Opening of Short Position |
| ERVS | Revaluation of Short Position |
| ECSH | Closure of Short Position |
| EXPL | Expiry of Long Position |
| EXPS | Expiry of Short Position |
| EXRL | Exercise in Long Position |
| EAXS | Assignment in Short Position |
| EEPL | Exchange for Physicals in Long |
| EEPS | Exchange for Physicals in Short |
| ROLG | Reversal – Opening of Long Position |
| RRVL | Reversal – Revaluation of Long Position |
| RCLG | Reversal – Closure of Long Position |
| ROSH | Reversal – Opening of Short Position |
| RRVS | Reversal – Revaluation of Short Position |
| RCSH | Reversal – Closure of Short Position |
| RXPL | Reversal – Expiry of Long Position |
| RXPS | Reversal – Expiry of Short Position |
| RXRL | Reversal – Exercise in Long Position |
| RAXS | Reversal – Assignment in Short Position |
| REPL | Reversal – Exchange for Physicals in Long |
| REPS | Reversal – Exchange for Physicals in Short |
| EMAT | Event Matching of Deal |

Table A-1 (Cont.) Event Code - Description

| Event Code | Event Description |
|------------|-------------------------------|
| EUMT | Event for Un-matching |
| EBOK | Booking of Contract |
| EREV | Reversal of Booking |
| EAMD | Amendment of Contract |
| SMPY | Securities Margin Pay |
| SMRV | Securities Margin Receive |
| CMPY | Cash Margin Pay |
| CMRV | Cash Margin Receive |
| SGEN | Settlement Message Generation |

Amount Tags

The Amount Tags listed below are provided in Oracle Banking Treasury Management.

Table A-2 Amount Tag - Description

| Amount Tag | Description |
|----------------------|---|
| AVG_PREMIUM_PAID | Average Premium Paid to acquire the Existing Holding |
| AVG_PREMIUM_RECEIVED | Average Premium Received to acquire the Short Holding |
| BOOK_VALUE | Holding Cost of the Instrument |
| BOT_ASSET | Bought Asset in Asset Currency |
| BOT_ASSET_DECR | Decrease in contract Positions in Asset Currency |
| BOT_ASSET_INCR | Increase in contract Positions in Asset Currency |
| BOT_CCY_EQ | Equivalent Amount in Pricing Currency |
| BOT_CCY_EQ_DECR | Equivalent decrease in contract Positions in Pricing Currency |
| BOT_CCY_EQ_INCR | Equivalent increase in contract Positions in Pricing Currency |
| CLOSE_PRICE_PREMIUM | Closing Price / Premium in Pricing Currency |
| CLOSURE_GAIN | Gain on Closure of Position |
| CLOSURE_LOSS | Loss on Closure of Position |
| DEAL_PREMIUM_AMT | Deal Premium Amount in Pricing Currency |
| EFP_GAIN | Gain due to Exchange of Futures for Physicals |
| EFP_LOSS | Loss due to Exchange of Futures for Physicals |
| EXERCISE_ASSIGN_GAIN | Gain due to Assignment of the option |
| EXERCISE_ASSIGN_LOSS | Loss due to Assignment of the option |
| EXERCISE_GAIN | Gain due to Exercise of the option |
| EXERCISE_LOSS | Loss due to Exercise of the option |

Table A-2 (Cont.) Amount Tag - Description

| Amount Tag | Description |
|-------------------|---|
| EXPIRY_GAIN | Gain due to Expiry of the Instrument |
| NOTIONAL_GAIN | Notional Gain in Pricing Currency |
| EXPIRY_LOSS | Loss due to Expiry of the Instrument |
| NOTIONAL_LOSS | Notional Loss in Pricing Currency |
| REALIZED_GAIN | Realized Gain in Pricing Currency |
| REALIZED_LOSS | Realized Loss in Pricing Currency |
| SOLD_ASSET | Sold Asset in Asset Currency |
| SOLD_ASSET_DECR | Decrease in contract Positions in Asset Currency |
| SOLD_ASSET_INCR | Incr. in Cont. Positions in Asset Currency |
| SOLD_CCY_EQ | Equivalent Amount in Pricing Currency |
| SOLD_CCY_EQ_DECR | Equivalent decrease in contract Positions in Pricing Currency |
| SOLD_CCY_EQ_INCR | Equivalent increase in contract Positions in Pricing Currency |
| SPOT_STRIKE_DIFF | Commodity spot minus Strike price of the option |
| MG_SETLM_AMT_MREF | Margin Refund Amount |
| MG_SETLM_AMT_MTOP | Margin Top Up Amount |
| BROKAMT_EX | Brokerage amount for Execution Broker |
| BROKEXEXP | Expense GL for Execution Broker |
| BROKEXPAY | Payable GL for Execution Broker |
| BROKAMT_CG | Brokerage amount for Clearing Broker |
| BROKCGEXP | Expense GL for Clearing Broker |
| BROKCGPAY | Payable GL for Execution Broker |

Accounting Roles**Table A-3 Amount Role - Description**

| Accounting Role | Description | Role Type |
|-----------------|----------------------------------|----------------------|
| BR_SETLM_BRIDGE | Broker Settlement Bridge | Asset |
| PF_SETLM_BRIDGE | Customer Settlement Bridge | Asset |
| CONT_ASSET | Contingent Asset | Contingent Asset |
| CONT_ASSET_OFF | Contingent Asset Offset | Contingent Asset |
| CONT_LIAB | Contingent Liability Offset | Contingent Liability |
| CONTROL | Control Asset | Asset |
| EFP_GAIN | Gain due to Exchange of Futures | Income |
| EXERCISE_GAIN | Gain due to Exercise of option | Income |
| ASSIGN_GAIN | Gain due to Assignment of option | Income |
| EXPIRY_GAIN | Gain due to Expiry of option | Income |
| EFP_LOSS | Loss due to Exchange of Futures | Expense |

Table A-3 (Cont.) Amount Role - Description

| Accounting Role | Description | Role Type |
|-----------------|----------------------------------|-----------|
| EXERCISE_LOSS | Loss due to Exercise of option | Expense |
| ASSIGN_LOSS | Loss due to Assignment of option | Expense |
| EXPIRY_LOSS | Loss due to Expiry of option | Expense |
| TRADING_GAIN | Closure gain | Income |
| TRADING_LOSS | Closure loss | Expense |
| PREMIUM_PAID | Premium paid | Asset |
| PREMIUM_RECVD | Premium received | Liability |
| REALIZED_GAINS | Realized gains | Income |
| REALIZED_LOSS | Realized loss | Expense |
| REVAL_ASSET | Revaluation asset | Asset |
| REVAL_LIAB | Revaluation liability | Liability |
| UNREAL_EXPENSE | Unrealized expense | Expense |
| UNREAL_INCOME | Unrealized income | Income |
| BR_SETTLEMENT | Broker Settlement | |
| BR_RECEIVABLE | Broker Receivable | |
| BR_PAYABLE | Broker Payable | |
| PF_SETTLEMENT | Portfolio Settlement | |
| PF_PAYABLE | Portfolio Payable | |
| PF_RECEIVABLE | Portfolio Receivable | |

- [Event-wise Accounting Entries for your Own portfolio](#)
 This topic describes the accounting entries for each of the events in the life-cycle of deals involving your banks portfolio product. Some of the Amount Tags linked to the Accounting Roles are user defined.
- [Event-wise Accounting Entries for your Customer's portfolio](#)
 This topic describes the accounting entries for each of the events in the life cycle of deals involving customer portfolio product.

A.1 Event-wise Accounting Entries for your Own portfolio

This topic describes the accounting entries for each of the events in the life-cycle of deals involving your banks portfolio product. Some of the Amount Tags linked to the Accounting Roles are user defined.

EOLG - Opening of Long Position

Table A-4 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|-------|-----------------|----------------------|---------------------------|
| Debit | PF_SETLM_BRIDGE | DEAL_PREMIUM_AM T | Call & Put Options – O |

Table A-4 (Cont.) Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|----------------------|------------|
| Credit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AM T | |

Table A-5 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|------------------------------|
| Debit | CONT_ASSET | BOT_ASSET | Futures, Call Options – O, F |
| Credit | CONT_ASSET_OFF | SOLD_CCY_EQ | |
| Debit | CONT_LIAB_OFF | BOT_CCY_EQ | Put options – O, F |
| Credit | CONT_LIAB | SOLD_ASSET | |
| Debit | PREMIUM_PAID | DEAL_PREMIUM_AMT | Call & Put Options – O |

EVRL – Revaluation of Long Position

Table A-6 Accounting Role - Amount Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|-----------------------|-------------------|----------------------------------|
| BR_SETLM_BRIDGE | REALIZED_GAIN | Debit | Future, Call and Put Options - F |
| REALIZED_GAINS | REALIZED_GAIN | Credit | Future, Call and Put Options - F |
| REALIZED_LOSS | REALIZED_LOSS | Debit | Future, Call and Put Options - F |
| BR_SETLM_BRIDGE | REALIZED_LOSS | Credit | Future, Call and Put Options - F |
| CONT_ASSET | BOT_ASSET_INCR | Debit | Future, Call Option - F |
| CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | Credit | Future, Call Option - F |
| CONT_ASSET_OFF | SOLD_CCY_EQ_- DECR | Debit | Future, Call Option - F |
| CONT_ASSET | BOT_ASSET_DECR | Credit | Future, Call Option - F |
| CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Debit | Future, Put Option - F |
| CONT_LIAB | SOLD_ASSET_INCR | Credit | Future, Put Option - F |
| CONT_LIAB | BOT_CCY_EQ_DECR | Debit | Future, Put Option - F |
| CONT_LIAB_OFF | SOLD_ASSET_DECR | Credit | Future, Put Option - F |
| REVAL_ASSET | NOTIONAL_GAIN | Debit | Call & Put Option - C |
| UNREAL_INCOME | NOTIONAL_GAIN | Credit | Call & Put Option - C |
| UNREAL_EXPENSE | NOTIONAL_LOSS | Debit | Call & Put Option - C |
| REVAL_LIAB | NOTIONAL_LOSS | Credit | Call & Put Option - C |

ECLG – Closure of Long Position

Table A-7 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|---------------------|------------------------------------|
| Debit | BR_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Futures, Call & Put Options - O, F |
| Credit | PF_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | |
| Debit | PF_SETLM_BRIDGE | BOOK_VALUE | Futures, Call & Put Options - O, F |
| Credit | BR_SETLM_BRIDGE | BOOK_VALUE | |

Table A-8 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|---------------------|------------------------------------|
| Debit | CONT_ASSET | BOT_ASSET_INCR | Futures, Call Option - F |
| Credit | CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | |
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ_DECR | Futures, Call Option - F |
| Credit | CONT_ASSET | BOT_ASSET_DECR | |
| Debit | CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Futures, Put Option - F |
| Credit | CONT_LIAB | SOLD_ASSET_INCR | |
| Debit | CONT_LIAB | SOLD_ASSET_DECR | Futures, Put Option - F |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ_DECR | |
| Debit | CONT_ASSET_OFF | BOT_CCY_EQ | Future, Call Options - F, O |
| Credit | CONT_ASSET | SOLD_ASSET | |
| Debit | CONT_LIAB | BOT_ASSET | Future, Put Options - F, O |
| Credit | CONT_LIAB_OFF | SOLD_CCY_EQ | |
| Debit | BR_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Futures, Call & Put Options - F, O |
| Credit | CONTROL | CLOSE_PRICE_PREMIUM | |
| Debit | CONTROL | BOOK_VALUE | Futures, Call & Put Options - F |
| Credit | BR_SETLM_BRIDGE | BOOK_VALUE | |
| Debit | CONTROL | AVG_PREMIUM_PAID | Call & Put Options - O |

Table A-8 (Cont.) Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|------------------------------------|
| Credit | PREMIUM_PAID | AVG_PREMIUM_PAID | |
| Debit | CONTROL | CLOSURE_GAIN | Futures, Call & Put Options - F, O |
| Credit | TRADING_GAIN | CLOSURE_GAIN | |
| Debit | TRADING_LOSS | CLOSURE_LOSS | Futures, Call & Put Options - F, O |
| Credit | CONTROL | CLOSURE_LOSS | |
| Debit | CONT_ASSET | BOT_ASSET_INCR | Futures, Call Option - F |
| Credit | CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | |
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ_DECR | Futures, Call Option - F |
| Credit | CONT_ASSET | BOT_ASSET_DECR | |
| Debit | CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Futures, Put Option - F |
| Credit | CONT_LIAB | SOLD_ASSET_INCR | |
| Debit | CONT_LIAB | SOLD_ASSET_DECR | Futures, Put Option - F |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ_DECR | |
| Debit | CONT_ASSET_OFF | BOT_CCY_EQ | Future, Call Options - F, O |
| Credit | CONT_ASSET | SOLD_ASSET | |
| Debit | CONT_LIAB | BOT_ASSET | Future, Put Options - F, O |
| Credit | CONT_LIAB_OFF | SOLD_CCY_EQ | |

EOSH – Opening of Short Position

Table A-9 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|------------------------|
| Debit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Call & Put Options - O |
| Credit | PF_ETLM_BRIDGE | DEAL_PREMIUM_AMT | |

Table A-10 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|-------------|-------------------|
| Debit | CONT_ASSET | BOT_ASSET | Put Option - O, F |
| Credit | CONT_ASSET_OFF | SOLD_CCY_EQ | |

Table A-10 (Cont.) Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|----------------------|----------------------------|
| Debit | CONT_LIAB_OFF | BOT_CCY_EQ | Futures, Call Option - O,F |
| Credit | CONT_LIAB | SOLD_ASSET | |
| Debit | BR_SETLM_BRIDGE | DEAL_PREMIUM_A MT | Call & Put Options - O |

ERVS – Revaluation of Short Position

Table A-11 Accounting Role - Amount Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|----------------------|-----------------------|-------------------|----------------------------------|
| BR_SETLM_BRIDGE | REALIZED_GAIN | Debit | Future, Call and Put Options - F |
| REALIZED_GAINS | REALIZED_GAIN | Credit | Future, Call and Put Options - F |
| REALIZED_LOSS | REALIZED_LOSS | Debit | Future, Call and Put Options - F |
| BR_- SETLM_BRIDGE | REALIZED_LOSS | Credit | Future, Call and Put Options - F |
| CONT_ASSET | BOT_ASSET_INCR | Debit | Put Option - F |
| CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | Credit | Put Option - F |
| CONT_ASSET_OFF | SOLD_CCY_EQ_- DECR | Debit | Put Option - F |
| CONT_ASSET | BOT_ASSET_DECR | Credit | Put Option - F |
| CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Debit | Call Option - F, Futures |
| CONT_LIAB | SOLD_ASSET_INCR | Credit | Call Option - F, Futures |
| CONT_LIAB | SOLD_CCY_EQDEC R | Debit | Call Option –F, Futures |
| CONT_LIAB_OFF | BOT_ASSET_DECR | Credit | Call Option - F, Futures |
| REVAL_ASSET | NOTIONAL_GAIN | Debit | Call & Put Options - O |
| UNREAL_INCOME | NOTIONAL_GAIN | Credit | Call & Put Options - O |
| UNREAL_EXPENSE | NOTIONAL_LOSS | Debit | Call & Put Options - O |
| REVAL_LIAB | NOTIONAL_LOSS | Credit | Call & Put Options - O |

ECSSH – Closure of Short Positions

Table A-12 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|---------------------|------------------------------------|
| Debit | PF_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Futures, Call & Put Options - O, F |
| Credit | BR_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | |
| Debit | BR_SETLM_BRIDGE | BOOK_VALUE | Futures, Call & Put Options - O, F |
| Credit | PF_SETLM_BRIDGE | BOOK_VALUE | |

Table A-13 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|----------------------|---------------------------------|
| Debit | CONT_ASSET | BOT_ASSET_INCR | Put Options - O, F |
| Credit | CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | |
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ_DECR | Put Options - O, F |
| Credit | CONT_ASSET | BOT_ASSET_DECR | |
| Debit | CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Future, Call Option - F |
| Credit | CONT_LIAB | SOLD_ASSET_INCR | |
| Debit | CONT_LIAB | SOLD_ASSET_DECR | Future, Call Option - F |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ_DECR | |
| Debit | CONT_ASSET_OFF | BOT_CCY_EQ | Put Options - O, F |
| Credit | CONT_ASSET | SOLD_ASSET | |
| Debit | CONT_LIAB | BOT_ASSET | Futures, Call Options - O, F |
| Credit | CONT_LIAB_OFF | SOLD_CCY_EQ | |
| Debit | CONTROL | CLOSE_PRICE_PREMIUM | Futures, Call & Put Options - F |
| Credit | BR_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | |
| Debit | BR_SETLM_BRIDGE | BOOK_VALUE | Futures, Call & Put Options - F |
| Credit | CONTROL | BOOK_VALUE | |
| Debit | PREMIUM_RECVD | AVG_PREMIUM_RECEIVED | Call & Put Options - O |
| Credit | CONTROL | AVG_PREMIUM_RECEIVED | |
| Debit | CONTROL | CLOSURE_GAIN | Call & Put Options - O |
| Credit | TRADING_GAIN | CLOSURE_GAIN | |
| Debit | TRADING_LOSS | CLOSURE_LOSS | Call & Put Options - O |
| Credit | CONTROL | CLOSURE_LOSS | |

EXPL – Expiry of Long Position

Table A-14 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|------------------------|
| Debit | PF_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Call & Put Options - F |
| Credit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | |

Table A-15 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|---------------------------|
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ | Call Options - O, F |
| Credit | CONT_ASSET | BOT_ASSET | |
| Debit | CONT_LIAB | SOLD_ASSET | Put Options - O & F |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ | |
| Debit | CONTROL | AVG_PREMIUM_PAID | Call & Put Options - O |
| Credit | PREMIUM_PAID | AVG_PREMIUM_PAID | |
| Debit | EXPIRY_LOSS | EXPIRY_LOSS | Call & Put Options - O, F |
| Credit | CONTROL | EXPIRY_LOSS | |
| Debit | CONTROL | DEAL_PREMIUM_AMT | Call & Put Options - F |
| Credit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | |

EXPS – Expiry of Short Position

Table A-16 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|------------------------|
| Debit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Call & Put Options - F |
| Credit | PF_SETLM_BRIDGE | DEAL_PREMIUM_AMT | |

Table A-17 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|-------------|----------------------|
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ | Put Options - O, F |
| Credit | CONT_ASSET | BOT_ASSET | |
| Debit | CONT_LIAB | SOLD_ASSET | Call Options - O & F |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ | |

Table A-17 (Cont.) Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|---------------------|---------------------------|
| Debit | PREMIUM_RECVD | AVG_PREMIUM_RCEIVED | Call & Put Options - O |
| Credit | CONTROL | AVG_PREMIUM_RCEIVED | |
| Debit | CONTROL | EXPIRY_GAIN | Call & Put Options - O, F |
| Credit | EXPIRY_GAIN | EXPIRY_GAIN | |
| Debit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Call & Put Options - F |
| Credit | CONTROL | DEAL_PREMIUM_AMT | |

EXRL – Exercise in Long Position

Table A-18 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|--------------------------|
| Debit | BR_SETLM_BRIDGE | SPOT_STRIKE_DIFF | Call & Put Options - F,O |
| Credit | PF_SETLM_BRIDGE | SPOT_STRIKE_DIFF | |
| Debit | PF_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Call & Put Options - F |
| Credit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | |

Table A-19 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------------|---------------------------|
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ | Call Option - O, F |
| Credit | CONT_ASSET | BOT_ASSET | |
| Debit | CONT_LIAB | SOLD_ASSET | Put Option - O, F |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ | |
| Debit | CONTROL | AVG_PREMIUM_PAID | Call & Put options - O |
| Credit | PREMIUM_PAID | AVG_PREMIUM_PAID | |
| Debit | BR_SETLM_BRIDGE | SPOT_STRIKE_DIFF | Call & Put options - O, F |
| Credit | CONTROL | SPOT_STRIKE_DIFF | |
| Debit | CONTROL E | XERCISE_GAIN | Call & Put options - O, F |
| Credit | REALIZED_GAIN | EXERCISE_GAIN | |
| Debit | REALIZED_LOSS | EXERCISE_LOSS | Call & Put options - O, F |
| Credit | CONTROL | EXERCISE_LOSS | |
| Debit | CONTROL | DEAL_PREMIUM_AMT | Call & Put Options - F |
| Credit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | |

EAXS – Assignment in Short Position

Table A-20 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|---------------------|--------------------------|
| Debit | PF_SETLM_BRIDGE | SPOT_STRIKE_DIFF | Call & Put Options - F,O |
| Credit | BR_SETLM_BRIDGE | SPOT_STRIKE_DIFF | |
| Debit | BR_SETLM_BRIDGE | DEAL_PREMIUM_AMOUNT | Call & Put Options - F |
| Credit | PF_SETLM_BRIDGE | DEAL_PREMIUM_AMOUNT | |

Table A-21 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|----------------------|----------------------|---------------------------|
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ | Put Option - O, F |
| Credit | CONT_ASSET | BOT_ASSET | |
| Debit | CONT_LIAB | SOLD_ASSET | Call option - O, F |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ | |
| Debit | PREMIUM_RECVD | AVG_PREMIUM_RECEIVED | Call & Put options - O |
| Credit | CONTROL | AVG_PREMIUM_RECEIVED | |
| Debit | CONTROL | SPOT_STRIKE_DIFF | Call & Put options - O, F |
| Credit | BR_SETLM_BRIDGE | SPOT_STRIKE_DIFF | |
| Debit | ASSIGN_LOSS | EXERCISE_ASSIGN_LOSS | Call & Put options - O, F |
| Credit | EXERCISE_ASSIGN_LOSS | CONTROL | |
| Debit | EXERCISE_ASSIGN_GAIN | CONTROL | Call & Put options - O, F |
| Credit | EXERCISE_ASSIGN_GAIN | ASSIGN_GAIN | |
| Debit | DEAL_PREMIUM_AMOUNT | BR_SETLM_BRIDGE | Call & Put options - F |
| Credit | DEAL_PREMIUM_AMOUNT | CONTROL | |

EEPL – Exchange of physicals in Long

Table A-22 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|-------|-----------------|------------|------------|
| Debit | BR_SETLM_BRIDGE | EFP_GAIN | Futures |

Table A-22 (Cont.) Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------|------------|
| Credit | PF_SETLM_BRIDGE | EFP_GAIN | |
| Debit | PF_SETLM_BRIDGE | EFP_LOSS | Futures |
| Credit | BR_SETLM_BRIDGE | EFP_LOSS | |

Table A-23 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|-----------------------|------------|
| Debit | BR_SETLM_BRIDGE | EFP_GAIN | Futures |
| Credit | REALIZED_GAINS | EFP_GAIN | |
| Debit | EFP_LOSS | EFP_LOSS | Futures |
| Credit | BR_SETLM_BRIDGE | EFP_LOSS | |
| Debit | CONT_ASSET | BOT_ASSET_INCR | Futures |
| Credit | CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | |
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ - DECR | Futures |
| Credit | CONT_ASSET | BOT_ASSET_DECR | |
| Debit | CONT_ASSET_OFF | SOLD_CCY_EQ | Futures |
| Credit | CONT_ASSET | BOT_ASSET | |

EEPS – Exchange for physicals in Short

Table A-24 Customer Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|------------|------------|
| Debit | BR_SETLM_BRIDGE | EFP_GAIN | Futures |
| Credit | PF_SETLM_BRIDGE | EFP_GAIN | |
| Debit | PF_SETLM_BRIDGE | EFP_LOSS | Futures |
| Credit | BR_SETLM_BRIDGE | EFP_LOSS | |

Table A-25 Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|-----------------|------------|
| Debit | BR_SETLM_BRIDGE | EFP_GAIN | Futures |
| Credit | REALIZED_GAINS | EFP_GAIN | |
| Debit | EFP_LOSS | EFP_LOSS | Futures |
| Credit | BR_SETLM_BRIDGE | | |
| Debit | CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Futures |
| Credit | CONT_LIAB | SOLD_ASSET_INCR | |
| Debit | CONT_LIAB | BOT_CCY_EQ_DECR | Futures |

Table A-25 (Cont.) Own Portfolio

| Dr/Cr | Accounting Role | Amount Tag | Applicable |
|--------|-----------------|-----------------|------------|
| Credit | CONT_LIAB_OFF | SOLD_ASSET_DECR | |
| Debit | CONT_LIAB | SOLD_ASSET | Futures |
| Credit | CONT_LIAB_OFF | BOT_CCY_EQ | |



Note:

While reversing the accounting entries will be reversed.

ERVL – Revaluation of Long Position

Table A-26 Customer Portfolio

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------------|-------------------|---------------------------------|
| BR_SETLM_BRIDGE | REALIZED_GAIN | Debit | Futures, Call & Put Options - F |
| REALIZED_GAINS | REALIZED_GAIN | Credit | |
| REALIZED_LOSS | REALIZED_LOSS | Debit | Futures, Call & Put Options - F |
| BR_SETLM_BRIDGE | REALIZED_LOSS | Credit | |
| CONT_ASSET | BOT_ASSET_INCR | Debit | Futures, Call Options - F |
| CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | Credit | |
| CONT_ASSET_OFF | SOLD_CCY_EQ_DECR | Debit | Futures, Call Options - F |
| CONT_ASSET | BOT_ASSET_DECR | Credit | |
| CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Debit | Futures, Put Options - F |
| CONT_LIAB | SOLD_ASSET_INCR | Credit | |
| CONT_LIAB_OFF | BOT_CCY_EQ_DECR | Debit | Futures, Put Options - F |
| CONT_LIAB | SOLD_ASSET_DECR | Credit | |
| REVAL_ASSET | NOTIONAL_GAIN | Debit | Call & Put Option - O |
| UNREAL_INCOME | NOTIONAL_GAIN | Credit | |
| UNREAL_EXPENSE | NOTIONAL_LOSS | Debit | Call & Put Option - O |
| REVAL_LIAB | NOTIONAL_LOSS | Credit | |

ERVS – Revaluation of Short Position**Table A-27 Accounting Role - Accounting Tag**

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------------|-------------------|---------------------------------|
| BR_SETLM_BRIDGE | REALIZED_GAIN | Debit | Futures, Call & Put Options - F |
| REALIZED_GAINS | REALIZED_GAIN | Credit | |
| REALIZED_LOSS | REALIZED_LOSS | Debit | Futures, Call & Put Options - F |
| BR_SETLM_BRIDGE | REALIZED_LOSS | Credit | |
| CONT_ASSET | BOT_ASSET_INCR | Debit | Put Options - F |
| CONT_ASSET_OFF | SOLD_CCY_EQ_INCR | Credit | |
| CONT_ASSET_OFF | SOLD_CCY_EQ_DECR | Debit | Put Options - F |
| CONT_ASSET | BOT_ASSET_DECR | Credit | |
| CONT_LIAB_OFF | BOT_CCY_EQ_INCR | Debit | Futures, Call Options - F |
| CONT_LIAB | SOLD_ASSET_INCR | Credit | |
| CONT_LIAB_OFF | BOT_CCY_EQ_DECR | Debit | Futures, Call Options - F |
| CONT_LIAB | SOLD_ASSET_DECR | Credit | |
| REVAL_ASSET | NOTIONAL_GAIN | Debit | Call & put Options - O |
| UNREAL_INCOME | NOTIONAL_GAIN | Credit | |
| UNREAL_EXPENSE | NOTIONAL_LOSS | Debit | Call & put Options - O |
| REVAL_LIAB | NOTIONAL_LOSS | Credit | |

SGEN - Settlement Message Generation

No entries are passed for this event.

Only Payment Message can be maintained for this event.

A.2 Event-wise Accounting Entries for your Customer's portfolio

This topic describes the accounting entries for each of the events in the life cycle of deals involving customer portfolio product.

EOLG - Opening of Long Position**Table A-28 Accounting Role - Accounting Tag**

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------------|-------------------|------------------------|
| PF_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Debit | Call & Put Options - O |
| BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Credit | Call & Put Options - O |

EVRL – Revaluation of Long Position

Table A-29 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------|-------------------|---------------------------------|
| BR_SETLM_BRIDGE | REALISED_GAIN | Debit | Call & Put Options - F, Futures |
| PF_SETLM_BRIDGE | REALISED_GAIN | Credit | Call & Put Options - F, Futures |
| PF_SETLM_BRIDGE | REALISED_LOSS | Debit | Call & Put Options - F, Futures |
| BR_SETLM_BRIDGE | REALISED_LOSS | Credit | Call & Put Options - F, Futures |

ECLG – Closure of Long Position

Table A-30 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------------|-------------------|--|
| BR_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Debit | Call Options - O & F, Put Options - O & F, Futures |
| PF_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Credit | Call Options - O & F, Put Options - O & F, Futures |
| PF_SETLM_BRIDGE | BOOK_VALUE | Debit | Call Options - O & F, Put Options - O & F, Futures |
| BR_SETLM_BRIDGE | BOOK_VALUE | Credit | Call Options - O & F, Put Options - O & F, Futures |

EOSH – Opening of Short Position

Table A-31 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------------|-------------------|---------------------------------|
| BR_SETLM_BRIDGE | DEAL_PREMIUM_AMOUNT | Debit | Call Option - O, Put Option - O |
| PF_SETLM_BRIDGE | DEAL_PREMIUM_AMOUNT | Credit | Call Option - O, Put Option - O |

ERVS – Revaluation of Short Position

Table A-32 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------|-------------------|---------------------------------|
| BR_SETLM_BRIDGE | REALISED_GAIN | Debit | Call & Put Options - F, Futures |

Table A-32 (Cont.) Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------|-------------------|---------------------------------|
| PF_SETLM_BRIDGE | REALISED_GAIN | Credit | Call & Put Options - F, Futures |
| PF_SETLM_BRIDGE | REALISED_LOSS | Debit | Call & Put Options - F, Futures |
| BR_SETLM_BRIDGE | REALISED_LOSS | Credit | Call & Put Options - F, Futures |

ECSH – Closure of Short Positions

Table A-33 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------------|-------------------|--|
| PF_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Debit | Call Options - O & F, Put Options - O & F, Futures |
| BR_SETLM_BRIDGE | CLOSE_PRICE_PREMIUM | Credit | Call Options - O & F, Put Options - O & F, Futures |
| BR_SETLM_BRIDGE | BOOK_VALUE | Debit | Call Options - O & F, Put Options - O & F, Futures |
| PF_SETLM_BRIDGE | BOOK_VALUE | Credit | Call Options - O & F, Put Options - O & F, Futures |

EXPL – Expiry of Long Position

Table A-34 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------------|-------------------|------------------------|
| PF_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Debit | Call & Put Options - F |
| BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Credit | Call & Put Options - F |

EXPS – Expiry of Short Position

Table A-35 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------------|-------------------|------------------------|
| BR_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Debit | Call & Put Options - F |
| PF_SETLM_BRIDGE | DEAL_PREMIUM_AMT | Credit | Call & Put Options - F |

EXRL – Exercise in Long Position

Table A-36 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|----------------------|-------------------|--|
| BR_SETLM_BRIDGE | SPOT_STRIKE_DIFF | Debit | Call Option - O & F, Put option - O & F |
| PF_SETLM_BRIDGE | SPOT_STRIKE_DIFF | Credit | Call Option – O & F, Put option - O & F |
| PF_SETLM_BRIDGE | DEAL_PREMIUM_AM T | Debit | Call & Put option - F |
| BR_SETLM_BRIDGE | DEAL_PREMIUM_AM T | Credit | Call & Put option - F |

EAXS – Assignment in Short Position

Table A-37 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|----------------------|-------------------|--|
| PF_SETLM_BRIDGE | SPOT_STRIKE_DIFF | Debit | Call Option - O & F, Put option - O & F |
| BR_SETLM_BRIDGE | SPOT_STRIKE_DIFF | Credit | Call Option - O & F, Put option - O & F |
| BR_SETLM_BRIDGE | DEAL_PREMIUM_AM T | Debit | Call & Put option - F |
| PF_SETLM_BRIDGE | DEAL_PREMIUM_AM T | Credit | Call & Put option - F |

EEPL – Exchange of physicals in Long

Table A-38 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------|-------------------|------------|
| BR_SETLM_BRIDGE | EFP_GAIN | Debit | Future |
| PF_SETLM_BRIDGE | EFP_GAIN | Credit | Future |
| PF_SETLM_BRIDGE | EFP_LOSS | Debit | Future |
| BR_SETLM_BRIDGE | EFP_LOSS | Credit | Future |

EEPS – Exchange for physicals in Short

Table A-39 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------|-------------------|------------|
| BR_SETLM_BRIDGE | EFP_GAIN | Debit | Future |
| PF_SETLM_BRIDGE | EFP_GAIN | Credit | Future |
| PF_SETLM_BRIDGE | EFP_LOSS | Debit | Future |

Table A-39 (Cont.) Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|------------|-------------------|------------|
| BR_SETLM_BRIDGE | EFP_LOSS | Credit | Future |

ERVL – Revaluation of Long Position

Table A-40 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------|-------------------|---------------------------------|
| BR_SETLM_BRIDGE | REALIZED_GAIN | Debit | Futures, Call & Put Options - F |
| PF_SETLM_BRIDGE | REALIZED_GAIN | Credit | |
| PF_SETLM_BRIDGE | REALIZED_LOSS | Debit | Futures, Call & Put Options - F |
| BR_SETLM_BRIDGE | REALIZED_LOSS | Credit | |

ERVS – Revaluation of Short Position

Table A-41 Accounting Role - Accounting Tag

| Accounting Role | Amount Tag | Dr./Cr. Indicator | Applicable |
|-----------------|---------------|-------------------|---------------------------------|
| BR_SETLM_BRIDGE | REALIZED_GAIN | Debit | Futures, Call & Put Options - F |
| PF_SETLM_BRIDGE | REALIZED_GAIN | Credit | |
| PF_SETLM_BRIDGE | REALIZED_LOSS | Debit | Futures, Call & Put Options - F |
| BR_SETLM_BRIDGE | REALIZED_LOSS | Credit | |

CMPY

Table A-42 CMPY - Accounting Entries

| Accounting Role | Amount Tag | Dr./Cr |
|-------------------------|---------------|--------|
| CUSTOMER_AC (Margin AC) | TXN_AMOUNT | Dr |
| CUST_AC_OFFSET (NOSTRO) | TXN_AMOUNT_EQ | Cr |

B

Advice Tags

All the Advice Tags available in the ETD module are classified under relevant subheads and listed along with their descriptions.

This topic describes the following subtopics:

- [Branch Details](#)
This topic describes the branch details, customer's details, underlying asset details, portfolio details, charge details, liquidation deal details, and broker details.
- [Message Types](#)
This topic describes the message types on Transactions Holdings Statements for Portfolio, Long Short Deal Confirmation Advice, Assignment Notice, EFP Confirm Notice, and Expiry Confirm Notice.

B.1 Branch Details

This topic describes the branch details, customer's details, underlying asset details, portfolio details, charge details, liquidation deal details, and broker details.

Table B-1 Advice Tag - Description

| Advice tag | Description |
|-------------------------------------|--|
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |

Customer Details

Table B-2 Advice Tag - Description

| Advice tag | Description |
|--|---|
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1_ _ADRS2_ _ADRS3_ _ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |

Underlying Asset Details

Table B-3 Advice Tag - Description

| Advice tag | Description |
|------------|--|
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |

Charge Details

Table B-4 Advice Tag - Description

| Advice tag | Description |
|------------|--|
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |

Portfolio Details

Table B-5 Advice Tag - Description

| Advice tag | Description |
|------------|---|
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1_ | <p>This is the address for correspondence of the receiver of the advice.</p> <p>Each line of the address can contain a maximum of 35 characters.</p> <p>There are four lines in which the receivers address for correspondence can be keyed in.</p> |
| _ADRS2_ | |
| _ADRS3_ | |
| _ADRS4_ | |

Series Details

Table B-6 Advice Tag - Description

| Advice tag | Description |
|------------|---|
| _SERIES_ | This is the Series ID of the instrument series. |

Table B-6 (Cont.) Advice Tag - Description

| Advice tag | Description |
|------------|--|
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |

Instrument Details**Table B-7 Advice Tag - Description**

| Advice tag | Description |
|-------------|--|
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |

Broker Details**Table B-8 Advice Tag - Description**

| Advice tag | Description |
|---|---|
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _CSNAME | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2_ _ADRS3_ _ADRS4_ | This is the address for correspondence of the receiver of the advice Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |

Long Short deal details

Table B-9 Advice Tag - Description

| Advice tag | Description |
|---|--|
| _BRANCH_ | This is the branch code of the branch where the deal was initiated. |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has beenprized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2_ _ADRS3_ _ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondencecan be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |

Table B-9 (Cont.) Advice Tag - Description

| Advice tag | Description |
|-------------------|--|
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the account number of the broker involved in the deal. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _ASSCYY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _FUTPRI_ | This is the future price, which is expressed in terms of the instrument pricing unit. For index-based futures this price is expressed in terms of index points per contract. |
| _OPTPRM_ | This is the price at which the option was bought. For index based options this is the price is specified in index points per contract. |

Liquidation deal details

Table B-10 Advice Tag - Description

| Advice tag | Description |
|-------------------------------------|--|
| _BRANCH_ | This is the branch code of the branch where the deal was initiated. |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |

Table B-10 (Cont.) Advice Tag - Description

| Advice tag | Description |
|--------------------------------------|--|
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2 _ADRS3 _ADRS4 | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal. |
| _BSKREF_ | This is the reference number of the basket to which the deal belongs. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _COSPTPRI_ | This is the spot price of the underlying asset involved in the instrument. |
| _SVALDT_ | This is the date on which the liquidation gains/losses will be settled. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the broker account involved in the transaction. |

Table B-10 (Cont.) Advice Tag - Description

| Advice tag | Description |
|------------|---|
| _ASSCYY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _ESETAMT_ | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument. |

B.2 Message Types

This topic describes the message types on Transactions Holdings Statements for Portfolio, Long Short Deal Confirmation Advice, Assignment Notice, EFP Confirm Notice, and Expiry Confirm Notice.

This topic contains the following sub topics:

Transactions Holdings Statements for Portfolio

Table B-11 Advice Tag - Description

| Advice tag | Description |
|-------------------------------------|--|
| _FROMDT_ | This is the date from which the transaction holdings statement for the portfolio is being provided. |
| _TODT_ | This is the to date from which the transaction holdings statement for the portfolio is being provided. |
| _OPENBAL_ | This indicates the opening balance in the portfolio. |
| _CLOSBAL_ | This indicates the closing balance in the portfolio. |
| _BRANCH_ | This is the branch code of the branch where the deal was initiated. |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the underlying asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Pricing Unit at which the underlying asset has been prized. |

Table B-11 (Cont.) Advice Tag - Description

| Advice tag | Description |
|---------------------------------------|--|
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2 _ADRS3 _ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/ Short deal. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the account number of the broker involved in the deal. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _ASSCYY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _FUTPRI_ | This is the future price, which is expressed in terms of the instrument pricing unit. For index-based futures this price is expressed in terms of index points per contract. |
| _OPTPRM_ | This is the price at which the option was bought. For index based options this is the price is specified in index points per contract. |
| _BSKREF_ | This is the reference number of the basket to which the deal belongs. |
| _COSPTPRI_ | This is the spot price of the underlying asset involved in the instrument. |

Table B-11 (Cont.) Advice Tag - Description

| Advice tag | Description |
|------------|---|
| _SVALDT_ | This is the date on which the liquidation gains/losses will be settled. |
| _ESETAMT_ | This is the Underlying spot price multiplied by the underlying asset pricing multiple for the instrument. |

Long Short Deal Confirmation Advice**Table B-12 Advice Tag - Description**

| Advice tag | Description |
|-------------------------------------|--|
| _BRANCH_ | This is the branch code of the branch where the deal was initiated |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the underlying asset |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |

Table B-12 (Cont.) Advice Tag - Description

| Advice tag | Description |
|---|--|
| _ADRS1 _ADRS2_ _ADRS3_ _ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the account number of the broker involved in the deal. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _ASSCCY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _FUTPRI_ | This is the future price which is expressed in terms of the instrument pricing unit. For index-based futures this price is expressed in terms of index points per contract. |
| _OPTPRM_ | This is the price at which the option was bought. For index based options this is the price is specified in index points per contract. |

Assignment Notice

Table B-13 Advice Tag - Description

| Advice tag | Description |
|-------------------------------------|---|
| _BRANCH_ | This is the branch code of the branch where the deal was initiated. |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |

Table B-13 (Cont.) Advice Tag - Description

| Advice tag | Description |
|--------------------------------------|---|
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the underlying asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2 _ADRS3 _ADRS4 | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal. |
| _BSKREF_ | This is the reference number of the basket to which the deal belongs. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _COSPTPRI_ | This is the spot price of the underlying asset involved in the instrument. |

Table B-13 (Cont.) Advice Tag - Description

| Advice tag | Description |
|------------|---|
| _SVALDT_ | This is the date on which the liquidation gains/losses will be settled. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the broker account involved in the transaction. |
| _ASSCYY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _ESETAMT_ | This is the Underlying spot price multiplied by the underlying asset pricing multiple for the instrument. |

Exercise Confirm Notice

Table B-14 Advice Tag - Description

| Advice tag | Description |
|-------------------------------------|--|
| _BRANCH_ | This is the branch code of the branch where the deal was initiated. |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the underlying asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market |

Table B-14 (Cont.) Advice Tag - Description

| Advice tag | Description |
|--------------------------------------|--|
| _COMPRUT_ | This is the Pricing Unit at which the underlying asset has been priced. |
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2 _ADRS3 _ADRS4 | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receiver's address for correspondence can be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal. |
| _BSKREF_ | This is the reference number of the basket to which the deal belongs. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _COSPTPRI_ | This is the spot price of the underlying asset involved in the instrument. |
| _SVALDT_ | This is the date on which the liquidation gains/losses will be settled. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the broker account involved in the transaction. |

Table B-14 (Cont.) Advice Tag - Description

| Advice tag | Description |
|------------|---|
| _ASSCYY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _ESETAMT_ | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument. |

EFP Confirm Notice

Table B-15 Advice Tag - Description

| Advice tag | Description |
|-------------------------------------|--|
| _BRANCH_ | This is the branch code of the branch where the deal was initiated. |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the underlying asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |

Table B-15 (Cont.) Advice Tag - Description

| Advice tag | Description |
|---|---|
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2_ _ADRS3_ _ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal. |
| _BSKREF_ | This is the reference number of the basket to which the deal belongs. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _COSPTPRI_ | This is the spot price of the underlying asset involved in the instrument. |
| _SVALDT_ | This is the date on which the liquidation gains/losses will be settled. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the broker account involved in the transaction. |
| _ASSCYY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _ESETAMT_ | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument. |

Expiry Confirm Notice**Table B-16 Advice Tag - Description**

| Advice tag | Description |
|------------|---|
| _BRANCH_ | This is the branch code of the branch where the deal was initiated. |
| _BRNNAME_ | This is the name of the Branch where the advice was generated. |

Table B-16 (Cont.) Advice Tag - Description

| Advice tag | Description |
|---|--|
| _BRNADD1_ _BRNADD2_ _BRNADD3_ | This is the address for correspondence of the branch, which sent the advice. Each line of the address can contain a maximum of 35 characters. There are three lines in which the branch address for correspondence can be keyed in. |
| _INSTRID_ | This is the ID or Reference Number of the instrument. |
| _INSTRDESC_ | This is the description assigned to the instrument involved in the deal. |
| _CONTRSTD_ | These are the standard details of the contract. |
| _CONTRVAL_ | This is the actual value of the contract. |
| _ASSTYP_ | This is the Asset Type under which the underlying asset is grouped. |
| _COMDTY_ | This is the name of the underlying asset. |
| _COMDESC_ | This is the description assigned to the underlying asset. |
| _ASSNAT_ | This indicates the basic nature of the underlying asset. |
| _COMPRSZ_ | This indicates the manner in which the underlying asset has been prized in the market. |
| _COMPRUT_ | This is the Prizing Unit at which the underlying asset has been prized. |
| _SERIES_ | This is the Series ID of the instrument series. |
| _SERDESC_ | This is the description assigned to the series. |
| _STRPRI_ | This is the strike price of the instrument series. |
| _STARTDT_ | This is the start date of the instrument series. |
| _EXPRDT_ | This is the end date of the instrument series. |
| _BRKID_ | This is the code or ID of the Broker. |
| _BRKNAME_ | This is the name of the Broker. |
| _PFOLIOID_ | This is the reference number, which uniquely identifies the Portfolio. |
| _PFOLDESC_ | This is the description assigned to the portfolio. |
| _CSNAME_ | This is the name of the receiver of the advice. |
| _ADRS1 _ADRS2_ _ADRS3_ _ADRS4_ | This is the address for correspondence of the receiver of the advice. Each line of the address can contain a maximum of 35 characters. There are four lines in which the receivers address for correspondence can be keyed in. |
| _CHGCOMP_ | This is the Charge component that has been linked to the deal. |
| _CHGCCY_ | This is the currency in which charges have been collected. |
| _CHGAMT_ | This is the charge amount. |
| _DLREF_ | This is the reference number assigned to the deal. |
| _DLTYPE_ | This indicates the deal Type, whether it is a liquidation deal or a Long/Short deal. |
| _BSKREF_ | This is the reference number of the basket to which the deal belongs. |
| _OPTFUT_ | This indicates whether the contract is an Option or a Future. |
| _COSPTPRI_ | This is the spot price of the underlying asset involved in the instrument. |

Table B-16 (Cont.) Advice Tag - Description

| Advice tag | Description |
|-------------------|---|
| _SVALDT_ | This is the date on which the liquidation gains/losses will be settled. |
| _MVALDT_ | This is the day on which the settlement of liquidation gains/losses is to be done. |
| _VALDT_ | This is the date on which the basket is to be liquidated. |
| _TXNDT_ | This is the date on which the transaction was entered in Oracle Banking Treasury Management. |
| _TIME_ | This is the exact time at which the deal transaction took place in the exchange. |
| _NOCTRS_ | This indicates the number of contracts within the basket that have to be liquidated. |
| _BRKACC_ | This is the broker account involved in the transaction. |
| _ASSCYY_ | This is the Asset Currency. |
| _PRICCY_ | This is the currency in which the instrument is prized. |
| _ESETAMT_ | This is the Underlying asset spot price multiplied by the underlying pricing multiple for the instrument. |

C

Error Messages for Exchange Traded Derivatives

The error codes and messages generated in Exchange Traded Derivatives are discussed in this chapter.

Table C-1 Error Codes and Messages

| Function Id | Error Code | Message |
|-------------|-------------|--|
| ED-UIN051 | ED-PRD40 | In Preferences, Auto Exercise should be selected if Prior Settlement Possible is not selected. |
| ED-UIN051 | ED-PRD40 | Asset type should be input in preference screen |
| ENDUINST | ED-PRD40 | Max price movement cannot be less than Min price movement |
| ENDUINST | EP-PS-001 | Days For Physical Settlement Should be blank |
| ENDUINST | ED-UDL003 | Failed in Fetching product preferences for \$1 |
| ENDUINST | ED-UDL003 | Asset currency is only for currency asset type \$1 |
| ENDUINST | ED-UIN051 | Cannot change the series description |
| ENDUINST | ED-UIN051 | Physical Settlement is not provided for the product \$1 |
| ENDUINST | ED-UIN053 | Invalid Asset currency \$1 |
| ENDUINST | ED-UIN052 | Cannot change the strike price |
| ENDUINST | ED-INS-0YYY | Cannot delete the current series record |
| ENDUINST | ED-INS-0X00 | New value of expiry date cannot be less than old value |
| ENDUINST | ED-INSPR011 | A series must be attached to the instrument |
| EDDPFPRD | ED-PRD09 | Override Limit cannot be negative value |
| EDDPFPRD | ED-PRD08 | Maximum Exchange Rate Variance cannot be less than Normal Exchange Rate Variance |
| EDDPFPRD | ED-PRD16 | Product End Date not Specified. Do you want this to be an Open Ended Product? |
| EDDPFPRD | ED-PRD10 | Stop Limit cannot be negative value |
| EDDPFPRD | ED-PRD04 | Rule Details Not Maintained in Charge Screen |
| EDDPFPRD | ED-PRD009 | Product End Date cannot be before Branch Date. |
| EDDPFPRD | ED-PRD03 | Product Start Date cannot be greater than Product End Date |
| EDDPFPRD | ED-PRD02 | Product Start Date is less than Branch Date. Is this Back Dated Product? |
| EDDPFPRD | ED-PRD38 | Accounting Entries not defined. |
| EDDPFPRD | ED-PROD-001 | Product Type should not change |
| EDDPFPRD | ED-PRD20 | Customer Categories and / or Customers Disallowed not Maintained. Continue? |

Table C-1 (Cont.) Error Codes and Messages

| Function Id | Error Code | Message |
|-------------|------------|--|
| EDDPFPRD | ED-PRD18 | Events Not Defined. Product Definition cannot be saved. |
| EDDPFPRD | ED-PRD17 | Account Mappings Not Defined. |
| EDDPFPRD | ED-PRD19 | Branches and / or Currencies Disallowed not Maintained. Continue? |
| MGDCPROD | ED-PRD36 | Rekey required is No, so uncheck Rekey field items selected in Preferences. |
| MGDCPROD | ED-PRD01 | Preferences Screen Not Visited |
| MGDCPROD | ED-PRD37 | At least one Rekey Field should be selected when Rekey Required is Yes |
| MGDSETLM | ED-RKEY-01 | Scheme Identification does not match |
| MGDSETLM | ED-RKEY-02 | Settlement Amount does not match |
| MGDSETLM | ED-RKEY-03 | Scheme Event does not match |
| MGDSCHEM | MG-CHK01 | This customer and currency combination already exists. |
| MGDSCHEM | MG-SET01 | Settlement Details are defaulted |
| MGDSCHEM | MG-PK001 | Scheme id should be unique |
| MGDSCHEM | MG-ZERO01 | Value cannot be less than zero |
| MGDSCHEM | MG-DEL01 | Deleted Successfully |
| MGDSCHEM | MG-PEND01 | Some transactions are pending against this scheme, so modification not allowed |
| MGDSCHEM | MG-MIS01 | MIS Details will be defaulted |
| EDDPFMNT | ED-UPF025 | Failed to update the record |
| EDDPFMNT | ED-PF-001 | Notional Revaluation Option Required cannot be selected for Type Customer |
| EDDPFMNT | ED-UPF014 | Invalid class code role to head 3 |
| EDDPFMNT | ED-UPF022 | Invalid fund id \$1 |
| EDDPFMNT | ED-UPF021 | For the own portfolio customer is not required |
| EDDPFMNT | EP-MAN-01 | Customer/Fund ID/Portfolio Id cannot be modified after once authorized. |
| EDDPFMNT | ED-MAN-02 | Start Day cannot be Greater Than 31 |
| EDDPFMNT | EP-P00004 | Cannot enter data into Statement Details For Own |
| EDDPFMNT | EP-P00003 | Cannot enter data into Revaluation Details For Customer |
| EDDPFMNT | EP-PO0002 | Margin details for customer \$1 will be deleted |
| EDDPFMNT | EP-PO0001 | Role to head class not defined |
| EDDPFMNT | ED-MAN-01 | Start Day cannot be Less Than 1 |
| EDDPFMNT | ED-UPF024 | Fund id is mandatory |
| EDDPFMNT | ED-PF-003 | Statement Required cannot be Selected When Portfolio Type Is Own |
| EDDPFMNT | ED-PF-002 | Start Month Should be blank If Frequency Type Is Daily |
| EDDLSONL | ED-AUTH-O2 | \$1 is not a valid Long Short Deal. |

Table C-1 (Cont.) Error Codes and Messages

| Function Id | Error Code | Message |
|-------------|-------------|---|
| EDDLSONL | ED-HOLD-01 | Contract is successfully set to hold state |
| EDDLSONL | ED-AUTH-01 | Record Successfully Authorized |
| EDDLSONL | ED-DEL-01 | Operation Successfully Deleted |
| EDDLSONL | ED-MOD-02 | Deal Successfully Modified and Authorized |
| EDDLSONL | ED-UNLOCK | This Deal is not Saved by you. Do you want to Unlock it? |
| EDDLSONL | ED-MOD-01 | Deal Successfully Modified |
| EDDLSONL | ED-UPL077 | Contract is already Liquidated, cannot Reverse |
| EDDLSONL | ED-REV-01 | Deal Successfully Reversed |
| EDDLSONL | ED-COMM0101 | There are matched deals with value date greater than the value date of this deal. Un-match them before saving this deal |
| EDDLSONL | ED-SAVE-02 | Deal Successfully Saved and Authorized |
| EDDLSONL | ED-COMPR001 | Record is not maintained for the Commodity Price Details |
| EDDLSONL | ED-SAVE-01 | Deal Successfully Saved |
| EDDLSONL | ED-REV-02 | Deal Successfully Reversed and Authorized |
| EDDLSONL | ED-INSPR001 | Record is not maintained for the Instrument Price Details |
| EDDLQONL | ED-LQDS1404 | Duplicate combination of Source and External ref no. |
| EDDLQONL | ED-LQDS1403 | External reference number cannot not blank |
| EDDLQONL | ED-LQDS1402 | Source cannot be blank |
| EDDMATCH | ED-MAND-002 | Perform Query operation, before Un-match |
| EDDMATCH | ED-MAT002 | Matched Contracts cannot be greater than unmatched contracts |
| EDDMATCH | ED-MAT-101 | Deal Matched Successfully |
| EDDMATCH | ED-00000102 | Matched data is blank |
| EDDMATCH | ED-00000101 | Exception while building deal matching table |
| EDDMATCH | ED-00000103 | Exception in checking blank validations |
| EDDMATCH | ED-00000105 | Closing deal does not belong to the chosen basket |
| EDDMATCH | ED-00000104 | Closing deal is either not active or not authorized |
| EDDMATCH | ED-00000100 | Exception while building deal matching record |
| EDDMATCH | ED-00000099 | Value error while building deal matching record |
| EDDMATCH | ED-00000112 | Matched no of contracts exceeds the unmatched no of contracts of the closing deal |
| EDDMATCH | ED-00000111 | Matched no of contracts exceeds the unmatched no of contracts of the matched deal |
| EDDMATCH | ED-00000113 | Exception while validating deal matching |
| EDDMATCH | ED-00000115 | Deal matching data not available |
| EDDMATCH | ED-00000114 | Key fields for saving deal matching are blank |
| EDDMATCH | ED-00000107 | Matched deal is either not active or not authorized |

Table C-1 (Cont.) Error Codes and Messages

| Function Id | Error Code | Message |
|-------------|-------------|--|
| EDDMATCH | ED-00000106 | Matched no of contracts should be greater than zero |
| EDDMATCH | ED-00000108 | Opening deal does not belong to the chosen basket |
| EDDMATCH | ED-00000110 | Matched deal is of the same deal type as the closing deal |
| EDDMATCH | ED-00000109 | Opening deal is later than the closing deal |
| EDDMATCH | ED-00000095 | Exception in getting match details |
| EDDMATCH | ED-00000094 | Exception in getting a match |
| EDDPRDRS | ED-PDR-02 | Instrument ID \$1 is already mapped to another Deal Product |
| EDDPRDRS | ED-PDR-01 | Portfolio ID \$1 is already mapped to another Deal Product |
| EDDCORAT | ed-pc-007 | Invalid Currency |
| EDDCORAT | ED-COM004 | Market Date/Market Price cannot be blank |
| EDDCORAT | ED-CP-001 | At least One Record Should be Maintained For Commodity Price Details |
| EDDCORAT | ED-MP-001 | Whenever market price for the commodity changes you need to enter the market date and its corresponding price for the commodity. |
| EDDCORAT | ED-COM007 | Market date is less than the Current date |
| EDDCORAT | ED-COM005 | Price Code/Currency cannot be blank |

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