

Oracle® Banking Treasury Management Products User Guide



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The Oracle logo, consisting of a solid red square with the word "ORACLE" in white, uppercase, sans-serif font centered within it.

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Preface

This manual is designed to help you to quickly get acquainted with the Products 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 |
| LCY | Local Currency |

Table 1 (Cont.) Acronyms and Abbreviations

| Abbreviations or Acronyms | Definition |
|---------------------------|------------------------------------|
| LIBOR | London Interbank Offered Rate |
| 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 |
|------------------------------------|--|
| Product Definition | Explains how to define a product and processing a product. |





Related Resources

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

- *Procedures User Manual*
- *Building Interest Components*
- *Building Commission Components*
- *Building Charge Components*
- *Handling Brokerage*
- *Building Tax Components*
- *Settlements Service*

Symbols and Icons

Table 3 Symbols

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

The images used in the documentation are of illustration purpose and need to be used only for reference.

1

Product Definition

You will encounter the word 'product' frequently in the Oracle Banking Treasury Management user manuals. A 'product' is a specific service that you offer your customers.

For example, you may offer an 'overnight borrowing' facility to your customers. By defining a specific overnight borrowing facility as a money market product - with certain attributes - you can group together, or categorize, all overnight borrowings that share the attributes defined for the product.

This topic has the following sub-topics:

- [The Advantages of Defining a Product](#)
- [Product Definition](#)

1.1 The Advantages of Defining a Product

The attributes that you define for a product apply on all contracts that are processed under the product. By creating a product, you construct a broad framework within which you can process contracts. This helps minimize the details you have to capture when processing a contract.

The advantage of defining a product is that it simplifies the task of entering into contracts. The following example further illustrates the concept of products.

For example, a money market deal could be of any of the following types:

- Overnight Placement
- Overnight Borrowing
- Weekly Placement
- Weekly Borrowing
- Monthly Placement
- Monthly Borrowing

You can define any number of Overnight Placement products, Weekly Placement products, Monthly Borrowings, etc., having varying rates of interest. You may choose to allow or deny rollovers, apply or waive tax, specify different accrual frequencies, and so on. Each of these types of placement/borrowing definitions, with their specific set of attributes, constitutes a product.

You could allot Product Codes for each of these products as follows:

- MWP1 - Weekly Placement 1
- MOB2 - Overnight Borrowing 2

Attributes of MWP1:

- Rate of interest - 16% fixed interest
- Maximum tenor - 1 week
- Minimum tenor - 1 day

- Daily repayment schedules
- Rollover allowed

Attributes of MOB1:

- Rate of interest - Floating rate of the day applied automatically
- Maximum tenor - 1 day
- Repayment at Maturity
- No rollover

**Note:**

In this example, only a few attributes have been defined. You can define many more attributes for a product.

All deals involving MWP1 are overnight placements, which inherit the attributes of MOB1.

MWP1 and MOB1 are examples of products.

A product is set up at the Head Office of your bank. This means that the Product Definition facility also serves as a central control mechanism — you can ensure that a service your bank provides is offered uniformly across branches.

1.2 Product Definition

This topic contains the following subtopics:

- [Product Definition Screen](#)
Use Product Definition screen to define the basic information about the product such as the Product Code, the Description, etc.
- [Define the Other Attributes of a Product](#)
Use the Other Attributes options in the Product Definition Main screen to define the other attributes.
- [ICCF Details](#)
Use ICCF Details screen to calculate the interest that applies on a contract.
- [Charges](#)
Use the Charges Details screen to define the charge rules.
- [Tax Details](#)
Use the Tax Details to define the Tax Details.
- [Accounting Roles](#)
Use the Accounting Roles to set up of accounting roles for a product.
- [Events](#)
Use the Events in the Product Definition screen to set up Events for a product.
- [Define Advices](#)
Use Advices in the Events definition screen to define the advices that should be generated for a specified event.
- [Branch Restriction](#)
Use Branch Restriction in the Treasury Product Restriction screen to maintain restriction lists for a product.

- [Deal Size](#)
Use Deal Size in the Product Definition screen to define the deal size for a currency pairs.
- [Customer Restrictions](#)
Use Customer Restriction in the Treasury Product Restriction screen to maintain customer restrictions for a product.
- [Securities Portfolio Instrument Restrictions](#)
Use For security products, you can place restrictions to establish certain controls over the securities that your branches trade in by specifying 'restrictions'.
- [Securities Deal Portfolio Restrictions Class Maintenance](#)
Use Securities Deal Portfolio Restrictions Class Maintenance to control over the portfolios that your branches can deal in.
- [Preferences](#)
Use Preferences to specify the product preferences that are specific to the modules.
- [MIS Related Information](#)
Use MIS option in the Product Definition screen to retrieve MIS related information for a product by linking it to a Warehouse Code.
- [Associate a Product with a Brokerage Rule](#)
Use the brokerage rules to automate the processing of brokerage on contracts.
- [Free Format Text](#)
Use Free Format Text in the Treasury Free Format Message Maintenance to maintain the list of standard FFTs.
- [User Defined Fields](#)
Use User Defined Fields to define the fields.
- [Automatic Status Change](#)
This topic explains the systematic instructions to indicate the automatic status change.
- [Generating Advices for a Status Change](#)
This topic describes advices generation for a status change.
- [Specifying Status Control Details](#)
This topic describes how to specify the status control details.
- [Transaction Limits Maintenance](#)
Use Treasury Product Transaction Limits Maintenance to maintain currency-wise transactional limits for a module and product combination.

1.2.1 Product Definition Screen

Use Product Definition screen to define the basic information about the product such as the Product Code, the Description, etc.

The Product Definition screens of the various modules of Oracle Banking Treasury Management are invoked from the Application Browser.

 **Note:**

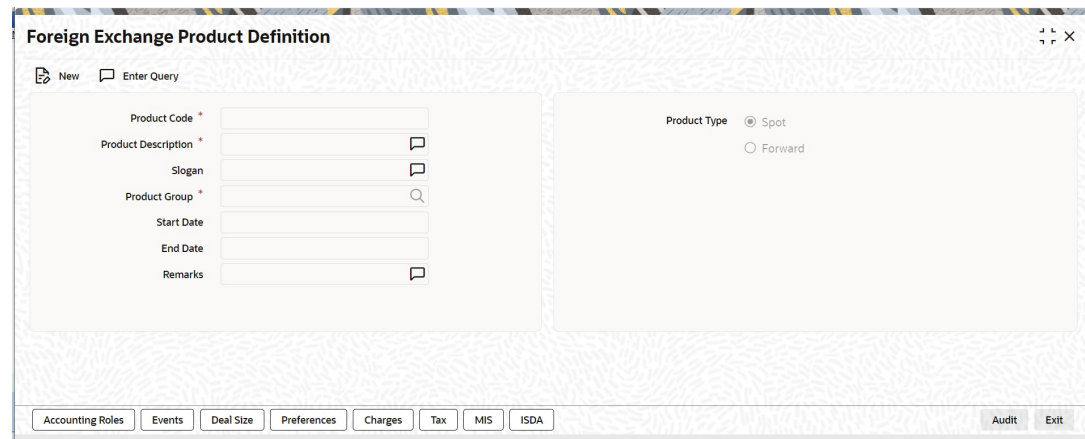
Product Definition screen is specific to a module. To create an FX product, for instance, invoke the **Foreign Exchange Product Definition** screen from the Application Browser.

In a Product Definition screen, you should specify the following details for the products you create:

- A code unique to the product
 - A brief description of the product
 - The product type
 - The product group
 - A slogan for the product
 - The life span of the product
 - Your remarks
1. On the Homepage, enter **FXDPRMNT** in the text field and click **Next** in the application toolbar.

The **Foreign Exchange Product Definition** screen is displayed.

Figure 1-1 Foreign Exchange Product Definition




2. On the **Foreign Exchange Product Definition** screen, specify the fields.

Table 1-1 Foreign Exchange Product Definition - Field Description

| Field | Description |
|----------------------------|---|
| Product Code | A product code identifies a product throughout Oracle Banking Treasury Management. This code should be four characters in length. When defining a new product, you should enter a code that is unique across the different modules of Oracle Banking Treasury Management. For instance, if you have used MM01 for a product in the Money Market module, you cannot use it as a product code in any other module. |
| Product Description | In the Description field, therefore, suitably describe the product code so that it can be easily identified. This description will be displayed along with the code throughout Oracle Banking Treasury Management. Otherwise, it may be difficult to recognize a product just by its code. |

Table 1-1 (Cont.) Foreign Exchange Product Definition - Field Description

| Field | Description |
|--------------------------------|---|
| Product Type | Product categories are referred to as 'product types.' When you create a product, you must specify the 'type' to which it belongs. For instance, you should specify the money market product type as 'Placement' if you are defining a placement product, and 'Borrowing' if you are defining a borrowing product. Similarly, in the Teller module, if you are setting up a Cash product, choose the 'Cash' option in the Product Type field. If you are setting up a product to process Traveller's Checks, choose the 'Others' option in the Product Type field. |
| Product Group | Products can be categorized into groups based on the common elements that they share. You must associate a product with a group. This would facilitate retrieval of information of a class of products at one stroke. For example, you can group all products involving travelers' checks into a product group. You can group all products involving deposits into a product group. |
| Slogan | You can enter a marketing punch line for every product you create. This slogan will be printed on all advices that are sent to customers who avail of the product. For example, if you set up a borrowings product called Money Multiplier, you could enter the slogan 'Watch your money grow with Money Multiplier.' |
| Start Date and End Date | A product can be defined to be active over a specific period. When you create a product, you can specify a 'Start Date' and 'End Date' for it. The product can only be used within the specified period (i.e. within the Start Date and End Date). If you do not specify the Start Date, the branch date will be displayed as the Start Date. If you do not specify an End Date for a product, it can be used for an indefinite period. The start and end dates of a product come in handy when you are defining a product that you would like to offer over a specific period. For example, you have a promotional scheme for three months - 'Special Interest Rate for Savings Bank Accounts' - wherein you would like to pay higher interest on monthly minimum credit balances that exceed USD 20,000. This scheme is open between 1 October 1998 and 31 December 1998, and the rate of interest that you would like to pay on the balance is 5% - more than what you normally pay, that is, 2.5%. Since the scheme ends on 31 December 1998, all those who have maintained monthly minimum credit balances exceeding USD 20,000 (for the period between 1 October 1998 and 31 December 1998) would be eligible for the higher rate of interest.  Note: If you do not specify an End Date, the product can be used till it is closed. |
| Remarks | When creating a product, you can enter information about the product intended for your bank's internal reference. This information will not be printed on any correspondence with the customer. |

1.2.2 Define the Other Attributes of a Product

Use the Other Attributes options in the Product Definition Main screen to define the other attributes.

Once you have specified the basic details of a product, you can define the other attributes for it. From the Product Definition Main screen, you can move to the screen of your choice to define an attribute by clicking on the appropriate icon.

The other product attributes that you can define include:

- The interest, commissions, charges and fees that you would like to levy on contracts involving the product
- The taxes that apply on the contracts involving the product
- The type of accounts and the GL/SLs to which the accounting entries generated by contracts involving the product have to be posted
- The advices to be generated at different points in the life cycle of contracts involving the product
- A list of allowed or a list of disallowed branches (of your bank) that can use a product
- A list of currencies that are allowed or disallowed for a product
- Certain 'preferences', specific to a product
- Aging analysis related details
- Management Information System (MIS) details
- Clause/Document details

 **Note:**

The product attributes that you can define would depend on the module in which you are creating the product. For instance, the attributes that you define for a product in the Foreign Exchange (FX) module would vary significantly from the product attributes that you define in the Teller module. For products you create in the FX module, you would define commission, clause, and document details, whereas, these attributes would not apply to products you create in the Teller module.

 **Note:**

There are some fields in the product definition screens in which a value must be entered. If you try to save a product without entering details in these fields, the product will not be saved. You will be prompted to enter all mandatory details before attempting to save the product.

1.2.3 ICCF Details

Use ICCF Details screen to calculate the interest that applies on a contract.

Calculating the interest component for a contract is achieved by:

- Creating interest rules

- Building interest classes (specifically, for the Securities module)
- Associating a product with an interest rule (or an interest class in case of the Securities module). This rule applies on all contracts processed under the product.
- Amending, if required, certain interest details that a contract acquires from the product under which it is processed

1. Click the **Interest** button in the **Product Definition** screen to invoke the **ICCF Details** screen.

The system displays the **ICCF Details** screen.

Figure 1-2 ICCF Details

The screenshot displays the 'ICCF Details' configuration screen. At the top, there are fields for 'Product Code' and 'Product Description'. Below this is the 'Basis' section, which includes fields for 'Amount Type', 'Pre Payment Method' (set to 'FLEXCUBE'), 'Stop Application', 'Propagation Required', 'Accrual Required', 'Allow Amendment', 'Consider as Discount', 'Collection Type' (with 'Advance' selected), 'Category' (set to 'Expected'), 'Settlement Currency', 'Level Number', 'Main Component', 'Negative Interest Allowed', 'Bulk Amount', 'Link Contract As Rate Code', 'Units' (set to 'Days'), 'Grace Period', 'Negative Class Code', and 'Alternative Risk-Free Rate'. A section titled '> Alternative Risk-Free Rate Preferences' contains an 'Interest' section with fields for 'Rate Type' (Fixed), 'Rate Code', 'Borrow Lend Indicator' (Borrow), 'Rate Cycle Type' (Up), 'Event', 'Rule', 'Component', 'Code Usage' (Auto), 'Reset Tenor', 'Margin Basis' (Facility), 'Margin Application' (Periodic), 'Event Description', 'Rule Description', and 'Description'. Below the interest section is the 'Pricing Details' section with an 'External Pricing' toggle. At the bottom is the 'Product Limits' section, which contains a table with columns for 'Currency', 'Rate Fixing Days', 'Fixing Date Movement', 'Default Rate', 'Minimum Rate', 'Maximum Rate', and 'Def'. The table currently shows 'No data to display.'

2. In the **ICCF Details** screen, specify the fields.

In this screen, you can associate the product you are creating with an Interest Rule. The attributes defined for the interest rule or class that you link to a product default to all contracts processed under the product.

 **Note:**

For products created in certain modules of Oracle Banking Treasury Management, you may have to specify additional interest details. These details have to be specified in the Product Preferences screen of the module.

For detailed explanation on the fields, refer to the below table.

Table 1-2 ICCF Details- Field Description

| Field | Description |
|-----------------------------|--|
| Amount Type | Specify the basis on which interest has to be calculated. By default, the principal will be taken as the basis. |
| Pre Payment Method | The prepayment method identifies the computation of the prepayment penalty for the contract. |
| Stop Application | Select this check box to stop application. The attributes defined for a product will be automatically applied to all contracts involving the product. If, for some reason, the user want to stop applying the Interest Rule defined for the product on contracts that are to be initiated in the future (involving the product), the user could do so through the Product 'ICCB Details' screen. In effect, stopping the application of a component for a product would be equivalent to deleting the component from the product. By specifying that the application of the component must be stopped, the user has the advantage of using the definition made for the component again, by making it applicable. |
| Propagation Required | Select this check box if the propagation is required. If the interest amount collected from the borrower must be passed on to participants of the contract, check the 'Propagation Required' check box. |
| Accrual Required | Select this check box if the accrual is required. |
| Allow Amendment | A change to a contract (after it has been authorized) that involves a change in its financial details constitutes an Amendment on the contract. The user can indicate whether such an Amendment, called a Value Dated Change, must be allowed for the interest component being defined. The user can amend the following through this function: <ul style="list-style-type: none"> • Interest rate • Rate code • Spread • Interest amount |

Table 1-2 (Cont.) ICCF Details- Field Description

| Field | Description |
|-----------------------------|---|
| Consider as Discount | <p>While defining an interest, the user can indicate whether the interest component is to be considered for discount accrual on a constant yield basis or whether accrual of interest is required.</p> <p>If the user select the Consider as Discount option the interest received against the component is used in the computation of the constant yield and subsequently amortized over the tenor of the associated contract.</p> <p>Checking the Consider as Discount also indicates whether the interest component is to be considered for IRR computations.</p> <p>The Consider as Discount option is not available if the amount category is Penalty.</p> |
| Collection Type | <p>Select the collection type. The options are:</p> <ul style="list-style-type: none"> • Advance • Arrear |
| Category | <p>If the interest rate type is Fixed or Floating, the Amount Basis Category specifies the type of balance that has to be considered for interest application. It could be any one of the following:</p> <ul style="list-style-type: none"> • Expected • Overdue • Normal • Outstanding <p>If the Basis Amount Category is Expected, the balance on which interest has to be applied will be the Expected balance (the balance assuming that all the scheduled repayments defined for the contract are made on time).</p> <p>If the Basis Amount Category is Overdue, the balance on which interest has to be applied will be the amount that is overdue, based on the repayment method defined for the contract. An example of this category is the application of penalty interest on the Principal amount or interest, when a repayment has not been made, as per the date specified for the contract.</p> |
| Settlement Currency | <p>Specify the currency in which the interest, charge or fee component gets settled. The currency mentioned here must exist in the currency table. By default it is the local currency.</p> |

Table 1-2 (Cont.) ICCF Details- Field Description

| Field | Description |
|-----------------------------------|---|
| Level Number | <p>Grace Period and Level Number</p> <p>The user can apply interest at various levels:</p> <ul style="list-style-type: none"> • Main interest on principal – Level 0 (Category: Expected) • Interest on overdue interest – Level 1 (Category: Overdue) • Interest on Level 1 interest – Level 2 (Category: Overdue) ... and so on. <p>For each interest component, starting from Level 1 and belonging to 'Overdue' category, the user can also specify the number of grace days, beyond the main interest due date, after which that interest component becomes applicable. For each such component, the default value for the number of grace days is:</p> <p>Number of grace days for the previous level + 30 days</p> <p>The user can change this value, provided that the number of grace days for a component (level) does not exceed the number of grace days for any successive level. At any point, an amendment of the number of grace days for any or more interest components at the Product ICCB level will only affect new contracts.</p> <p>For interest components of Level 0 and 'Expected' category, the default value for grace days is 0 – this cannot be changed.</p> |
| Main Component | <p>The user can define any number of interest type of components (tenor based components) for a product. If the user has defined more than one interest type of component, the user can specify the main interest component as 'Main Component'. This will be the interest component that will be used for capitalization or amortization purposes if the repayment schedules are defined thus.</p> <p>The details of this Main Component will be shown in the Contract Details screen and the user can change them there without having to invoke the Contract ICCB Details screen. Components other than the main component have to be processed through the Contract ICCB Details screen.</p> |
| Bulk Amount | <p>When a contract gets rolled over, the user may wish to split it into 2 contracts - one for the interest amount (I) and the other for the principal amount (P). If the user want the floating rate pickup for both the new contracts (tenor/amount) to be based on P+I of the original contract, check the 'Bulk Amount' check box. For example, if the principal amount is Rs.1000 and Interest accrued is Rs.100. Upon rollover, your bank may require two contracts, one for Rs.1000 (Principal contract) and the other for Rs.100(interest contract). Lets say the slab rate followed by your bank is:</p> <ul style="list-style-type: none"> • 0 – 1000 - 3% • 1001 – 2000 - 4% <p>In the normal course, system would apply 3% interest rate on both the contracts of Rs.1000 and Rs.100 (since both fall within 0 -1000 slab). But if the 'Bulk Amount' option is chosen, then 4% is applied on both the contracts (as if a single contract of Rs.1100 is rolled over where system would have applied 4pct).</p> |
| Link Contract As Rate Code | <p>The user can use this field to indicate whether a fixed rate contract may be linked to the floating rate component, instead of a rate code. Check this box to indicate that a fixed rate contract may be linked.</p> |
| Grace Period | <p>The grace days that user specify for any level of interest in the Product ICCF screen will default to contracts entered under that product.</p> |

Table 1-2 (Cont.) ICCF Details- Field Description

| Field | Description |
|-----------------------------------|---|
| Alternative Risk-Free Rate | Select the Alternate Risk-Free Rate check box to enable the Alternate Risk Free-Rate preferences. |
| Rate Type | The Rate Type indicates whether the interest is a Fixed Rate, a Floating Rate or a Special amount. When creating a product, the user must specify the Rate Type through the 'Product - ICCB Details' screen. If the Rate Type is a Floating Rate, the user must also specify the Rate Code to which the product has to be linked. |
| Rate Code | Each Rate Code corresponds to a rate defined for a combination of Currency, Amount (if it is necessary) and an Effective Date. These details are maintained in the Floating Rates table. This rate will be applied to contracts involving the product. |
| Borrow Lend Indicator | Floating rates are defined with a borrow or a lend tag attached to them. Here, the user indicate the nature of the floating rate that needs to be picked up for the interest component. The options available are: <ul style="list-style-type: none"> • Borrow • Lend • Mid |
| Rate Cycle Type | For floating type of interest components and fixed type with rate code attached, the user can indicate the manner in which floating rates must be applied. The preference that the user specify here is used when an interest component does not fit into any direct parameter defined for the floating rate code. The options available are: <ul style="list-style-type: none"> • Up – Choose this option to indicate that the rate of the upper tenor slab must be used. • Down - Choose this option to indicate that the rate of the lower tenor slab must be used • Interpolate - Choose this option to indicate that the rate must be interpolated between the rates of the upper and lower slabs • Round Off - Choose this option to indicate that the tenor of the component must be rounded off to the nearest whole number. The rate defined for the derived tenor will be applied to the component |
| Event | The event is to which the component must be applied together with its description. |
| Rule | Rule associated to the Interest component |
| Component | The component for which the user are entering details together with its description. |
| Code Usage | The user must specify the method in which the rates in the Floating Rates table have to be applied. It could either be automatic application (meaning the rate has to be applied every time it changes), or periodic application (meaning the rate has to be applied at a regular frequency, defined for each contract involving the product). |
| Reset Tenor | Enter the tenor for which the floating rate (when applied automatically) needs to be picked up from the floating rates table, for contracts using this product. This field is applicable to floating type of interest components and fixed type with rate code attached. |

Table 1-2 (Cont.) ICCF Details- Field Description

| Field | Description |
|-----------------------------|--|
| Margin Basis | <p>Indicate the basis for the interest margin and the method for applying the interest margin on the selected interest component for contracts using this product.</p> <p>The user need to specify how the system must obtain the interest margin (if any) that must be applied on the selected interest component at the time of fixing the interest rate for contracts using the product. The available options are:</p> <ul style="list-style-type: none"> • Facility - The system defaults the margin from the borrower facility contract with which the drawdown is linked. • Tranche - The system defaults the margin from the borrower tranche contract with which the drawdown is associated. • Drawdown - If this option is chosen, the user must enter the applicable margin when the interest rate is fixed. • This component which the user select is excluded from all the processing including liquidation and this calculation type is only used for margin application. • After defining this component, booked formula for main interest component needs to be modified by replacing INTEREST_RATE with INTEREST_RATE + MARGIN_RATE. By doing this the interest gets calculated based on resolved interest rate (i.e. including floating rate and spread if applicable) and the margin. • Customer - If this option is chosen, then the margin will be applicable to all draw down contracts under the selected customer. |
| Margin Application | Margin Application can be periodic or automatic |
| Event Description | Defaults event description |
| Rule Description | Defaults Rue description |
| Description | Defaults Component description |
| Pricing Details | Specify the Pricing Details. |
| External Pricing | Check this box for external pricing of interest component. |
| Product Limits | Specify the Product Limits fields. |
| Currency | Specify the currency for which limits are maintained |
| Rate Fixing Days | Defaults fixing days from Rate fixing maintenance screen. User will be able to modify the same. |
| Fixing Date Movement | Defaults fixing date movement from Rate fixing maintenance screen. User will be able to modify the same |
| Default Rate | Specify the default rate on contract creation. User will be able to modify the same. |
| Minimum Rate | Specify the minimum rate on contract creation. If the interest rate specified for a contract is less than this minimum rate, the minimum rate is applied on the contract |
| Maximum Rate | Specify the maximum rate on contract creation. If the interest rate specified for a contract is greater than this maximum rate, this rate will be applied on the contract. |
| Default Spread | Specify the default spread for a Floating rate type on contract creation |

Table 1-2 (Cont.) ICCF Details- Field Description

| Field | Description |
|------------------------------|--|
| Minimum spread | Specify the minimum spread for a floating rate type product. If the spread specified during contract processing is less than the value specified as the minimum spread, this value will be picked up as the spread. |
| Maximum Spread | Specify the maximum spread for a floating rate type product. if the spread specified during contract processing is more than the value specified as maximum spread, this value will be picked up as the spread. |
| Interest Basis | This field indicates how the system must consider the tenor basis upon which interest is computed over a schedule or interest period, in respect of the interest component being associated with the product. |
| Denominator Basis | This field indicates the interest methods which have their interest basis set to ACTUAL i.e. 30(EURO)/ACTUAL, 30(US)/ACTUAL and ACTUAL/ACTUAL. Denominator Basis is used to specify how the month of February is treated when the denominator is 'Actual'. There are two types of denominator basis methods: <ul style="list-style-type: none"> Per Interest Basis – Here the computation would be done based on ACT/ACT–ISMA Interest Method. In this case, the '366 Basis' field will not be applicable. Per Annum (A) – Here the interest calculation will depend on the value the user specify for 366 Basis |
| 366 Basis | This is applicable only if the Denominator Basis is set to 'Per Annum'. The user can select one of the following values here: <ul style="list-style-type: none"> Leap Year Leap Date - computation would be done based on ACT/ACT - FRF Interest Method |
| No of Interest Period | This is applicable if the Denominator Basis is 'Per Interest Period'. Here the user can specify the number of Interest periods (Schedules) in the financial year. |

Link Contract as Rate Code

A floating rate component defined for a product can be linked to either a rate code, or to a contract with a fixed rate main component. This is applicable only for products in the following modules:

- Deposits (a fixed rate loan can be linked)
- Money Market (for a placement product, a fixed rate borrowing contract can be linked, and for a borrowing product, a fixed rate placement can be linked)

In the Product **ICCF Details** screen, when you specify the details for a floating rate component for the product, you can indicate that contracts using the product can be linked to a contract, instead of a rate code, as described above.

In the MM Product ICCF screen, for a placements product, select the **Link Contract as Rate Code** option to indicate that for contracts using the placements product, a fixed rate borrowing contract can be linked instead of a rate code. For a borrowing product, select this option to indicate that for contracts using the borrowing product, a fixed rate placement contract can be linked instead of a rate code.

If so linked, the fixed rate specified for the main component of the linked contract, is applicable to the main contract. This would work in a similar fashion to linking a rate code.

The spread and customer margin is applied on the linked contract rate to arrive at the effective interest rate for the main contract.

The Code Usage can be set to Auto or Periodic, only for the FLOAT Rate Type.

 **Note:**

If the selected linked fixed rate contract involves a different customer than that of the main contract, an override is sought, which can be accepted to proceed with saving the main contract.

Whenever the fixed rate in the linked contract changes, the EOD process propagates the change to all contracts linked to it, also marking the rate revision for the contracts.

When the fixed rate in the linked contract is amended with a back value date, the effective date on which the changed rate is applied to any contracts it is linked to, is either the last liquidation date for the fixed rate contract, or the effective date of rate change for the contract it is linked to, whichever is later.

1.2.4 Charges

Use the Charges Details screen to define the charge rules.

You can calculate charges and fees for a contract in the following manner:

- Define a Charge/Fee Rule
- Build a Charge Class and associate it with a rule
- Associate a product with charge classes. These classes apply on all contracts processed under the product
- Amend, if required, certain charge details that a contract acquires from the product under which it is processed

You can identify the charge component for a product in the **Charge Details** screen.

On the transactions and contracts you enter in Oracle Banking Treasury Management, you may opt to levy charges or fees.

1. Click **Charges Details** button from the Product Definition screen of any module to invoke this screen.

The system displays the **Charge Details** screen.

Figure 1-3 Charge Details

The screenshot shows the 'Charge Details' form with the following sections and fields:

- Product Code** and **Product Description** (text input fields)
- Component Details**:
 - Component * (text input with search icon)
 - Description (text input)
 - Stop Association (toggle)
 - Propagation Required (toggle)
 - Default From Class (button)
- Charge Type**:
 - Charge Type (text input)
 - Net Consideration (toggle)
 - Advice Charge (toggle)
 - Debit/Credit (text input)
 - Add/Subtract (text input)
 - SWIFT Qualifier (text input)
- Event Details**:
 - Event For Association (text input)
 - Description (text input)
 - Event For Application (text input)
 - Description (text input)
 - Event For Liquidation (text input)
 - Description (text input)
 - Basis Amount Tag (text input)
 - Description (text input)
- Rule Details**:
 - Settlement Currency (text input with search icon)
 - Rule (text input with search icon)
 - Description (text input)
 - Default Valuer (toggle)
 - Capitalize (toggle)
- Other Details**:
 - Allow Rule Amendment (toggle)
 - Amend After Association (toggle)
 - Allow Amount Amendment (toggle)
 - Accrual Required (toggle)
 - Amend After Application (toggle)
 - Consider as Discount (toggle)
 - Discount Basis (text input)
- Pricing Details**:
 - External Pricing (toggle)

2. Specify the fields.

The steps involved in processing charges for a contract, i.e. Defining charge rules, defining charge classes, associating charge classes with a product, and amending charge details to suit a contract are explained in the Charges User Manual.

1.2.5 Tax Details

Use the Tax Details to define the Tax Details.

In Oracle Banking Treasury Management, you can compute the tax that applies on a contract or deal by:

- Setting up a tax rule
- Linking tax rules to create a tax scheme
- Associating a product with a tax scheme. The rules that are part of the scheme will apply on all contracts processed under the product
- Amending, if required, certain tax details that a contract acquires from the product under which it is processed

You can identify the tax components for a product in the Tax Details screen.

1. Click **Tax** button in the **Product Definition** screen of any module to invoke this screen. The system displays the **Tax Details** screen.

Figure 1-4 Tax Details

2. Specify the fields.

The steps involved in processing tax for a contract is explained in the Tax User Manual.

1.2.6 Accounting Roles

Use the Accounting Roles to set up of accounting roles for a product.

In Oracle Banking Treasury Management, accounting—simplistically, posting accounting entries to the appropriate ledgers maintained in your Chart of Accounts—is automated. This is achieved by defining an intricate accounting structure that includes the Chart of Accounts, Transaction Codes and Amount Tags, and by identifying accounting roles, heads and amount tags for the products you create at your bank. As a result, the accounting entries that are generated at the various events in the life cycle of contracts are automatically posted to the ledgers specified for the product.

Before we proceed with setting up accounting details for a product, we shall discuss a few terms that you will frequently encounter in this section.

- **Accounting Head** - In Oracle Banking Treasury Management, the different General Ledgers (GLs) and Sub-Ledgers (SLs) maintained in your Chart of Accounts are referred to as accounting heads, or, simply, account heads.
- **GL Types** - The GL/SLs that you have maintained in your bank can be categorized into different GL Types: Asset, Liability, Income, Expense, Contingent Asset, Contingent Liability, Position GL, Position Equivalent GL, etc. When maintaining a GL in the Chart of Accounts, you have to identify its type.
- **Amount Tag** - A contract would typically consist of several components. For instance, a contract would consist of the principal, interest, charges, tax, etc. These amounts are referred to as the 'components' of a contract. In Oracle Banking Treasury Management, a unique tag called the Amount Tag identifies each component.
- **Accounting Roles** - Accounting Roles are tags that identify the type of accounting entry that is posted to an accounting head.

The following Accounting Roles will be automatically generated in Oracle Banking Treasury Management to identify all possible types of accounting entries involving these commission components:

Table 1-3 Contents of the report

| COMMISSION 1 | COMMISSION 2 | Type of Accounting Entry |
|--------------|--------------|--------------------------|
| ISSCOMM1_INC | ISSCOMM2_INC | Income |
| ISSCOMM1_EXP | ISSCOMM2_EXP | Expense |
| ISSCOMM1_PAY | ISSCOMM2_PAY | Payable |
| ISSCOMM1_REC | ISSCOMM2_REC | Receivable |
| ISSCOMM1_RIA | ISSCOMM2_RIA | Received in Advance |
| ISSCOMM1_PIA | ISSCOMM2_PIA | Paid in Advance |

Similarly, based on your accounting set up in a module, accounting roles are automatically generated for the other components of a contract. You can maintain the accounting details for a product in two screens:

- The Product Accounting Roles to Head Mapping Definition screen
- The Product Events Accounting Entries and Advices Maintenance screen

Before you define the accounting details for a product, you should define the various components of the contracts involving the product such as interest, charges, tax, etc.

In the Product Accounting Role to Head Mapping Definition screen, a list of accounting roles will automatically be generated based on the components you define for the product. You should map all the accounting roles that are available with the appropriate accounting heads.

1. Click the **Accounting Roles** button in the **Product Definition** screen.

The **Accounting Roles** screen is displayed.

Figure 1-5 Accounting Roles

2. In the **Accounting Roles** screen, specify the fields.

For detailed explanation on the fields, refer to the below table.

Table 1-4 Accounting Roles - Field Description

| Field | Description |
|-----------------------------------|--|
| Product Code | Select the product code from the displayed list of values. |
| Product Description | <p>In this field, briefly describe the product that you are maintaining. The description that you enter here will help you identify the product all through the module.</p> <p>Adopting either of the following procedures, you can specify the accounting roles and heads for a product:</p> <ul style="list-style-type: none"> • Associating the product with an Accounting Role to Head Mapping Class. (This is possible only if you have maintained classes of Accounting Roles and Heads specifically for the module.) • Mapping accounting roles and heads specifically for the product |
| Class Details | Specify the Class Details as described below. |
| Class Code and Description | <p>You can opt to associate an Accounting Role to Head Mapping Definition Class (that you have maintained) with the portfolio product that you are creating. By opting to associate a class with a product, you save the effort of defining the accounting roles and heads for a product, all over again. The roles and heads defined for the class will automatically default to the portfolio product. You can change these defaults to suit the product you are defining.</p> <p>Click the Default From Class button in the Product Accounting Role to Head Mapping Definition screen to associate the product you are maintaining with a class of mapped roles and heads. A list of the classes that you have defined specifically for the module will be displayed. Choose a class with the requisite accounting heads and roles mapped.</p> <p>The procedure for setting up an Accounting Role to Head Mapping class is similar to mapping accounting roles and accounting heads specifically for a product. This is discussed below.</p> |
| Specifying Roles | Specify the Roles fields as described below. |
| Accounting Role | <p>This indicates the brokerage rule code and description on the basis of which brokerage is calculated. If you do not use a class to define accounting role and heads for a product, in this screen, you can define them specifically for the product you are creating.</p> <p>In the Accounting Roles column, select an Accounting Role from the adjoining option list. You can choose a role by double clicking on it. Next, in the Account Head column, select an accounting head from the adjoining option list. Click add icon to map the role with the corresponding head in the Accounting Head column. If you would like to delete a role to head mapping, click delete icon.</p> |
| Account Head | If you choose not to associate the product with a class, you have to specify the account heads for the product, in this field. You can invoke a list of the accounting heads that you have maintained from the option list positioned next to this field. Choose a head by double clicking on it. |
| Description | A brief description of each accounting head that you choose will be provided in the Description field. |

1.2.7 Events

Use the Events in the Product Definition screen to set up Events for a product.

At an event, typically, you would want to post the accounting entries to the appropriate account heads and generate the required advices. When setting up a product, you can define the accounting entries that have to be posted and the advices that have to be generated at the various events, once the products are authorized.

1. Click **Events** in the **Product Definition** screen.

The **Events** screen is displayed.

Figure 1-6 Events

The screenshot shows the 'Events' screen with the following sections:

- Product Code** and **Product Description** input fields.
- Class Details** section with **Class Code** (with a search icon) and **Class Description** input fields.
- A **Default From Class** button.
- Event Details** section with a table header containing **Event Code** and **Description**.
- A message: **No data to display.**
- Page navigation: **Page 1 (0 of 0 items)** with navigation arrows.

2. In the **Events** screen, specify the fields.

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

Table 1-5 Events - Field Description

| Field | Description |
|---------------------------|--|
| Event | <p>This is a display field which displays the corresponding contract reference number. A contract goes through different stages in its life cycle. In Oracle Banking Treasury Management, the different stages a contract passes through in its life cycle are referred to as 'events'.</p> <p>For example, some of the stages in the lifecycle of a security are:</p> <ul style="list-style-type: none"> • Deal Booking • Money Settlement of Securities Deal • Settlement of Securities Deal • Reversal of Securities Deal • Cancellation of Securities Deal <p>Each stage is referred to as an Event in Oracle Banking Treasury Management.</p> <p>You can define the accounting entries and advices for events using either of the following methods:</p> <ul style="list-style-type: none"> • Associating a product with an Events Class. This is possible only if you have maintained Events classes specifically for the module • By defining event details specifically for the product <p>Click 'Default From Class' button in this screen to associate the product you are maintaining with an Events class. A list of the Events classes that you have defined specifically for the module will be displayed. Choose a class with the requisite events and accounting details maintained. The product acquires the accounting entries and advices defined for the Events class you choose.</p> <p>The procedure for setting up an Events class is similar to defining events and accounting details for a product. Refer the following sub-head for details.</p> |
| Default From Class | <p>Click 'Default From Class' button in this screen to associate the product you are maintaining with an Events class. A list of the Events classes that you have defined specifically for the module will be displayed. Choose a class with the requisite events and accounting details maintained. The product acquires the accounting entries and advices defined for the Events class you choose.</p> <p>The procedure for setting up an Events class is similar to defining events and accounting details for a product. Refer the following sub-head for details.</p> |

- [Define Events and Accounting Details Specifically for a Product](#)
If you do not use an events class, you should define event details specifically for the product. In this case, select an event from the adjoining option list that displays a list of events pertaining to the module.

1.2.7.1 Define Events and Accounting Details Specifically for a Product

If you do not use an events class, you should define event details specifically for the product. In this case, select an event from the adjoining option list that displays a list of events pertaining to the module.

For every event you select, you should specify the accounting entries that should be passed and the advices that should be generated.

Receiver Bank Charges

This option enables the bank to collect Receiver Bank's Charges for an outgoing FT contract with charge option as OUR.

Table 1-6 Accounting entry definition

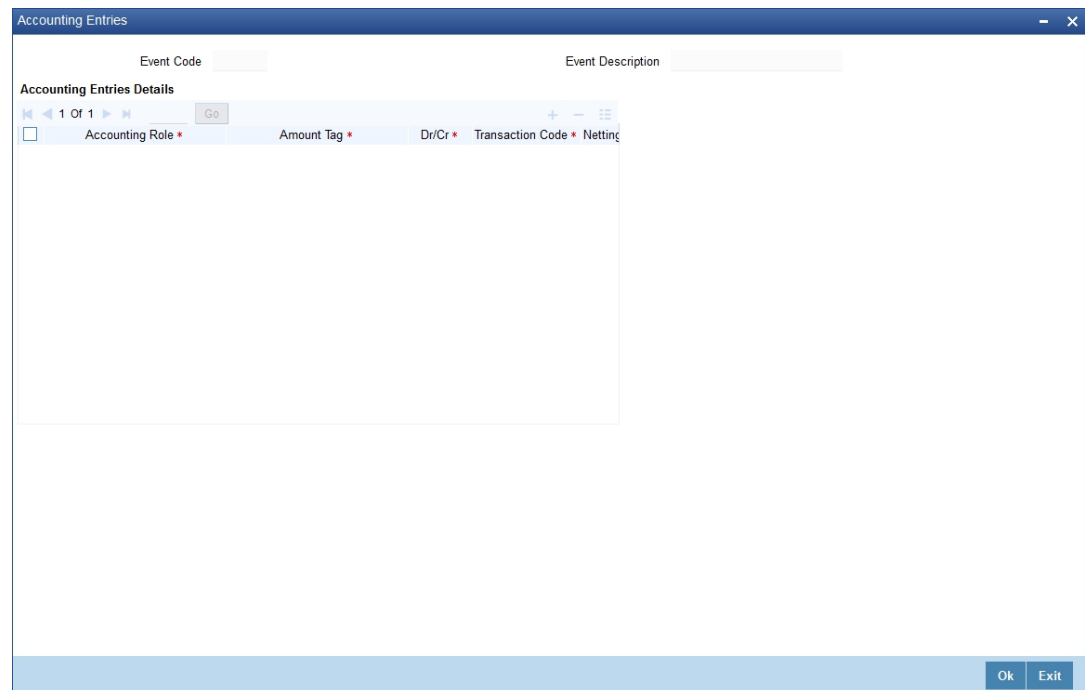
| Accounting Entry | Event |
|-------------------|---------------|
| Dr. Remitter | AMT_EQUIV |
| Cr. Beneficiary | TFR_AMT |
| Dr. Custchargeacc | CHARGES (Own) |
| Cr. Charge Inc | CHARGES (Own) |
| Dr. Custchargeacc | FT_RVR_CHGS |
| Cr. Beneficiary | RVR_CHGS |

1. Click **Accounting Entries** button in the Events Definition screen to specify the accounting applicable to the event.

The **Accounting Entries** screen is displayed.

Figure 1-7 Accounting Entries

Figure 1-8 Accounting Entries



2. On the **Accounting Entries** screen, specify the fields.
For an each event, you have to maintain accounting information as follows

Table 1-7 Accounting Entries - Field Description

| Field | Description |
|------------------------|---|
| Accounting Role | Specify the accounting role that should be used at the event. The option list displays all the accounting roles specified for the product in the Accounting Role Definition screen. |

Table 1-7 (Cont.) Accounting Entries - Field Description


| Field | Description |
|--|---|
| Amount Tag | Specify the tag which identifies the component that has to be posted to the account head. |
| Dr/Cr | Indicate whether the accounting role you specified is for the debit or credit leg of the contract event |
| Txn Code | Every accounting entry in Oracle Banking Treasury Management is associated with a Transaction Code that describes the nature of the entry. Specify the transaction code that should be used to post the accounting entry to the account head. |
| Netting | <p>Specify whether accounting entries should be netted at an event. You can net the accounting entries that are generated at an event if the set of entries satisfy the following criteria:</p> <ul style="list-style-type: none"> • The entries belong to the same Account and Branch • The entries to be netted are in the same currency • The entries have the same value date • The exchange rate to be picked up for the entries is the same <p>You should define details for both the legs of an accounting entry. For each accounting entry, you should specify the details of the debit and the credit leg. Thus, the first two specifications will be for one entry, the next two for another, and so on. The Transaction Code for the entry should be specified for both legs of the entries.</p> <div style="border: 1px solid #0070C0; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>If netting is indicated for Income/Expense GLs marked for accounting entry-based revaluation of FCY entries, an override is displayed. If the override is accepted, the offset is not identifiable and the entry is revalued as a single entry. For more information on accounting entry-based revaluation of FCY entries for an Income/Expense GL, refer the General Ledger (GL) user manual.</p> </div> |
| Adjustments are to be Made for Holidays | <p>This parameter is available only for securities portfolio product definition in the Securities module.</p> <p>For coupon events falling on holidays, you have the option of shifting the event date forward / backward or leaving it unchanged. You can maintain your specifications at the Product level to be inherited by each individual security that you define under that product, with the option of changing them for a particular security.</p> <p>However, irrespective of the holiday treatment specified by you, the system will not perform any holiday adjustment for coupon events if, in the Product Event Accounting Entries Maintenance, you select 'No' as the Holiday Treatment parameter.</p> <p>If you wish to apply holiday treatment for coupon events as specified by you either as part of product preferences or at the contract level, select 'Yes' in the Holiday Treatment field for accounting entries for coupon receipts or payments.</p> |

Table 1-7 (Cont.) Accounting Entries - Field Description

| Field | Description |
|----------------------------|---|
| Rate Type Indicator | Select the rate type indicator used for revaluation purpose from the drop-down list. Following are the options available in the drop-down list: <ul style="list-style-type: none"> • Mid • Buy • Sale |

1.2.8 Define Advices

Use Advices in the Events definition screen to define the advices that should be generated for a specified event.

At an event, you can opt to generate an advice if the accounting entry involves a customer account.

1. Click **Advices** button in the **Event Definition** screen.

The **Advices** screen is displayed.

Figure 1-9 Advices

2. In the **Advices** screen, specify the fields.

For detailed explanation on the fields, refer to the below table.

Table 1-8 Advices - Field Description

| Field | Description |
|------------------------|--|
| Event Code | Code of the specified event is defaulted from the Event level. |
| Description | Description of the specified event is defaulted from the Event level. |
| Advice Name | Specify the advices that you would like to generate. The adjoining option list displays all advices that can be generated at an event. You can choose the appropriate one. |
| Description | Description of the specified advice is defaulted here. |
| Generation Time | Authorization is defaulted as the generation time for all advices which need to be generated for a specified Event. |

Table 1-8 (Cont.) Advices - Field Description

| Field | Description |
|-----------------|---|
| Suppress | Select 'Y' or 'N' from the adjoining drop-down list to either suppress or allow the generation of some advices. |
| Priority | Select the importance of the advice generation from the adjoining drop-down list. This list displays the following values: <ul style="list-style-type: none">• High• Medium• Low |
| Charges | Check this box if you want to collect charges for advice generation. |

1.2.9 Branch Restriction

Use Branch Restriction in the Treasury Product Restriction screen to maintain restriction lists for a product.

You can achieve these controls by maintaining restriction lists when creating a product. When you create a product, you can specify the branches of your bank that can offer it and the currencies that are allowed or disallowed for it.

 **Note:**

When you create a product, it is, by default, available to all the branches of your bank and in all currencies.

From the head office of your bank, you may want to establish certain controls or standardize operations across the branches of your bank. For instance, you may want to restrict the products you offer to select branches and currencies.

1. Click **Branch Restriction** in the **Treasury Product Restriction** screen to maintain a list of allowed/disallowed branches and currencies.

The **Branch Restriction** screen is displayed.

Figure 1-10 Treasury Product Restriction- Branch Restriction

2. In the **Branch Restriction** screen, specify the fields.

When defining a product, you can choose to specify Branch and Currency Restrictions either by:

- Associating the product with a Branch and Currency Restrictions Class
- By defining these restrictions specifically for the product in the Branch and Currency Restrictions screen

. For detailed explanation on the fields, refer to the below table.

Table 1-9 Treasury Product Restriction- Branch Restriction- Field Description

| Field | Description |
|---------------------------------|--|
| Product Code | This is defaulted from the Product definition screen. |
| Product Description | This is defaulted from the Product definition screen. |
| Branch Restrictions List | <p>Select the Branch Restriction List from the drop-down list to maintain the list of allowed/disallowed branches. The available values are:</p> <ul style="list-style-type: none"> • Allowed • Disallowed <p>You can specify branch and currency restrictions in the form of allowed lists or disallowed lists.</p> <p>If you create 'allowed' lists of branches and currencies, the product can only be offered in those branches and currencies that are part of the respective allowed lists. On the other hand, if you maintain 'disallowed' lists, the product cannot be offered by the branches and currencies on the respective disallowed lists.</p> <p>You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option.</p> <p>For example, you have a network of twenty branches. You would like to exclude six branches from trading in securities. You would like all other branches to deal in securities.</p> <p>Since there are more branches that can offer the facility than those that cannot, you can opt to maintain a disallowed list, and include the six disallowed branches in it.</p> |

Table 1-9 (Cont.) Treasury Product Restriction- Branch Restriction- Field Description

| Field | Description |
|----------------------------------|---|
| Default From Class | <p>Click Default From Class to associate a branch and currency restrictions class to a product. The product acquires the restrictions defined for the class.</p> <p>If you do not use a class to indicate branch and currency restrictions, you should define these restrictions specifically for the product in the 'Branch and Currency Restrictions' screen.</p> |
| Currency Restriction List | <p>Select the Currency Restriction List from the drop-down list to maintain the list of allowed/disallowed currencies. The available values are:</p> <ul style="list-style-type: none"> • Allowed • Disallowed <p>You can specify branch and currency restrictions in the form of allowed lists or disallowed lists.</p> <p>If you create 'allowed' lists of and currencies, the product can only be offered in those branches and currencies that are part of the respective allowed lists. On the other hand, if you maintain 'disallowed' lists, the product cannot be offered by the branches and currencies on the respective disallowed lists.</p> <p>You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option.</p> |
| Class Code | <p>In Oracle Banking Treasury Management, you can define a set of customer restrictions as a class. You can maintain several restriction classes.</p> <p>When creating a product, you can associate it with a customer and category restrictions class that best suits your requirement. The manner of creating a restrictions class is similar to setting up restrictions for a product, as explained below.</p> |
| Class Description | <p>Specify customer and category restrictions in the form of allowed lists or disallowed lists. If you create 'allowed' lists of branches and currencies, the product will be applicable only for those categories and customer types that are part of the respective allowed lists. On the other hand, if you maintain 'disallowed' lists, the product will not be applicable for those categories and customer types on the respective disallowed lists. You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option.</p> <p>In Oracle Banking Treasury Management, you can define a set of customer restrictions as a Customer Restrictions Class. You can maintain several restrictions classes of customer categories.</p> <p>When creating a product, you can associate it with a customer restrictions class that best suits your requirement. The procedure for creating a customer restrictions class is similar to setting up customer restrictions for a product, as explained below.</p> <p>If you would like to associate a customer restrictions class to a product, click Default From Class button in the Product Customers and Categories Restrictions screen. The product acquires the restrictions defined for the class.</p> |
| Branch/Currency Code | <p>Under Branch and Currency Restrictions respectively specify the code of the branch and currency that should be allowed/disallowed for the product. You can select the required code from the adjoining option lists.</p> |

1.2.10 Deal Size

Use Deal Size in the Product Definition screen to define the deal size for a currency pairs.

A deal involving a currency pair, processed under the product you are creating, cannot exceed the transaction amount that you specify.

You can specify the deal size for a currency pair while defining currency restrictions for a product. Your specification will apply to all deals processed under the product. The term 'deal size' refers to the permitted deal amount.

1. Click **Deal Size** button in the **Product Definition** screen.
The **Deal Size for Currency pairs** screen is displayed.

Figure 1-11 Deal Size for Currency pairs

The screenshot displays the 'Foreign Exchange Product - Deal Size For Currency pairs' interface. At the top, there are two input fields: 'Product Code' and 'Product Description'. Below these is a section titled 'Currency Pair Details' which contains a table. The table has four columns: 'Currency 1', 'Currency 2', 'Maximum Transaction Size', and 'Minimum Transaction Size'. The table is currently empty, with the text 'No data to display.' below it. At the bottom of the table, there is a pagination bar showing 'Page 1 (0 of 0 items)' and navigation arrows. In the bottom right corner of the screen, there are 'Exit' and 'Save' buttons.



2. In the **Foreign Exchange Product- Deal Size for Currency pairs** screen, specify the fields.

For detailed explanation on the fields, refer to the below table.

Table 1-10 Accounting Roles- Field Description

| Field | Description |
|-------------------------|---|
| Currency 1 and 2 | In the 'Foreign Exchange Product - Deal Size for Currency Pairs' screen, select a currency from a list of currencies that you have maintained in your bank. This would be the first currency of the pair. Select the other currency in the pair under Currency 2. |

Table 1-10 (Cont.) Accounting Roles- Field Description

| Field | Description |
|---------------------------------|---|
| Maximum Transaction Size | <p>In this field, you can enter the maximum transaction amount for the currency pair that you have defined. The deal amount cannot exceed the value given here.</p> <p> Note:</p> <p>The Maximum Transaction Size that you specify should be greater than the value specified in the Minimum Transaction Size field. If you amend the maximum transaction size specified for a product, the amended value will apply only on contracts entered or rolled over after the amendment has been authorized.</p> |
| Minimum Transaction Size | <p>For a currency pair, you can also specify the minimum transaction size in the Min. Txn. Size column. This is the minimum deal amount for deals involving the currency pair.</p> <p> Note:</p> <p>If you amend the minimum transaction size specified for a product, the amended value will apply only on deals entered or rolled over after the amendment has been authorized.</p> <p>To map the details that you specified for the currency pair, click add icon. To delete the details that you entered for the currency pair, click delete icon.</p> <p>After you maintain branch and currency restrictions for a product, click 'Ok' button to confirm your specifications. Click 'Exit' or 'Cancel' button to delete your specifications. Save your specifications.</p> |

1.2.11 Customer Restrictions

Use Customer Restriction in the Treasury Product Restriction screen to maintain customer restrictions for a product.

You can maintain customer restrictions for a product in the Product Customer Restriction screen.

Just as you can maintain a list of allowed/disallowed branches and currencies for a product, you can maintain a list of allowed/disallowed customer categories.

Customer Category

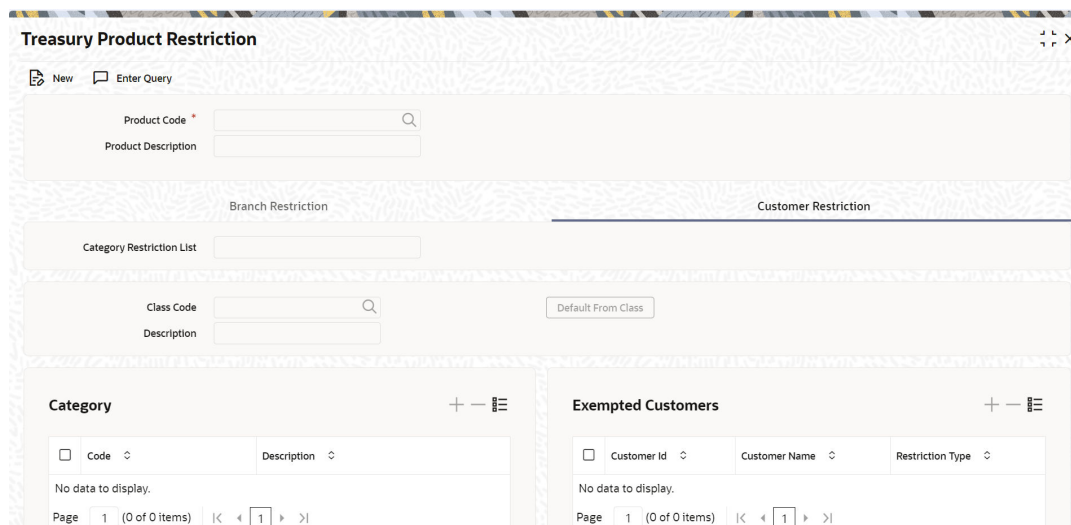
You can group your customers according to the common features that they share. For example, you can group your customers into categories such as:

- Banks
- Corporates
- Financial Institutions (excluding banks)

- Individuals, etc.
1. On the Home page, enter **CSDTRPDR** in the text field and click the arrow next to the text field.

The **Treasury Product Restriction** screen is displayed.

Figure 1-12 Treasury Product Restriction



2. In the **Customer Restrictions** screen, specify the fields.

When defining a product, you can choose to specify Customer and Category Restrictions either by:

- Associating the product with a Class
- By defining these restrictions specifically for the product in the 'Customer Restrictions' screen

For detailed explanation on the fields, refer to the below table.

Table 1-11 Customer Restriction- Field Description

| Field | Description |
|-------------------|---|
| Class Code | <p>In Oracle Banking Treasury Management, you can define a set of customer restrictions as a class. You can maintain several restriction classes.</p> <p>When creating a product, you can associate it with a customer and category restrictions class that best suits your requirement. The manner of creating a restrictions class is similar to setting up restrictions for a product, as explained below.</p> <p>If you would like to associate a customer restrictions class to a product, click 'Default From Class' button in the 'Customer Restrictions' screen. The product acquires the restrictions defined for the class.</p> <p>If you do not use a class to indicate branch and currency restrictions, you should define these restrictions specifically for the product in the 'Customer Restrictions' screen.</p> |

Table 1-11 (Cont.) Customer Restriction- Field Description

| Field | Description |
|----------------------------------|---|
| Class Description | <p>Specify customer and category restrictions in the form of allowed lists or disallowed lists. If you create 'allowed' lists of branches and currencies, the product will be applicable only for those categories and customer types that are part of the respective allowed lists. On the other hand, if you maintain 'disallowed' lists, the product will not be applicable for those categories and customer types on the respective disallowed lists. You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option.</p> <p>In Oracle Banking Treasury Management, you can define a set of customer restrictions as a Customer Restrictions Class. You can maintain several restrictions classes of customer categories.</p> <p>When creating a product, you can associate it with a customer restrictions class that best suits your requirement. The procedure for creating a customer restrictions class is similar to setting up customer restrictions for a product, as explained below.</p> <p>If you would like to associate a customer restrictions class to a product, click 'Default From Class' button in the Product Customers and Categories Restrictions screen. The product acquires the restrictions defined for the class.</p> |
| Category Restriction List | <p>You can restrict customers from availing a product by maintaining an 'allowed' list or a 'disallowed' list of customer categories.</p> <p>Only customer categories that are a part of an allowed list maintained for a product can avail the product. Likewise, customer categories that are part of a disallowed list cannot avail the product or service.</p> |
| Category Code | Specify the category that should be allowed/disallowed for the product. |
| Customer ID | Specify the customer identification number of the customer that should be allowed/disallowed for the product. |

1.2.12 Securities Portfolio Instrument Restrictions

Use For security products, you can place restrictions to establish certain controls over the securities that your branches trade in by specifying 'restrictions'.

In Oracle Banking Treasury Management, you can define security restrictions of the following types:

- Security restrictions specific to the portfolios that you maintain
- Security restrictions specific to the deals that you enter into

For security products, you can place restrictions to establish certain controls over the securities that your branches trade in by specifying 'restrictions'.

1. On the Home page, enter **SEDPFINR** in the text field and click the arrow next to the text field.

The **Security Portfolio Instrument Restrictions** screen is displayed.

Figure 1-13 Security Portfolio Instrument Restrictions

2. In the **Security Portfolio Instrument Restrictions** screen, specify the fields.

You can maintain several sets or 'classes' of each type of security restriction. Thus, you can maintain several classes of security restrictions for portfolios, and several classes for deals. When defining a portfolio product, you can opt to associate it with a Security Restrictions Class that you have maintained specifically for the Securities (Portfolio) module. In this case, the restrictions defined for the associated security restrictions class will apply on the portfolio product.

Alternatively, you can choose to define security restrictions specifically for the product. If you would like to associate a restrictions class to a product that you are defining, click 'Default From Class' button in the Portfolio Product Security Restriction screen. A list of the restrictions classes that you have defined specifically for Securities (Portfolios) module will be displayed. Choose a suitable Security Restrictions class.

Alternatively, you can choose to define security restrictions specifically for the product. In this case, you would choose not to associate restriction classes with the product. You would define security restrictions for the portfolio product just as you would build a Securities Restrictions class.

- [Define Restrictions Type Specifically for the Product](#)
Use Securities Portfolio Instrument Restrictions to define the restriction type specific for the product.

1.2.12.1 Define Restrictions Type Specifically for the Product

Use Securities Portfolio Instrument Restrictions to define the restriction type specific for the product.

If you do not associate a restriction class to the product, you can specify security restrictions. The procedure for defining restrictions is described below.

- Specify the Security Product Security Access details.
For detailed explanation on the fields, refer to the below table.

Table 1-12 Field Description

| Field | Description |
|--|---|
| Restriction Type | <p>You can specify security restrictions either in the form of an allowed or disallowed list. Indicate whether you are maintaining an allowed or a disallowed list type, by choosing the appropriate option under the field Restriction type.</p> <p>When you set up security restrictions, the securities that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, securities that do not figure in it can be involved in deals linked to the product.</p> |
| Exempting Specific Securities from a List | <p>You can exempt a particular security from the restriction specified for the product with which the security is associated.</p> <p>All the securities associated with securities product will be displayed in the Security ID column under Security Access. You can choose to Allow or Disallow a specific Security by choosing the appropriate option, under Restriction Type.</p> <p>For example, you have maintained a Securities Product for Short Term Zero Coupon Bonds and have assigned it a product a code SZC1. You have entered five zero coupon bonds under this product with the following Security IDs: SEC01, SEC02, SEC03, SEC04, and SEC05.</p> <p>You are maintaining a Securities Restrictions Class, SE_CUS_PR1. You include SZC1 in the allowed list that you maintain for the class. By default, all securities entered against this product will be allowed.</p> <p>Requirement:</p> <p>You would like to disallow a specific security, SEC05. Choose the securities product, SZC1, in the Allowed column that you have maintained. All securities maintained under SZC1 will be displayed in the Security ID column, under Security Access.</p> <p>Move to the security SEC05 in the Security ID column. In the Restriction Type column corresponding to SEC05, choose the disallowed option.</p> <p>Result: When you associate the restriction class SE_CUS_PR1 with a portfolio product, say CP01, you can deal in all securities involving SZC1, except the security SEC05.</p> |

1.2.13 Securities Deal Portfolio Restrictions Class Maintenance

Use Securities Deal Portfolio Restrictions Class Maintenance to control over the portfolios that your branches can deal in.

You can choose to specify portfolio restrictions for the product, by either of the following methods:

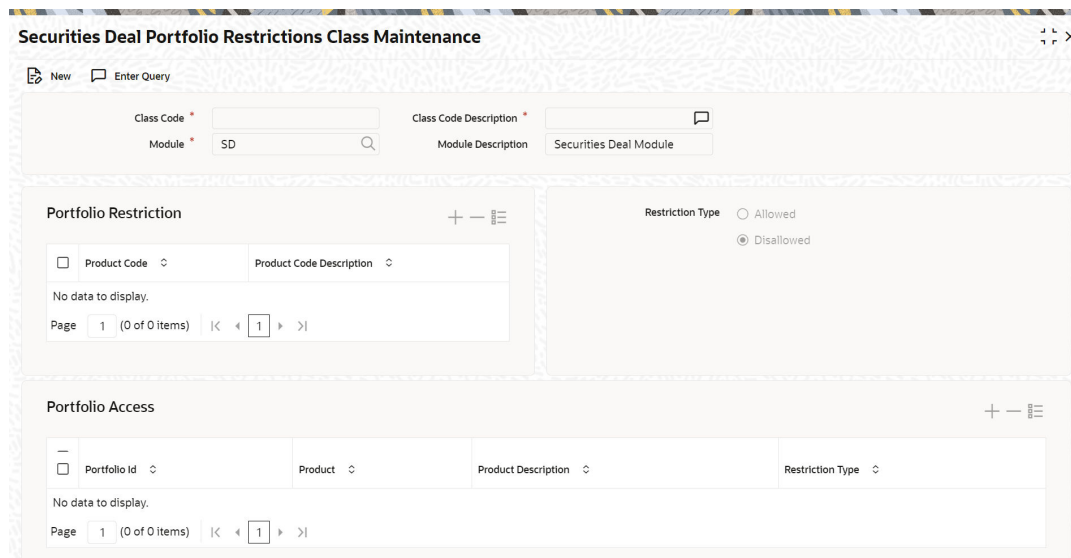
- Using a portfolio restriction class
- Defining these restrictions specifically for the product

Just as you can place restrictions on the securities that your branches can trade in, you can also establish controls over the portfolios that your branches can deal in.

1. On the Home page, enter **SEDXPRCL** in the text field and click the arrow next to the text field.

The **Securities Deal Portfolio Restrictions Class Maintenance** screen is displayed.

Figure 1-14 Securities Deal Portfolio Restrictions Class Maintenance



2. Specify the **Portfolio Restrictions** fields.

You can maintain several sets or 'classes' of each type of portfolio restriction. Thus, you can maintain several classes of portfolio restrictions for products. When defining a portfolio product, you can opt to associate it with a Portfolio Restrictions Class that you have maintained specifically for the Securities (Portfolio) module. In this case, the restrictions defined for the associated portfolio restrictions class will apply on the portfolio product. Alternatively, you can choose to define security restrictions specifically for the product.

For detailed explanation on the fields, refer to the below table.

Table 1-13 Treasury Product Restriction- Branch Restriction- Field Description

| Field | Description |
|-------------------------|--|
| Restriction Type | Choose the Restriction Type to maintain the list of allowed/disallowed portfolios. The available options are: <ul style="list-style-type: none"> • Allowed • Disallowed |
| Class Code | In Oracle Banking Treasury Management, you can define a set of portfolio restrictions as a class. You can maintain several restriction classes. When creating a product, you can associate it with a portfolio and category restrictions class that best suits your requirement. The manner of creating a restrictions class is similar to setting up restrictions for a product. |

Table 1-13 (Cont.) Treasury Product Restriction- Branch Restriction- Field Description

| Field | Description |
|--------------------------|---|
| Class Description | Specify customer and category restrictions in the form of allowed lists or disallowed lists. If you create 'allowed' lists of branches and currencies, the product will be applicable only for those categories and customer types that are part of the respective allowed lists. On the other hand, if you maintain 'disallowed' lists, the product will not be applicable for those categories and customer types on the respective disallowed lists. You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option. |
| Portfolio ID | Specify the portfolio identification number of the portfolio that should be allowed/disallowed for the product. |

1.2.14 Preferences

Use Preferences to specify the product preferences that are specific to the modules.

Preferences are options that you can choose to give shape to a product. You can specify your preferences for the products you create in the Product Preferences screens of the respective modules. Click the 'Preferences' button in the Product Definition screen to invoke the Product Preferences screen. Product Preferences are specific to a module. Refer to the Products Chapter of the respective user manuals for details.

Product Preferences are specific to a module. Refer to the Products Chapter of the respective user manuals for details.

1.2.15 MIS Related Information

Use MIS option in the Product Definition screen to retrieve MIS related information for a product by linking it to a Warehouse Code.

Linking a product to a warehouse code ensures that all contracts processed under the product are automatically tracked under the specified Warehouse Code.

1. Click **MIS** button in the **Product Definition** screen.

The **MIS Details** screen is displayed.

Figure 1-15 MIS Details

The screenshot shows the 'MIS Details' window with the following components:

- Product Code:** A 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.
- MIS Classes:** A section containing a table with columns for 'MIS Class' and 'MIS Code'. Below the table, it says 'No data to display.' and 'Page 1 (0 of 0 items)' with navigation arrows.
- Cost Code:** A section with three text input fields, each with a search icon.
- Buttons:** 'Exit' and 'Save' buttons at the bottom right.

- In the **MIS Details** screen, specify the fields.

For detailed explanation on the fields, refer to the below table.

Table 1-14 MIS Details - Field Description

| Field | Description |
|------------------|---|
| MIS Group | <p>You should link a product to an MIS group. By doing so, you indicate the MIS group under which all transactions linked to the product should be tracked. (If you do not want to link a product to an MIS Group, you can define the individual entities under which the product should be reviewed). If you link the product to an MIS Group, the entities defined for the group will be displayed; you can change these entities. For a product, only the transaction type of MIS Class applies. The specific MIS entity (in the form of an MIS Code) will be picked up, by default, only if you have defined them for the group. If not, you have to indicate the appropriate MIS code for each applicable MIS class.</p> <p>If you choose to link the product with the group, any change made to the group will be automatically applied to all transactions associated with the product. If you do not select this option, the changes made to the MIS group after the linking will not affect the transactions to which the product is associated.</p> |
| Pool Code | On linking the product to an MIS group, you should also indicate the Pool code from the product will borrow and lend. |
| Cost Code | 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. |
| Fund Code | <p>For Fund products that you create, you can indicate the fund MIS codes to which the product should report.</p> <p>You will not have an option to change the defaulted list of Fund MIS codes for specific funds to which the product is associated.</p> <p>After you make the specifications, click 'Ok' button to store them. Click 'Exit' or 'Cancel' button to delete your specifications.</p> |

1.2.16 Associate a Product with a Brokerage Rule

Use the brokerage rules to automate the processing of brokerage on contracts.

You can automate the processing of brokerage on contracts by associating brokerage rules to products. Brokerage will be calculated for all contracts processed under the product on the basis of the brokerage rule associated to the product.

Refer the Brokerage User Manual for information relating to brokerage.

1.2.17 Free Format Text

Use Free Format Text in the Treasury Free Format Message Maintenance to maintain the list of standard FFTs.

For the products you set up, you can specify the tags that identify these FFTs. When contracts involving the product are processed, the FFTs and instructions you specify will automatically be printed at various events, along with the specified advices.

Ideally, before you set up products, you should maintain and tag Free Format Texts (FFTs) and Instructions that are typically required for the contracts you process. For the products you set

up, you can specify the tags that identify these FFTs and Instructions. When contracts involving the product are processed, the FFTs and instructions you specify will automatically be printed at various events, along with the specified advices.

1. Click **Free Format Text** button in the **Treasury Free Format Message Maintenance** screen.

The **Treasury Free Format Message Maintenance- Free Format Text** screen is displayed.

Figure 1-16 Treasury Free Format Message Maintenance- Free Format Text

The screenshot displays the 'Treasury Free Format Message Maintenance' interface. At the top, there are 'New' and 'Enter Query' buttons. The main form area contains the following fields and controls:

- Document Number:** Text input field.
- Module:** Text input field with 'MM' entered.
- Customer:** Text input field with a search icon.
- Media:** Text input field with a search icon.
- Location:** Text input field with a search icon.
- Node:** Text input field with a search icon.
- Date:** Text input field.
- External Reference No:** Text input field.
- Name:** Text input field.
- Address:** Text input field.
- Form:** Text input field with 'ADV' entered and a search icon.
- Copies:** Text input field with '1' entered.
- Hold:** Toggle switch.
- Test Word Required:** Toggle switch.

Below the main form, there are two search fields: 'Contract Reference' and 'TAGS', both with search icons. To the left, there is an 'Import File' section with a file selection icon and an 'Import' button. Below the 'Import' button is a radio button labeled 'Server'. The bottom section of the screen is divided into three columns: 'Message', 'SWIFT Message Details', and 'Free Format Text'. The 'Free Format Text' column shows a list of 10 items, each with a search icon, and a '1 of 1' indicator at the top right.

2. In the **Treasury Free Format Message Maintenance- Free Format Text** screen, specify the fields.

In this screen, you can specify the FFTs that are applicable to the product you are creating. A list of standard FFTs is maintained in the Free Format Text Maintenance screen. You can associate several FFTs to a product you are creating. The FFTs, including the other details that you define for it, will apply on all contracts involving the product.

- **Documents**
In addition to the FFTs that you specify for a product, you can associate documents and clauses.

1.2.17.1 Documents

In addition to the FFTs that you specify for a product, you can associate documents and clauses.

In the Treasury Free Format Message Maintenance, specify the documents applicable to the product you are creating. The documents that can be associated with a product are broadly classified into:

- Transport documents
 - Insurance documents
 - Invoices
 - Other documents (includes packaging list, certificate of origin, etc.)
1. Specify the fields. For detailed-explanation on the fields, refer to the below table. There are certain standard documents that are required under a documentary product. You can specify the documents that are applicable to the contracts that are linked to the product.

Table 1-15 Field Description

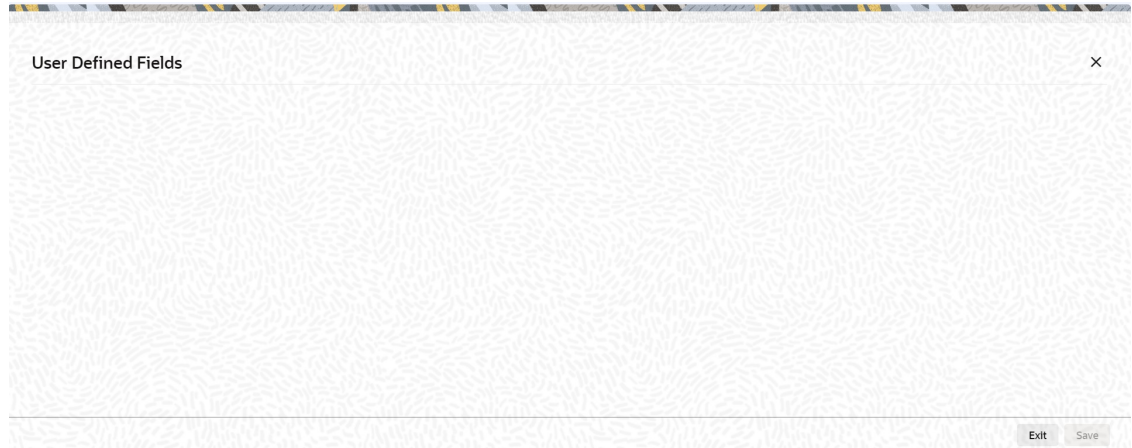
| Field | Description |
|------------------------|--|
| Document Number | A list of the standard shipping documents that can accompany the contract is maintained in the Documents Maintenance screen. Along with these documents, you will also be provided with a pre-defined list of documents. Select a document code from the list of documents maintained at your bank. |
| Module | Select the Module from the drop-down list. |
| Media | Select the Media type from the drop-down list. |

1.2.18 User Defined Fields

Use User Defined Fields to define the fields.

Fields defined in the User Defined Fields screen can be made applicable to the products that you create for the front-end modules of Oracle Banking Treasury Management. At the time of creating a product, click 'Fields' button from the Product Definition screen.

Figure 1-17 Product User Defined Fields



From the list of all the fields that you created, you can choose specific fields and make them applicable to the product. Besides, you can also specify the values that should be defaulted for the field.

The list of fields and the default values that you select for a product will be apply to all transactions associated with the product.

1.2.19 Automatic Status Change

This topic explains the systematic instructions to indicate the automatic status change.

- Check on of the following options.

Table 1-16 Events - Field Description

| Field | Description |
|---------------------------|---|
| Event | <p>This is a display field which displays the corresponding contract reference number. A contract goes through different stages in its life cycle. In Oracle Banking Treasury Management, the different stages a contract passes through in its life cycle are referred to as 'events'.</p> <p>For example, some of the stages in the lifecycle of a security are:</p> <ul style="list-style-type: none"> • Deal Booking • Money Settlement of Securities Deal • Settlement of Securities Deal • Reversal of Securities Deal • Cancellation of Securities Deal <p>Each stage is referred to as an Event in Oracle Banking Treasury Management.</p> <p>You can define the accounting entries and advices for events using either of the following methods:</p> <ul style="list-style-type: none"> • Associating a product with an Events Class. This is possible only if you have maintained Events classes specifically for the module • By defining event details specifically for the product <p>Click Default From Class button in this screen to associate the product you are maintaining with an Events class. A list of the Events classes that you have defined specifically for the module will be displayed. Choose a class with the requisite events and accounting details maintained. The product acquires the accounting entries and advices defined for the Events class you choose.</p> <p>The procedure for setting up an Events class is similar to defining events and accounting details for a product. Refer the following sub-head for details.</p> |
| Default From Class | <p>Click Default From Class button in this screen to associate the product you are maintaining with an Events class. A list of the Events classes that you have defined specifically for the module will be displayed. Choose a class with the requisite events and accounting details maintained. The product acquires the accounting entries and advices defined for the Events class you choose.</p> <p>The procedure for setting up an Events class is similar to defining events and accounting details for a product. Refer the following sub-head for details.</p> |

1.2.20 Generating Advices for a Status Change

This topic describes advices generation for a status change.

You can generate advices, when the components of the contract move forward from one status to the next, to notify the customer of the status change. These messages or advices are maintained in the Messaging System of Oracle Banking Treasury Management.

1.2.21 Specifying Status Control Details

This topic describes how to specify the status control details.

The number of days after which a component should be moved to a particular status can vary for each of the components of the contract.

The number of days is always counted as calendar days from the maturity date specified for the contract. The following example illustrates this concept:

In the example of 'Export Bills Discounted - 45 days', the following status are involved:

- Past Due Obligation (PDO)
- Non-accrual basis (NAB)
- Write-off (WO)

For PDO status, the number of days that should result in a status change for different components is defined as follows:

Table 1-17 Receiver Bank Charges

| Component | No. of Days |
|------------------|-------------|
| Interest | 15 days |
| Principal | 30 days |
| Charges and Fees | 45 days |

You enter a bill involving the product. The customer defaults on the repayment. The status of the bill moves to 'PDO' status after 15 days of default in interest payment.

A bill involving this product is moved to 'PDO' status after 15 days of default in interest payment. The report on the bills with 'PDO' status will indicate that for this bill only the interest component is in 'PDO' status.

The principal of the bill will be reported to be in 'PDO' for both interest and principal 30 days after the maturity date; so also for interest and fees.

If the customer pays back only the interest and keeps the principal outstanding, the bill will be moved to PDO only after 30 days of default in principal repayment.

If the number of days you have specified for a status change varies for each component of a contract, the components will be in a different status at any given time. This again, is left to your discretion. You may tend to be more lenient with the repayment of the principal (since the principal earns interest) and specify a greater number of days for the principal to move from Normal to PDO, than you would for the main interest component. You may specify 15 days for the principal to move from Normal status to PDO while you specify just 5 days for the interest to move from Normal to PDO

1.2.22 Transaction Limits Maintenance

Use Treasury Product Transaction Limits Maintenance to maintain currency-wise transactional limits for a module and product combination.

To maintain details of a new currency-wise transaction limit for a specific module and product combination, click the 'New' button on the Application toolbar. The Product Transaction Limit screen will be displayed without any details.

Every record that you create will be processed in Oracle Banking Treasury Management only after it is authorized. A user bearing a different Login ID can authorize the record that you have created.

Every time a transaction entered in Oracle Banking Treasury Management exceeds a certain limit in a specified currency, an override is automatically generated. This feature is referred to as the Currency-wise Transaction Limits facility. Only a user with dual authorization rights (a user other than the one who authorized the transaction which led to this override) will be allowed to authorize the override.


1. On the Homepage, enter **CSDTRPLM** in the text field and click **Next** in the application toolbar.

The **Treasury Product Transaction Limit Maintenance** screen is displayed.

Figure 1-18 Treasury Product Transaction Limit Maintenance

2. On the **Treasury Product Transaction Limit Maintenance** screen, specify the fields.

Table 1-18 Treasury Product Transaction Limit Maintenance- Field Description

| Field | Description | | | | | | |
|---|---|------|------|--------|-------|--------------|-----------|
| <p>Module and Product</p> | <p>Every module in Oracle Banking Treasury Management is identified by a code. First, you have to identify the module for which the currency-wise transaction limit is to be maintained. A list of all the modules of Oracle Banking Treasury Management operational at your bank will be displayed in the available list. Choose the appropriate module code. The description associated with the module will be defaulted in the adjacent field.</p> <p>Each module contains a number of products within it. After you identify the module, indicate the product within the module for which you would like to maintain a currency-wise transactional limit.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>Since, we do not define products for Journal Entry transactions, if you are maintaining currency- wise transaction limits for the Journal Entry transactions, your entries in the respective fields should be as follows:</p> </div> <p>Table 1-19 Journal Entry Transactions</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="732 932 1097 989">Item</th> <th data-bbox="1097 932 1466 989">Code</th> </tr> </thead> <tbody> <tr> <td data-bbox="732 989 1097 1024">Module</td> <td data-bbox="1097 989 1466 1024">DE/AL</td> </tr> <tr> <td data-bbox="732 1024 1097 1060">Product Code</td> <td data-bbox="1097 1024 1466 1060">ZJRN/ZALP</td> </tr> </tbody> </table> | Item | Code | Module | DE/AL | Product Code | ZJRN/ZALP |
| Item | Code | | | | | | |
| Module | DE/AL | | | | | | |
| Product Code | ZJRN/ZALP | | | | | | |
| <p>Product Transaction Limit Details</p> | <p>The transaction limit currency is the currency for which you would like to maintain the amount limit. Every time you process a transaction in the specified Module-Product Code-Currency combination, the system checks whether the transaction exceeds the defined amount limit.</p> <p>If a transaction exceeds the amount limit, the system displays an override message while saving the transaction. Since overrides and transactions are authorized separately, authorization has to be handled by a user with dual authorization rights.</p> | | | | | | |

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