

# Oracle® Banking Treasury Management Securities Repo User Guide



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## 1 Introduction to Repo

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# Preface

This manual is designed to help you to quickly get acquainted with the Securities Repo 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  |
| BA                        | Bankers Acceptance           |
| CD                        | Corporate Deposit            |
| CLS                       | Continuous Linked Settlement |
| CIF                       | Customer Information Files   |
| Cr                        | Credit                       |
| DV                        | Derivatives                  |
| Dr                        | Debit                        |
| EOFI                      | End of Financial Input       |
| EOD                       | End of Day                   |
| ETD                       | Exchange Traded Derivatives  |
| FX                        | Foreign Exchange             |

**Table 1 (Cont.) Acronyms and Abbreviations**

| Abbreviations or Acronyms | Definition                         |
|---------------------------|------------------------------------|
| FI                        | Financial Institutions             |
| GL                        | General Ledger                     |
| IACR                      | Interest Accrual                   |
| IPO                       | Initial Public Offerings           |
| IRS                       | Internal Revenue Service           |
| ICCB                      | Interest Commission Charge and Fee |
| LCY                       | Local Currency                     |
| LIBOR                     | London Interbank Offered Rate      |
| MM                        | Money Market                       |
| NBFC                      | Non Bank Financial Institutions    |
| OBTR                      | Oracle Banking Treasury Management |
| OT                        | Over the Counter Options           |
| RFR                       | Risk Free Rates                    |
| SE                        | Securities                         |
| SR                        | Securities Repo                    |
| YTM                       | Yield to Maturity                  |
| WAC                       | Weighted Average Costing           |

## Conventions

The following text conventions are used in this document:

**Table 2 Conventions and Meaning**

| Convention      | Meaning  |
|-----------------|--|
| <b>boldface</b> | 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  |
|----------------------|--|
| Introduction to Repo | Explains the overview of the Securities Repo domain.   |
| Overview of Repo     | Explains the Overview of Repo provides the details that the user needs to maintain in the Securities Repo module to process Repo and Reverse Repo deals. |



| Topics   | Description   |
|--|---|
| Risk Free Rates  | Explains the RFR for Securities Repo provide the complete overview of the risk free rates which might be applied for the security contract. |
| Securities Financial Transaction Regulation                          | Explains the Securities Financial Transaction Regulation to increase the transparency of SFTs.  |
| Printing Subsidiary General Ledger Form- Repo and Reverse Repo Deals | Explains the SGL advice generated for security, repo and reverse repo deals.  |
| Annexure A - Accounting Entries and Advices for SR Module            | Explains the accounting entries and advices generated for Securities Repo module,   |





## Related Resources

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

- *The Procedures User Manual*
- *The Products User Manual*

## Symbols and Icons

**Table 3 Symbols**

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

# 1

## Introduction to Repo

This topic contains the following subtopics:

- [Repo](#)  
This topic describes the Securities Repo for short term capital needs and works similar to a collateralized loan.
- [Reverse Repo](#)  
This topic describes the reverse repo feature and the properties of reverse repo.
- [Price of Repo](#)  
This topic describes the price of repo feature.
- [Typical Market Participants](#)  
This topic describes the typical market participants.

### 1.1 Repo

This topic describes the Securities Repo for short term capital needs and works similar to a collateralized loan.

Repurchase Agreements or Repo is a short term borrowing for dealers in government securities. Repo is typically used for short term capital needs and works similar to a collateralized loan. Usually, a dealer sells securities to an investor and buys back at a slightly higher rate. This difference is the price or the interest rate or repo rate. For the party lending/pledging the security, it is a repo, and it is a reverse repo for the other party.

Let us understand the reason why one needs to enter into a repo agreement with the following example:

- Bank A wants to raise cash today to invest this amount into a business and may return the cash tomorrow. It can enter an agreement with a bank B where bank B can lend the required cash to bank A for a day. Bank A expects to borrow cash from Bank B. Therefore, Bank A is the cash borrower.
- Bank B lends cash to the Bank A. Therefore, Bank B is the cash lender.
- Bank B now expects the cash to be returned within a day. Bank B in this instance is known as the cash lender and bank A is the cash borrower.
- Bank B is now exposed to the risk that Bank A might not return the borrowed cash before or at the end of the transaction.
- Bank B, the cash lender, expects some form of collateral such as securities in return. This collateral is required to protect against the risk that Bank A might not return the cash within the required time. This is secured financing by using collateral to mitigate the risks that the counterparty might default.
- As a result, the security has now reduced the risk of bank B as it can sell the security in the worst-case scenario. Bank B can also sell the security at a higher price to earn a profit.
- Subsequently, Bank A will now be charged a lower interest rate. This rate is known as the repo rate and it is dependent on a number of factors such as the liquidity of the security.

- Bank B can also cut the value of the security by applying a haircut (usually a percentage) to mitigate against the counterparty risk or the risk that the value of the security might decline.

To Summarize:

- Repos are short-term lending agreements. Their maturity can be a day long.
- Repos are secured by collateral such as securities.
- A haircut is applied to mitigate against the counterparty risk and to mitigate against a decline in the value of the collateral.
- One party sells securities and borrows cash and commits to buying the security back at a future date. The buying back part of the agreement gave them the name of repurchase agreement.
- The borrower is said to have entered into a repo agreement. The borrower can also repurchase the securities on demand.

**“A repo is a loan secured against collateral”**

## 1.2 Reverse Repo

This topic describes the reverse repo feature and the properties of reverse repo.

A reverse repo is a repo transaction from the lender's perspective. Therefore, for the lender of the cash, the repurchase agreement is known as the reverse repo. In this example, the bank B is entering into a reverse repo transaction as it is lending the cash.

**Table 1-1 Reverse Repo Table**

| Bank B      | Repo                                       | Reverse Repo           |
|-------------|--|------------------------|
| Participant | Borrower<br>Seller<br>Cash receiver lender | Buyer<br>Cash provider |
| Near leg    | Sells securities                           | Buys securities        |
| Far leg     | Buys securities                            | Sells securities       |

### Properties of Repo

- Details of the cash borrower, who is also providing securities
- Details of the cash lender, who is also taking the securities
- Nominal value to be borrowed
- Start date to borrow the cash
- Maturity date to return the cash and buy back the securities
- Haircut to be applied to the value of the security, including initial margin and collateral management details
- Repo rate is the interest rate that the borrower needs to pay to the seller for the use of cash

## 1.3 Price of Repo

This topic describes the price of repo feature.

The repurchase price is simply the purchase price plus the repo interest where the purchase price is the cash paid by the cash lender, including any accrued interest. The user had to consider if there is a haircut or initial margin involved.

**The repurchase price is simply:**

Repo Price = Purchase Price + Repo Interest

\* Purchase Price = Nominal Price \* Dirty Price

\* Repo Interest = (Repo rate for the days based on day count convention)

Repo interest is calculated on the purchase price

**For Example:**

Nominal Value: £5'000

Dirty Price: 1.5

Repo Rate: 1%

There is no initial margin/haircut, hence the purchase price is simply the full cash market value of the bond:

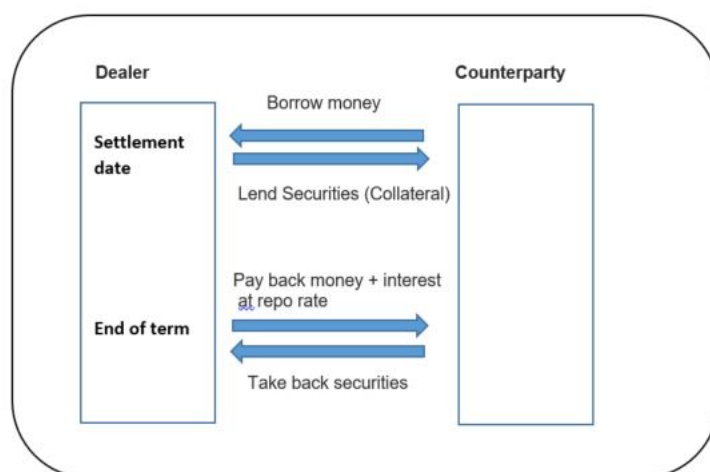
Purchase Price = £7'500 (=5000\*1.5)

Repo Interest = £75 (£7'500\*0.01)

Repo Price = £7'575 (= £7'500+£75)

The counterparty earns interest on the transaction in the form of the higher price of selling the securities back to the dealer. The counterparty also gets the temporary use of the securities.

**Figure 1-1 Process Flow Diagram**



The repo market is pivotal to the efficient working of almost all financial markets. Its importance reflects the wide range and fundamental nature of repos' applications:

- Providing an efficient source of short-term funding
- Providing a more resilient money market

- Providing a secure and flexible home for short-term investment
- Facilitating central bank operations
- Financing leveraged investors and covering short investors
- Hedging primary debt issuance
- Supporting corporate bond investors
- Ensuring liquidity in the secondary debt-market

## 1.4 Typical Market Participants

This topic describes the typical market participants.

**Table 1-2 Cash Providers - Securities Providers**

| Cash Providers      | Securities Providers       |
|---------------------|----------------------------|
| Money Market        | Securities Lenders         |
| Mutual Funds        | Hedge Funds / Corporations |
| Insurance Companies | Levered Accounts           |
| Municipalities      | Central Banks              |
| Central Banks       | Commercial Banks           |
| Securities Lenders  | Insurance Companies        |
| Commercial Banks    |                            |

# 2

## Overview of Repo

### Introduction

Securities repurchase agreements (referred to as Repos) are entered into to raise money, or meet your Central Bank statutes. The users use reverse Repo transactions to invest short-term surplus funds, at minimal risk. The Securities Repurchase module of Oracle Banking Treasury supports processing of Repo (borrowing) and Reverse Repo (placement) transactions captured by the front office. OBTR supports external margin processing for securities and cash margin call and Repricing of the Nominal amount when the collateral value goes up/down. The buyer calls for variation margin from the seller to re-balance cash and collateral and vice versa based on their agreement.

### Automatic Deal Upload

The cornerstone of this module is the Deal Upload facility. With this facility, the user can automatically upload the deals captured in your dealing room system. On upload, the user can enrich the deals with additional information relating to accounting and messaging (such as interest accrual, brokerage, tax, rollover, customer advice generation details, etc.). This information determines how deals are handled by the automatic processes that the user execute. Processing, thus, requires minimal manual intervention and is efficient.

### Architectural Advantages

In architecture, Oracle Banking Treasury Management is modular yet integrated. Front-end modules such as Securities Repo function around a Core consisting of the Security Management System, the Limits Service, etc. This architecture eliminates replication of commonly accessed information in every module. Information that is common to several modules is maintained in the systems' Core (for example, currency information). This is accessed by front-end modules such as MM, SR, etc. The architecture, thus, ensures that all front-end modules use reliable and consistent data drawn from the Corer. Oracle Banking Treasury Managements' architecture also ensures that constantly monitor, real-time, your exposure. Crucial services such as Limits reside at the Core of Oracle Banking Treasury Management. This means that your liability towards a customer is tracked real-time across front-end modules.

This topic contains the following sub- topics:

- [Product Definition Facility](#)  
This topic describes the front-end modules of Oracle Banking Treasury Management for the product definition facility.
- [Products](#)  
This topic describes the Security Repo Product Definition to process a security repo deal.
- [Features of the Contract Details screen](#)  
This topic the features of the contract details screen to configure the general attributes for the product.
- [Prerequisites for the Application Login](#)  
This topic provides the systematic instructions to login to the application to access all of the features.

- [Define a New Product and Static Data](#)  
This topic provides the systematic instructions to define a new product and static data.
- [Maintain an Existing Product and Static Data](#)  
This topic provides the systematic instructions to maintain an existing product and static data, or to revisit the data saved as draft.
- [Capture Details of Repo Contract](#)  
This topic describes how to capture details of Repo Contract in the Securities Repo Contract Online.
- [Repo Details](#)  
This topic describes how to use the Securities Repo Contract Online to define the Repo details.
- [Repo Process](#)  
This topic describes the repo process on Booking a Repo deal, Securities pledged will either be blocked in Bank portfolio or moved to a Collateral portfolio to track the securities.
- [Reverse Repo Block](#)  
This topic describes how to use Reverse Repo Maintenance Block to maintain the reverse repo details.
- [Authorize a Contract](#)  
This topic describes how to use the Multilevel Authorization Detailed screen to authorize the multilevel of authorization.
- [Summary Details of Repo Contract](#)  
This topic describes how to use the Securities Repo Contract Summary to process details of Repo Contract.
- [Margin Product for a REPO](#)  
This topic describes how to use the Margin Product Maintenance maintain Margin Products in Oracle Banking Treasury Management.
- [Securities Margin Process](#)  
This topic describes how to use the Securities Repo Margin Processing to trigger the margin processing for the Repo or Reverse Repo contract and also from the external system if Collateral revaluation at Repo product is Margin Settlement.
- [Margin Transaction Query](#)  
This topic describes how to use Margin Transaction Query to query the margin transaction details for the contract.
- [Rate Fixing Process for Repo](#)  
This topic describes how to use the Treasury branch parameter maintenance to provide the details on the different maintenance involved in the rate fixing process and the process in executing the rate fixing for an repo contract.
- [Amend Securities Repo Transactions](#)  
This topic describes how to use the Securities Repo Value Dated Changes Input screen to authorize and amend the securities repo deal.
- [Security Repo VAMI](#)  
This topic describes how to use Security Repo Vami to capture the Security Repo Vami details.
- [Upload Deals of Amendment](#)  
The topic describes how the user can upload Securities Deals through an external system to amend the deal in Oracle Banking Treasury Management
- [Securities Repo Payment Input](#)  
Use the Securities Repo Payment Input to process the payment method.

- [Process Repayments](#)  
This topic describes the process repayments schemes with example.
- [Rollover a Deal](#)  
The topic describes how the user can use this feature roll it over into a new deal instead of liquidating a deal on maturity.
- [Specify Rollover for a Product](#)  
This topic describes how to use the Mode of Rollover (Manual or Automatic) feature to specify whether deals involving the product is to be rolled over when defining the product.
- [Automatic Processing](#)  
This topic describes the automatic processing of contract feature.
- [Automatic Events in the Lifecycle of a Deal](#)  
This topic describes the automatic events in the life cycle of a deal.

## 2.1 Product Definition Facility

This topic describes the front-end modules of Oracle Banking Treasury Management for the product definition facility.

A central feature of the front-end modules of Oracle Banking Treasury Management is the product definition facility.

This feature drastically reduces marketing time, allowing the bank to focus on and take advantage of the market opportunities.

### **Advantage of Defining a product**

The product definition facility is a one-time effort. When defining a Repurchase as a product, specify (amongst other details):

- The tenor
- The rate of interest
- The repayment schedules

Securities Pledged option Collateral Preference

- The tax details
- The accounting entries to be passed
- The advice to be generated

The user need not specify these details every time a deal is entered. The product definition facility thus reduces the time required to capture a deal.

### **Automatic Processing Features**

Oracle Banking Treasury Management completely automates and tracks all the events in the lifecycle of a Repo deal. It

- Generates deal tickets
- Accrues interest
- Liquidates due schedules
- Transfer the pledged/Received Securities to the respective portfolio:
- Mature's contracts due for maturity



- Rolls over deals according to your specifications
- Automatically generates the specified messages and advice

Using Oracle Banking Treasury Management, process Repo deals with fixed, floating, or period interest rates and various interest application methods. Also, define bullet schedules for all components. Oracle Banking Treasury Management allows the user to define brokerage on a cumulative or slab basis for each currency. Automate, liquidation of brokerage according to the preferences defined for the mentioned broker.

When defining a product in the SR module, specify the advice and messages generated at different events (such as interest liquidation and rollover) in the life cycle of deals involving it. Once an event defined for message generation occurs in a deal, the system automatically generates the advice or notices in the media specified. Configure the format and the contents of the advice to suit your requirement.

### Settlement of Repo Deals

All scheduled component and maturity settlements are handled automatically in Oracle Banking Treasury Management by calling the Settlement and Messaging sub-systems. Further, generate, online, all payment and Securities transfer messages to correspondent banks/custodian together with related settlement accounting entries. In keeping with its flexible design, Oracle Banking Treasury Management offers the user the option to process maturities manually.

### Roll Over Deals

The Securities Repo module provides an extensive feature for rollover of contracts on maturity. The rollovers might be with or without interest, with the option to net withholding tax on the rollover.

## 2.2 Products

This topic describes the Security Repo Product Definition to process a security repo deal.

This topic contains following subtopics:

- [Securities Repo Product attributes](#)  
This topic provides the instructions to process securities Repo product definition screen.
- [Process a SR Deal](#)  
A product is a specific service that the user offer your customers.

### 2.2.1 Securities Repo Product attributes

This topic provides the instructions to process securities Repo product definition screen.

1. On the Home page, specify **SRDPRMNT** in the text box, and click next arrow.  
The **Security Repo Product Definition** screen is displayed.

**Figure 2-1 Security Repo Product Definition**


2. On **Security Product Definition** screen, specify the fields.

For more information on fields, refer the below table.

In the Product Definition screen, enter the basic information about a product like the Product Code, the Description, etc. Information relating to specific attributes of a product can be defined in subsequent screens. For further information on the generic attributes the user can define for a product, please refer the following Oracle Banking Treasury Management User Manuals under Modularity:

- *Products*
- *Interest*
- *Charges and Fees*
- *Tax*
- *User Defined Fields*
- *Settlement*

**Table 2-1 Securities Repo Product Definition - Field Description**

| Field                      | Description  |
|----------------------------|--|
| <b>Product Code</b>        | Enter a unique code to identify the product throughout the module.<br><br><div style="border-left: 2px solid #0070C0; padding-left: 10px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>This code must be four Characters.<br/>The user can follow his conventions for devising this code.</p> </div> |
| <b>Product Description</b> | This description is associated with the product for Information retrieval purposes.  |
| <b>Product Type</b>        | A product that is defined can belong to either of the following types: <ul style="list-style-type: none"> <li>• <b>Repo</b></li> <li>• <b>Reverse Repo</b></li> </ul>  |
| <b>Description</b>         | The description of the selected product type is displayed.   |

**Table 2-1 (Cont.) Securities Repo Product Definition - Field Description**

| Field                            | Description  |
|----------------------------------|--|
| <b>Slogan</b>                    | Click the next icon to invoke the free format text. Enter the Slogan description to be associated with the product. This slogan is printed on all the advices that are sent to the customer for a deal involving this product. |
| <b>Product Group</b>             | Click the search icon and select the Product Group details as required from the list of values displayed.  |
| <b>Product Group Description</b> | The description of the selected product group is displayed.  |
| <b>Start Date</b>                | The Start Date for this product is specified in this field.  |
| <b>End Date</b>                  | The End Date for this product is specified in this field   |
| <b>Remarks</b>                   | Click the next icon to invoke the free format text. A window is displayed in which the user can enter information about the product intended for your banks' internal reference.   |

3. On **Securities Repo Product** Screen, click **Accounting Roles**.

The **Accounting Roles** screen is used to define accounting roles for the product created. The user can map the Accounting Roles to Accounting Heads in this screen.

The **Accounting Roles** screen is displayed.

**Figure 2-2 Accounting Roles**

4. On the **Accounting Roles** screen, specify the details.

For information on fields, see the below table:

**Table 2-2 Accounting Roles - Field Description**

| Fields                     | Description  |
|----------------------------|--|
| <b>Product Code</b>        | The Product code which is specified for the product is displayed here in this field. |
| <b>Product Description</b> | The Product Description associated to the product code is displayed.                 |

Table 2-2 (Cont.) Accounting Roles - Field Description

| Fields                            | Description  |
|-----------------------------------|--|
| <b>Class Code</b>                 | Click the search icon and select the class code as required. This Identifies a security preference class that the user build with a unique ten-character Class Code. The user can follow the convention for devising the code according to his choice.   |
| <b>Class Description</b>          | Briefly describe the Security Preference Class that is defined. The description that the user specify is for information purposes only and will not be printed on any customer correspondence.   |
| <b>Accounting Role</b>            | Click the search icon and select the accounting role from the list of the roles displayed.<br><br>At different stages in the life cycle of a contract, accounting entries are generated. Depending on the type of event, one leg of the entry may be passed into the customer account and the other leg into an internal account of the bank. Alternatively, both the legs may be passed into internal accounts (during an accrual, for example).<br>Through this table, the user can define the GL/SL head to which the internal account is linked and the type of account (accounting role) is used. |
| <b>Role Description</b>           | The description of the Accounting Role is displayed.   |
| <b>Account Head</b>               | Click the search icon and select the account head from the list of the roles displayed.  |
| <b>General Ledger Description</b> | The selected account head description is displayed   |

- On **Securities Repo Product** Screen, click **Events**.

The user can specify the details of the Accounting Entries and Advice, to be generated for the events that take place during the life cycle of a Repo in this screen.

**Events** screen is displayed.

Figure 2-3 Events

- On the **Events** screen, specify the details as required.

For information on fields, see the below table:

Table 2-3 Events - Field Description

| Field                      | Description  |
|----------------------------|--|
| <b>Product Code</b>        | The Product code which is specified for the product is displayed here in this field.   |
| <b>Product Description</b> | The Product Description associated to the product code is displayed.   |
| <b>Class Code</b>          | Identify a security preference class that the user build with a unique ten-character Class Code. The user can follow the convention for devising the code according to his choice.   |
| <b>Class Description</b>   | Briefly describe the defined Security Preference Class.<br><br><div style="border: 1px solid #ccc; background-color: #fff9c4; padding: 10px; margin: 10px 0;"> <p><b>⚠ WARNING:</b></p> <p>The description specified is for information purposes only and will not be printed on any customer correspondence.</p> </div> |
| <b>Event Code</b>          | This is a Mandatory field.<br>Click the search icon and select the Event Code from the list of the roles displayed.  |
| <b>Description</b>         | The description details of the event code is displayed in this field.  |

7. On the **Events** screen, in the Events Details section, select an Event Code from the list displayed.
8. Once done, on the **Event** screen, click **Accounting Entries**.  
**Accounting Entries** is displayed.

Figure 2-4 Accounting Entries

9. On the **Accounting Entries** screen, refer to the details required.  
For information on fields, see the below table:

**Table 2-4 Accounting Entries - Field Description**

| <b>Field</b>                        | <b>Description</b>   |
|-------------------------------------|--|
| <b>Event Code</b>                   | The selected event code from the list is displayed.  |
| <b>Event Description</b>            | The selected event code description is displayed in this field.  |
| <b>Accounting Role</b>              | This is a mandatory field<br>Click the search icon and select the Accounting Role from the list of displayed.  |
| <b>Amount Tag</b>                   | This is a mandatory field<br>Click the search icon and select the Amount Tag from the list of displayed.   |
| <b>Dr/Cr</b>                        | This is a mandatory field<br>Select the option from the drop-down box.<br>The options are: <ul style="list-style-type: none"> <li>• <b>Credit</b></li> <li>• <b>Debit</b></li> </ul> |
| <b>Transaction Code</b>             | This is a mandatory field<br>Click the search icon and select the Transaction Code from the list of displayed.   |
| <b>Netting</b>                      | Select the option Yes / No from the drop-down box.   |
| <b>MIS Head</b>                     | Click the search icon and select the details from the list of displayed.<br>The user must specify the MIS Head under the accounting entries (generated at an event) are reported.    |
| <b>Profit GL</b>                    | Click the search icon and select the profit GL from the list of displayed.   |
| <b>Loss GL</b>                      | Click the search icon and select the loss GL from the list of displayed.   |
| <b>Rate Code</b>                    | Click the search icon and select the Rate code from the list of displayed.   |
| <b>Revaluation Transaction Code</b> | Click the search icon and select the Revaluation Transaction Code from the list of displayed.  |
| <b>Holiday Treatment</b>            | Select the option Yes / No from the drop-down box.   |
| <b>Revaluation Required</b>         | Select the checkbox if the revaluation required.   |
| <b>Rate Type Indicator</b>          | Select the Rate type from the drop-down box <ul style="list-style-type: none"> <li>• <b>Mid</b></li> <li>• <b>Buy</b></li> <li>• <b>Sell</b></li> </ul>                              |

10. On the **Event** screen, click **Advices**.  
**Advices** screen is displayed.

Figure 2-5 Advices

- On the **Advices** screen, specify the details required.

The field description details are as follows:

Table 2-5 Advices - Field Description

| Field                  | Description  |
|------------------------|--|
| <b>Event Code</b>      | The Event Code details are displayed.  |
| <b>Description</b>     | The event code description is displayed.   |
| <b>Advice Name</b>     | Click the search icon and select the Advice Name as required.  |
| <b>Description</b>     | The description of the selected advice is displayed.   |
| <b>Generation Time</b> | Select the generation time from the adjoining drop-down Box.<br>The options are: <ul style="list-style-type: none"> <li><b>Input</b></li> <li><b>Authorize</b></li> </ul>                    |
| <b>Suppress</b>        | Select the option as required from the drop-down box.<br>The options available are: <ul style="list-style-type: none"> <li><b>Yes</b></li> <li><b>No</b></li> </ul>                          |
| <b>Priority</b>        | Select the option as required from the drop-down box.<br>The options available are: <ul style="list-style-type: none"> <li><b>Low</b></li> <li><b>Medium</b></li> <li><b>High</b></li> </ul> |
| <b>Charges</b>         | Select the check box to apply the charges.   |

- On the **Securities Repo Product** Screen, click **Accrual Fee**.

**Accrual Fee Details** screen is displayed.

13. On the **Accrual Fee Details** screen, click **Default From Class** to Associate Accrual Fee Details with a product.

The field description details are as follows:

**Table 2-6 Accrual Fee Details - Field Description**

| Field                        | Description   |
|------------------------------|---|
| <b>Product Code</b>          | The Product Code defined in the product level is displayed.   |
| <b>Product Description</b>   | Enter a brief description of the product. This description is associated with the product for Information retrieval purposes. |
| <b>Component</b>             | Specify the Fee component   |
| <b>Description</b>           | Displays the Component Description  |
| <b>Stop Association</b>      | Specify if the Accrual for the Fee component should be stop for the contract  |
| <b>Basis Amount</b>          | Specify the basis amount for Fee calculation  |
| <b>Allow End Date Input</b>  | Specify the End date  |
| <b>Fee Rule</b>              | Display the Fee rule associated to the component  |
| <b>Fee Type</b>              | Specify the Fee type  |
| <b>Frequency</b>             | Specify the accrual frequency for the fee component   |
| <b>Frequency Value</b>       | Specify the Fee frequency value   |
| <b>Consider as Discount</b>  | Specify if the Fee component should be considered for IRR calculation.  |
| <b>Accrual Required</b>      | Specify if accrual is required for the component.   |
| <b>Initiation</b>            | Specify if the fee component must be initiated  |
| <b>Increase in Principal</b> | Specify the increase in principal amount  |

14. On the **Securities Repo Product** Screen, click **Discount**.  
**Discount Accrual Preference Association** screen is displayed.





**Figure 2-6 Discount Accrual Preference Association**

15. On the **Discount Accrual Preference Association** screen, specify the fields. On the **Discount Accrual Preference Association** screen, specify the details as required. For more information on fields, see the below table:

**Table 2-7 Discount Accrual Preference Association - Field Description**

| Field                            | Description  |
|----------------------------------|--|
| <b>Product Code</b>              | The product code defined at the product is displayed.  |
| <b>Product Description</b>       | The description of the selected product code is displayed.   |
| <b>Class Code</b>                | Click the search icon and select the class code details as required from the list of values displayed.   |
| <b>Class Description</b>         | The description of the selected class code is displayed.   |
| <b>Accrual Preference</b>        | Specify the Accrual Preference fields.   |
| <b>Discount Accrual Required</b> | Select the check box if the Discount Accrual Required.   |
| <b>Frequency</b>                 | Select the Frequency details from the drop-down list<br>The values available are: <ul style="list-style-type: none"> <li>• <b>Daily</b></li> <li>• <b>Monthly</b></li> </ul> |

Table 2-7 (Cont.) Discount Accrual Preference Association - Field Description

| Field   | Description   |
|---|---|
| <b>Handling of Fore Closure</b>                 | <p>Select the Fore Closure details from the drop-down list</p> <p>The values available are:</p> <ul style="list-style-type: none"> <li>• <b>Refund</b></li> <li>• <b>Complete Accrual</b></li> </ul> <p>Specify how foreclosures for the contracts is handled.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>In case the Acquisition Type is Par, there are no refunds. Only the pending accruals are completed.</p> </div>   |
| <b>Acquisition Type</b>                         | <p>The Acquisition Type determines whether the initial cash flows for a C contract with more (Premium) or less (Discount) or equal (Par) to the bill amount.</p> <p>The Acquisition Type determined by the cash flows of interest, charges and fees considering the Discount option is checked.</p> <p>The drop-down list comprises of the following values:</p> <ul style="list-style-type: none"> <li>• <b>Par</b></li> <li>• <b>Par/Discount</b></li> <li>• <b>Par/Premium</b></li> <li>• <b>Par/Discount/Premium</b></li> </ul> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>The acquisition type of a contract can change from premium to par/discount or otherwise depending on the charges getting liquidated during the life cycle of the contract.</p> </div> |
| <b>Day Count Method</b>                         | Specify the Day Count Method fields.  |
| <b>Currency Code</b>                            | Click the search icon and select the Currency Code from the list displayed as required.   |
| <b>Currency Name</b>                            | The Currency name details associated  |
| <b>Numerator Method/<br/>Denominator Method</b> | <p>Select the denominator method from the drop-down list.</p> <p>This list displays the following values:</p> <ul style="list-style-type: none"> <li>• <b>Actual</b></li> <li>• <b>30 Euro</b></li> <li>• <b>30-US</b></li> </ul>   |
| <b>Denominator Method</b>                       | <p>Select the denominator method from the drop-down list.</p> <p>This list displays the following values:</p> <ul style="list-style-type: none"> <li>• <b>360</b></li> <li>• <b>365</b></li> <li>• <b>364</b></li> </ul>  |

16. On the **Securities Repo Product Definition** screen, click **Preferences**.  
**Preferences** screen is displayed.

Figure 2-7 Preferences

The screenshot displays the 'Preference' window with the following sections:

- Preferences:** Includes fields for 'Payments', 'Allow Brokerage', 'Pay Past Schedules', 'Prepayment Penalty', 'Track Accrued Interest', 'Forward Dating Allowed', 'Tax Applicable', 'Allow Rollover', 'Automatic Liquidation', 'Intra-day Deal', 'Verify Funds For Principal', 'Verify Funds for Interest', 'Verify Funds For Penalty Amount', 'Rate Fixing Required', 'Net Negative Interest', and 'Product Code'.
- Accrual:** Includes 'Frequency' (set to Monthly), 'Start Month', 'Start Date', 'Minimum' (1), 'Default' (90), 'Maximum' (365), and 'Unit' (Days).
- Tenor:** Includes 'Normal Rate Variance', 'Maximum Rate Variance', and 'Product Description'.
- Rate Variance:** Includes 'Normal Rate Variance', 'Maximum Rate Variance', and 'Product Description'.
- Holiday Treatment Preferences:** Includes 'Cascade Schedules', 'Currency Holiday', 'Financial Center Holiday', 'Local Holiday', 'Move Across Month', and 'Schedule Movement' (with radio buttons for 'Move Forward' and 'Move Backward').
- Repo:** Includes 'Delivery Verse Payment', 'Securities Pledged', 'Internal Product', and 'Block Product'.
- Reverse Repo:** Includes 'Reverse Verse Payment', 'Bank Buy Product', and 'Bank Sell Product'.
- Authorization Rekey Fields:** Includes 'Currency', 'Value Date', 'Contract Amount', and 'Maturity Date'.
- Product Restriction:** Includes 'Branch Restrictions', 'Currency Restrictions', and 'Categories List', each with radio buttons for 'Disallowed' and 'Allowed'.
- Collateral Revaluation:** Includes 'Collateral Revaluation Preference' (with radio buttons for 'Margin Settlement' and 'Repricing') and 'Margin Product'.

At the bottom, there are tabs for 'Rollover Details', 'Schedules', 'Liquidation Order', and 'Grace Days', along with 'Exit' and 'Save' buttons.

**17.** On the **Preferences** screen, specify the details as required.

Preferences are the options that are available to the user for setting the attributes of a product. The options user choose ultimately shape the product.

For example, the user has the option of applying a tax on a product. If the user specifies that tax is applicable for a product, the deal involving the product will inherit the attribute. However, the user can waive tax (if it has been defined for the product the deal involves) at deal processing.

Similarly, the user can choose between the automatic liquidation of schedules and manual liquidation; the user can choose to allow rollover of deals involving the product or deny it, and so on.

For information on fields, see the below table:

**Table 2-8 Preferences - Field Description**

| Field                     | Description  |
|---------------------------|--|
| <b>Payments</b>           | <p>Specify whether the payment method for the main interest (specified while defining attributes for the interest, commission, charge or fee) components is to be bearing, discounted or true discount. This cannot be changed at the time of processing a deal.</p> <p><b>Bearing:</b>The interest is liquidated on the scheduled payment date(s).For example, the user has made a placement USD 100,000 for Greenville Global Bank at 20% interest for a month. Now, under the bearing type of interest payment method, the placement of USD 100,000 is advanced to Greenville Global Bank, and the interest on it is collected over the one month which is the tenor of the placement.</p> <p><b>Discounted:</b>In this interest payment method, the interest is deducted from the principal at the time of initiating the deal. Carrying forward the example of the placement for Greenville Global Bank of USD 100,000 at 20% interest for a month, under the discounted type of interest payment, the total interest calculated for the tenor of the deal, that is one month, USD 1,666.67 is deducted from the principal (USD 100,000)and only USD 98,333.33 is advanced.</p> <p><b>True discounted:</b>In this interest payment method, the interest is calculated on the principal in a manner differing slightly from the 'Discounted' method. The interest rate is applied to the Principal instead of Nominal, as it is done in the 'Discounted' method.</p> <p>For example, in the case of Greenville Global Bank's placement of USD100,000 at 20% interest for a month, under the true discounted type of interest payment, the interest calculated on the principal, USD 98,333.5,(arrived at after deducting 20% interest on the nominal) is deducted from the nominal (USD 100,000) and USD 98,360.66 is advanced. This forms the actual principal of the deal.</p> |
| <b>Allow Brokerage</b>    | Select this check box to add the brokerage to the product.   |
| <b>Pay Past Schedules</b> | <p>The user must indicate if the backdated deal that has schedules prior to today's date; those schedules have to be liquidated when the deal is initiated. A back dated deal is one, which has a Value Date (initiation date)falling before the date on which it is booked.</p> <p>For example, a money market deal is initiated as of today, a date in the future, or as of a date in the past. Today's date is 15 October 1997. Suppose the user initiate a deal of 15,000 USD today, with the Value Date (date on which the deal comes into effect) as 15 September 1997, the system will pass accounting entries for initiation as of 15 September 1997. But if there had been an interest payment schedule for 30 September 1997, for 500 USD, and then if the user specify that back values schedules must be liquidated, the user can make the system pass accounting entries to liquidate this schedule also when the deal is initiated.</p> <p>If the user specify that back dated schedules are not to be liquidated; only accrual entries are passed till today. Please note that the entries associated with each event (initiation and liquidation in this case) is passed only if they have been defined</p>  |
| <b>Prepayment Penalty</b> | The user specify if the penalty must be applied on prepayment of deals involving this product.   |

Table 2-8 (Cont.) Preferences - Field Description

| Field                         | Description  |
|-------------------------------|--|
| <b>Track Accrued Interest</b> | <p>The user has to specify if the accrued interest of earlier placements (that has not been paid) must be considered as the utilized amount for the purpose of credit administration. (If more than one interest type of component is applicable on a product, the user must designate one as the 'main' interest.) The following example illustrates how this concept works.</p> <p>If user opts to track accrued interest, then the interest accrued on deals is added on to the amount utilized by the customer, for credit administration.</p> <p>The utilization is shown as the sum of the principal and the accrued interest in the reports generated by the credit administration (Limits) sub-system. Outstanding interest, if any, will also be shown in these reports.</p>  |
| <b>Forward Dating Allowed</b> | <p>Choose the Value Date (That is the date on which it is initiated) for a deal from:</p> <ul style="list-style-type: none"> <li>• The date on which it is input</li> <li>• A date in the past or</li> <li>• A date in the future</li> </ul> <p>The user must indicate whether a deal involving a product could have a Value Date in the future. A deal must have a value date in the future only if the user has allowed it for the product that it involves. An Initiation date in the past, or today, indicated for any deal.</p> <p>When a deal with a Value Date in the future is stored, no accounting entries is passed on the date of input. The deal is initiated by the Automatic Contract Update function during the Beginning-of-Day (BOD) processes on the Value Date (initiation date). All the necessary accounting entries is passed on this date.</p> <p>However, if the Value Date falls on a holiday, the deal is initiated as per your holiday handling specifications in the Branch Parameters screen:</p> <ul style="list-style-type: none"> <li>• If the user has specified that automatic processes are to be carried out for holidays, the deal slated for initiation on holiday is initiated during end-of-day processing on the last working day before the holiday.</li> <li>• If the user has specified that the automatic processes are to be carried out only till System Date (today's date), the deal slated for initiation on holiday is initiated on the next working day immediately after the holiday, during beginning-of-day processing.</li> </ul> |
| <b>Tax Applicable</b>         | <p>As part of the preferences that the user define for a product, the user can specify whether any tax is applicable to the SR product that the user is creating. If tax is specified for a product, the user can waive it for specific deals. However, if the user specify that tax is not applicable to a product, the user cannot levy a tax on any deal involving the product.</p>   |

Table 2-8 (Cont.) Preferences - Field Description

| Field                                  | Description   |
|--|---|
| <b>Allow Rollover</b>                  | <p>The user must specify whether a deal, involving the product defined, is rolled over into a new deal if it is not liquidated on its Maturity Date.</p> <p>If the user specify that rollover is allowed for the product, it is applicable to all the deals involving the product. However, at the time of processing a specific deal involving this product, the user can indicate that rollover is not allowed.</p> <p>However, if the user specify that rollover is not allowed for a product, the user cannot rollover deals involving the product.</p> <p>The terms of the rolled over deal is the same as those of the original deal, or they are different. If the terms must be different, they must be specified during deal processing.</p> |
| <b>Automatic Liquidation</b>           | Select this check box to allow the automatic liquidation of the product.  |
| <b>Intra-day Deal</b>                  | Deals having the same Maturity and Value Date are known as Intra-day deals. The user are able to capture intra-day deals only if the user has indicated that the product for which the user specifies preferences is meant for intra-day deals.   |
| <b>Verify Funds For Principal</b>      | During auto liquidation if Verify Funds For Principal is checked at the contract level, the system checks the available balance in the Principal amount's settlement account.   |
| <b>Verify Funds for Interest</b>       | During auto liquidation if Verify Funds For Interest is checked at contract level, the system checks the available balance in the settlement account for the Interest amount  |
| <b>Verify Funds For Penalty Amount</b> | If Verify Funds For Penalty amount is checked at the contract level during auto liquidation, the system checks the available balance in the settlement account for the Penalty amount.  |
| <b>Rate Fixing Required</b>            | Select this Check box to indicate if the Rate fixing is applicable for the product.   |
| <b>Net Negative Interest</b>           | <p>Check this box to indicate that the system should internally net the positive and negative amounts being paid to the customer during interest liquidation.</p> <p>The system allows you to check this box only for products with negative interest allowed for the main component.</p>   |
| <b>Product Code</b>                    | The selected product code is displayed.   |
| <b>Accrual</b>                         | Specify the Accrual fields.   |

Table 2-8 (Cont.) Preferences - Field Description

| Field              | Description  |
|--------------------|--|
| <b>Frequency</b>   | <p>This is a Mandatory Field.</p> <p>Define the frequency at which the user would like to accrue the components. The frequency is one of the following:</p> <ul style="list-style-type: none"> <li>• <b>Daily</b></li> <li>• <b>Monthly</b></li> <li>• <b>Half Yearly</b></li> <li>• <b>Yearly</b></li> </ul> <p>When the user run the Automatic Contract Update function at the end of the day, the system carries out the accruals according to the frequency that is specified. However, if the accrual date falls on a holiday, then the accruals are done as per your holiday handling specifications in the Branch parameters screen. That is:</p> <ul style="list-style-type: none"> <li>• If the user has specified that automatic events are to be processed for a holiday(s) on a working day before the holiday, the accruals falling due on holiday (s) are processed during end-of-day processing on the last working day before the holiday.</li> <li>• If the user has specified that the automatic events are to be processed for a holiday(s) on a working day following the holiday, the automatic events falling due on holiday (s) are processed on the next working day, during the beginning of day processing.</li> </ul> |
| <b>Start Month</b> | Select the Start Month details as required from the drop-down list.  |
| <b>Start Date</b>  | Specify the Start Date as required.  |
| <b>Tenor</b>       | The user can set the minimum and maximum tenor limits for a product that the user creates. The user can also set a default tenor. This is the tenor that is normally associated with a deal involving the product. However, the default tenor applied to a deal is changed during its processing.  |
| <b>Minimum</b>     | The user can set the minimum tenor for the product here. The tenor of the deals involving this product must be greater than or equal to the tenor the user has specified here. Only the number is specified here.  |
| <b>Default</b>     | <p>The user can specify the default tenor of the product here. This default tenor applies to all deals involving the product, but the user can change it at the time of deal processing. Only the number is specified here. The unit (days, months, etc.) is specified in a subsequent field.</p> <p>For example, the user has a Weekly Repo product. This product is for borrowings from customers for a maximum duration of one week. For such a product the user can set a minimum tenor of one day and a maximum tenor of one week. The user can also define a default tenor for the product, of, say, one week. This tenor is applicable to all the deals involving the product if the user do not specify any tenor at the time of its processing.</p>   |
| <b>Maximum</b>     | The user can set the maximum tenor for the product here. The tenor of the deals involving this product must be lesser than or equal to the tenor the user has specified here. Only the number is specified here.   |

Table 2-8 (Cont.) Preferences - Field Description

| Field                       | Description   |
|-----------------------------|---|
| <b>Unit</b>                 | <p>In the minimum, maximum and default tenor fields the user set the duration numerically. Here, the user specify the unit of the duration. It could be:</p> <ul style="list-style-type: none"> <li>• <b>Days</b></li> <li>• <b>Months</b> or,</li> <li>• <b>Years</b></li> </ul> <p>For example, to define the default tenor, in the Default tenor field, define the number and the unit - days, months, years, in the Unit field.</p> <p>Suppose, for a product; the user want to define the default tenor as 150 days. Then it would be best if the user give the following values in these fields:</p> <ul style="list-style-type: none"> <li>• Default tenor - 150</li> <li>• Unit - Days</li> </ul> <p>To define a default tenor of 10 months for a product, the user must give the following values in the fields:</p> <ul style="list-style-type: none"> <li>• Default tenor - 10</li> <li>• Unit - months</li> </ul> <p>To define a default tenor of eight years for a product, the user must give the following values in the fields:</p> <ul style="list-style-type: none"> <li>• Default tenor - 8</li> <li>• Unit - years</li> </ul> |
| <b>Rate Variance</b>        | Specify the Rate Variance fields.   |
| <b>Normal Rate Variance</b> | <p>The user needs to specify the minimum/normal variance allowed for the rate. Suppose the exchange rate variance between the exchange rate (specified for the product) and the rate captured for a Repo exceeds the value specified here. In that case, the system displays an overriding message before proceeding to apply the exchange rate. The normal variance must be less than the maximum variance.</p> <p>For back valued transactions, the system applies the rate based on the exchange rate history. The variance based on the rate prevailing at that time.</p>   |



Table 2-8 (Cont.) Preferences - Field Description


| Field                                | Description  |
|--------------------------------------|--|
| <b>Maximum Rate Variance</b>         | <p>The user cannot apply an exchange rate on a deal, involving the product the user is creating, which is greater than the value the user specifies as the Maximum Variance. If the exchange rate variance exceeds the standard rate by the amount the user-specified as the maximum variance; the system will not store the contract.</p> <p>For example, the user has specified the normal variance as 3% and the maximum variance as 6% for Product SR01. Suppose the user applies the exchange rate on a contract involving SR01 that varies from the applicable rate maintained for the day by less than 3%. In this case, the system will NOT display an overriding message.</p> <p>If the user apply an exchange rate on a contract involving SR01 that varies from the Standard Rate by between 3% and 6%, the system will display an override message. If the user applies an exchange rate on a contract involving SR01 that varies from the day's rate by more than 6%, the system will not store the contract.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;">  <b>Note:</b><br/>The exchange rate variance is a percentage </div> |
| <b>Holiday Treatment Preferences</b> | <p>The schedule or maturity date of a contract might fall on a local holiday defined for your branch or on holiday specified for the currency involved in the contract. Therefore, the user needs to specify how the system must handle holidays.</p>  |
| <b>Cascade Schedules</b>             | <p>Select this check box, to execute the Cascade Schedules validation of the date and movement of schedules.</p> <p>The cascading schedules arises only if:</p> <ul style="list-style-type: none"> <li>• The user has specified that a schedule falling due on holiday has to be moved forward or backwards; and</li> <li>• The schedule has been defined with a definite frequency.</li> </ul> <p>If the user checks this box to cascade schedules, the scheduled date following the changed date is shifted following the changed date as per the frequency. If the user opt not to cascade schedules, even if one of the scheduled dates are changed, the schedules, which follow, are fixed as per the original definition.</p>  |
| <b>Currency Holiday</b>              | <p>Select this check box, to execute the Currency Holiday validation of the date and movement of schedules.</p> <p>The movement of schedule date or maturity date is based on the holiday treatment that the user specified for the currency specified.</p>  |
| <b>Financial Center Holiday</b>      | <p>Select this check box, to execute the financial center holiday calendar validation of the dates and movement of schedules.</p> <p>The movement of schedule date or maturity date is based on the holiday treatment that the user specify for the Financial Center specified.</p>  |
| <b>Local Holiday</b>                 | <p>Select this check box, to execute the local holiday validation of the date and movement of schedules.</p>   |

Table 2-8 (Cont.) Preferences - Field Description


| Field                         | Description  |
|-------------------------------|--|
| <b>Move Across Month</b>      | If the user has chosen to move a schedule falling due on holiday either forward or backwards to the next or previous working day and it crosses over into a different month, the scheduled date is moved only if the user so indicate in this field. If not, the scheduled date is kept in the same month, on the last or first working day of the month, depending on whether the schedule is over the month-end or the beginning of the month. Check this box if the user want to allow movement across the month for a scheduled date that has been moved forward or backwards.   |
| <b>Schedule Movement</b>      | Select the Schedule Movement as required.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Move Forward:</b> Suppose the user has indicated that a currency holiday must not be ignored for the contract. In that case, the user need to specify whether the schedule date/maturity date must move forward to the next working day or move back to the previous working day. Check against this field to indicate that the security/ maturity date of the contract must be moving forward to the next working day</li> <li>• <b>Move Backward:</b> The schedule date/maturity date must move forward to the next working day or move back to the previous working day. Check against this field to indicate that the scheduled date/maturity date of the contract must move back to the previous working day.</li> </ul>                        |
| <b>Repo</b>                   | Specify the Repo fields.   |
| <b>Delivery Verse Payment</b> | Select this check box to generate MT543/MT541 and payment message MT202 is suppressed on Repo booking and liquidation.<br>If the flag is unchecked MT540/MT542 along with payment message MT202 continues to generate.   |
| <b>Securities Pledged</b>     | Select the Securities pledged option as required from the drop-down list of values.<br>The Options available are: <ul style="list-style-type: none"> <li>• <b>Move to Collateral Portfolio</b></li> <li>• <b>Block Securities</b></li> </ul> Securities pledged as part of the repo will either be moved to a collateral portfolio or blocked in bank portfolio. <div style="border: 1px solid #0070C0; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>When the preference for the securities pledged is selected as Move to Collateral portfolio, Internal Product is mandatory and Block product must be null. When the preference for the securities pledged is selected as Block Securities, Block Product is mandatory and Internal product must be null.</p> </div> |
| <b>Internal Bank Product</b>  | This field captures the BankBuy BankSell deal product for moving pledged security from Banks portfolio to collateral Portfolio on repo booking.  |
| <b>Block Product</b>          | This field captures the Block product, to block the securities pledged on repo booking/margin call   |

Table 2-8 (Cont.) Preferences - Field Description



| Field                             | Description   |
|-----------------------------------|---|
| <b>Authorization Rekey Fields</b> | <p>Specify the values that the authorizer of a SR deal has to rekey at the time of authorization.</p> <p>All operations on a deal (input, modification, reversal, manual liquidation or manual rollover) have to be authorized:</p> <ul style="list-style-type: none"> <li>• By a user other than the one who carried out the operation</li> <li>• Before the user can begin the end-of-day operations</li> </ul> <p>When the user invoke a deal for authorization - as a cross-checking mechanism to ensure that the user are calling the right deal - the user can specify that the values of certain fields are entered before the other details are to be displayed. The complete details of the deal are displayed after the values to these fields are entered. This is called the 'rekey' option.</p> <p>If no rekey fields are defined, the details of the deal are displayed immediately once the authorizer calls the deal for authorization. The rekey option also serves as a means of ensuring the accuracy of inputs.</p> <p>The user can specify any or all of the following as rekeying fields:</p> <ul style="list-style-type: none"> <li>• <b>Currency</b></li> <li>• <b>Value Date</b></li> <li>• <b>Contract Amount</b></li> <li>• <b>Maturity Date</b></li> </ul> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>Re-key option is available only for SR Online screen and not for Payment.</p> </div> |
| <b>Reverse Repo</b>               | Specify the Reverse Repo fields.  |
| <b>Receive Verse Payment</b>      | Select this check box to generate MT541\MT543 and payment message MT202 is suppressed on Repo booking and liquidation. If the flag is unchecked MT540/MT542 along with payment message MT202 continues to generate.   |
| <b>Bank Buy Product</b>           | <p>Select the Product from the list of values to capture Bank Buy Customer Sell deal product for transferring securities received from counterparty to Collateral Portfolio on Reverse Repo Booking.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>Bank Buy Customer Sell product is Mandatory for a Reverse Repo.</p> </div>   |

Table 2-8 (Cont.) Preferences - Field Description




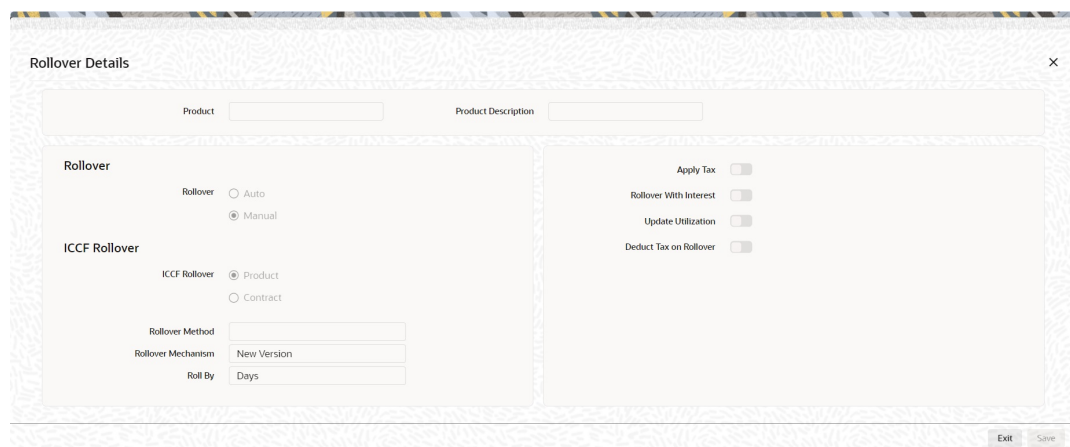
| Field                                    | Description  |
|--|--|
| <b>Bank Sell Product</b>                 | <p>Select from the list of values to capture the Product for creating Bank Sell Customer Buy deal for transferring back the securities to counterparty from collateral portfolio.</p> <div style="border: 1px solid #0070C0; background-color: #E6F2FF; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>Bank Sell Customer Buy is Mandatory for a Reverse Repo.</p> </div>   |
| <b>Product Restriction</b>               | Specify the Product Restriction fields.  |
| <b>Branch Restrictions</b>               | <p>Indicate whether the user wants to create a list of allowed branches or disallowed branches by selecting one of the following options:</p> <ul style="list-style-type: none"> <li>• <b>Allowed</b></li> <li>• <b>Disallowed</b></li> </ul>  |
| <b>Currency Restrictions</b>             | <p>Indicate whether the user wants to create a list of allowed currencies or disallowed currencies by selecting one of the following options:</p> <ul style="list-style-type: none"> <li>• <b>Allowed</b></li> <li>• <b>Disallowed</b></li> </ul>  |
| <b>Categories List</b>                   | <p>Indicate is the user wants to create a list of allowed customers or disallowed customers by choosing one of the following options:</p> <ul style="list-style-type: none"> <li>• <b>Allowed</b></li> <li>• <b>Disallowed</b></li> </ul>  |
| <b>Collateral Revaluation</b>            | Specify the Collateral Revaluation fields.   |
| <b>Collateral Revaluation Preference</b> | <p>The Options available are:</p> <ul style="list-style-type: none"> <li>• <b>Margin Settlement</b></li> <li>• <b>Repricing</b></li> </ul> <p>Margin Settlement :</p> <p>Select this option Margin Call/Settlement to substitute the shortfall/excess due to the price fluctuation.</p> <div style="border: 1px solid #0070C0; background-color: #E6F2FF; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>Both Margin Settlement and Repricing cannot be selected at the same time. Choose any one option based on requirement.</p> </div> <p>Repricing</p> <p>Select this option to Reprice of the repo contract notional amount.</p> |

Table 2-8 (Cont.) Preferences - Field Description

| Field                 | Description  |
|-----------------------|--|
| <b>Margin Product</b> | Select the Product from the list of values to execute the Margin settlement.<br><br><div style="border: 1px solid #0070C0; padding: 5px; background-color: #E6F2FF;"> <p> <b>Note:</b><br/>This field is mandatory field if Margin Settlement is selected.</p> </div> |

18. On the **Preference** screen, click **Rollover Details**.  
**Rollover Details** screen is displayed.

Figure 2-8 Rollover Details



19. On the **Rollover Details** screen, specify the details as required.  
For information on fields, see the below table:

Table 2-9 Rollover Details - Field Description

| Field                         | Description  |
|-------------------------------|--|
| <b>Product</b>                | The Product details selected is displayed.   |
| <b>Product Description</b>    | The Product description details are displayed.   |
| <b>Apply Tax</b>              | Select the Check box to apply the tax component.   |
| <b>Rollover With Interest</b> | Select the Check box to apply the rollover component.  |
| <b>Update Utilization</b>     | Select the Check box to apply the Utilization component.   |
| <b>Deduct Tax on Rollover</b> | Select the Check box to apply the deduct tax on Rollover component.  |
| <b>Roll over</b>              | Select the Rollover option as required.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Auto</b></li> <li>• <b>Manual</b></li> </ul> |

**Table 2-9 (Cont.) Rollover Details - Field Description**

| Field                     | Description   |
|---------------------------|---|
| <b>ICCF Rollover</b>      | Select the Rollover option as required.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Product</b></li> <li>• <b>Contract</b></li> </ul> |
| <b>Rollover Method</b>    | Select the Rollover Method details as required form the drop- down list.  |
| <b>Rollover Mechanism</b> | Select the Rollover Mechanism details as required form the drop- down list.   |
| <b>Roll By</b>            | Select the Roll By details as required form the drop- down list.  |

20. On the **Preference** screen, click **Schedules**.

When creating a Repo product, the user can define schedule details such as the reference date, the frequency, the month and the date for each component. The user can capture these details in the Product Default Schedules screen.

The **Product Default Schedules** screen is displayed.

**Figure 2-9 Product Default Schedules**

21. On the **Product Default schedules** screen, specify the details as required.

For information on fields, see the below table:

**Table 2-10 Product Default schedules - Field Description**

| Field                      | Description   |
|----------------------------|---|
| <b>Product Code</b>        | The product code defined at the product definition is displayed.                                      |
| <b>Product Description</b> | The description of the product selected is displayed.   |
| <b>Component</b>           | This is a mandatory field.<br>Click the search icon and select the Component from the list displayed. |

Table 2-10 (Cont.) Product Default schedules - Field Description

| Field              | Description  |
|--------------------|--|
| <b>Refer</b>       | This is a mandatory field.<br>Select the option from the drop down list.<br>The options are: <ul style="list-style-type: none"> <li>• Calendar</li> <li>• Value Date</li> </ul>  |
| <b>Frequency</b>   | This is a mandatory field.<br>Select the option from the drop-down list.<br>The options are: <ul style="list-style-type: none"> <li>• <b>Daily</b></li> <li>• <b>Weekly</b></li> <li>• <b>Monthly</b></li> <li>• <b>Quarterly</b></li> <li>• <b>Half Yearly</b></li> <li>• <b>Yearly</b></li> <li>• <b>Bullet</b></li> </ul> |
| <b>Unit</b>        | Indicate here the number of units for the frequency the user has set for a particular component.   |
| <b>Day</b>         | Select the Day from the drop-down list.  |
| <b>Month</b>       | Select the Month from the drop-down list.  |
| <b>Date</b>        | Specify the Date as required.  |
| <b>Period Unit</b> | Specify the Period unit from the drop down list.   |
| <b>Period</b>      | Specify the schedule period.   |

22. On the **Preference** screen, click **Liquidation Order**.  
The **Component Liquidation Order** screen is displayed.

Figure 2-10 Component Liquidation Order

23. On the **Component Liquidation Order** screen, specify the details as required.  
For a contract defined with manual liquidation of components, the Liquidation Order is considered when a payment has to be automatically distributed among the various outstanding components. For a contract with automatic liquidation, the order of liquidation

becomes important when funds are insufficient in the repayment account on the day of liquidation, and more than one component has a schedule falling due on that day.

Under such circumstances, the user might want to allot priority to the recovery of certain components. For example, the user might want to recover the interest (or interest type of components) first and then the principal. The ageing analysis function takes over once a component is overdue, and an appropriate penalty is applied. For a component on which penalty interest has been applied, the user may wish to recover penalty interest first, the interest next and finally the principal.

 **Note:**

The user can specify the liquidation order for all the interest type of components and the principal.

For information on fields, see the below table:

**Table 2-11 Component Liquidation Order - Field Description**

| Field                      | Description   |
|----------------------------|---|
| <b>Product Code</b>        | The product code defined at the product is displayed.                                     |
| <b>Product Description</b> | The description of the defined product is displayed.                                      |
| <b>Component</b>           | Click the search icon and select the Component details from the list of values displayed. |
| <b>Liquidation Order</b>   | The Liquidation order details are displayed as required.                                  |

#### Specify Grace Days to Penalty

The grace period specifies the period within which the penalty interest (if one is defined for the product) will not be applied, even if the repayment is made after the due date. This period is defined as a specific number of days and will begin when the repayment becomes due.

Penalty interest is applied on repayments made after the grace period and is calculated for the entire period. It has been outstanding (that is, from the date the payment was due).

For example, an interest repayment on a borrowing deal is due on 15 June 1998. The user has specified a grace period of 5 days, after which a penalty interest of 2% is imposed.

If the customer makes the interest payment on 18 June, which falls within the grace period, he/she will not have to pay penal interest. But if the customer makes the payment after the expiry of the grace period, after 20 June, he/she is charged penal interest. It is calculated from 16 June onwards and not from 20 June. If the payment is made within the grace period, normal interest is applied to the scheduled repayment date.

#### Grace Days for Multiple Penal Components

If your bank has chosen to have multiple penal components, the user can define grace days (in days, months or years) to be applicable for each level.

The penalty is not applied if the payment made within the grace period that the user has defined for each level. It becomes applicable only after the expiry of the grace period. If applied, the penalty is calculated from the day the payment becomes overdue.



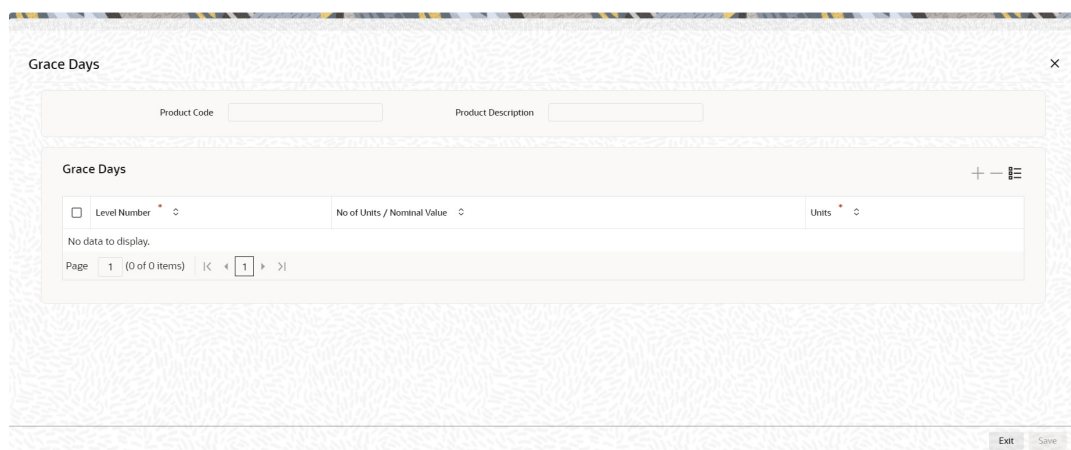
 **Note:**

The number of grace days specified for a level must be more than the number of grace days specified for the previous level. Higher the level, higher the number of grace days defined for the level. For a product, the user can specify the grace period after which the penalty will start accruing, through the Grace Days Definition screen.

24. On the **Preference** screen, click **Grace Days**.

**Grace Days** screen is displayed.

**Figure 2-11 Grace Days**




25. On the **Grace Days** screen, specify the details as required.

For information on fields, see the below table:

**Table 2-12 Grace Days - Field Description**

| Field                      | Description  |
|----------------------------|--|
| <b>Product Code</b>        | The Product code defined at the product level is displayed.    |
| <b>Product Description</b> | The Product Description of the selected product are displayed. |

Table 2-12 (Cont.) Grace Days - Field Description

| Field                            | Description   |
|----------------------------------|---|
| <b>Level Number</b>              | <p>This is a Mandatory field.</p> <p>The system updates the level of the intermediary in the hierarchy on saving the record.</p> <p>The level numbers get defaulted depending on the number of levels defined in the ICCB Details screen, irrespective of the Basis Amount Type i.e. if the user define three levels of penalty for the Basis Amount type Principal and four levels of penalty for the Basis Amount type Interest, levels 1 to 4 are available to the user in the Grace days definition screen. The user will not be able to add levels in this screen. Since the level numbers get defaulted from the ICCB Details screen, it is imperative that the expected and overdue components are defined at the ICCB Details screen, prior to the definition of grace days for the levels.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>Grace days are defined for a level. The user cannot specify different grace days for the same level for different Basis amount types. After the product has been saved and authorize, the user are not allowed to modify grace days.</p> </div> |
| <b>No of Units/Nominal Value</b> | Specify the number of units or nominal values.  |
| <b>Units</b>                     | <p>This is a Mandatory field.</p> <p>The user must specify the grace period for each level. Each overdue component will come into effect when the grace period associated with the level expires. The grace period is expressed in:</p> <ul style="list-style-type: none"> <li>• <b>Days</b></li> <li>• <b>Months</b></li> <li>• <b>Years</b></li> </ul>  |

#### Grace Days to Penalty

The grace period specifies the period within which the penalty interest (if one is defined for the product) will not be applied, even if the repayment is made after the due date. This period is defined as a specific number of days and will begin from the date the repayment becomes due.

Penalty interest is applied on repayments made after the grace period and is calculated for the entire period it has been outstanding (that is, from the date the payment was due).

For example, an interest repayment on a borrowing deal is due on 15 June 1998. The user has specified a grace period of 5 days, after which a penalty interest of 2% is imposed.

Now, if the customer makes the interest payment on 18 June, which falls within the grace period, he/she will not have to pay penal interest, but if the customer makes the payment after the grace period's expiry, that is, after 20 June, he/she is charged penal interest. It is calculated from 16 June onwards and not from 20 June. If the payment is made within the grace period, normal interest is applied as of the scheduled repayment date.

#### Grace Days for Multiple Penal Components

If your bank has chosen to have multiple penal components, the user can define grace days (in days, months or years) to be applicable for each level. The penalty will not be

applied if the payment made within the grace period that the user has defined for each level. It becomes applicable only after the expiry of the grace period. If applied, the penalty is calculated from the day the payment becomes overdue.

 **Note:**

The number of grace days specified for a level must be more than the number of grace days specified for the previous level. Higher the level, higher the number of grace days defined for the level. For a product, the user can specify the grace period after which the penalty will start accruing, through the Grace Days Definition screen.

26. On the **Securities Repo Product Definition** screen, click **Interest**. **ICCF Details** screen is displayed.

Figure 2-12 ICCF Details

The screenshot shows the ICCF details screen with the following sections:

- Contract Reference:** Input field.
- Main Tab:**
  - Component: Input field with search icon.
  - Currency: Input field.
  - Event: Input field with search icon.
  - Waived:
  - Rate Type: Input field.
  - Maximum Rate: Input field.
  - Minimum: Input field.
  - Grace Period: Input field.
  - Discount:
  - No Interest/Profit: Input field.
  - Rate: Input field.
  - Rate Code: Input field with search icon.
  - Spread Adjustment: Input field.
  - Amount: Input field.
  - Component Description: Input field.
  - Accrued Amount: Input field.
  - Event Description: Input field.
  - Accrual Required:
  - Spread: Input field.
  - Denominator Basis: Input field.
  - Basis 366: Input field.
  - Minimum Spread: Input field.
  - Maximum Spread: Input field.
  - Customer Margin: Input field.
  - Effective Interest Rate: Input field.
  - Negative Interest Allowed:
  - External Pricing:
- View Details Tab:** (Inactive)
- Floating Rate Details:**
  - Interest/Profit Basis: Input field.
  - Reset Tenor: Input field.
  - Indicator: Input field.
  - Fixing Date Movement: Input field.
  - Rate Calculation Type: Input field.
  - Code Usage: Input field.
  - Alternative Risk-Free Rate:
  - Rate Fixing Days: Input field.
- Alternative Risk-Free Rate Preferences:**
  - Lookback:
  - Payment Delay:
  - Lockout:
  - Interest / Profit Rollover:
  - Last Reset:
  - Last Recent:
  - Plain:
  - Index Value:
  - Rate Compounding:
  - Observation Shift:
  - Weighted Average:
- Lookback Days and Payment Movement:**
  - Lookback Days: Input field.
  - Payment Delay Days: Input field.
  - Lockout Days: Input field.
  - Computation Calendar: Input field with search icon.
  - Financial Center: Input field with search icon.
  - Base Computation Method: Input field.
  - Spread/Margin Computation Method: Input field.
  - Spread Adj Computation Method: Input field.
  - Rate Compounding Method: Input field.
  - RFR Rounding Unit: Input field.
  - Payment Movement: Input field with dropdown menu (Calendar selected).

27. On the ICCF screen, specify the details as required.

For information on fields, see the below table

Table 2-13 ICCF - Field Description

| Field                     | Description   |
|---------------------------|---|
| <b>Amount Type</b>        | Specify the basis on which interest has to be calculated. By default, the principal will be taken as the basis. |
| <b>Pre Payment Method</b> | The prepayment method identifies the computation of the prepayment penalty for the contract.                    |

Table 2-13 (Cont.) ICCF - Field Description

| Field                       | Description   |
|-----------------------------|---|
| <b>Stop Application</b>     | <p>Select this check box to stop application.</p> <p>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.</p> <p>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.</p> |
| <b>Propagation Required</b> | <p>Select this check box if the propagation is required.</p> <p>If the interest amount collected from the borrower must be passed on to participants of the contract, check the 'Propagation Required' check box.</p>   |
| <b>Accrual Required</b>     | <p>Select this check box if the accrual is required.</p>  |
| <b>Allow Amendment</b>      | <p>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.</p> <p>The user can amend the following through this function:</p> <ul style="list-style-type: none"> <li>• <b>Interest rate</b></li> <li>• <b>Rate code</b></li> <li>• <b>Spread</b></li> <li>• <b>Interest amount</b></li> </ul>   |
| <b>Consider as Discount</b> | <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>   |
| <b>Collection Type</b>      | <p>Select the collection type. The options are:</p> <ul style="list-style-type: none"> <li>• <b>Advance</b></li> <li>• <b>Arrear</b></li> </ul>   |

Table 2-13 (Cont.) ICCF - Field Description

| Field                      | Description   |
|----------------------------|---|
| <b>Category</b>            | <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"> <li>• <b>Expected</b></li> <li>• <b>Overdue</b></li> <li>• <b>Normal</b></li> <li>• <b>Outstanding</b></li> </ul> <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>   |
| <b>Settlement Currency</b> | 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.  |
| <b>Level Number</b>        | <p>Grace Period and Level Number</p> <p>The user can apply interest at various levels:</p> <ul style="list-style-type: none"> <li>• Main interest on principal – Level 0 (Category: Expected)</li> <li>• Interest on overdue interest – Level 1 (Category: Overdue)</li> <li>• Interest on Level 1 interest – Level 2 (Category: Overdue) ... and so on.</li> </ul> <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> |
| <b>Main Component</b>      | <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>  |

Table 2-13 (Cont.) ICCF - Field Description

| Field                             | Description  |
|-----------------------------------|--|
| <b>Bulk Amount</b>                | <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"> <li>• 0 – 1000 - 3%</li> <li>• 1001 – 2000 - 4%</li> </ul> <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> |
| <b>Link Contract As Rate Code</b> | <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>  |
| <b>Grace Period</b>               | <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>   |
| <b>Alternative Risk-Free Rate</b> | <p>Select the Alternate Risk-Free Rate check box to enable the Alternate Risk Free-Rate preferences.<br/>For more information on the Alternate Risk Free-Rate preferences fields, refer to .</p>   |
| <b>Rate Type</b>                  | <p>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.</p> <p>If the Rate Type is a Floating Rate, the user must also specify the Rate Code to which the product has to be linked.</p>  |
| <b>Rate Code</b>                  | <p>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.</p> <p>This rate will be applied to contracts involving the product.</p>   |
| <b>Borrow Lend Indicator</b>      | <p>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.</p> <p>The options available are:</p> <ul style="list-style-type: none"> <li>• <b>Borrow</b></li> <li>• <b>Lend</b></li> <li>• <b>Mid</b></li> </ul>  |

Table 2-13 (Cont.) ICCF - Field Description

| Field                  | Description  |
|------------------------|--|
| <b>Rate Cycle Type</b> | <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• <b>Up</b> – Choose this option to indicate that the rate of the upper tenor slab must be used.</li> <li>• <b>Down</b> - Choose this option to indicate that the rate of the lower tenor slab must be used</li> <li>• <b>Interpolate</b> - Choose this option to indicate that the rate must be interpolated between the rates of the upper and lower slabs</li> <li>• <b>Round Off</b> - 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</li> </ul> |
| <b>Event</b>           | The event is to which the component must be applied together with its description.   |
| <b>Rule</b>            | Rule associated to the Interest component  |
| <b>Component</b>       | The component for which the user are entering details together with its description.   |
| <b>Code Usage</b>      | 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).   |
| <b>Reset Tenor</b>     | 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 2-13 (Cont.) ICCF - Field Description

| Field                       | Description  |
|-----------------------------|--|
| <b>Margin Basis</b>         | <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"> <li>• <b>Facility</b> - The system defaults the margin from the borrower facility contract with which the drawdown is linked.</li> <li>• <b>Tranche</b> - The system defaults the margin from the borrower tranche contract with which the drawdown is associated.</li> <li>• <b>Drawdown</b> - If this option is chosen, the user must enter the applicable margin when the interest rate is fixed.</li> <li>• This component which the user select is excluded from all the processing including liquidation and this calculation type is only used for margin application.</li> <li>• 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.</li> <li>• <b>Customer</b> - If this option is chosen, then the margin will be applicable to all draw down contracts under the selected customer.</li> </ul> |
| <b>Margin Application</b>   | Margin Application can be periodic or automatic  |
| <b>Event Description</b>    | Defaults event description   |
| <b>Rule Description</b>     | Defaults Rue description   |
| <b>Description</b>          | Defaults Component description   |
| <b>Pricing Details</b>      | Specify the Pricing Details fields.  |
| <b>External Pricing</b>     | Check this box for external pricing of interest component.   |
| <b>Product Limits</b>       | Specify the Product Limits fields.   |
| <b>Currency</b>             | Specify the currency for which limits are maintained   |
| <b>Rate Fixing Days</b>     | Defaults fixing days from Rate fixing maintenance screen. User will be able to modify the same.  |
| <b>Fixing Date Movement</b> | Defaults fixing date movement from Rate fixing maintenance screen. User will be able to modify the same  |
| <b>Default Rate</b>         | Specify the default rate on contract creation. User will be able to modify the same.   |
| <b>Minimum Rate</b>         | 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   |
| <b>Maximum Rate</b>         | 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.   |
| <b>Default Spread</b>       | Specify the default spread for a Floating rate type on contract creation   |

Table 2-13 (Cont.) ICCF - Field Description

| Field                        | Description  |
|------------------------------|--|
| <b>Minimum spread</b>        | 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.  |
| <b>Maximum Spread</b>        | 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.  |
| <b>Interest Basis</b>        | 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.  |
| <b>Denominator Basis</b>     | 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"> <li>• <b>Per Interest Basis</b> – Here the computation would be done based on ACT/ACT–ISMA Interest Method. In this case, the '366 Basis' field will not be applicable.</li> <li>• <b>Per Annum (A)</b> – Here the interest calculation will depend on the value the user specify for 366 Basis</li> </ul> |
| <b>366 Basis</b>             | 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"> <li>• <b>Leap Year</b></li> <li>• <b>Leap Date</b> - computation would be done based on ACT/ACT - FRF Interest Method</li> </ul>  |
| <b>No of Interest Period</b> | 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.  |

28. On the **Securities Repo Product Definition** screen, click **Charge**  
**Charge Details** screen is displayed.
29. On the **Charge Details** screen, specify the details as required.

For information on fields, see the below table:

Table 2-14 Charge Details - Field Description

| Field                      | Description   |
|----------------------------|---|
| <b>Product Code</b>        | The product code defined in the product screen is displayed.  |
| <b>Product Description</b> | The product description of the selected product is displayed. |
| <b>Component</b>           | This is a mandatory field.                                    |
| <b>Description</b>         | Defaults Charge component description                         |

Table 2-14 (Cont.) Charge Details - Field Description

| Field                        | Description   |
|------------------------------|---|
| <b>Charge Type</b>           | Charges can be collected from the counter party or from a third party. The user can select one of the following values from the adjoining drop-down list: <ul style="list-style-type: none"> <li>• <b>Counter Party</b> - This indicates that the customer is captured as part of the contract.</li> <li>• <b>Their Charges</b> - This indicates that your bank is collecting other bank's charges</li> </ul> |
| <b>Net Consideration</b>     | The sum of the different components of a contract determines the net value of the contract.<br>The user can indicate that a charge component must be taken into account when determining the net value of a contract by choosing the Net Consideration option.  |
| <b>Advice Charge</b>         | The system defaults the local currency as charge currency when this check box is checked.<br>If unchecked, then the system defaults the charge currency as per the ICCB rule maintenance.   |
| <b>Stop Association</b>      | The user can instruct the system not to calculate charge for a product by clicking this option.<br>The charge details specified for a product will be automatically applied on all contracts involving the product. However, while processing a contract, the user can waive the application of all or specific charge rules for the contract.  |
| <b>Propagation Required</b>  | This option defaults from the 'Charge Class Maintenance' screen but can be modified here if required.   |
| <b>Debit/Credit</b>          | Specify if the charge must be debited or credited from the counterparty   |
| <b>Add/Subtract</b>          | If the user choose to include the charge component in the net value, the user must indicate if the charge component is to be added, while calculating the net consideration amount, or subtracted.  |
| <b>SWIFT Qualifer</b>        | The user can report the charge component of a contract in the SWIFT messages that the user generates. To do this, identify the component, when building it in the Charge Class Maintenance screen, with the appropriate SWIFT code.   |
| <b>Event Description</b>     | Event for Association<br>The event at which the user might like to associate a charge component to a contract is referred to as the Association Event.  |
| <b>Description</b>           | Associated Event description is defaulted   |
| <b>Event For Liquidation</b> | The event at which the charge component is actually liquidated is referred to as the liquidation Event. Accounting entries are passed on liquidation  |
| <b>Description</b>           | Application Event description is defaulted.   |
| <b>Event for Application</b> | The event at which the charge component is actually calculated is referred to as the Application Event.<br>At this event, no accounting entry (for the charge component) is passed.   |
| <b>Description</b>           | Application Event description is defaulted  |
| <b>Basis Amount Tag</b>      | The basis on which charge is calculated is referred to as the Basis Amount.   |

Table 2-14 (Cont.) Charge Details - Field Description

| Field                          | Description   |
|--------------------------------|---|
| <b>Description</b>             | System defaults the amount tag description  |
| <b>Settlement Currency</b>     | Charges or fees levied on a contract will be settled in the Settlement Currency that the user specify for the charge class associated with the product (under which the contract is processed).<br>However, when processing a contract, the user can choose to settle the charge in another currency.   |
| <b>Rule</b>                    | The user can link a charge rule that the user has defined to the charge component that the user are building. When the user link a rule to a component, the attributes that the user has defined for the rule will default to the component.  |
| <b>Description</b>             | System defaults Rule description  |
| <b>Default Waiver</b>          | If the user want to indicate that the charge rule must be deemed as waived by default, select this option.  |
| <b>Capitalize</b>              | The user can capitalize the payment of charges and fees. If the charge is not paid on a scheduled date, the outstanding charge amount will be added to the outstanding principal and this becomes the principal for the next schedule. If a partial payment has been made, the unpaid amount will be capitalized (the unpaid charge is added to the unpaid principal and this becomes the principal for the next schedule).   |
| <b>Other Details</b>           | Specify the Other Details fields.   |
| <b>Allow Rule Amendment</b>    | If the user likes to allow the amendment of a rule for a charge component when linked to a contract, check this box.  |
| <b>Amend After Association</b> | If the user likes to allow the amendment after association of a rule for a charge component, check this box. Once checked the system will allow the user to modify the rule after the association event is triggered for the linked contract.   |
| <b>Allow Amount Amendment</b>  | If the user likes to allow amendment of the charge amount calculated by the system as per the charge rule, check this box.  |
| <b>Accrual Required</b>        | Checking this indicates that the charges have to be accrued. Subsequently, the charges are accrued using the upfront fee system.  |
| <b>Amend After Application</b> | If the user likes to allow the amendment of the charge amount after application of a rule for a charge component, check this box. Once checked the system will allow the user to modify the charge amount after the application event is triggered for the linked contract.   |
| <b>Consider as Discount</b>    | While defining a charge class for either the securities or the bills module, the user can indicate whether the charge component is to be considered for discount accrual on a constant yield basis.<br>If the user select this option the charge received against the component is used in the computation of the constant yield and subsequently amortized over the tenor of the associated contract.<br>Checking this option also indicates that the component is to be used for IRR calculation. |

Table 2-14 (Cont.) Charge Details - Field Description

| Field                 | Description   |
|-----------------------|---|
| <b>Discount Basis</b> | <p>While defining a charge class the user can define the discount basis for the purpose of IRR computation. The user can choose either of the following as discount basis:</p> <ul style="list-style-type: none"> <li><b>Inflow</b> – If the user choose Inflow, the charge will be considered as an inflow for IRR computation</li> <li><b>Outflow</b> – If the user choose Outflow, the charge will be treated as an outflow for IRR computation</li> </ul> <p>The user can define discount basis only if the 'Consider as Discount' option is enabled.</p> |

30. On the **Securities Repo Product Definition** screen, click **Tax**.  
**Tax Details** screen is displayed.

Figure 2-13 Tax Details

31. On the **Tax Details** screen, specify the details as required.  
For information on fields, see the below table

Table 2-15 Tax Details - Description

| Field                      | Description  |
|----------------------------|--|
| <b>Tax Scheme</b>          | Choose A Tax Scheme from the Option list.                              |
| <b>Product Description</b> | Add Product code and its description like other sub system.            |
| <b>Scheme Description</b>  | System defaults scheme description.                                    |
| <b>Tax Details</b>         | Specify the Tax Details.   |
| <b>Tax Rule</b>            | System defaults the Tax Rule mapped to the scheme for Tax computation. |
| <b>Tax Component</b>       | Amount tag on which Tax is computed.                                   |
| <b>Basis Amount Tag</b>    | The user must specify the event for which the tax is applicable.       |
| <b>Event</b>               | The user must specify the event for which the tax is applicable.       |

**Table 2-15 (Cont.) Tax Details - Description**

| Field                                     | Description  |
|---|--|
| <b>Tax type</b>                           | The type of tax, decides the bearer the tax. It could be the bank or the customer.<br>A customer bears withholding type of tax and the tax component is debited to the customer's account. The bank bears an expense type of tax and the tax component is booked to a tax expense account. |
| <b>Minimum Interest Rate Code for Tax</b> | Specify the rate code for Tax.   |

**Table 2-16 Currency Details**

| Currency                               | Description   |
|--|---|
| <b>Currency</b>                        | Specify the currency from the list of option.   |
| <b>Maximum Interest Period for Tax</b> | Specify the maximum interest period for the tax.  |
| <b>Period Unit</b>                     | Specify the period as <ul style="list-style-type: none"> <li>• <b>Days</b></li> <li>• <b>Months</b></li> <li>• <b>Year</b></li> </ul> |
| <b>Minimum Interest Amount for Tax</b> | Specify the minimum Interest amount for the tax.  |

32. On the **Securities Repo Product Definition** screen, click MIS.  
The **MIS Details** screen is displayed.

**Figure 2-14 MIS Details**

The screenshot shows the 'MIS Details' screen with the following elements:

- Product Code:** A single-line text input field.
- MIS Group:** A dropdown menu with a search icon.
- Pool Code:** A dropdown menu with a search icon.
- Default From MIS Group:** A button to copy values from the MIS Group.
- MIS Classes:** A table with columns for 'MIS Class' and 'MIS Code'. The table is currently empty, displaying 'No data to display.' and a pagination bar showing 'Page 1 (0 of 0 items)'.
- Cost Code:** A list of four input fields, each with a search icon.
- Exit / Save:** Buttons located at the bottom right of the screen.

33. On the **MIS Details** screen, specify the details as required.  
For information on fields, see the below table

**Table 2-17 MIS Details - Field Description**

| Field            | Description   |
|------------------|---|
| <b>MIS Group</b> | Select the MIS group details from the list of values displayed. |
| <b>Pool Code</b> | Select the Pool Code details from the list of values displayed. |

**Table 2-17 (Cont.) MIS Details - Field Description**

| Field              | Description                                    |
|--------------------|--|
| <b>MIS Classes</b> | Specify the MIS Classes details.               |
| <b>MIS Class</b>   | Define the MIS Class details for the security. |
| <b>MIS Code</b>    | Specify the MIS Code details as required.      |
| <b>Cost Code</b>   | Select the Cost Code details as required.      |

34. On the **Securities Repo Product Definition** screen, click **Status**.  
The **Status Control** screen is displayed.

**Figure 2-15 Status Control**

The screenshot shows the 'Status Control' window with the following sections:

- Product Code:** A text input field.
- Status:** A dropdown menu with a search icon.
- Transaction:** A text input field with a search icon.
- Sequence:** A text input field.
- Accruals:** A panel with four toggle switches: Stop Accruals, Reverse Accruals, Complete Accruals, and Transfer.
- Automatic Movement:** A panel with two toggle switches: Forward and Reverse.
- Product Status Advises:** A panel with a 'Message' dropdown, a search icon, and a table area showing 'No data to display.' Below the table is a pagination control: 'Page 1 (0 of 0 items) | < < 1 > > |'.
- Product Status GL:** A panel with a table header: 'Accounting Role', 'Upward From GL', 'Description', 'Accounting Head', 'Description', 'Downward Movement From GL Account Head', 'Description', 'Downward Movement To GL Account Head'. Below the table is a pagination control: 'Page 1 (0 of 0 items) | < < 1 > > |'.
- Account Product Status GL:** A panel with a table header: 'Accounting Role', 'Role Description', 'Account Head'. Below the table is a pagination control: 'Page 1 (0 of 0 items) | < < 1 > > |'.

At the bottom right of the window are 'Exit' and 'Save' buttons.

35. On the **Status Control** screen, specify the details as required.  
For information in fields, see the table:

**Table 2-18 Status Control**

| Field               | Description  |
|---------------------|--|
| <b>Product Code</b> | The product code defined is displayed in this field. |
| <b>Accruals</b>     | Specify the Accruals Details.                        |

Table 2-18 (Cont.) Status Control

| Field                     | Description  |
|---------------------------|--|
| <b>Stop Accruals</b>      | Indicate that accruals (on all accruable components), must be stopped, when the contract moves to the status being defined. By doing so, ensure that your Receivable accounts, for interest and other components, are not updated for a contract on which repayment has been defaulted.  |
| <b>Reverse Accruals</b>   | Indicate that the outstanding accruals (where a component has been accrued but not paid) on the contract must be reversed when it moves to the status that the user are defining. If the user specify so, the accrual entries passed on the contract, will be reversed when the status change is carried out.<br><br>Future accruals must necessarily be stopped if accruals, done till the date of status change, have to be reversed |
| <b>Complete Accruals</b>  | Check this option to complete accruals.<br><br>Indicating if status changes have to be carried out automatically.<br>Indicate the movement preference for statuses.  |
| <b>Transfer</b>           | Check this option if accrual must be transferred from one GL to another GL   |
| <b>Status</b>             | This is the sequence in which, a contract must move to the status the user are defining.<br><br>Usually, more than one status is defined for a product.  |
| <b>Transaction</b>        | The user must indicate the Transaction Code to be used for the GL transfer entries, involved in the status change.   |
| <b>Sequence</b>           | User must indicate the sequence in which a contract moves from status to status  |
| <b>Status Control</b>     | Specify the Status Control field.  |
| <b>Derivation Rule</b>    | If the user has opted for automatic status change, specify the criteria (rules) based on which the system will perform the status change   |
| <b>Automatic Movement</b> | Add the Option <ul style="list-style-type: none"> <li>• <b>Forward</b> - A forward status change is one in which the status changes from one to the next.</li> <li>• <b>Reverse</b> - A reverse status change is one in which the status changes from present status to the previous. Such a situation arises when a payment is made on a contract with a status other than Active</li> </ul>  |
| <b>Status Advice</b>      | Specify the Status Advice fields   |
| <b>Message</b>            | Specify the advice or message that the user wants sent to the customer, when a contract moves automatically (forward) into the status the user is defining.  |
| <b>Select Elements</b>    | Select element based on which the user needs to build a condition for automatic status change of Repo. The drop-down list displays the following elements: <ul style="list-style-type: none"> <li>• <b>Customer Risk</b></li> <li>• <b>Customer Group</b></li> <li>• <b>Transfer Days</b></li> <li>• <b>Maturity Days</b></li> </ul> Choose the appropriate one.   |



Table 2-18 (Cont.) Status Control

| Field   | Description   |
|---|---|
| <b>Operators</b>                              | Select the operator for building a condition for automatic status change. Use multiple elements, in conjunction with the functions and arithmetic operators. The drop-down list displays the following operators: <ul style="list-style-type: none"> <li>• + (add)</li> <li>• - (subtract)</li> <li>• * (multiply)</li> <li>• / (divide)</li> </ul>   |
| <b>Logical Operators</b>                      | Select the logical operator for building a condition for automatic status change. The system uses the logical operators in combination with the elements for creating derivation rules. The drop-down list displays the following logical operators: <ul style="list-style-type: none"> <li>• &gt; (greater than)</li> <li>• &gt;= (greater than or equal to)</li> <li>• &lt; (less than)</li> <li>• &lt;= (less than or equal to)</li> <li>• = (equal to)</li> <li>• &lt; &gt; (not equal to)</li> </ul> |
| <b>Accounting Role</b>                        | Specify the accounting role (asset, liability, contingent asset, etc), for the GL into which the repo has to be transferred, when its status changes.   |
| <b>Upward From GL</b>                         | For each component, the user must indicate the GL from which it has to be moved, when there is a status change.   |
| <b>Description</b>                            | System defaults the GL description  |
| <b>Accounting Head</b>                        | Specify the new GL (accounting head), under which the repo has to be reported.<br>Select an option from the option list, which displays the description of the GL.  |
| <b>Description</b>                            | System defaults Accounting Head description   |
| <b>Downward Movement From GL Account Head</b> | For each component, the user must indicate the GL from which it has to be moved, when there is a status change.   |
| <b>Downward Movement To GL Account Head</b>   | For each component, the user must indicate the GL to which it has to be moved, when there is a status change. For principal, the GL will be changed, while for the other components, the receivable accounts will be moved to the new GL.   |
| <b>Accounting Role</b>                        | Specify the accounting role (asset, liability, contingent asset, etc), for the GL into which the repo has to be transferred, when its status changes.   |
| <b>Role Description</b>                       | Accounting role description is defaulted  |
| <b>Account Head</b>                           | Specify the new GL (accounting head), under which the repo has to be reported.<br>Select an option from the option list, which displays the description of the GL.  |

## 2.2.2 Process a SR Deal

A product is a specific service that the user offer your customers.

For example, the user may offer an 'overnight repo' facility to your customers amongst other financial services. By defining the overnight repo facility as a product - with specific attributes,- the user can categorize all overnight repo, which shares the attributes, defined for the product.

The other advantage of defining a product is that the user can define certain general attributes for a product that will default to all contracts (repo or reverse repo) involving it.

 **Note:**

When the user enters into a deal with a customer, the user enter into a contract.

Contracts are customer-specific.

Deals (contracts) inherit the attributes of the product by default. This means the user need not define these general attributes each time the user inputs a deal involving the product. These general attributes are changed at the time of processing a deal.

Besides, these general attributes which a deal inherits from a product - and which is changed for it - there are the specific attributes which the user has to define for the deal:

- The Counterparty (customer) details
  - The deal amount
  - The deal currency
  - The repayment account for the deal
  - The securities pledged or received
- ,and so on

## 2.3 Features of the Contract Details screen

This topic the features of the contract details screen to configure the general attributes for the product.

Every product created in your bank is endowed with certain general attributes. A deal that the user enters into acquires the general attributes defined for the product it involves. To recall an endowed product with the following general attributes:

- The product code, description, slogan, start and end date for the product and remarks
- The frequency of interest accrual
- The tenor limits for the product
- The liquidation mode: manual or automatic
- Whether a deal involving the product is rolled over into a new deal if it is not liquidated on its maturity date
- Whether the accrued interest of earlier placement(s) must be considered as part of the "utilized amount" while tracking credit utilization for a customer.
- Whether tax has to be applied.
- Whether brokerage has to be applied.

- The exchange rate variance (for a special customer, the user can choose to apply a rate that is greater than the standard exchange rate defined for the currency. The user can impose some restrictions on the special rate by way of specifying a variance). Whether a penalty is to be imposed if there is an advance repayment.
- Whether interest schedule amounts have to be recomputed in case of an advance payment
- Whether a deal involving a product is booked to be initiated on a date in the future.
- Whether for a backdated deal that has schedules prior to today's date, the schedules have to be liquidated when the deal is initiated. A back dated deal is one, which has an initiation date, which falls before the date on which it is booked.
- The payment type for main interest - bearing, discounted or true discounted
- The values to be rekeyed, by the authorizer of a contract, at the time of authorization
- The liquidation order of various components in case of auto liquidation
- Repayment schedules
- Aging analysis details such as the movement of deals from one status to another; the mode of status change - whether forward and reverse movements must be automatic or manual; reversal or stoppage of accruals upon change of status; the transfer GL upon status change; the messages to be generated; and the transfer days for interim schedules and maturity schedules.
- Specifying rollover details like updating credit limit utilization on rollover (for a placement), tax on rollover, rolling over with interest or without, deduction of tax on rollover.
- Details of interest, charge and fee.
- Other tax details like the component being taxed, the type of tax and the event (booking, liquidation, etc.) Upon which it is applied.
- The accounting roles and the general ledgers for accounting purposes when an event (initiation, liquidation, etc.) Takes place, and the advices or messages to be generated.
- The customer categories and customers who is counterparty to a deal involving the product.
- The branch and currency restrictions

While saving a Securities Repo contract, the system will pass certain information about the Securities Repo contract to the FATCA accounts and obligations maintenance for the customer. This is done if the beneficiary account's customer has a reportable FATCA classification and if the SR product used to book the contract is present in the FATCA Products, account class and Instruments maintenance.

If the SR contract is closed or liquidated completely, then the corresponding row in FATCA accounts and obligations maintenance is archived. If the user deletes the SR contract before authorization, they must delete the corresponding entry in FATCA accounts and obligations maintenance.

Specify the following details:

- The Portfolio ID in which the user would like to block securities (this specification is not mandatory for a reverse repo deal that involves a walk-in customer).
- The Security ID(s) that the user would like to block
- The SK Location and the SK Account where the security to be blocked is held
- The format of each security (scrip-based, dematerialized, immobilized, etc.)
- The Number of Units of each security that the user is blocking

- If the underlying security is defined with a series redemption, the series
- Settlement details like the credit/debit branch, booking date, value date, original start date, user input maturity date and liquidation mode. In an outgoing MT518 message, this maturity date is captured in field 98a. Field 98a is sequence B is generated with only option A.

## 2.4 Prerequisites for the Application Login

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

To login to the application, perform the following:

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

The Home page is displayed.

## 2.5 Define a New Product and Static Data

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

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

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

## 2.6 Maintain an Existing Product and Static Data

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

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

## 2.7 Capture Details of Repo Contract

This topic describes how to capture details of Repo Contract in the Securities Repo Contract Online.

When the user enters into a repo (or reverse repo) deal, the user must associate it with a product that the user has maintained. By default, a deal inherits all the attributes of the product with which it is associated. Most deal details are captured for the product the deal involves.

These details default to the deal. The user can capture the details of repo deals in the Securities Repo – Online screen.

1. On the Home page, specify **SRDTRONL** in the text box, and click next arrow.  
The **Securities Repo Contract Online** screen is displayed.

**Figure 2-16 Securities Repo Contract Online**


2. On the **Securities Repo Contract** screen, specify the fields.  
The base number of the counterparty (customer)
  - The currency of the contract
  - The principal amount (for a deal with True Discounted interest, the user must enter the nominal).
  - Securities pledged detail for repo
  - Securities received detail for reverse repo
  - The credit line under which the reverse repo has to be tracked
  - The tenor related details for the deal
  - The code of the broker involved
  - The dealer involved

- The default settlement account
- The maturity details
- The interest details
- Whether the deal is rolled over

The following details displayed cannot be changed:

- Product type
- Default tax scheme
- Schedule payment method
- Interest type Rollover count


**Table 2-19 Security Repo Contract - Field Description**

| Field                      | Description   |
|----------------------------|---|
| <b>Product Code</b>        | This is a mandatory field<br>Click the search icon and select the Product code from the list of options displayed.  |
| <b>Product Description</b> | The description of the selected product code is displayed.  |
| <b>Source</b>              | Indicate the source from which contracts have to be uploaded.If this value is left null, then the user will not be able to amend the contract. Amendment for the contract can be uploaded only through the same source as that used for creation.   |
| <b>Dealer</b>              | Select the Dealer involved in the deal from the list  |
| <b>Broker</b>              | Select the Broker involved in the deal from the list  |
| <b>Deal Input Time</b>     | <p>This field captures the deal execution time at the time of deal booking received from front office.<br/>Format: YYYY-MM-DD HH:MM:SS:SSS (Default).<br/>Here SSS is milliseconds.</p> <div style="border: 1px solid #0070C0; background-color: #D9E1F2; padding: 5px;"> <p> <b>Note:</b><br/>The above date format can be changed in the user setting option based on requirement.</p> </div> <p>System throws an error when the user gives the wrong date or time format on modification.</p> |
| <b>Reject Reason</b>       | Specify the Reject reason Code for payment reversal message. The option list displays all valid code maintained in the system. Choose the appropriate one.  |

**Table 2-19 (Cont.) Security Repo Contract - Field Description**

| Field                            | Description   |
|----------------------------------|---|
| <b>Contract Reference Number</b> | <p>The system automatically generates a Contract Reference Number for each deal. A running serial number, the date in Julian format, the product code, and the branch code are combined to book the deal.</p> <p>A three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number make up the Reference Number.</p> <p>The Julian Date has the following format:<br/>“YYDDD”</p> <p>Here, YY stands for the last two digits of the year. and DDD for the number of days (s) that has/have elapsed in the year.</p> <p>For example, 31 January 1998 translates into the Julian Date: 98031. On 5 February, the Julian format changes the number 1998 to 98036. This occurs when the number of days that have passed in January is added to the number of days that have passed in February. Therefore, 98036 is determined by the sum of the days in both months.</p> <p>In case of entity length changes Contract Reference number format will be changed to Product/Process Code (4 char) + Julian Date (5 char) + Sequence Number (7 digits).</p> |
| <b>User Reference Number</b>     | <p>The user can enter any reference number for a deal that the user enter. The deal is identified through this number in addition to the Contract Reference Number generated by the system. No two deals can have the same User Reference Number. By default, the Contract Reference Number generated by the system is taken as the User Reference Number. The user can use this number, besides the deal Reference Number, to retrieve information relating to a deal.</p>   |
| <b>External reference Number</b> | <p>If the transaction is being uploaded from an external source, the user can specify the identification for the transaction in the external source, as the external reference number. The user cannot amend this value post contact save.</p>  |
| <b>Reversed Reference Number</b> | <p>The reference number of the contract that is being reversed and rebooked is displayed here. To enable amendment of SR Contract details Oracle Banking Treasury Management will reverse the old contract and rebook a new contract with the old user reference number and external reference number. The old contract is reversed and a new contract is booked with Reversed FCC ref as the parent contract.</p>  |
| <b>Outstanding Amount</b>        | <p>The system displays the total amount due as of the value date.</p>   |
| <b>Customer Number</b>           | <p>This is a mandatory field.<br/>Select the customer number from the list of values displayed.</p>   |
| <b>Customer Name</b>             | <p>The associated customer name from the selected customer number is displayed.</p>   |
| <b>Currency</b>                  | <p>This is a mandatory field.<br/>Select the currency from the list of values displayed.</p>  |

**Table 2-19 (Cont.) Security Repo Contract - Field Description**

| Field                        | Description   |
|------------------------------|---|
| <b>Amount</b>                | <p>This is a mandatory field.</p> <p>Specify the Amount details as per requirement.</p> <p>If a product has bearing or discounted type of interest, the user must enter the principal of the deal in this screen. For a deal involving a true discounted product, the user must enter the face value (nominal) of the deal. The user can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million. Amendment to this field is considered a financial amendment.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>The amount, which the user enter, would be taken to be in the currency that the user specify as the deal currency.</p> </div> |
| <b>Local Currency Amount</b> | <p>If the deal amount is in foreign currency, the system displays the equivalent local currency amount.</p>   |
| <b>Line</b>                  | <p>By default, the user will view the Reverse Repo credit line defined for the customer. The user can change over to another authorized credit line if the user wants to track the Reverse repo under a different line.</p> <p>During upload, the credit lines for the given Counterparty, Product, Branch, Currency combination are fetched by the system. If there is only one credit line available, the system will display it here. If there are multiple lines found, the field is left blank.</p>  |
| <b>Interest Basis</b>        | <p>The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification the user made at the product level. The user can choose to change it. The following are the options available:</p> <ul style="list-style-type: none"> <li>• 30(Euro)/360</li> <li>• 30(US)/ 360</li> <li>• Actual/360</li> <li>• 30(Euro)/365</li> <li>• 30(US)/365</li> <li>• Actual/365</li> <li>• 30(Euro)/Actual</li> <li>• 30(US)/Actual</li> <li>• Actual/Actual</li> <li>• 30(Euro)/364</li> <li>• 30(US)/ 364</li> <li>• Actual/364</li> </ul> <p>The value of interest basis maintained here is used for calculating interest for repo contract.</p>   |




**Table 2-19 (Cont.) Security Repo Contract - Field Description**

| Field                 | Description   |
|-----------------------|---|
| <b>Payment Method</b> | <p>The payment method defined for the main interest for the product (whether bearing, discounted or true discounted) applies to the contract as well. The method defined for the product is displayed here.</p> <ul style="list-style-type: none"> <li>• Bearing: Interest is liquidated on schedule payment date(s).</li> <li>• Discounted: In this interest payment method, the interest is deducted at the time of initiating the deal.</li> <li>• True discounted: In this interest payment method, the interest is calculated on the principal of the deal and not on the nominal. All the same, like the discounted method, here too, it is deducted from the principal at the time of initiation of the deal.</li> </ul> |
| <b>Schedule Type</b>  | <p>If the user has defined repayment schedules for a product, which is applied to a deal involving the product, automatically. However, the user can change the schedule while processing a deal under the product.</p> <p>When a deal for which the repayment schedules a changed is rolled over, the new deal can have the repayment schedules defined for the product, or the schedules for the deal.</p>  |
| <b>Tax Scheme</b>     | <p>The tax scheme, which has been specified for the product, is displayed in this screen. The tax scheme cannot be changed at the time of deal processing.</p>  |

**Table 2-19 (Cont.) Security Repo Contract - Field Description**

| Field                            | Description   |
|----------------------------------|---|
| <b>Contract Derived Status</b>   | <p>The status of placement is indicative of the status of repayments on it. If the user has specified automatic status movement for the placement, it is moved automatically to the status, as per your definition. However, if the user indicates the status change is made manually on the placement, the user can change the status manually in this screen. Even if the user has defined placement with automatic status movement, the user can still change the status manually before the automatic status change is due.</p> <p>There is another scenario, where the user has defined placement with automatic status moving forward, but manual status movement in the reverse direction. That is, when the conditions for placement being in a particular status no longer exist, if the user has specified manual reverse movement, then the user has to move the placement to the appropriate status manually.</p> <p>A placement on which the latest repayment has been made is in the Active status. If a payment is outstanding on a placement, its status is changed, based on your requirements of reporting placements with outstanding payments. The different status codes applicable for placement are defined for a product, and it applies to the placement, by default. However, the user can change the status of the contract through this screen.</p> <p>When the user captures the placement details, the system allows the status Active by default. The user may change it to any of the status codes as per your requirement. While doing manual status change, ensure the status order as defined. For example, the status codes are defined as follows, in that order:</p> <ul style="list-style-type: none"> <li>• Active</li> <li>• Past Due</li> <li>• Non-accrual</li> <li>• Write-off</li> </ul> <p>The user cannot change the status of placement from Active to Non-accrual, bypassing Past Due. If the requirement is that the placement has to be put in the Non-accrual status from the Active status, the user must first change the status to Past Due, store and authorize this status change and then change it to the Non-accrual status. If a status change is defined with a change in the GL, the entries are passed for the GL movement.</p> |
| <b>Remarks</b>                   | <p>The user can enter information describing the deal that the user is processing. This is available when the user retrieve information on the deal. However, this information will not be printed on any advice printed for the customer's benefit. This information is displayed whenever the user retrieve information on the deal either as a display or in print.</p>  |
| <b>Settlement Details</b>        | Specify the Settlement Details.   |
| <b>Debit Branch</b>              | When selecting the settlement details of a deal, the user must specify the debit account Branch.  |
| <b>Debit Account</b>             | Specify the account to be debited for the money market deal.  |
| <b>Debit Account Description</b> | The system displays the description of the specified debit account number based on the details maintained at 'Customer Account Maintenance' level.  |
| <b>Credit Branch</b>             | When selecting the settlement details of a deal, the user must specify the credit account branch.   |
| <b>Credit Account</b>            | Specify the account to be credited for the money market deal.   |

**Table 2-19 (Cont.) Security Repo Contract - Field Description**

| Field                             | Description  |
|-----------------------------------|--|
| <b>Credit Account Description</b> | The system displays the description of the specified credit account number based on the details maintained at 'Customer Account Maintenance' level.  |
| <b>Liquidation</b>                | <p>When setting up a product, the user specify the mode of liquidation, whether automatic or manual, for the different components of a deal. By default, all deals involving the product will inherit this definition. However, the user can change the mode of liquidation, from automatic to manual, or vice versa, while processing a deal. Select the type of the Liquidation required.</p> <p>The options are:</p> <ul style="list-style-type: none"> <li>• <b>Auto</b></li> <li>• <b>Manual</b></li> </ul>   |
| <b>Rollover Allowed</b>           | <p>Select the option if the Rollover is required or not.</p> <p>While setting up a product, if the user specify the deals involving the product are automatically rolled over, all deals involving the product are rolled over on their respective Maturity Dates, if they are not liquidated. This feature is called auto rollover. If the auto rollover is specified for the product, the deal involves, it is indicated on this screen. However, if the user does not want the deal (whose details are being captured) to be rolled over, the user can disallow rollover for the deal. If rollover has been disallowed for a product, the user cannot rollover deals involving the product.</p> <div style="border-left: 2px solid #0070C0; border-right: 2px solid #0070C0; border-bottom: 2px solid #0070C0; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>For rollover to be applicable for the deal, it has to be defined for the product.</p> </div> |
| <b>Original Start Date</b>        | <p>For a deal that has been rolled over, this is the date on which the deal was originally initiated. If a deal has been rolled over more than once, this is the date on which the first deal was initiated.</p> <p>If the users enter a deal that has already been initiated, the user must enter the date on which the deal began. In this case, the date is for information purposes only and for all accounting purposes the Value Date is considered as the date on which the deal was initiated.</p>   |
| <b>Booking Date</b>               | <p>The date on which the deal details are entered would be displayed in this screen. This defaults to the system date (today's date). This date is for information purposes only. The accounting entries are passed as of the Value Date of the deal (initiation date of the deal). Amendment to this field is considered a financial amendment</p>  |

**Table 2-19 (Cont.) Security Repo Contract - Field Description**

| Field                     | Description  |
|---------------------------|--|
| <b>Value Date</b>         | <p>This is the date on which a deal takes effect. The accounting entries for the initiation of the deal is passed as of this date. The tenor of the deal will begin from this date, and all calculations for interest and all the other components based on tenor is made from this date onwards.</p> <p>The system defaults to today's date. The user can enter a Value Date of your choice here. The date that the user enter is any one of the following:</p> <ul style="list-style-type: none"> <li>• Today's date</li> <li>• A date in the past</li> <li>• A date in the future (the user can enter a date in the future only if Future Dating has been allowed for the product).</li> </ul> <p>The Value Date must not be earlier than the Start Date or later than the End Date defined for the product involved in the deal. In case of a child rolled over the contract, this value is the same as the maturity date of the parent contract.</p> <p>If the liquidation date for any component falls before today's date, the liquidation entries (as defined by the user for the product) is passed if the user has specified for the product. If the Maturity Date of a deal is earlier than today, maturity entries are passed.</p> <p>Once the deal details have been stored and authorized, this date is amended, if the deposit has a bearing type of interest and NO schedule has been liquidated. Modification to this field is considered as a financial amendment.</p> <p>An override is sought if the Value Date falls on a holiday, in the country of the deal currency.</p> |
| <b>User Maturity Date</b> | <p>Change the maturity date of the deal here, based on the requirement.</p>  |
| <b>Maturity Date</b>      | <p>If the Maturity Type is fixed (that is, the Maturity Date of the deal is known when the deal is initiated) specify the Maturity Date. This date must be later than the Start Date of the product. If the product has a Default Tenor, this date is defaulted based on the tenor and the From date of the contract. If the user change this date, an override must be provided while saving the deal.</p> <p>For a deal with Call or Notice type of maturity, the Maturity Date is not entered at the time of deal booking. The user can get this date updated through value dated amendment. This date must be later than the Start Date of the product.</p> <p>If the product has a Default Tenor, this date is defaulted based on the tenor and the From date of the contract. If the user has specified auto liquidation for the deal, liquidation is done automatically on that date. If manual liquidation has been specified, the user will have to liquidate the deal through the Manual Liquidation function manually.</p> <p>For a deal with Fixed Maturity Type, this date can either be extended or brought backwards through the Value Dated Changes function, once the deal has been initiated.</p>  |
| <b>Notice Days</b>        | <p>For a contract maturing at notice, the user must enter the notice period (in days). This is for information purposes only. When the notice to repay is issued to the counterparty, the user must indicate the Maturity Date of the deal using value dated amendment screen.</p>   |

**Table 2-19 (Cont.) Security Repo Contract - Field Description**

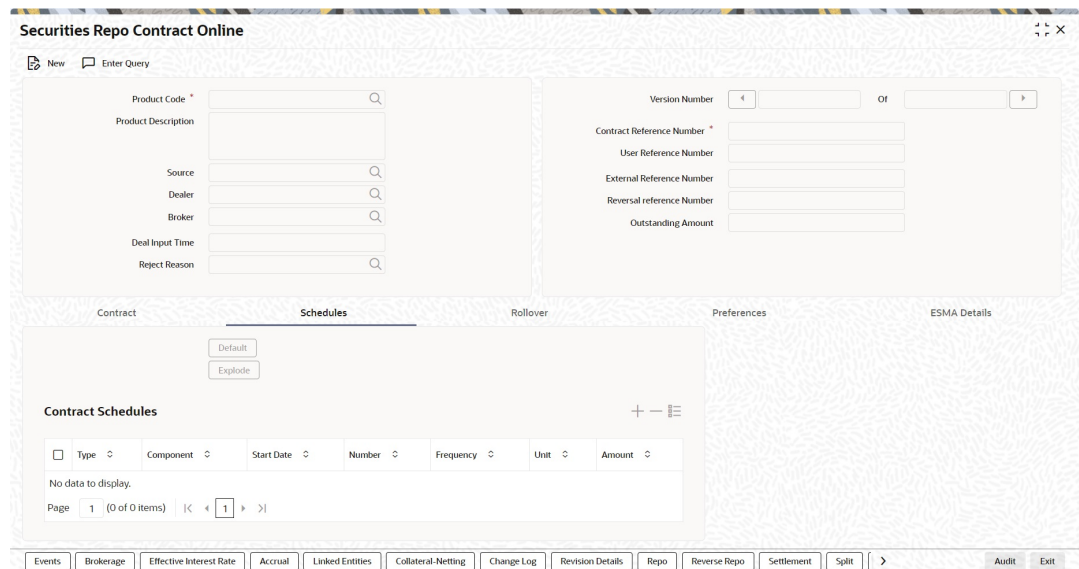
| Field                     | Description  |
|---------------------------|--|
| <b>Intra Day</b>          | For Intra-day deals, the system populates the intra-day deal date in this field. The intra-day deal date is populated as value date +1. Only the user can enter intra-day deals using a product meant for intra-day deals (as set in the Product Preferences). |
| <b>Tenor</b>              | If the product has a Default Tenor, this tenor is defaulted based on the tenor. On overriding this maturity date will get adjusted.  |
| <b>Maturity Type</b>      | Select the Maturity type from the options as required.<br>The Options available are: <ul style="list-style-type: none"> <li>• <b>Fixed</b></li> <li>• <b>Notice</b></li> <li>• <b>Call</b></li> </ul>  |
| <b>Rounding Details</b>   | Specify the Rounding Details fields.   |
| <b>Rounding Required</b>  | Select the checkbox if the Rounding process is required  |
| <b>Rounding Rule</b>      | Select the Rounding Rule from the drop-down box.   |
| <b>Decimals</b>           | Specify the decimal point to be rounded.   |
| <b>Units</b>              | Specify the Units to be rounded.   |
| <b>Reporting Details</b>  | Specify the Reporting Details fields.  |
| <b>Currency</b>           | Select the reporting currency from the option list.  |
| <b>Amount</b>             | The system displays the amount.  |
| <b>Outstanding Amount</b> | The system displays the total amount due as of the value date.   |

3. On **Security Repo Contract Online** screen, click **Schedules**.

The contract inherits the schedule details from the associated product where the changes are allowed at the contract level.

The **Security Repo Contract Online- Schedules** Tab details is displayed.

**Figure 2-17 Security Repo Contract Online - Schedules**



- On the **Security Repo Contract Online - Schedules** Tab screen, click **Explore**.  
The **Payment Schedule Details** screen is displayed.

The screenshot shows the 'Payment Schedule Details' window with the following sections:

- Schedule Summary:** Table with columns: Due date, Pay Receive, Currency, Total amount Due, Total Amount Settled, Total Amount Adjusted, Subsidy Amount, Settlement Date. Message: 'No data to display.' Page: 1 (0 of 0 items).
- Schedule Details:** Table with columns: Component, Pay Receive, Amount Due, Amount Settled, Adjusted Amount, Subsidy Amount, Back Value Adjustment Amount. Message: 'No data to display.' Page: 1 (0 of 0 items).
- Interest Rate Details:** Table with columns: Calculation Date, Rate Type, Rate Code, Principal Basis, Base Rate, Weighted Average Rate, Base Index Rate, Spread / Margin, Spread Adjustment, No. of Days. Message: 'No data to display.' Page: 1 (0 of 0 items).
- Amount Settled:** Table with columns: Input Date, Value Date, Amount Settled, LCY Equivalent Settled. Message: 'No data to display.' Page: 1 (0 of 0 items).

Buttons at the bottom: 'Schedule Dates' and 'Exit'.

- On the **Payment Schedule Details** screen, refer to the provided payment schedule break-up.  
The following details are available:

**Table 2-20 Schedule Breakup- Field Description**

| Field                   | Description  |
|-------------------------|--|
| <b>Schedule Summary</b> | <ul style="list-style-type: none"> <li>• Due Date after applying payment delay</li> <li>• Pay Receive</li> <li>• Currency</li> <li>• Total Amount Due</li> <li>• Total Amount Settled</li> <li>• Total Amount Adjusted</li> <li>• Subsidy</li> <li>• Amount</li> </ul> |

**Table 2-20 (Cont.) Schedule Breakup- Field Description**

| Field                        | Description   |
|------------------------------|---|
| <b>Schedule Details</b>      | <ul style="list-style-type: none"> <li>• Component</li> <li>• Pay Receive</li> <li>• Amount Due</li> <li>• Amount Settled</li> <li>• Adjusted Amount</li> <li>• Subsidy Amount</li> <li>• Back Value Adjusted Amount</li> </ul>   |
| <b>Interest Rate Details</b> | <ul style="list-style-type: none"> <li>• Calculation Date</li> <li>• Rate Type</li> <li>• Rate Code</li> <li>• Principal Basis</li> <li>• Base Rate</li> <li>• Base Index Rate</li> <li>• Spread/Margin</li> <li>• Spread Adjustment</li> <li>• No. of Days</li> <li>• Compound Interest</li> <li>• Simple Interest</li> <li>• Total Interest</li> <li>• Cumulative Interest</li> <li>• Rate Pickup Date</li> </ul> |
| <b>Amount Settled</b>        | <ul style="list-style-type: none"> <li>• Input Date</li> <li>• Value Date</li> <li>• Amount Settled</li> <li>• LCY Equivalent Settled</li> </ul>  |

6. On the **Security Repo Contract Online - Schedules** Tab screen, specify the details as required.

For information on fields, see the table below:

**Table 2-21 Schedules Tab- Field Description**

| Field                     | Description  |
|---------------------------|--|
| <b>Contract Schedules</b> | Specify the Contract Schedules details.  |
| <b>Type</b>               | Specify the Type of schedule maintained for the contract.  |
| <b>Component</b>          | Specify the Component for which schedule is build.   |
| <b>Start Date</b>         | Specify the start date of the schedule.  |
| <b>Number</b>             | Specify the number of schedule for each component.   |
| <b>Frequency</b>          | Select the schedule frequency from drop down value <ul style="list-style-type: none"> <li>• <b>Bullet</b></li> <li>• <b>Daily</b></li> <li>• <b>weekly</b></li> <li>• <b>Monthly</b></li> <li>• <b>half yearly</b></li> <li>• <b>Quarterly</b></li> <li>• <b>Yearly</b></li> </ul> |
| <b>Unit</b>               | Specify the Units for each frequency   |

**Table 2-21 (Cont.) Schedules Tab- Field Description**

| Field                    | Description   |
|--------------------------|---|
| <b>Amount</b>            | System defaults the component amount for each schedule      |
| <b>Contract Linkages</b> | Specify the Contract Linkages details.                      |
| <b>Type</b>              | Specify the Contract linkage type                           |
| <b>Linked To Account</b> | Specify the linked account                                  |
| <b>Currency</b>          | System defaults the currency linked to the account          |
| <b>Available Amount</b>  | System defaults the available balance of the linked account |
| <b>Exchange Rate</b>     | System defaults the currency exchange rate                  |
| <b>Linked Amount</b>     | Specify the linked amount.                                  |

- On the **Security Repo Contract Online** screen, click **Rollover**.  
The **Security Repo Contract Online- Rollover** Tab details is displayed.

**Figure 2-18 Security Repo Contract Online- Rollover**

- On the **Security Repo Contract Online - Rollover** Tab screen, specify the details as required.  
For more information on Rollover process, refer to the below table.  
For information on fields, see the below table:

**Table 2-22 Security Repo Contract Online - Rollover Tab - Field Description**

| Field                  | Description  |
|------------------------|--|
| <b>Rollover Amount</b> | Specify the option for the Rollover Amount from the drop down list as required. The options are: <ul style="list-style-type: none"> <li>Principal</li> <li>Principal + Interest</li> <li>Principal + (Interest - tax)</li> </ul> |



**Table 2-22 (Cont.) Security Repo Contract Online - Rollover Tab - Field Description**

| Field                                  | Description   |
|--|---|
| <b>Special Rollover Amount</b>         | Specify the special amount if applicable  |
| <b>Treat Special Amount As</b>         | If the Special amount is specified, from the following options specify the what must it be treated as: <ul style="list-style-type: none"> <li>• Rollover Amount</li> <li>• Liquidation Amount</li> <li>• Maximum Rollover Amount</li> <li>• Ignore</li> </ul> |
| <b>Daily Refinance Rate</b>            | Specify the refinance rate as per the requirement.  |
| <b>Rollover</b>                        | Specify the Rollover details.   |
| <b>Roll By</b>                         | Select the option from the drop-down list.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Days</b></li> <li>• <b>Months</b></li> <li>• <b>Quarters</b></li> <li>• <b>Semiannual</b></li> <li>• <b>Years</b></li> </ul>             |
| <b>Method</b>                          | Select the Method from the drop-down list.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Normal</b></li> <li>• <b>Split</b></li> <li>• <b>Consolidated</b></li> </ul>   |
| <b>Mechanism</b>                       | Select the Mechanism from the drop-down list.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>New Version</b></li> <li>• <b>Spawn Contract</b></li> <li>• <b>Linked Contract</b></li> </ul>   |
| <b>Mode</b>                            | Select the Mode as required.<br>The options are: <ul style="list-style-type: none"> <li>• <b>Auto</b></li> <li>• <b>Manual</b></li> </ul>   |
| <b>ICCF Rollover</b>                   | Select the ICCF Rollover details as required:<br>The options are: <ul style="list-style-type: none"> <li>• <b>Product</b></li> <li>• <b>Contract</b></li> </ul>   |
| <b>Schedule Basis</b>                  | Select the Schedule Basis details as required.<br>The options are: <ul style="list-style-type: none"> <li>• <b>Product</b></li> <li>• <b>Contract</b></li> </ul>  |
| <b>Preferences</b>                     | Specify the Preferences details.  |
| <b>Apply charge on Rollover Amount</b> | Select this Check box if charge is applied on Rollover  |
| <b>New Components Allowed</b>          | Select this Check box if new component is allowed for the rolled over contract  |
| <b>Liquidate Overdue Schedules</b>     | Select this Check box to liquidate over due schedules on rollover   |

**Table 2-22 (Cont.) Security Repo Contract Online - Rollover Tab - Field Description**

| Field                               | Description  |
|-------------------------------------|--|
| <b>Apply Tax on Rollover Amount</b> | The user must indicate if the tax must be applied on the rolled over deal.   |
| <b>Update Limits Utilization</b>    | Whether the credit limit utilization is to be updated when a reverse repo deal is rolled over, that is, the interest that has been accrued on reverse repo is also considered as a part of the 'utilized amount' for the purpose of risk tracking. This option applies only if the user wants to roll over a deal with interest.   |
| <b>Maturity</b>                     | Specify the Maturity details.  |
| <b>Maturity Days</b>                | Specify the new maturity days for rolled over contract.  |
| <b>Maturity Date</b>                | Specify the new Maturity date for the rolled over contract.  |
| <b>Maturity Type</b>                | Select the Maturity Type as required.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Fixed</b></li> <li>• <b>Notice</b></li> <li>• <b>Call</b></li> </ul>   |
| <b>Interest Basis</b>               | Specify the Interest Basis details.  |
| <b>Component</b>                    | System defaults the component which is to be rolled over.  |
| <b>Basis</b>                        | Select the option from the drop-down list as required.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Product</b></li> <li>• <b>Contract</b></li> <li>• <b>User Rate</b></li> </ul>   |
| <b>Rate Type</b>                    | Select the rate type from the drop-down list.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Fixed</b></li> <li>• <b>Floating</b></li> </ul>  |
| <b>Code Usage</b>                   | Select the Code Usage from the drop-down list.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>Auto</b></li> <li>• <b>Periodic</b></li> </ul>  |
| <b>Interest Basis</b>               | Select the Interest Basis from the drop-down list.<br>The options available are: <ul style="list-style-type: none"> <li>• <b>30-Euro/360</b></li> <li>• <b>30(US)/360</b></li> <li>• <b>Actual/360</b></li> <li>• <b>30(Euro)/365</b></li> <li>• <b>30(US)/365</b></li> <li>• <b>Actual/365</b></li> <li>• <b>30-Euro/Actual</b></li> <li>• <b>30(US)/Actual</b></li> <li>• <b>Actual</b></li> </ul> |
| <b>Rate Code</b>                    | Specify the new rate code for rolled over contract when the basis is user  |
| <b>Spread</b>                       | Specify the new spread for the rolled over contract when the basis is user   |
| <b>Margin</b>                       | Specify the new margin for the rolled over contract when the basis is user   |

**Table 2-22 (Cont.) Security Repo Contract Online - Rollover Tab - Field Description**

| Field         | Description  |
|---------------|--|
| <b>Amount</b> | Specify the new Interest amount for the rolled over contract when the BASIS is user. |
| <b>Tenor</b>  | Specify the new tenor for the rolled over contract                                   |

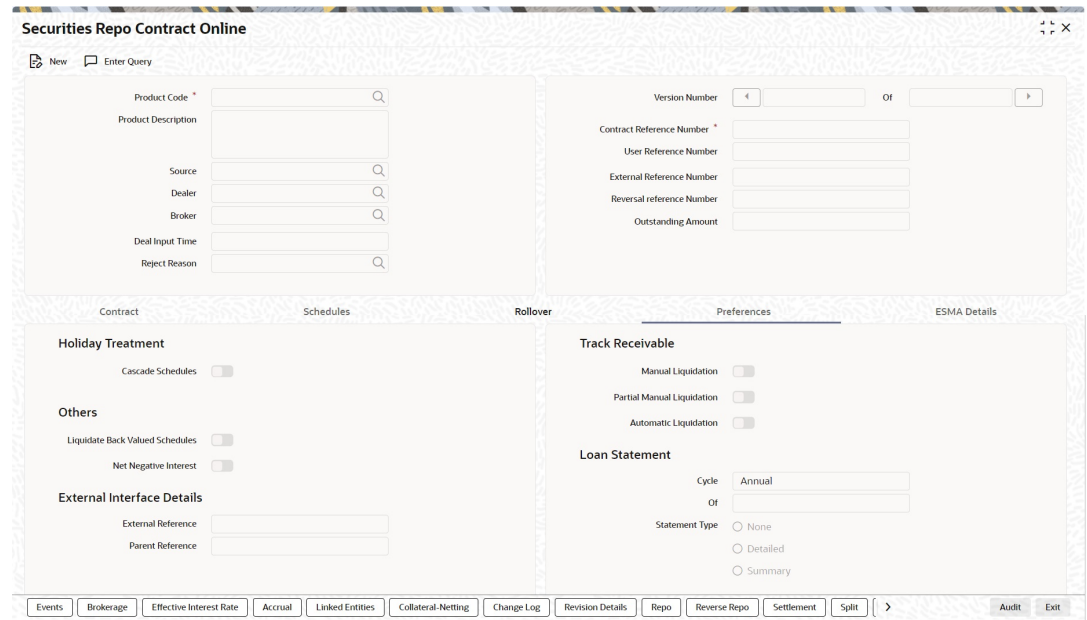
**9. On Security Repo Contract Online screen, click Preferences.**

Preferences are options. For instance, for a product, the users have the option of:

- Making liquidation automatic or manual
- Allowing or disallowing rollover
- Applying tax or waiving it
- Applying prepayment penalty or waiving it etc
- Generation of Deliver verse Payment message
- Generation of Receive verse payment message
- Giving Cash margin details

The **Security Repo Contract Online - Preference** tab details is displayed.

**Figure 2-19 Security Repo Contract Online - Preference**



**10. On the Preferences tab, specify the details as required.**

For information on fields, see the table below:


**Table 2-23 Securities Repo Contract Online - Preference Tab - Field Description**

| Field                    | Description                            |
|--------------------------|--|
| <b>Holiday Treatment</b> | Specify the Holiday Treatment details. |

**Table 2-23 (Cont.) Securities Repo Contract Online - Preference Tab - Field Description**

| Field                                  | Description   |
|--|---|
| <b>Cascading schedules</b>             | Select this check box, if one schedule is moved backwards or forward because of a holiday, the other schedules are accordingly shifted. If the user does not want to cascade schedules, then, only the schedule, which falls on a holiday, is shifted as specified and the others will remain as they were.   |
| <b>Move Across Months</b>              | Select this check box, if the user needs to move a schedule falling due on holiday either forward or backwards to the next or previous working day and it crosses over into a different month, then the system moves the scheduled date. If not, scheduled date is kept in the same month, on the last or first working day of the month, depending on whether the schedule is over the month-end or the beginning of the month.  |
| <b>Move Payment Schedule</b>           | Select this box, if user needs to move the payment schedule. When the system computes the repayment date, there is a chance that one or more schedules fall due on holiday.   |
| <b>Move Revision Schedules</b>         | Select this box, if user needs to move the Revision schedule falling on a holiday   |
| <b>Move Forward</b>                    | Check against this field to indicate that the schedule of the contract must be moving forward to the next working day.  |
| <b>Move Backward</b>                   | Check against this field to indicate that the scheduled date of the contract is moved back to the previous working day.   |
| <b>Others</b>                          | Specify the Others details.   |
| <b>Liquidate Back Valued Schedules</b> | Select this checkbox to define the product, that a back-dated deal with repayment schedules before today's date, the schedules are liquidated when the deal is initiated, the same will apply to the deal the user is entering. However, through this, the user can choose not to liquidate back valued schedules.  |
| <b>Net Negative Interest</b>           | Check this box to indicate that the system should internally net the positive and negative amounts being paid to the customer during interest liquidation.  |
| <b>Track Receivable</b>                | Specify the track receivable fields.  |
| <b>Manual Liquidation</b>              | Select this option to track receivables during manual liquidation. In case of manual payments, the system will display an override if sufficient funds are not available in the settlement account. If the user say Yes to the override, the system will mark the fund as a receivable amount.  |
| <b>Partial Manual Liquidation</b>      | During manual liquidation, if sufficient funds are not available in the settlement account of the contract, the user can opt to make a partial payment. In this case, the deal is liquidated to the extent of the amount available in the account. The balance due is tracked as a receivable amount. During EOD processing of the contracts, based on the availability of funds, the deal is liquidated. This process will continue until the deal is recovered fully. The deal is in the active status till full liquidation happens. If the user does not choose to make a partial payment, then the entire amount that is being manually paid are tracked as a receivable against the settlement account. |
| <b>Automatic Liquidation</b>           | Select this option if the user want to track receivables during automatic liquidation.  |
| <b>Loan Statement</b>                  | Specify the Loan statement details.   |

**Table 2-23 (Cont.) Securities Repo Contract Online - Preference Tab - Field Description**

| Field   | Description   |
|---|---|
| <b>Cycle</b>                                  | Specify the cycle on which loan statement must be generated   |
| <b>Statement Type</b>                         | The Options available are <ul style="list-style-type: none"> <li>• <b>None</b></li> <li>• <b>Detailed</b></li> <li>• <b>Summary</b></li> </ul>  |
| <b>External Interface Details</b>             | Specify the External interface details.   |
| <b>External Reference</b>                     | System updates the external reference number  |
| <b>Parent Reference</b>                       | System updates the parent reference number  |
| <b>REPO</b>                                   | Specify the Repo details.   |
| <b>Delivery Verse Payment</b>                 | Select this checkbox to Generate MT543/MT541 message on Repo Booking and liquidation.   |
| <b>Reverse Repo</b>                           | Speify the Reverse Repo details.  |
| <b>Receive Verse Payment</b>                  | Select this checkbox to Generate MT541/MT543 message on Repo Booking and liquidation.   |
| <b>Settlement Message Generation Details</b>  | Specify the Settlement Message Generation Details.  |
| <b>Settlement Message Generation Required</b> | Select this checkbox, to settle message generation required.  |
| <b>Demand Basis</b>                           | Select the option from the drop-down list.<br>The options are: <ul style="list-style-type: none"> <li>• <b>SGEN</b></li> <li>• <b>Billing Notice</b></li> </ul>   |
| <b>Cash Margin</b>                            | Specify the cash margin details.  |
| <b>Margin Account</b>                         | Specify the value from the list of values displayed. The Options available are GL or CASA account for cash margin transaction.<br><br><div style="border: 1px solid #ccc; background-color: #e6f2ff; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b><br/>This is a Mandatory field if collateral revaluation preference is margin settlement at SR Product.</p> </div> |
| <b>Account Currency</b>                       | Specify the Currency of the account maintained.<br>This is a Mandatory field if margin account is chosen  |
| <b>Account Branch</b>                         | Specify the branch of the account maintained.<br>This is a Mandatory field if margin account is chosen  |

- On the **Security Repo Contract Online** screen, click the **ESMA Details** tab.  
The **Security Repo Contract Online - ESMA Details** page is displayed.

**Figure 2-20 Security Repo Contract Online - ESMA Details**




- On the **Securities Repo Contract Online** screen, click the **ESMA Details** tab and specify the ESMA details as required.

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

**Table 2-24 Securities Repo Contract Online - ESMA Details Tab - Field Description**

| Field                                    | Description   |
|--|---|
| <b>Report submitting entity</b>          | Specify the unique code from the displayed list of values for identifying the reporting counterparty.   |
| <b>Description</b>                       | The system displays the description of the selected report submitting entity.   |
| <b>Entity responsible for the report</b> | Specify the unique code from the displayed list of values for identifying the financial counterparty responsible for reporting on behalf of the other counterparty. |
| <b>Description</b>                       | The system displays the description of the selected entity responsible for the report   |
| <b>Clearing member</b>                   | Specify the unique code from the displayed list for identifying the responsible clearing member of the reporting counterparty.                                      |
| <b>Description</b>                       | The system displays the description of the selected clearing member.  |

**Table 2-24 (Cont.) Securities Repo Contract Online - ESMA Details Tab - Field Description**

| Field                           | Description  |
|---------------------------------|--|
| <b>CSD participant code</b>     | <p>Specify the unique code of the CSD participant or indirect participant of the reporting counterparty from the displayed list, where both the CSD participant and indirect participant are involved in the transaction.</p> <div style="border: 1px solid #ccc; background-color: #e6f2ff; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b><br/>This CSD Participant Code field is not applicable to commodities.</p> </div> |
| <b>Description</b>              | The system displays the description of the selected CSD participant.   |
| <b>Agent lender</b>             | Specify the unique code of the agent lender involved in the securities lending transaction.  |
| <b>Description</b>              | The system displays the description of the selected agent lender .   |
| <b>Clearing timestamp</b>       | Specify the time and date when clearing took place, where the contract is cleared.   |
| <b>CCP</b>                      | Specify the unique code of central clearing counterparty (CCP) that cleared the contract.  |
| <b>Description</b>              | The system displays the description of the selected CCP.   |
| <b>Centrally cleared</b>        | Select the Centrally cleared check box to clear the trade centrally.   |
| <b>Trading venue</b>            | Specify the unique code for identifying the venue of execution of the SFT. Where the SFT was concluded over the counter (OTC) and the respective collateral is admitted to trading, MIC code 'XOFF' is used.   |
| <b>Agreement type</b>           | Specify the unique code for identifying the master Agreement type under which the counterparties concluded a documented SFT.   |
| <b>Other agreement type</b>     | <p>Enter the name of the master agreement in this field.</p> <div style="border: 1px solid #ccc; background-color: #e6f2ff; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b><br/>This field is applicable, if OTHR is selected in Agreement type field.</p> </div>   |
| <b>Master agreement version</b> | <p>The user must enter year of the master agreement version used for the reported trade.</p> <div style="border: 1px solid #ccc; background-color: #e6f2ff; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b><br/>This field is applicable, if OTHR is selected in Agreement type field.</p> </div>   |
| <b>Earliest call back date</b>  | Specify the Earliest call back date that the cash lender has the right to call back a portion of the funds or to terminate the transaction.  |

**Table 2-24 (Cont.) Securities Repo Contract Online - ESMA Details Tab - Field Description**

| Field                                    | Description   |
|--|---|
| <b>General collateral indicator</b>      | Select the SFT associated to a general collateral arrangement from the drop-down list.<br>The drop-down list shows the following options: <ul style="list-style-type: none"> <li>• SPEC – Specific Collateral</li> <li>• GENE – General Collateral</li> </ul>   |
| <b>Deliver by value</b>                  | Select the Deliver by value to settle the transaction by using DBV mechanism.   |
| <b>Collateral method</b>                 | Specify the unique code from the list of values for identifying whether the collateral in the SFT is subject to a title transfer collateral arrangement, a security financial collateral arrangement, or a security financial collateral arrangement with the right of use.   |
| <b>Description</b>                       | The description of the selected collateral transfer method is specified.  |
| <b>Termination optionality</b>           | Select the Termination optionality from the drop-down list. The drop-down list shows the following options: <ul style="list-style-type: none"> <li>• <b>Evergreen</b></li> <li>• <b>Extendable</b></li> </ul> Indicates whether the counterparties to the SFT is extendable or evergreen.                               |
| <b>Collateralization of net exposure</b> | Select the Collateralization of net exposure check box for net exposure.<br>Indicates whether the collateral has been provided for a net exposure, rather than for a single transaction.  |
| <b>Haircut</b>                           | Specify the collateral haircut value in percentage.<br>Collateral haircut, a risk control measure applied to the underlying collateral at ISIN level, whereby the value of that underlying collateral is calculated as the market value of the assets reduced by a certain percentage.                                  |
| <b>Collateral quality</b>                | Select the collateral quality from the drop-down list.<br>The drop-down list shows the following options: <ul style="list-style-type: none"> <li>• <b>Investment Grade</b></li> <li>• <b>Non Investment Grade</b></li> <li>• <b>Non-Rated</b></li> </ul> Indicates the risk of security classification as a collateral. |
| <b>Collateral type</b>                   | Specify the unique code from the displayed list for identifying the type of collateral.   |
| <b>Availability for collateral reuse</b> | Select the Availability for collateral reuse check box to reuse the securities.<br>Indicates whether the collateral taker can reuse the securities provided as a collateral.  |

### Modify a Repo or a Reverse Repo

There are two types of modifications that the user can make on a contract:

- Those that affect the financial details of the contract.
- Those that do not affect the financial details of the contract

(Financial details include the accounting entries that have already been passed or the advices that have already been generated). For example, the changes made to the User Reference



Number, Auto Rollover and Auto Liquidation flags, do not change to the accounting entries that have been passed.

However, the inputs to some fields that contain financial information are changed only under specific circumstances. This is done through the Value Dated Changes function. For example, the changes in the interest rate, increase in the principal, etc., is made only through the Value Dated Changes function.

A deal on which the previous activity has been saved but not been authorized is modified. For example, the user has captured the details of a deal. The details are saved but not yet authorized when the user realizes that some of the details have been wrongly entered. The user can unlock the contract to make the modifications and Save it. The uploaded contracts are amended by any valid user – the contract maker or others.

 **Note:**

Any type of change, however, has to be authorized, before it takes effect.

#### Financial Details available for Change

Inputs to the following fields available for change based on the requirement through the contract processing function:

- Takedown Account if the reverse repo has not yet been initiated and Customer Account if a repo has not been initiated.
- Maturity Account if the deal is yet to mature
- Interest Payment Account if the entire interest on the deal has not yet been liquidated. The new account is used for future interest payments.
- Contract End Date for a notice or call type of deal.
- Tax details if tax has not yet been liquidated

 **Note:**

The changes listed do not trigger any accounting entries or the generation of any advices.

#### View Event Details

This topic provides the systematic instructions to view the event details.

View all the events that have to take place on a Securities Repo deal through the View Events screen.

All the events that taken place on the deal so far are listed in this screen according to the sequence in which they have taken place. The Date on which the event took place will also be displayed.

- Access this screen by clicking on the view events button in any of the Contract On-line screens.
- View the list containing events like Booking, Initiation, Interest Accrual, etc

**13.** On the **Security Repo Contract Online** screen, click **Events**

The **Treasury Events** screen is displayed.

**Figure 2-21 Treasury Events**

14. On the **Treasury Events** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-25 Treasury Events - Field Description**

| Field                       | Description  |
|-----------------------------|--|
| <b>Reference Number</b>     | This is a mandatory field.<br>Payment reference number automatically gets defaulted for the current payment. |
| <b>Events</b>               | Specify the events details.  |
| <b>Event Number</b>         | This is a Mandatory field.   |
| <b>Event Code</b>           | Displays the contract event code   |
| <b>Description</b>          | Displays the Event description   |
| <b>Event Date</b>           | Displays the Date on which event is generated  |
| <b>Authorization Status</b> | Displays the event authorization status  |
| <b>Maker Id</b>             | Displays the maker ID  |
| <b>Checker Id</b>           | Display the Checker ID   |

15. On the **Treasury Events** screen, click **Accounting Entries**.  
The **Treasury Accounting Entries** screen is displayed.

**Figure 2-22 Treasury Accounting Entries**

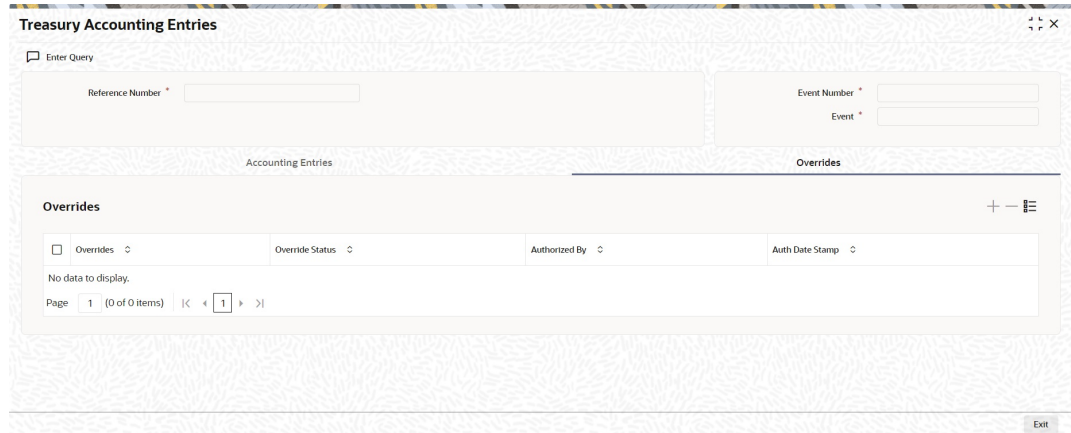
16. On the **Treasury Accounting Entries** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-26 Treasury Accounting Entries- Field Description**

| Field                          | Description   |
|--------------------------------|---|
| <b>Reference Number</b>        | This is a mandatory field.<br>Specify the contract reference number.                        |
| <b>Event Number</b>            | This is a mandatory field.<br>Specify the event number.                                     |
| <b>Event</b>                   | This is a mandatory field.<br>Specify the event code.                                       |
| <b>Accounting Entries</b>      | Specify the accounting entries details.   |
| <b>Event</b>                   | Displays the Event code for the contract  |
| <b>Branch</b>                  | Displays the Account branch   |
| <b>Account</b>                 | Displays the Account number   |
| <b>Account Description</b>     | Displays the Account Description  |
| <b>Debit or Credit</b>         | Displays whether the account is Dr or Cr  |
| <b>Amount Tag</b>              | Displays the amount tag associated to the event   |
| <b>Account Currency</b>        | Displays the account currency   |
| <b>Foreign Currency Amount</b> | Displays the Foreign currency amount  |
| <b>Rate</b>                    | Displays the exchange rate  |
| <b>Local Currency Amount</b>   | Displays the Local currency equivalent amount when the contract currency is in FCY currency |
| <b>Date</b>                    | Displays the Transaction date   |
| <b>Value Date</b>              | Displays the value date of the event  |
| <b>Txn Code</b>                | Displays the transaction Code   |

17. On the **Treasury Accounting Entries** screen, click **Overrides**.  
The **Treasury Accounting Entries** screen with **Overrides** tab details is displayed.

**Figure 2-23 Treasury Accounting Entries- Overrides**



18. On the **Overrides** tab, specify the details as required.

For more information on fields, see the below table:

**Table 2-27 Overrides - Field Description**

| Field                   | Description   |
|-------------------------|---|
| <b>Reference Number</b> | Displays the contract reference number                |
| <b>Event Number</b>     | Displays the event number                             |
| <b>Event</b>            | Displays the event code                               |
| <b>Overrides</b>        | Displays the Override message generated for the event |
| <b>Override Status</b>  | Displays the override status                          |
| <b>Authorized By</b>    | Displays the Authorizer user ID                       |
| <b>Auth Date Stamp</b>  | Displays the authorization Time stamp                 |

**Advice for Deal Initiation**

The advices that have to be generated for any event are specified for the product involved in the deal and are generated after the product is authorized at the product level. For example, the user may have specified the following advices for the product:

- When a deal is initiated, advice, addressed to the customer.
- If any components (like discounted interest, tax on principal etc.) Are liquidated on take-down, advice for each of them.

While processing the deal initiation, the user can do the following:

- Suppress the generation of any of these advices
- Specify the priority of generation

19. On the **Treasury Events** screen, click **Messages**.

The **Treasury Message** screen is displayed.

**Figure 2-24 Treasury Message**

The screenshot shows the 'Treasury Message' application window. At the top left, there is a search bar labeled 'Enter Query'. Below it, the form is organized into several sections:

- Reference Number:** Includes fields for 'Reference Number', 'DCN \*', and 'Event Sequence Number or Version Number'.
- Receiver or Sender:** Includes fields for 'Receiver or Sender', 'Message Type', 'SWIFT Message Type', and 'Swift MX Type'.
- Sub Message Type:** Includes fields for 'Sub Message Type' and 'SWIFT Sub Message Type'.
- Message:** A large central text area for the message content, with navigation arrows on the right.
- Remarks:** A field at the bottom left.
- Reject Reason:** A field at the bottom center.
- Message Trailers:** A field at the bottom right.

An 'Exit' button is located in the bottom right corner of the window.

- On the **Treasury Message** screen, specify the details as required.  
For information on fields, see the below table.

**Table 2-28 Treasury Message- Field Description**

| Field                         | Description                               |
|-------------------------------|---|
| <b>Contract Reference</b>     | Displays the contract reference number    |
| <b>Event Sequence Number</b>  | Displays the Event sequence number        |
| <b>Event</b>                  | Displays the event code                   |
| <b>Messages</b>               | Specifies the messages details.           |
| <b>Message Type</b>           | Displays the Message Type                 |
| <b>SWIFT Message Type</b>     | Displays the Swift Message Type           |
| <b>Sub Message Type</b>       | Displays the Sub Message Type             |
| <b>SWIFT Sub Message Type</b> | Displays Swift Sub Message type           |
| <b>Test Status</b>            | Displays Test status                      |
| <b>Medium</b>                 | Displays message medium                   |
| <b>Message Status</b>         | Displays the Message status               |
| <b>Authorization Status</b>   | Displays Message Authorization status     |
| <b>Receiver</b>               | Displays the Receiver of the message      |
| <b>Receiver Name</b>          | Displays the Receiver name of the message |

- On the **Treasury Message** screen, click **Message Details**.  
**Treasury Message** screen with **Message Details** is displayed.

**Figure 2-25 Treasury Message**

22. On the **Treasury Message** screen, specify the details as required.

To view the text of a message, highlight the message and click **Message Details**. Click **Exit** or **Cancel** button to exit the screen.

### Different Versions of a Deal

When a deal is an input, it is assigned a version number of 1. From then on, each amendment of the deal results in its next version. When the user comes to the Detailed View Screen for a deal, the latest version is displayed.

To see the previous version, click the previous icon from a previous version, clicking next icon displays the next version.

### Initiate a Future Value Dated Deal

A “future-dated” deal is one that has a Value Date that is later than the date on which it is booked. The Automatic Contract Update function will initiate the deal on the Value Date of the deal.

A future Value Date falling on a holiday is initiated either on the previous working day or the next, depending on your definition for automatic processing at your branch.

All the initiation related entries specified for the product involved in the deal is passed automatically. If currency conversions are involved, the conversion rates as of the date on which the deal is initiated are picked up from the Currency Table. To recall, the rates that are applicable to a deal are defined for the product involved in the deal.

If there is a rate revision applicable for the future dated deal on the day it is initiated (that is, on the future Value Date), the rate revision will also be applied on the deal. This rate revision could either be due to a Floating Rate change or a Value Dated Change.

### Display the Other Details of a Deal

Using the buttons that are displayed in the ‘Contract Online’ screens the user can view the following details of a deal:

- The settlement details
- The tax details
- The MIS details
- The ICCB details

- The brokerage details
23. On **Security Repo Contract Online** screen, click **Brokerage**.  
The **Brokerage** screen is displayed.

**Figure 2-26 Brokerage**

24. On **Brokerage** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-29 Brokerage- Field Description**

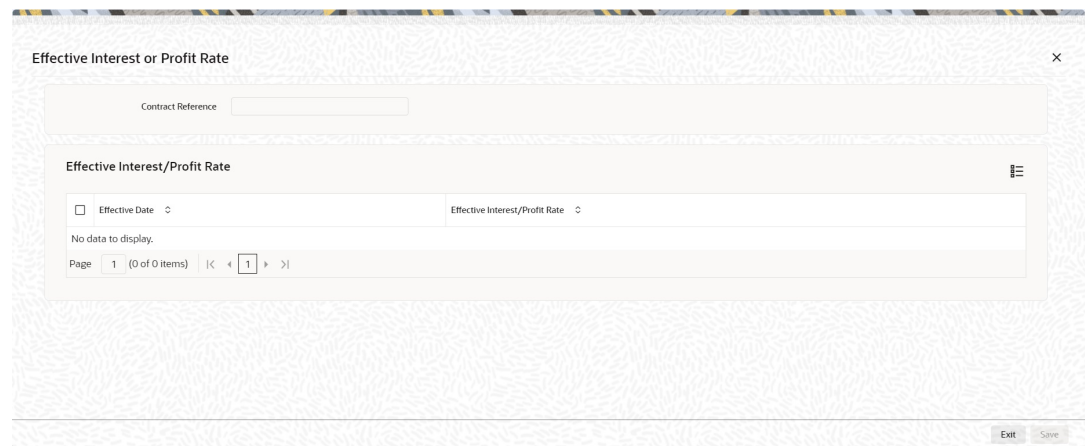
| Field                   | Description  |
|-------------------------|--|
| <b>Broker</b>           | This is a mandatory field.<br>Defaults Broker ID mapped for the deal |
| <b>Broker Name</b>      | Displays the Broker name   |
| <b>Rule</b>             | Defaults the Broker Rule mapped at the product                       |
| <b>Payable</b>          | Specify the payable details.   |
| <b>Currency</b>         | Defaults Broker payable currency                                     |
| <b>Amount</b>           | Defaults the Broker amount to be paid                                |
| <b>Brokerage</b>        | Specify the Brokerage details.                                       |
| <b>Currency</b>         | Defaults the Broker currency   |
| <b>Amount</b>           | Defaults the Broker amount   |
| <b>Liquidation</b>      | Specify the Liquidation details.                                     |
| <b>Status</b>           | Displays the brokerage liquidation status                            |
| <b>Reference Number</b> | Displays the brokerage liquidation reference number                  |

**Table 2-29 (Cont.) Brokerage- Field Description**

| Field                        | Description   |
|------------------------------|---|
| <b>Booking</b>               | Specify the Booking details.  |
| <b>No Booking</b>            | To waive brokerage for the transaction, choose the 'No Booking' option.   |
| <b>Advance</b>               | Brokerage is booked when the deal is initiated  |
| <b>Arrears</b>               | Brokerage is booked when the deal is liquidated   |
| <b>Consider For Discount</b> | This option is defaulted from the deal product level. However, checkbox is unchecked if the booking method is other than Advance. |

25. On **Security Repo Contract Online** screen, click **Effective Interest Rate**.  
The **Effective Interest or Profit Rate** screen is displayed.

**Figure 2-27 Effective Interest or Profit Rate**



26. The processing related to Effective Interest Rate is as follows:
- During rate revision of contracts with negative interest allowed products, based on the effective interest rate after rate revision being positive or negative, the system assigns the interest rate to main interest or negative interest component internally.
  - If the effective rate is negative, the system updates the main interest component rate as zero and assigns the negative rate to negative interest component.
  - If negative interest is not allowed for the product, then the system skips rate revision for the contract, if the effective rate becomes negative. Exception is logged for the same. You need to initiate amendment of the spread such that net interest rate becomes positive in such cases.
  - If default minimum value is maintained for the main interest component, then the system defaults the same during rate revision, if the interest rate goes below the specified rate.
27. On the **Effective Interest or Profit Rate** screen, specify the details as required.  
For Information on fields, see the below table

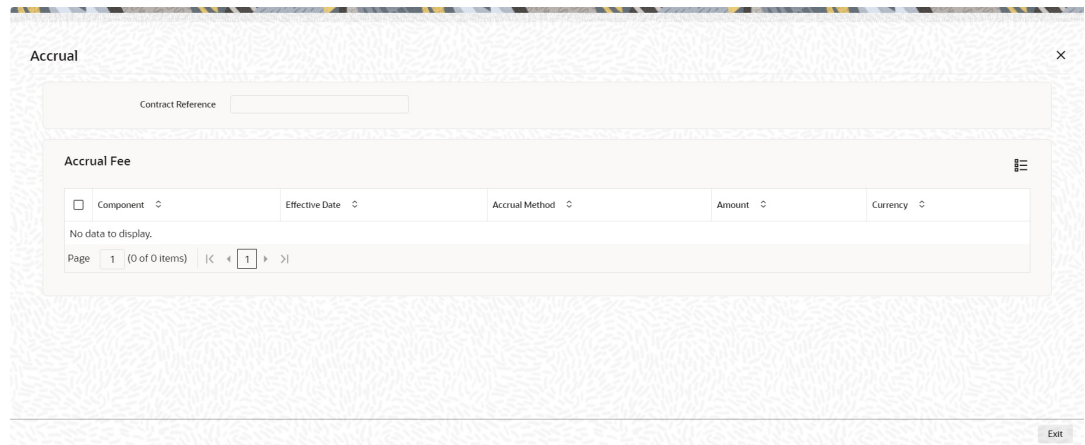


**Table 2-30 Effective Interest or Profit Rate- Field Description**

| Field                                 | Description   |
|---------------------------------------|---|
| <b>Contract Reference</b>             | Displays the Contract reference number.               |
| <b>Effective Date</b>                 | Displays the effective date on which rate is revised. |
| <b>Effective Interest/Profit Rate</b> | Displays the Revised Effective interest rate.         |

28. On the **Security Repo Contract Online** screen, click **Accrual**.  
The **Accrual** screen is displayed.

**Figure 2-28 Security Repo Contract Online- Accrual**



29. On the **Accrual** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-31 Accrual- Field Description**

| Field                     | Description                            |
|---------------------------|--|
| <b>Contract Reference</b> | Displays the contract reference number |
| <b>Component</b>          | Displays the accrual component         |
| <b>Effective date</b>     | Displays the effective date            |
| <b>Accrual Method</b>     | Displays the Accrual method            |
| <b>Amount</b>             | Displays the Accrual amount            |
| <b>Currency</b>           | Displays the Accrual currency          |

30. On **Security Repo Contract Online** screen, click **Linked Entities**.  
**Security Repo Contract Online- Linked Entities** screen is displayed.

**Figure 2-29 Linked Entities**

The screenshot shows the 'Linked Entities' screen with the following sections:

- Branch/Counterparty:** Two input fields.
- Contract Reference/Version:** Two input fields.
- Module/PF Customer:** Two input fields.
- Execution:** 'Traded On' dropdown, 'Execution Venue' input field, 'Original Customer' and 'Execution Broker' search fields, 'Trading Venue' and 'Execution Venue' search fields.
- Clearing:** 'To be Cleared' toggle, 'Clearing House/CCP' and 'Clearing Member/Broker' search fields, 'Netting Required' toggle, and 'Netting Party' search field.
- Collateral:** 'Tri/Third-Party' toggle, 'Triparty Agent/Custodian' search field, 'Collateral Required' toggle, and 'Collateral Party' search field.
- Intermediaries:** A table with columns: Customer, Description, Relationship, Execution, Clearing, Brokerage, Collateral, Netting. The table is currently empty with 'No data to display.' and a pagination bar showing 'Page 1 (0 of 0 Items)'.

31. On the **Linked Entities** screen, specify the details as required.
32. On the **Security Repo Contract Online** screen, click **Change Log**.  
**Treasury View Changes** screen is displayed.

**Figure 2-30 Treasury View Changes**

The screenshot shows the 'Treasury View Changes' screen with the following sections:

- Contract Reference \* / Version No \*:** Two input fields.
- Previous Version No \* / Event Sequence Number:** Two input fields.
- Change Log:** A table with columns: Field Description, Old Value, New Value. The table is currently empty with 'No data to display.' and a pagination bar showing 'Page 1 (0 of 0 Items)'.

33. On the **Treasury View Changes** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-32 Treasury View Changes- Field Description**

| Field                        | Description                        |
|------------------------------|------------------------------------|
| <b>Event Sequence Number</b> | Displays the event sequence number |

**Table 2-32 (Cont.) Treasury View Changes- Field Description**

| Field                    | Description  |
|--------------------------|--|
| <b>Version No</b>        | This is a mandatory field<br>Displays the event version number |
| <b>Field Description</b> | Displays the modified field                                    |
| <b>Old Value</b>         | Displays the old value   |
| <b>New Value</b>         | Displays the New value   |

**Interest Rate Revision Schedule**

A Floating Rate Table containing the market rates for the day - is maintained in the ICCB sub-system so that the latest rates are applied to deals.

The market rates vary daily and are maintained in this table. The rates are applied either every time they change or at periodic intervals. Usually, for Securities Repo deals, floating rates are applied, i.e., the latest market rate is applied. The user can also apply these rates periodically so that the user is in tune with the market rates (as opposed to fixed interest rates which remain the same for the entire period of the deal), and at the same time, the user need not apply the market rates daily.

The user can specify if the latest market rates have to be applied every time they change or apply periodically by defining an attribute called the Rate Code Usage. The Rate code usage is applied through the Product ICCB Details screen for a floating interest type. If the user specifies auto rate code usage, all the rate changes made during the liquidation or accrual period is considered. If the user specifies periodic rate code usage, the rates are periodically refreshed and the rates as of a specific frequency, or date, is applied.

For a deal that has been defined with Periodic Interest that has to be applied at periodic intervals, the user can specify the following:

- The frequency at which the periodic rate change has to be applied.
- The dates on which the periodic rate change has to be applied

Specify the Rate Revision Frequency

In the SR Contract Schedules screen, select the component, for which the Rate Revision frequency has to be defined (say INTEREST1). Select the Type as 'R' (Revision), then enter your specifications in the frequency (it could be daily, weekly, etc.), the number, and unit fields. Also, give the Start Date on which the first revision has to take place.

For example, if the user specify the frequency, like weekly, the revision will take place every week beginning on the Start Date that the user has specified.

Specify the Rate Revision Dates

Instead of specifying the other schedule details like the frequency, the number and unit, indicate the date in the Start Date field. The rate revision is done on that date.

Interest Repayment Schedules as Different from Rate Revision Schedules

For a deal on which floating interest is applied at periodic intervals, the user may have to define:

- An interest rate revision schedule for the interest component.
- A repayment schedule.

The following example shows how this is achieved:

The user has a deal where for the component interest; the user has to define an interest rate revision schedule for revisions every week as well as a fortnightly interest repayment schedule.

The Start Date of the deal is 1 October '97, and the End Date is 31 October '97. The deal is defined with a periodic rate and the rates in the floating rate table change in the following manner:

Define a frequency based rate revision schedule

To define a schedule with periodic rate code usage, through the Contract Schedules screen, mark the component as a revision schedule and specify the component, say INTEREST, from the pick list. Give the frequency at which the interest rate has to be refreshed, say weekly. Give the Start Date, say 8 October. The first revision will happen on this day, and every week from then on. Save the inputs.

Define a date based rate revision schedule

If the user were to define specific dates - 7 October, 15 October and 23 October - for the rate revision to happen, then, through the Contract Schedules screen, mark the component as a revision schedule and specify the component, say INTEREST, from the pick list.

Specify the date on which the rate revision is to be done, in the Start Date field, as 7 October. Similarly, define the other dates, but by picking up the same component INTEREST from the pick list each time.

Define a repayment schedule for the same component

Now to define a repayment schedule for the same component, INTEREST, click schedules Tab and choose the component interest from the pick list. Now draw up a repayment schedule for this component. Give a value in the Start Date field, say 15 October 1997. The first interest liquidation will be done on this date.

In the frequency field enter 'monthly' and in the unit field specify '2'. This means the interest repayments will be done every fortnight beginning 15 October.

That is, for a deal defined with frequency-based periodic rates, the rates prevailing on the refresh dates will be used for accruals and liquidation. In the deal we are discussing, with the refresh frequency defined as weekly and the Start Date as 15 October, the rate applied for the interest liquidation on 15 October will be as follows:

**Table 2-33 Interest liquidation on 15 October**

| From      | To         | Rate |
|-----------|------------|------|
| 1 October | 8 October  | 12   |
| 9 October | 15 October | 11.5 |

For a deal with Periodic rate code usage (date based), the rates prevailing on the specific refresh dates will be used for accruals and liquidation. Shown below are the rates applicable on the specified revision dates.

**Table 2-34 Rates Applicable**

| From       | Rate Applicable |
|------------|-----------------|
| 7 October  | 12              |
| 15 October | 11.5            |
| 23 October | 11.5            |

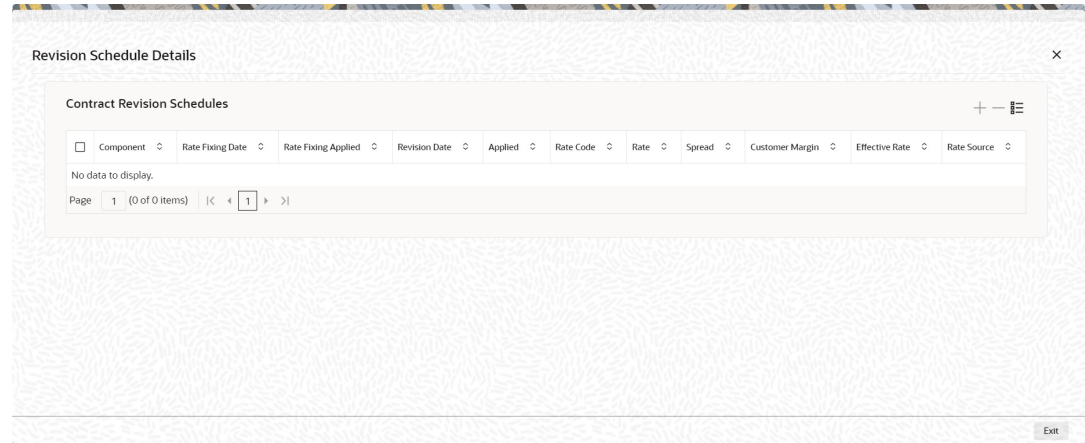
In the deal we are discussing, the rates applied for the interest liquidation on 15 October will be as follows:

**Table 2-35 Interest Rates**

| From       | To         | Rate |
|------------|------------|------|
| 1 October  | 7 October  | 12   |
| 8 October  | 14 October | 12   |
| 15 October | -          | 11.5 |

34. On **Security Repo Contract Online** screen, click **Revision Details**.

The **Revision Schedule Details** screen is displayed.



35. On the **Revision Schedule Details** screen, specify the details as required.

For information on fields, see the below table:

**Table 2-36 Revision Schedule Details - Field Description**

| Field                      | Description   |
|----------------------------|---|
| <b>Component</b>           | Specify the component for which the schedule is being defined. The options are <ul style="list-style-type: none"> <li>Principal</li> <li>Fee</li> <li>Commission</li> <li>Charge or interest</li> </ul> |
| <b>Rate Fixing Date</b>    | Displays the derived Rate fixing date   |
| <b>Rate Fixing Applied</b> | Displays whether Rate fixing is applied for the contract or not. Values - N, Y<br>The system generates the SGEN only when the rate fixing applied option is Y for all the revision schedules.           |
| <b>Revision Date</b>       | Displays the revision date for the schedule   |
| <b>Revision Applied</b>    | Displays whether revision is applied or not Values - N, Y.  |
| <b>Rate Code</b>           | Displays the Floating Rate code mapped to the contract  |
| <b>Rate</b>                | Displays the Floating rate from the floating rate table   |
| <b>Spread</b>              | Displays the Rate Code spread for the contract  |
| <b>Customer Margin</b>     | Displays the customer margin  |
| <b>Effective Rate</b>      | Displays the Effective interest rate  |

**Table 2-36 (Cont.) Revision Schedule Details - Field Description**

| Field              | Description   |
|--------------------|---|
| <b>Rate Source</b> | Displays the Rate source from where the rate is taken |

36. On the **Security Repo Contract Online** screen, click **Interest**.  
The **ICCF** screen is displayed.

**Figure 2-31 ICCF**

37. On **Interest** screen, specify the fields.

**Table 2-37 Interest- Field Description**

| Field                     | Description   |
|---------------------------|---|
| <b>Contract Reference</b> | Displays Contract reference number  |
| <b>Component</b>          | Displays the Interest component mapped to the contract  |
| <b>Currency</b>           | Displays the Interest component currency  |
| <b>Event</b>              | Display the Event associated with the component   |
| <b>Waived</b>             | Specify whether user wants to waive the interest  |
| <b>Rate Type</b>          | Select the Rate Type from the drop-down list.<br>The options are: <ul style="list-style-type: none"> <li>• <b>Floating</b></li> <li>• <b>Special</b></li> <li>• <b>Fixed</b></li> </ul> |

Table 2-37 (Cont.) Interest- Field Description

| Field                            | Description   |
|----------------------------------|---|
| <b>Maximum Rate</b>              | Displays the maximum rate for the component   |
| <b>Minimum</b>                   | Displays minimum rate for the component   |
| <b>Grace Period</b>              | Select the Grace Period from the drop-down list.<br>The options are: <ul style="list-style-type: none"> <li>• <b>Months</b></li> <li>• <b>Years</b></li> <li>• <b>Days</b></li> </ul>                                 |
| <b>Discount</b>                  | Defaults discount flag from product   |
| <b>No Interest/Profit</b>        | Displays the contract Interest  |
| <b>Rate</b>                      | Specify the contract Fixed interest rate. System defaults 'Default rate' from product. User can modify the same.  |
| <b>Rate Code</b>                 | Defaults Floating rate code from product. User can modify the same.   |
| <b>Amount</b>                    | Specify the special interest amount for the contract.   |
| <b>Spread Adjustment</b>         | Specify the Rate code spread adjustment.  |
| <b>Component Description</b>     | Display the component description.  |
| <b>Accrued Amount</b>            | Displays the Interest accrued amount  |
| <b>Event Description</b>         | Displays the Event description  |
| <b>Accrual Required</b>          | Specify if Interest accrual required or not   |
| <b>Spread</b>                    | Specify the rate code spread for a floating interest rate   |
| <b>Denominator Basis</b>         | Denominator Basis is used to specify how the month of February is treated when the denominator is 'Actual'.   |
| <b>Basis 366</b>                 | Defaults from product. This is applicable only if the Denominator Basis is set to 'Per Annum'.  |
| <b>Minimum Spread</b>            | Displays minimum spread for the floating rate code  |
| <b>Maximum Spread</b>            | Displays maximum spread for the floating rate code  |
| <b>Customer Margin</b>           | Specify the customer margin   |
| <b>Effective Interest Rate</b>   | Displays the effective interest rate of the contract  |
| <b>Negative Interest Allowed</b> | Check this box to indicate that the negative interest should be allowed for the product.<br>If this box is checked, then the system allows Negative fixed rates or resolved rates at the SR contract and during VAMI, |
| <b>External Pricing</b>          | Defaults external pricing from product  |
| <b>Interest/Profit Basis</b>     | Defaults Interest Basis from product, which indicates the Interest basis for the component for which penalty is being computed  |
| <b>Reset Tenor</b>               | Floating interest rates are defined for specific amount slabs and tenor combinations.<br>User can indicate the reset tenor for which floating rates need to be picked up.   |
| <b>Indicator</b>                 | Defaults from product.<br>The user can use this field to indicate whether the borrowing rate, lending rate or mid rate must be picked up from the floating rate table, for the specified rate code.                   |

**Table 2-37 (Cont.) Interest- Field Description**

| Field                             | Description  |
|-----------------------------------|--|
| <b>Fixing Date Movement</b>       | Defaults Rate fixing date movement from product. user can modify the same. The options are: <ul style="list-style-type: none"> <li>• <b>Backward movement</b></li> <li>• <b>Forward movement</b></li> </ul>  |
| <b>Rate Calculation Type</b>      | Defaults the rate calculation type from product  |
| <b>Code Usage</b>                 | Specify the rate code usage. It can be periodic or automatic. In case of periodic user needs to define revision schedule for the floating interest component   |
| <b>Alternative Risk-Free Rate</b> | Specify if the interest rate code is a risk free rate  |
| <b>Rate Fixing Days</b>           | Defaults the rate fixing days from product.  |
| <b>Interest/Profit Basis</b>      | The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification the user made at the product level. The User can choose to change it.<br>The following are the options available: <ul style="list-style-type: none"> <li>• 30(Euro)/360</li> <li>• 30(US)/ 360</li> <li>• Actual/360</li> <li>• 30(Euro)/365</li> <li>• 30(US)/365</li> <li>• Actual/365</li> <li>• 30(Euro)/Actual</li> <li>• 30(US)/Actual</li> <li>• Actual/Actual</li> <li>• 30(Euro)/364</li> <li>• 30(US)/ 364</li> <li>• Actual/364</li> </ul> |
| <b>Fixing Date Movement</b>       | Select the movements from the drop-down list.<br>The available movements are: <ul style="list-style-type: none"> <li>• <b>Forward</b></li> <li>• <b>Backward</b></li> <li>• <b>None</b></li> </ul> as per the requirement for the effective revision date.   |
| <b>Alternative Risk-Free Rate</b> | Select the Alternate Risk-Free Rate check box to enable the Alternate Risk Free-Rate preferences.<br>For more information on the Alternate Risk Free-Rate preferences fields, refer to .   |

38. The processing and validations involved in this screen are as follows:
- a. Contract interest rate, irrespective of whether it is positive or negative, can be specified against main interest component only. Effective rate is displayed against Main Interest component only in both positive or negative cases. Internal allocation of the effective rate to negative interest component is done by the system.
  - b. Effective Interest rate is derived based on the interest rate (Fixed/ Floating) and Margin (Spread) value captured for the SR contract (Deal) in OBTR.
  - c. On a particular day, for a contract, only one interest component from main or negative components is active, based on the effective interest rate being positive or negative.



- d. If negative rate or amount is specified, then the system validates that product is enabled for negative interest.
  - e. Negative Interest amount for 'Special Rate type' is not allowed
  - f. Special interest amounts will not be allowed in 'Interest Amount' of ICCF screen, for negative interest allowed SR contracts.
  - g. Negative interest amounts will not be allowed as 'Acquired Amount' in ICCF screen.
39. On the **Securities Repo Contract Online** screen, click **Split**.  
The **Split Settlement** Screen is displayed.

**Figure 2-32 Split Settlement**

The screenshot shows the 'Split Settlement' window. At the top, there is a 'Contract Reference' input field. Below it, the 'Split Settlement' section contains a table with columns: Amount Tag, Currency, and Basis Amount. The table is empty with the text 'No data to display.' and a pagination control showing 'Page 1 (0 of 0 items)'. Below this, the 'Split Settlement Details' section contains a table with columns: Sequence Number, Branch, Customer, Account Currency, Account, Amount, Percentage of Proceeds, and Amount Tag. This table is also empty with 'No data to display.' and the same pagination control. At the bottom right, there are 'Exit' and 'Save' buttons.

- 40. On the **Split Settlement** screen, select a contract.
- 41. On the **Split Settlement** screen, under the Split Settlement Details, click the + Icon.  
**Split Settlement** screen with new row is displayed.

**Figure 2-33 Split Settlement with a new row added**

This screenshot is identical to Figure 2-32, showing the 'Split Settlement' window with empty tables. However, the caption indicates that a new row has been added to the 'Split Settlement Details' table. In this image, the table remains empty, suggesting the row addition step described in the text has not yet been visually represented in this specific screenshot.

 **Note:**

This process of splitting the settlements for a contract is allowed on the principal, Interest (Anticipated Interest for new contracts), and charges.

42. On the **Split Settlement** screen, specify the details as required.

For information on fields, refer to the below table:

**Table 2-38 Split Settlement- Field Description**

| Field                         | Description   |
|-------------------------------|---|
| <b>Contract Reference</b>     | The selected contract reference number is displayed.  |
| <b>Basis Amount</b>           | The Basis Amount details is displayed.  |
| <b>Sequence Number</b>        | The Sequence number details is displayed.   |
| <b>Branch</b>                 | The Branch details is displayed.<br>Click the search icon and select the branch as required.    |
| <b>Customer</b>               | The Customer number is displayed.<br>Click the search icon and select the customer as required. |
| <b>Account Currency</b>       | Click the search icon and select the account currency from the list displayed.                  |
| <b>Account</b>                | Click the search icon and select the account details from the list displayed.                   |
| <b>Amount</b>                 | Specify the amount details as required.   |
| <b>Percentage of Proceeds</b> | This is a read only field, system displays the percentage of proceeds after save.               |
| <b>Amount Tag</b>             | System displays the amount tag details as required.   |

43. Choose the Account Currency, Account, and other necessary details, to create a split.
- For every Settlement contract the system allows a maximum of twelve splits.
  - In case of auto-liquidation, the user must unlock the contract and register the split, upfront, that is prior to auto-liquidation. The updating provision, split settlement for the interest portion, is only available after saving and first approval. For each split amount, SGEN is produced. In field 72 of MT202 and MT202COV, the system will suffix the reference number with a hyphen followed by a running sequence number for each SGEN.
  - Only if split settlement details are available, system will process the transaction accordingly, else the payment/settlement is treated as a single payment transaction
  - If the user are splitting the contract during the rollover, the application considers the latest available split details and process the liquidation amount, if any. If split settlement details are not available, the transaction (partial (liquidation as part of rollover) is treated as normal/regular/non-split liquidation. The split is allowed in manual rollover as well.
  - For a single component, the user can split the settlement amount and use the same settlement account more than once. There is no restriction on the repetition of split settlement amount for the same NOSTRO/settlement account.
  - Cross currency split settlement is supported. The Amount field/column in the Split tab is, by default, in the contract currency (though not evident in the User Interface). The

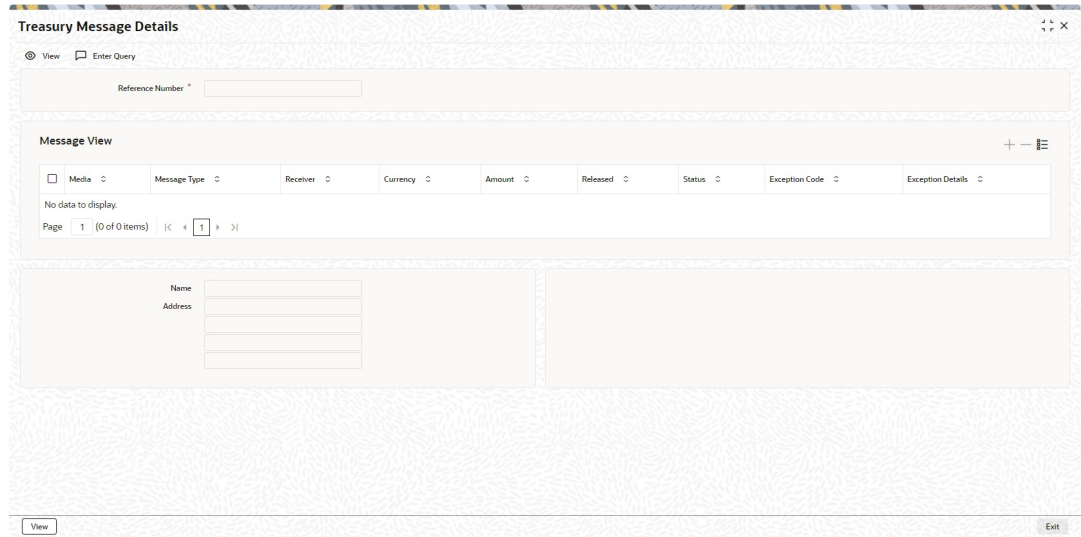
currency of the settlement account can be in a different currency. The converted amount has to be viewed in the accounting entries as part of Events tab only.

- Appropriate Amount tags, for each component like principal, interest and charges, are made available at the relevant event(s) for enriching the split settlement details.

| Contract Booking   |  |
|--|--|
| Master Component   | Basis amount                           |
| MMINTCLS_LIQD  | 100                                    |
| Split Component  |  |
|  | Split Amount                           |
| MMINTCLS_LIQD_S01  | 60                                     |
| MMINTCLS_LIQD_S02  | 30                                     |
| MMINTCLS_LIQD_S03  | 10                                     |
|  |  |
| Test Case 1  |  |
| During LIQD Calculated Interest Liquidation = 110  |  |
| (i.e) actual calclated amount is greater than amount given on booking $110 - 100 = 10$           |  |
| Accounting entry posting   |  |
| MMINTCLS_LIQD_S01  | 60                                     |
| MMINTCLS_LIQD_S02  | 30                                     |
| MMINTCLS_LIQD_S03  | $10 + 10 = 20$                         |
|  |  |
| When the difference amount is greater it will be added to last account always                    |  |
|  |  |
| Test Case 2  |  |
| During LIQD Calculated Interest Liquidation = 95   |  |
| (i.e) actual calclated amount is lesser than amount given on booking $95 - 100 = -5$             |  |
| Accounting entry posting   |  |
| MMINTCLS_LIQD_S01  | 60                                     |
| MMINTCLS_LIQD_S02  | 30                                     |
| MMINTCLS_LIQD_S03  | $10 - 5 = 5$                           |
|  |  |
| When the difference amount is lesser it will be subtracted to last account                       |  |
|  |  |
| Test Case 3  |  |
| During LIQD Calculated Interest Liquidation = 70   |  |
| (i.e) actual calclated amount is lesser than amount given on booking $70 - 100 = -30$            |  |
| Accounting entry posting   |  |
| MMINTCLS_LIQD_S01  | 60                                     |
| MMINTCLS_LIQD_S02  | $30 - 20 = 10$                         |
| MMINTCLS_LIQD_S03  | $10 - 10 = 0$                          |
|  | Will not be posted in accounting entry |
|  |  |
| When the difference amount is lesser it will be subtracted from last account in descending order |  |

44. On **Security Repo Contract Online** screen, click **Messages**.  
**Treasury Message Details** screen is displayed.

**Figure 2-34 Treasury Message Details**



45. On the **Treasury Message Details** Screen, specify the details as required.

The following details of Advices are displayed:

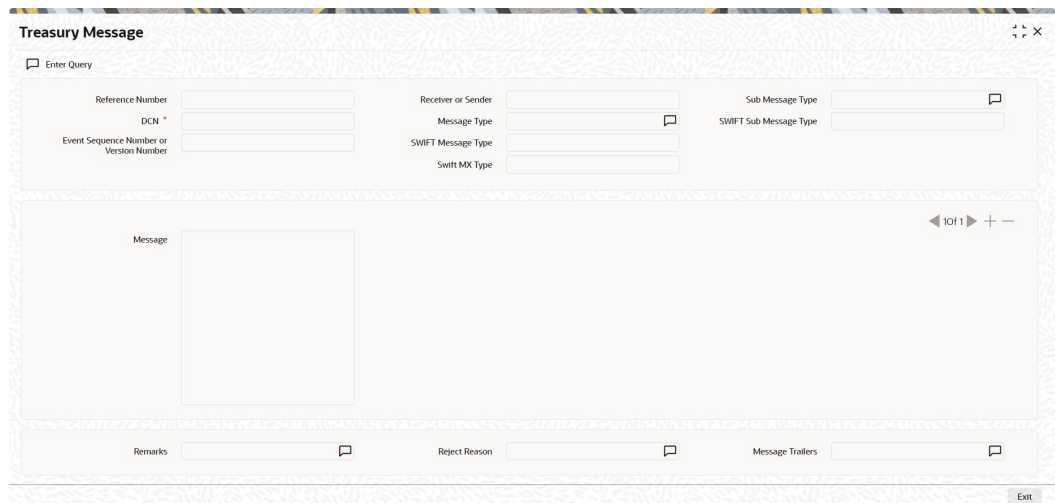
- The message type
- The Name and ID of the recipient of the message and
- The status of the message.

click **Messages** to view the list of advices applicable to a particular event in the lifecycle of the repo.

46. On the **Treasury Message Details** screen, click **View**.

**Treasury Message** screen is displayed.

**Figure 2-35 Treasury Message**



47. On the **Treasury Message** screen, specify the details as required.

To view the text of a message, highlight the message and click . Click **Exit** or **Cancel** button to exit the screen.

View the following details:

- Reference number of the message/advice
- Document number generated for the message/advice
- Version number of the message/advice
- Receiver/sender of the message
- Type of the message
- Type of the SWIFT message
- Complete text of the message/advice
- Remarks, if any
- Reject reason, if any
- Message trailer

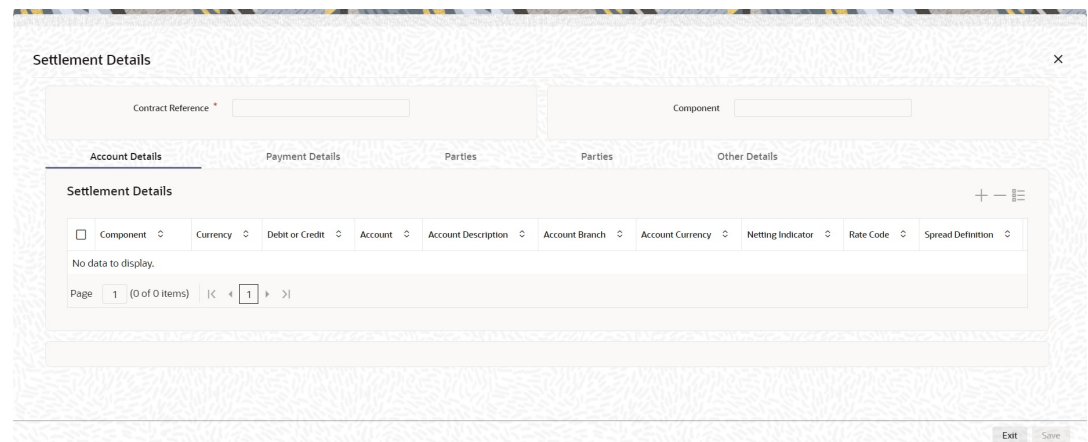
48. On **Security Repo Contract Online** screen, click **Settlement**.

The settlement account details of each deal is displayed in the Settlement Instructions screen. Click on the contract for which the user want to view the settlement details and it is displayed in the Settlement Instructions section. For each amount tag, the following settlement details are displayed:

- Settlement account
- Currency of the settlement account
- Settlement account branch
- Payable or Receivable
- Ordering Institution
- Ordering Customer
- Beneficiary Institution
- Ultimate Beneficiary
- The settlement details for the latest event of the deal is displayed.

The **Settlement Details** screen is displayed.

**Figure 2-36 Settlement Details**



49. On the **Settlement Details** screen, specify the details as required.

The deal gets settled based on the details specified in the settlement screen.

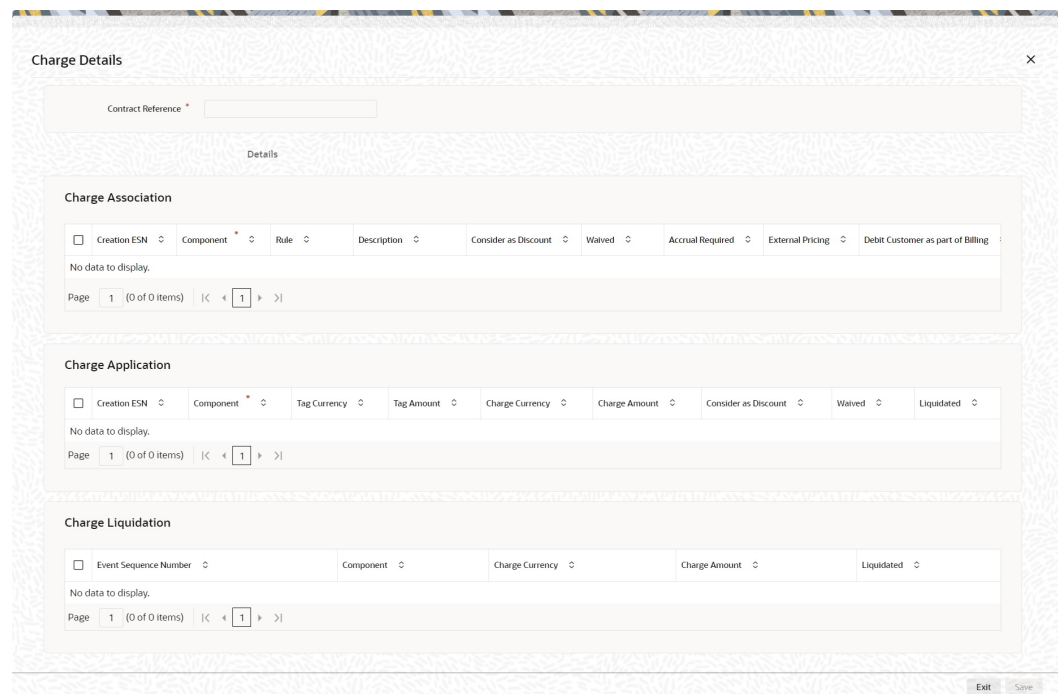
 **Note:**

For more details on this screen, refer to Settlements User Manual, section Processing Settlements.

50. On the **Security Repo Contract Online** screen, click **Charges**.

The **Charge Details** screen is displayed.

**Figure 2-37 Charge Details**



The screenshot shows the 'Charge Details' window with a 'Contract Reference' field at the top. Below it are three sections: 'Charge Association', 'Charge Application', and 'Charge Liquidation'. Each section contains a table with various columns and a 'No data to display' message. The 'Charge Association' table has columns: Creation ESN, Component, Rule, Description, Consider as Discount, Waived, Accrual Required, External Pricing, and Debit Customer as part of Billing. The 'Charge Application' table has columns: Creation ESN, Component, Tag Currency, Tag Amount, Charge Currency, Charge Amount, Consider as Discount, Waived, and Liquidated. The 'Charge Liquidation' table has columns: Event Sequence Number, Component, Charge Currency, Charge Amount, and Liquidated. Each table has a pagination bar showing 'Page 1 (0 of 0 items)' and navigation arrows. At the bottom right of the window are 'Exit' and 'Save' buttons.

51. On the **Charge Details** screen, specify the details as required.

 **Note:**

The ICCF rate, amount, currency and the user can specify waive charge parameter. The Processing Charges and Fees manual, details the procedure for maintaining charge rules.

52. On the **Security Repo Contract Online** screen, click **Tax**.

The **Tax Details** screen is displayed.

**Figure 2-38 Tax Details**

The screenshot shows a 'Tax Details' window with the following sections:

- Contract Reference:** A text input field.
- Tax Scheme:** A dropdown menu.
- Waived:** A checkbox.
- Rule Details:** A table with columns: Rule (checkbox), Basis Component (dropdown), Event (dropdown), Type (dropdown), and Waived (checkbox). Below the table, it says 'No data to display.' and 'Page 1 (0 of 0 items)' with navigation arrows.
- Amount Details:** A table with columns: Value Date (checkbox), Transaction Date (dropdown), Currency (dropdown), Amount (dropdown), and Event Sequence Number (checkbox). Below the table, it says 'No data to display.' and 'Page 1 (0 of 0 items)' with navigation arrows.

Buttons for 'Exit' and 'Save' are located at the bottom right of the window.

53. On the **Tax Details** screen, specify the details as required.  
For information on fields, see the below table

**Table 2-39 Tax Details - Field Description**

| Field                        | Description  |
|------------------------------|--|
| <b>Contract References</b>   | Displays the contract reference number             |
| <b>Tax Scheme</b>            | Displays the tax scheme associated to the product. |
| <b>Waived</b>                | Specify if the tax must be waived                  |
| <b>Rule Details</b>          | Specify the Rule details.                          |
| <b>Rule</b>                  | Displays the tax rules                             |
| <b>Basis Component</b>       | Defaults the basis component from the product.     |
| <b>Event</b>                 | Displays the event associated to the tax.          |
| <b>Type</b>                  | Displays the type of tax.                          |
| <b>Waived</b>                | Specify if the tax must be waived                  |
| <b>Amount Details</b>        | Specify the Amount details.                        |
| <b>Value Date</b>            | Value date of tax liquidated                       |
| <b>Transaction date</b>      | Transaction date of the tax processing             |
| <b>Currency</b>              | Displays the tax currency                          |
| <b>Amount</b>                | Displays the tax amount collected                  |
| <b>Event Sequence Number</b> | Displays the event sequence number                 |

54. On the **Security Repo Contract Online** screen, click **MIS**.  
The **MIS Details** screen is displayed.

**Figure 2-39 MIS Details**

55. On the **MIS Details** screen, specify the details as required.  
For information on fields, refer the *MIS User Guide*.
56. On the **MIS Details** screen, click **Refinance Rate**.  
The **Refinance Rate** screen is displayed.

**Figure 2-40 Refinance Rate**

57. On the **Refinance Rate** screen, specify the details as required.
58. On the **MIS Details** screen, click **Amendment Rate**.  
The **Amendment Rate** screen is displayed.



**Figure 2-41 Amendment Rate**

59. On the **Amendment Rate** screen, specify the details as required.  
For information on fields, see the below table

**Table 2-40 Amendment Rate- Field Description**

| Field                     | Description   |
|---------------------------|---|
| <b>Rate Type</b>          | Select the Rate Type from the drop-down list.<br>The Options are: <ul style="list-style-type: none"> <li>• <b>Fixed</b></li> <li>• <b>Floating</b></li> <li>• <b>Automatic</b></li> <li>• <b>Floating Periodic</b></li> </ul> |
| <b>Contract Reference</b> | Specify the contract reference number.  |

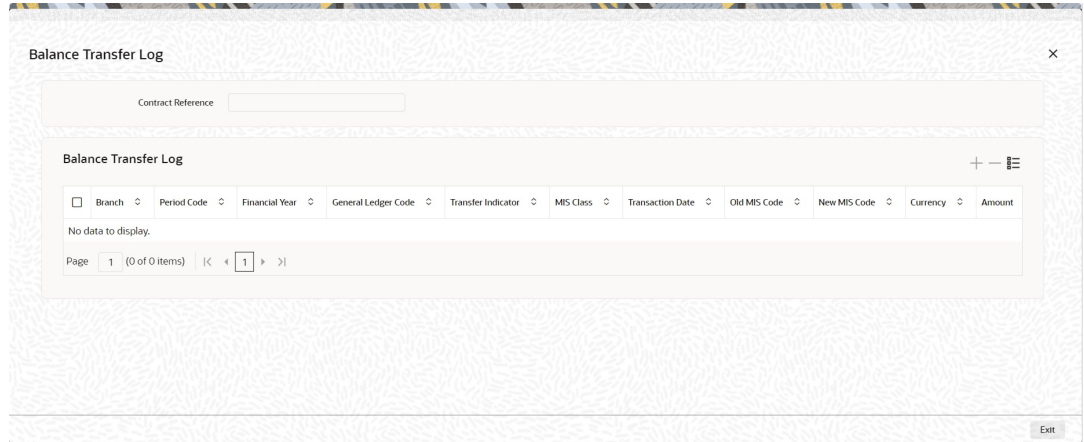
60. On the **MIS Details** screen, click **Change Log**.  
The **Change Log** screen is displayed.

**Figure 2-42 Change Log**

61. On the **Change Log** screen, specify the details as required.

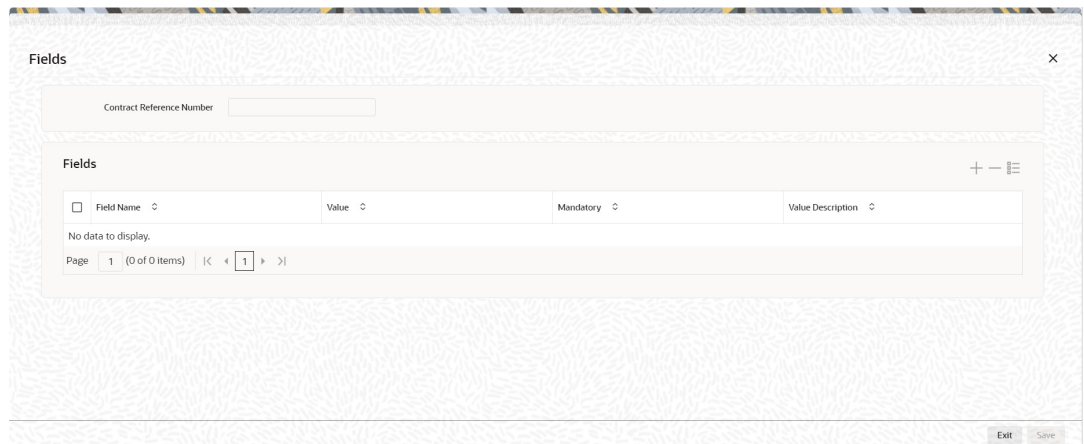
62. On the **MIS Details** screen, click **Balance Transfer Log**.  
The **Balance Transfer Log** screen is displayed.

**Figure 2-43 Balance Transfer Log**



63. On the **Balance Transfer Log** screen, specify the details as required.
64. On the **Security Repo Contract Online** screen, click **Fields**.  
The **Fields** screen is displayed.

**Figure 2-44 Fields**



65. On the **Fields** screen, specify the details as required.  
For information on fields, see the table below

**Table 2-41 Fields - Field Description**

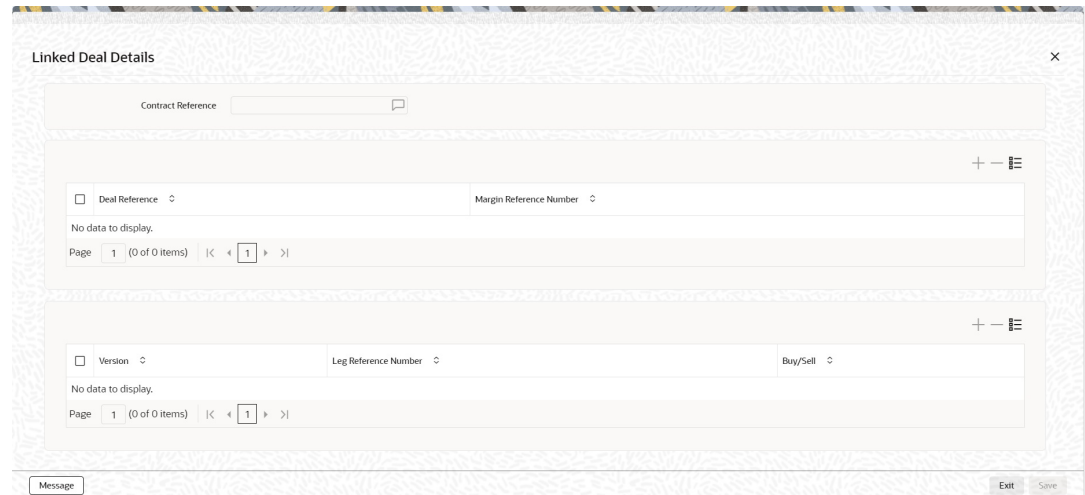
| Field                            | Description  |
|----------------------------------|--|
| <b>Contract Reference Number</b> | Displays contract reference number                     |
| <b>Field Name</b>                | Defaults user defined field name mapped to the product |

**Table 2-41 (Cont.) Fields - Field Description**

| Field                    | Description  |
|--------------------------|--|
| <b>Value</b>             | Specify the UDF value  |
| <b>Mandatory</b>         | Defaults the mandatory flag from user defined maintenance screen |
| <b>Value Description</b> | Displays the user defined value description                      |

66. On the **Security Repo Contract Online** screen, click **Linked Deal Details**.  
The **Linked Deal Details** screen is displayed.

**Figure 2-45 Linked Deal Details**



67. On the **Linked Deal Details** screen, specify the details as required.  
For information on fields, see the table below

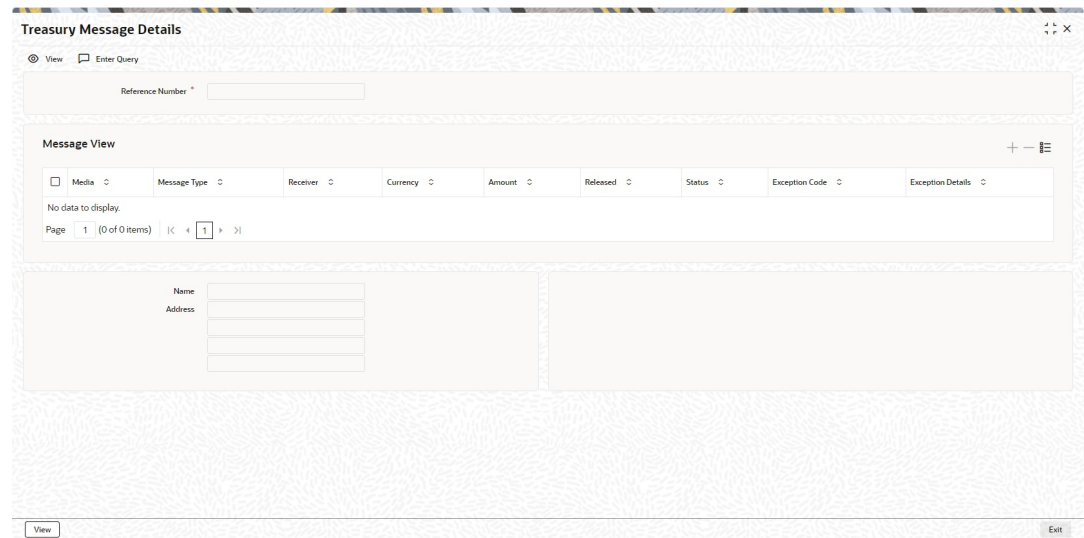
**Table 2-42 Linked Deal Details - Field Description**

| Field                          | Description  |
|--------------------------------|--|
| <b>Contract Reference</b>      | Displays the contract reference number   |
| <b>Deal Reference</b>          | Displays all linked deal reference number for the repo contract.<br>The options of Deal type are: <ul style="list-style-type: none"> <li>• <b>Buy deal</b></li> <li>• <b>Sell deal</b></li> <li>• <b>Block deal</b></li> </ul> |
| <b>Margin Reference Number</b> | Displays all the margin reference number created for the repo contract on margin processing  |
| <b>Version</b>                 | Once the user clicks the Deal reference, system displays the leg reference version number  |
| <b>Leg Reference Number</b>    | Once the user clicks the Deal reference, system displays the leg reference number  |
| <b>Buy/Sell</b>                | Displays the leg type  |

68. On the **Linked Deal Details** screen, click **Messages**.  
User can view the MT5X message generated for a repo/reverse repo deal.

Treasury Messages Details screen is displayed.

**Figure 2-46 Treasury Messages Details**



69. On the **Treasury Messages Details** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-43 Treasury Messages Details - Field Description**

| Field                    | Description   |
|--------------------------|---|
| <b>Reference Number</b>  | Displays contract reference number                            |
| <b>Media</b>             | Displays the message media                                    |
| <b>Message Type</b>      | Displays the message type                                     |
| <b>Receiver</b>          | Displays Receiver ID.   |
| <b>Currency</b>          | Displays message currency                                     |
| <b>Amount</b>            | Displays the amount   |
| <b>Released</b>          | Displays the released status                                  |
| <b>Status</b>            | Displays current status of message.                           |
| <b>Exception Code</b>    | Displays the exception code, if the message goes in exception |
| <b>Exception Details</b> | Displays the exception details.                               |
| <b>Name</b>              | Displays the name of the receiver.                            |
| <b>Address</b>           | Displays the receiver address.                                |

70. On the **Treasury Messages Details** screen, click **View**.  
**Treasury Messages** screen is displayed.

**Figure 2-47 Treasury Messages**

71. On the **Treasury Messages** screen, specify the details as required.

For more information on fields, see the below table

**Table 2-44 Treasury Messages - Field Description**

| Field  | Description   |
|--|---|
| <b>Reference Number</b>                        | Displays the contract reference number                        |
| <b>DCN</b>                                     | Displays document reference number of a contract              |
| <b>Event Sequence Number or Version Number</b> | Displays the event sequence number                            |
| <b>Receiver or Sender</b>                      | Displays Receiver or Sender ID.                               |
| <b>Message Type</b>                            | Displays the type of message.                                 |
| <b>SWIFT Message Type</b>                      | Displays the Swift MT number of the message sent or received. |
| <b>Sub Message Type</b>                        | Displays the sub message type                                 |
| <b>SWIFT Sub Message Type</b>                  | Displays the Swift sub message type.                          |
| <b>Message</b>                                 | Displays the Message view                                     |
| <b>Remarks</b>                                 | Displays the remarks  |
| <b>Reject Remarks</b>                          | Displays the reject remarks.                                  |
| <b>Message Trailers</b>                        | Displays the message trailers.                                |

72. On the **Securities Repo Contract Online** screen, click **Holiday Preference**.

Holiday Preference screen is displayed

73. On the **Holiday Preference** screen, specify the details as required.

For information on fields, see the below table

**Table 2-45 Holiday Preference - Field Description**

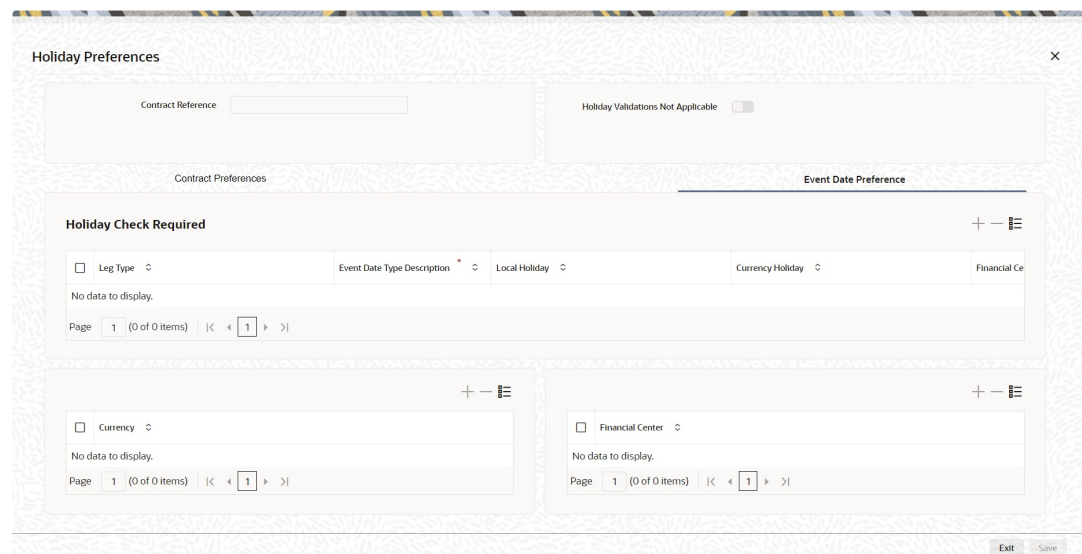
| Field                     | Description   |
|---------------------------|---|
| <b>Contract Reference</b> | The Contract Reference number from the main screen is displayed here. |

**Table 2-45 (Cont.) Holiday Preference - Field Description**

| Field                                     | Description  |
|---|--|
| <b>Holiday Validations Not Applicable</b> | Check this box to indicate that the holiday calendar validation must not be performed.   |
| <b>Local Holiday</b>                      | Select this check box, if the local holiday validation of dates and schedule movement is required, which is defaulted from product and amendable.  |
| <b>Currency Holiday</b>                   | Select this check box, if the currency holiday calendar validation of dates and schedule movement is required, which is defaulted from product and amendable.  |
| <b>Financial Center Holiday</b>           | Select this check box, if the financial center holiday calendar validation of dates and schedule movement is required, which is defaulted from product and amendable.  |
| <b>Move Across Months</b>                 | Check this box to indicate that the final date must be derived next month if the date falls on holiday. Otherwise, final date becomes end of the month though actual date derived is on next month.          |
| <b>Date Movement</b>                      | Select the holiday date movement when the date falls on holiday. The adjoining drop-down list displays the following values: <ul style="list-style-type: none"> <li>• Forward</li> <li>• Backward</li> </ul> |
| <b>Currency</b>                           | Specify the currency details for which the holiday validation for dates and schedules movement is required, which is defaulted from product and amendable.   |
| <b>Financial Center</b>                   | Specify the financial center from the adjoining option list. The list displays all active financial centers maintained in the system. You can choose the appropriate one.                                    |

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

**Figure 2-48 Event Date- Holiday Preferences**



75. On the **Event Date Preference** tab, specify the details as required. The following are the field descriptions:

**Table 2-46 Event Date Preference- Field Description**

| Field                              | Description   |
|------------------------------------|---|
| <b>Leg Type</b>                    | Select the leg type for the holiday preferences from the adjoining drop-down list. The list displays the following values: <ul style="list-style-type: none"> <li><b>In Leg</b></li> </ul>  |
| <b>Event Date Type Description</b> | Specify the description of event date type for which the holiday calendar validations must be performed. The adjoining option list displays all valid event description maintained in the system. You can choose the appropriate one.   |
| <b>Local Holiday</b>               | Select this check box if the local holiday validation of the dates and schedule movement has to be executed.  |
| <b>Currency Holiday</b>            | Select this check box, to execute the currency holiday calendar validation of the dates and movement of schedules.  |
| <b>Financial Center</b>            | Select this check box, to execute the financial center holiday calendar validation of the dates and movement of schedules.  |
| <b>Event Date Type</b>             | The event date type details is displayed in this field.   |
| <b>Move Across Months</b>          | Check this box to indicate that the final date must be derived next month if the date falls on holiday. Otherwise, final date becomes end of the month though actual date derived is on next month.   |
| <b>Date Movement</b>               | Select the holiday date movement when the date falls on holiday. The adjoining drop-down list displays the following values: <ul style="list-style-type: none"> <li><b>Not Applicable</b></li> <li><b>Forward</b></li> <li><b>Backward</b></li> </ul>                         |
| <b>Currency</b>                    | Specify the currency from the adjoining option list. The list displays all valid currencies maintained in the system. You can choose the appropriate one.<br><br>This field is mandatory if event date level currency holiday validation is required.                         |
| <b>Financial Center</b>            | Specify the financial center from the adjoining option list. The list displays all active financial centers maintained in the system. You can choose the appropriate one.<br><br>This field is mandatory if event date level financial center holiday validation is required. |

 **Note:**

Based on the requirement you can choose more than one holiday check at the same time.

The Value Date, Maturity Date, Rate Revision Schedule Date, Rate Fixing Date and Interest Schedule date fields will be validated for Local, Currency and Financial Center holidays while Repo deal booking and the system displays an appropriate override message.

When any one or all of Rate Revision Schedule Date, Rate fixing date and Interest Schedule date falls on a holiday, then the date will be moved according to the date movement selected in 'Event Preference' tab, either Forward or Backward to a Business day.

When any one or all of Rate Revision Schedule Date, Rate fixing date and Interest Schedule date falls on a holiday and the date movement is selected as 'Not Applicable' in 'Event Preference' tab, an error message will be displayed and the date movement needs to be changed to 'Forward' or 'Backward'.

76. On the **Securities Repo Contract Online** screen, click Margin Details.  
**Margin Transaction Query** screen is displayed.

**Figure 2-49 Margin Transaction Query**

77. On the **Margin Transaction Query** screen, Specify the details as required.  
For information on fields, refer to the *section 6.1.1.1 Margin Transaction Query screen in Collateral Margin and Settlement Netting User Guide*

## 2.8 Repo Details

This topic describes how to use the Securities Repo Contract Online to define the Repo details.

1. On the **Securities Repo Contract Online** screen, click **Repo**.  
The **Repo Block** screen is displayed.

**Figure 2-50 Repo Block**



2. On the **Repo Block** screen, specify the details as required.

For field descriptions, see the below table:

**Table 2-47 Repo Block - Field Description**

| Field                          | Description   |
|--------------------------------|---|
| <b>Portfolio ID</b>            | This field is mandatory<br>Click the search icon to view the list and select the Bank Portfolio Id from the list displayed.   |
| <b>Security Id</b>             | This field is mandatory<br>Click the search icon to view the list and Specify the security ID from the list displayed.  |
| <b>SK Location</b>             | This field is mandatory<br>Click the search icon to view the list and Select the SK location of Portfolio Id.   |
| <b>SK Account</b>              | This field is mandatory<br>Click the search icon to view the list and Select the SK Account of Portfolio Id.  |
| <b>Security Form</b>           | This field is mandatory<br>Select the value from the list as required.  |
| <b>Settlement SKL</b>          | The system defaults the place of settlement. However you can specify the settlement safe keeping location from the adjoining option list.   |
| <b>Price Quotation</b>         | Select the Price Quotation details from the drop-down list. The available options are: <ul style="list-style-type: none"> <li>• <b>Price</b></li> <li>• <b>Percentage Price</b></li> <li>• <b>Premium</b></li> <li>• <b>Percentage Premium</b></li> <li>• <b>Yield to Maturity</b></li> </ul> |
| <b>Quantity</b>                | This field is mandatory<br>Specify the details as required.   |
| <b>Units/Currency</b>          | Select the Units/Currency value from the displayed list of values.  |
| <b>Input Price</b>             | This field is mandatory.<br>Specify the Input Price details.  |
| <b>Total Amount</b>            | The system displays the Total Amount of security equivalent.  |
| <b>Series</b>                  | Select the Series details from the displayed list of values.  |
| <b>Block Deal Reference</b>    | This is a system generated deal reference for the sub-deals, created by way of a block deal product.  |
| <b>Collateral Portfolio ID</b> | Collateral Portfolio ID to move the securities from trading portfolio.<br>This field is mandatory, if securities pledged option at the product level is Move to Collateral Portfolio.   |
| <b>Collateral SK Location</b>  | Select the Id from the list displayed.  |
| <b>Collateral SK Account</b>   | Select the Id from the list displayed.  |
| <b>Buy Deal Reference</b>      | Auto generated Buy Deal Reference on repo liquidation is displayed.   |
| <b>Sell Deal Reference</b>     | Auto generated Sell Deal Reference on repo book is displayed.   |

This topic has the following sub-topic:

- Specify Details of Parties Involved in Repo Block

## 2.8.1 Specify Details of Parties Involved in Repo Block

The Parties screen can be used to record details related to all the parties involved in the Repo block.

1. On the **Securities Block or Release Block Input** screen, click **Parties** button in the **Repo** subscreen.

The **Party Details** screen is displayed.

**Figure 2-51 Party Details**

The screenshot shows the 'Party Details' screen with the following sections:

- Input Fields:**
  - Contract Reference Number
  - Counterparty
  - Market Code
  - Settlement SKL
  - SK Location
  - Security Product
  - Security Id
- Messages Table:**
  - Columns: Advice Code, Advice Description, Party Id, Party Name, Address 1, Address 2, Address 3, Address 4, Address 5, Address 6, Additional Information 1
  - Content: No data to display.
  - Page: 1 (0 of 0 items)
- Party Details Table:**
  - Columns: Party Type, Description, Party ID, Counterparty Account, Party Name, Address 1, Address 2, Address 3, Address 4, Data Source Scheme, Proprietary C
  - Content: No data to display.
  - Page: 1 (0 of 0 items)

2. On **Party Details** screen, specify the following details:

**Table 2-48 Party Details- Field Description**

| Field                       | Field Description  |
|-----------------------------|--|
| <b>Leg Reference Number</b> | The system displays the leg reference number                     |
| <b>Description</b>          | The system displays the description for the leg reference number |
| <b>Counterparty</b>         | The system displays the counterparty                             |
| <b>SK Location</b>          | The system displays the SK location                              |
| <b>Portfolio ID</b>         | The system displays the Portfolio ID                             |
| <b>Settlement SKL</b>       | The system displays the place of settlement                      |
| <b>Security ID</b>          | The system displays the Security ID                              |
| <b>Messages</b>             | The system displays the messages                                 |
| <b>Advice Code</b>          | The system displays the advice code                              |
| <b>Advice Description</b>   | The system displays the description for the advice               |
| <b>Party ID</b>             | The system displays the party ID                                 |

**Table 2-48 (Cont.) Party Details- Field Description**

| Field                               | Field Description  |
|-------------------------------------|--|
| <b>Description</b>                  | The system displays the description of the party   |
| <b>Address 1 – 6</b>                | Specify the address lines 1 to 6 for the selected Party ID.  |
| <b>Additional Information 1 – 3</b> | Specify additional information, if any.  |
| <b>Party Details</b>                | Specify the party details.   |
| <b>Party Type</b>                   | Specify the party type. The adjoining option list displays the party types maintained in the system. You can choose the appropriate one.                     |
| <b>Description</b>                  | The system displays the description of the party type  |
| <b>Party ID</b>                     | Specify the party ID from the adjoining option list. The list will display all valid party IDs maintained in the system. You can choose the appropriate one. |
| <b>Counterparty Account</b>         | Specify the counterparty account   |
| <b>Address 1-4</b>                  | Specify the address lines 1 to 4 for the selected Party ID.  |

Settlement Parties information default happens for the multiple portfolio maintained during creation. On Liquidation of SR Repo contract message, MT541/540 gets generated based on whether the flag Delivery vs Payment is enabled or toggled off to the linked Block deal. During booking of a SR Repo Deal, the parties default happens for the combination of counterparty, settlement SKL and Market code.

The Message MT54x gets generated for the BOOK event for the Linked Block Deal. The message generates the SETPRTY details for party type REAG, BUYR and PSET value. You can check the message in linked block deal screen under BOOK event.

On SR Repo Maturity, the Linked Block deal also gets released or liquidated. RBLK event gets triggered on release of security block generating the MT54x message. The message displays the set party block for party type DEAG, SELL and PSET values.

The system performs the following validations:

- The system validates when the existing address line to address line 4 is modified.
- Validate on booking of Repo contract message MT542/543 gets generated based on the flag Delivery vs Payment flag is enabled or toggled off to the linked block deal.

## 2.9 Repo Process

This topic describes the repo process on Booking a Repo deal, Securities pledged will either be blocked in Bank portfolio or moved to a Collateral portfolio to track the securities.

This is done based on Securities Pledged option given at Repo Product Preference.

### Securities Pledged preference - Move to Collateral portfolio

- On Booking a Repo deal, the details of the pledged securities, captured in Repo Sub System is moved from Bank portfolio to Collateral portfolio and the system auto-generates the Bank Buy Bank Sell deal (Internal deal product mapped at Repo Product is used for deal booking).
- User can view the Bank Buy Deal details using the linked deal details subsystem. Once the user clicks, the deal reference, the user can view the MT5x messages from repo contract online screen.

- Repo reference number is captured in the SE deal.
- The system validates if the pledged security quantity is not available in the Bank's portfolio.
- The System continues to accrue the coupon in the collateral portfolio for the pledged securities. After the coupon schedule date, bank claims the coupon from the repo counterparty and process a manual corporate action to post backdated accounting entries. The user can view the message from Manual corporate action screen.
- Coupon Collection event generates the MT210 message to receive a coupon from repo counterparty.
- Once the user authorizes the Repo deal, the system generates GMRA (Global Master Repurchase Agreement), a paper-based confirmation or MT320 Contract confirmation message.

### **Repo Liquidation/Reversal**

- Total quantity available in the collateral portfolio as part of repo deal (Initial pledged collateral and securities paid or received as part of margin call) is netted and moved back to bank portfolio by a bank sell deal. The same is executed on EOD for the auto liquidated deal.
- Cash margin paid and received are netted and settled on repo liquidation by initiating a margin call.
- User can view the Bank Sell Deal details using the linked deal details subsystem. Once the user clicks, the deal reference, the user can view the MT5x messages from repo contract online screen.

### **Securities Pledged preference - Block Securities**

- On Booking a Repo deal, the details of the pledged securities, captured in Repo Sub System is blocked from the bank portfolio and the system auto-generates the Block Deal (product mapped at Repo for block booking).
- For Block type Repo, the repo counterparty defaults in a block deal.
- The system continues to accrue the coupon in bank portfolio for the pledged securities. After the coupon schedule date, the bank claims the coupon from the repo counterparty and process a manual corporate action to post back - dated accounting entries. The user can view the message from Manual Corporate action screen.
- User can view the block deal details using the linked deal details subsystem. Once the user clicks, the deal reference, the user can view the MT5x messages from online repo screen.
- System validates if the pledged security quantity is not available in the bank's portfolio.

### **Repo Liquidation/Reversal**

- During Repo liquidation/pre closure/ cancellation, all the securities pledged as part of repo and margin call are released fully from the block. Cash margin paid and received are netted and settled on repo liquidation by initiating a margin call.
- User can view the block release details using the linked deal details subsystem. Once the user clicks, the deal reference, the user can view the MT5x messages from online repo screen.

## Repo Messaging

**Table 2-49 Repo Messaging Details**

| Action                  | DVP (Yes)                  | DVP (No)    |
|-------------------------|----------------------------|-------------|
| Repo Booking            | MT 543 and suppress MT 210 | MT542/MT210 |
| Repo Liquidation/Cancel | MT 541 and suppress MT 202 | MT540/MT202 |

### Process Repos on Future Dated Holdings

The system allows you to book repos for a future date. For such contracts, the status is updated as 'Yet to be Uninitiated' and an MT54x message is generated as part of BOOK event for the Block deal.

The processing of the repo uninitiated contracts to active status happens during BOD batch processing by the batch 'SRAUTDLY'. When the system reaches the value date, on BOD, the contract status is moved to 'Active', if there is sufficient holdings available for the attached portfolio.

If the holdings for the attached portfolio during batch processing is insufficient, the contract remains in the 'Yet to be Initiated' status.

You can manually initiate these repo deals by running the Intraday batch 'SRBAINIT' in the Treasury Intra Day Batch Start screen. The contract status will be moved to 'Active' status, if there is sufficient holdings available for the attached portfolio. Else the contract will be in 'Yet to be Initiated' status itself.

The system triggers the INIT event as part of contract initiation for repo contract.

## 2.10 Reverse Repo Block

This topic describes how to use Reverse Repo Maintenance Block to maintain the reverse repo details.

1. On the **Securities Repo Contract Online** screen, click **Reverse Repo**  
The **Reverse Repo Maintenance** screen is displayed

 **Note:**

All fields with an asterisk (\*) are mandatory.

**Figure 2-52 Reverse Repo Maintenance**

2. On the **Reverse Repo Maintenance** Screen, specify the details as required.

For field descriptions, see the below table:

**Table 2-50 Reverse Repo Maintenance - Field Description**

| Field                      | Description   |
|----------------------------|---|
| <b>Portfolio ID</b>        | Select the Collateral Portfolio ID from the displayed list of values to receive the securities from counterparty.   |
| <b>Portfolio Type</b>      | Select the type of the portfolio form the drop-down list.   |
| <b>SK Location</b>         | Select the SK location from the list displayed.   |
| <b>SK Account</b>          | Select the SK Account from the list displayed.  |
| <b>Security Code</b>       | Select the Security Code from the list displayed.   |
| <b>Settlement SKL</b>      | The system defaults the place of settlement. However you can specify the settlement safe keeping location from the adjoining option list.   |
| <b>Price Quotation</b>     | Select the Price Quotation details from the drop-down list. The available options are: <ul style="list-style-type: none"> <li>• <b>Price</b></li> <li>• <b>Percentage Price</b></li> <li>• <b>Premium</b></li> <li>• <b>Percentage Premium</b></li> <li>• <b>Yield to Maturity</b></li> </ul> |
| <b>Quantity</b>            | Specify the details as required.  |
| <b>Input Price</b>         | Specify the input details as required.  |
| <b>Total Amount</b>        | The system displays the Total Amount of Security Equivalent.  |
| <b>Buy Deal Reference</b>  | Auto generated Buy Deal Reference on repo book is displayed.  |
| <b>Sell Deal Reference</b> | Auto generated Sell Deal Reference on repo liquidation is displayed.  |

For more details on Parties button, refer to *Repo block section* in this User Manual.

This topic has the following sub-topic:

- [Reverse Repo Process](#)

## 2.10.1 Reverse Repo Process

- On Booking a Reverse Repo deal, the received securities details captured in Reverse Repo Sub System are moved from counterparty to banks' collateral portfolio. At save of Reverse Repo contract, system auto - generates an SE deal with Bank Buy Customer Sell combination (Bank Buy Customer Sell BBCS deal product mapped at reverser repo product is used for deal booking).
- User can view the Bank Buy Deal details using the linked deal details subsystem. Once the user clicks, the deal reference, the user can view the MT5x messages from repo contract online screen.
- System will accrue the coupon in collateral portfolio for the securities received as part of reverse repo. On Coupon schedule date Bank will receive coupon in collateral portfolio from custodian and the same is transferred back to reverse repo counterparty.
- Coupon transfer will generate MT202 message.
- The User can view the message from Manual corporate action screen.

Settlement Parties information default happens for the multiple portfolio maintained during creation. During creation of SR Reverse Repo deal, settlement parties default happens for the combination of counterparty, market code and settlement SKL from 'Settlement Parties Maintenance' screen.

The system defaults the party type DEAG, REAG, BUYR, SELL and PSET in the 'Parties' sub-screen. SE Buy Deal is linked to the SR Reverse Repo contract post authorization. The Linked SE Buy deal has the settlement parties defaulted in the 'Parties' sub-screen. MT54x message is generated for the BOOK event.

On maturity of an SR Reverse Repo contract, a Bank Sell SE deal gets generated in the Reverse Repo sub-screen. The Bank Sell deal has the party details of REAG, BUYR and PSET. MT54x message is generated to the BOOK event of Bank Sell deal.

On liquidation of an SR Reverse Repo contract, the message type MT542/543 is generated when flag Receive vs Payment flag is toggled on or off to the linked SE Deal.

During reversal of an SR Reverse repo contract, a new SE bank sell deal is generated. The Bank Sell deal has the party details of REAG, BUYR and PSET values. MT54x message is generated to the BOOK event.

The system internally identifies the message based on the Security deal. Each Party has the information of DEAG, SELL and PSET or REAG, BUYR, PSET.

For the message SEC\_SETTLEMENT maintained in 'Security Deal Product Definition screen 'Securities Deal Product Definition' under BOOK event, Advices, appropriate message type are derived by the system Messages can be viewed in Securities Deal Input screen, in the BOOK event, after authorization of the deal.

During booking of SR Reverse Repo contract, the system validates that the message type MT540 or 541 is generated when flag Receive vs Payment flag is toggled on or off to the linked SE Deal.

### Reverse Repo Liquidation/Reversal

- – Total quantity available in the collateral portfolio as part of reverse repo deal (Initial received collateral and securities paid or received as part of margin call) is netted and moved back to counterparty by a bank sell customer buy deal. The same is executed on EOD for the auto liquidated deal.

- Cash margin paid and received are netted and settled on repo liquidation by initiating a margin call.
- User can view the Bank Sell Deal details using the linked deal details subsystem. Once the user clicks, the deal reference, the user can view the MT5x messages from repo contract online screen.

**Table 2-51 Reverse Repo Messaging**

| Action                              | RVP (Yes)                  | RVP (No)    |
|-------------------------------------|----------------------------|-------------|
| Reverse Repo Booking                | MT 541 and Suppress MT 202 | MT540/MT202 |
| Reverse Repo Liquidation/<br>Cancel | MT 543 and Suppress MT 210 | MT542/MT210 |

## 2.11 Authorize a Contract

This topic describes how to use the Multilevel Authorization Detailed screen to authorize the multilevel of authorization.

The user must save a contract after entering all the required details in the system. Click Save icon on the Toolbar or choose 'Save' from the Actions menu to save an account. The system updates this as an unauthorized contract. To authorize an account, click Authorize on the Application toolbar.

### Note:

The user cannot authorize a contract from the Contract Input' screen in the following cases:

The contract has multilevel of authorization pending; the same is done using the Multilevel Authorization Detailed screen.

The level of authorization is greater than or equal to N.

The 'Nth' or the final level of the user's authorization limit is less than the difference between amount financed and some of the limits of all the users involved in authorizing a transaction; this case holds good when the 'Cumulative' field is checked in the 'Product Transaction Limits Maintenance' screen. The transaction amount is greater than the authorizer's authorization limit if the 'Cumulative' field is unchecked in the 'Product Transaction Limits Maintenance' screen

This topic has the following topic:

- [Multilevel Authorization of a Contract](#)

### 2.11.1 Multilevel Authorization of a Contract

High-value contracts may require multilevel of authorization. The levels of authorizations are defined in the 'Product Transaction Limits' screen. The user can use the 'Multilevel Authorization Detailed' screen for authoring a contract n-1 times. However, final authorization can take place only on the contract screen.



For more details, refer the Procedures User Manual, section Multilevel Authorization of Contract.

## 2.12 Summary Details of Repo Contract

This topic describes how to use the Securities Repo Contract Summary to process details of Repo Contract.

1. On Homescreen, specify **SRSTRONL** in the text box, and click next arrow.  
The **Securities Repo Contract Summary** screen is displayed.

**Figure 2-53 Securities Repo Contract Summary**

**Table 2-52 Securities Repo Contract Summary - Field Description**

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

2. Click **Search** to view all the pending functions. However, the user can to filter your search based on any of the following criteria:

Recommended Fields

- **Contract Reference Number**
- **Optional Fields**
- **Authorization Status**
- **User Reference**

- **Customer**
- **Booking Date**
- **Related reference**
- **Status**
- **Product**
- **Currency**
- **Maturity date**
- **Account Branch**

When the user click the **Search** button the records matching the specified search criteria are displayed. For each record fetched by the system based on your query criteria, the following details are displayed:

- **Authorization Status**
- **Record Status**
- **Reference Number**
- **User Reference**
- **Product**
- **Customer**
- **Currency**
- **Amount**
- **Booking Date**
- **Value Date**
- **Maturity Date**
- **Related Reference**
- **Account Branch**
- **Module**
- **Status**
- **Payment Method**
- **Rate Code**
- **Rate**
- **Spread**
- **Profit Amount**
- **Product Description**
- **Outstanding Principal**
- **Related Reference**
- **Checker Id**
- **Maker Id**

## 2.13 Margin Product for a REPO

This topic describes how to use the Margin Product Maintenance maintain Margin Products in Oracle Banking Treasury Management.

The Information about a margin product is captured through the **Margin-Netting Product Maintenance** screen.

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

**Figure 2-54** Margin-Netting Product Maintenance

The screenshot shows the 'Margin-Netting Product Maintenance' interface. It features a top navigation bar with 'New' and 'Enter Query' buttons. The main area is divided into two columns of input fields. The left column includes 'Product Code', 'Product Type', 'Product Group', 'Start Date', and 'Slogan'. The right column includes 'Product Description', 'Type Description', 'Group Description', 'End Date', and 'Remarks'. Below these is an 'Exchange Rate Preferences' section with 'FX Rate Type', 'FX Rate Code', 'Mid Rate', 'Override Limit %', and 'Stop Limit %' fields. The bottom of the screen has a series of tabs: 'Accounting Roles', 'Events', 'Preferences', 'MIS', 'Charges', 'Tax', and 'Fields', followed by 'Audit' and 'Exit' buttons.

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

For more information on the fields, refer to the *Section 2.6.1 Margin-Netting Product Maintenance screen in Collateral Margin and Settlement Netting User Guide*

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

- *Product*
  - *Charges*
  - *User Defined Fields*
4. On **Margin Product Main** screen, click **Preference**.  
The **Margin-Netting Product Preference** screen is displayed.

Figure 2-55 Margin-Netting Product Preference

The screenshot shows the 'Margin-Netting Product Preferences' dialog box. It includes the following sections:

- Product:** Text input fields for 'Product' and 'Product Description'.
- Applicable For:**
  - Cash
  - Securities
  - Collateral Product
  - Netting Product
- Securities Deliver Product:** Searchable text input.
- Securities Receive Product:** Searchable text input.
- Block Product:** Searchable text input.
- Internal Product:** Searchable text input.
- Net Cash:** Text input with 'Net' selected.
- Netting Tenor:** Text input with 'All' selected.
- FX Netting Type:** Text input with 'Currency-Wise' selected.
- Rekey Fields:**
  - Rekey Required
  - Party ID
  - Scheme ID
  - Scheme Event
  - Agreement Code
  - Settlement Amount
  - Settlement Currency
  - Settlement Date
  - Margin Code
  - Margin Account
  - Transfer Action
  - Component
  - Security ID
  - Portfolio ID
  - Nominal/Units
- Product Restriction:**
  - Categories List:  Disallowed,  Allowed
  - Currency Restrictions:  Disallowed,  Allowed
- Holiday Check Required:**
  - Local Holiday
  - Currency Holiday
  - Financial Center Holiday

Buttons for 'Exit' and 'Save' are located at the bottom right.

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

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

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

For more information on fields, refer to the *Section 2.6.4 Preferences in Collateral Margin and Netting Settlement User Guide*

## 2.14 Securities Margin Process

This topic describes how to use the Securities Repo Margin Processing to trigger the margin processing for the Repo or Reverse Repo contract and also from the external system if Collateral revaluation at Repo product is Margin Settlement.

Both Cash Margin and Securities are transacted from the same screen by selecting appropriate action on the screen.

1. On Homescreen, specify **SRDMRONL** in the text box, and click the next arrow.  
The **Collateral Assignment Process** screen is displayed.

2. On the **Collateral Assignment Process** screen, specify the details as required.

For information on fields, refer to the *Collateral Assignment Process* section in *Collateral Margin & Settlement Netting User Guide*

For more information on processing of Collateral Margin, refer to the *Processing Collateral Margin* chapter in the *Collateral Margin & Settlement Netting User Guide*

## 2.15 Margin Transaction Query

This topic describes how to use Margin Transaction Query to query the margin transaction details for the contract.

1. On Homescreen, specify **SRDMRTRQ** in the text box, and click the next arrow.  
The **Margin Transaction Query** screen is displayed.

**Figure 2-56** Margin Transaction Query

2. On the **Margin Transaction Query** screen, specify the details as required.

For information on fields, refer to the *section 6.1.1.1 Margin Transaction Query* screen in *Collateral Margin and Settlement Netting User Guide*

## 2.16 Rate Fixing Process for Repo

This topic describes how to use the Treasury branch parameter maintenance to provide the details on the different maintenance involved in the rate fixing process and the process in executing the rate fixing for an repo contract.

### **Treasury Branch Parameter Maintenance**

Proceed with Previous Available Rate parameter that is considered during both rate revision and rate fixing process during EOD.

If rate fixing event is not processed either manually from the Rate fixing screen or during BOD batch then during SR EOD batch processing system must check for effective date rate and if available, rate fixing is processed based on the flag set for Proceed with previous available rate.

At the **Treasury branch parameter maintenance** screen (STDTRBRN), a preference check Proceed with previous available rate is introduced and is considered during both rate revision and rate fixing process during EOD. Default value of this field is checked.

In case when Proceed with previous available rate preference is enabled, during EOD processing system checks for rate availability for that particular effective date in the Floating rate table and if rates are not available for that date, then Rate fixing and revision event is applied on instruments with the previous latest rate available in the system.

Whereas when Proceed with previous available rate check box is not enabled, during EOD, processing system skips the Rate fixing and revision event on respective instruments in case when the rate for that effective date is not available.

For every revision schedule, which applies a rate fixing during EOD processing, a new rate-fixing event RFIX triggers.

In case of a forward movement on fixing days from the revision effective date, rate fix happens after the revision effective date and interest catch up entries is posted during EOD processing.

### **Treasury Rate Fixing Maintenance**

The Floating Rate is fixed for every period of the cash flow settlement of the floating rate leg. The rate fixing days can be defined and it may differ on a trade-to-trade basis. For more information, see the section:

### **Treasury Interest Class Definition**

Rate Fixing Days and Fixing Date Movement are available under Limits block in Treasury Interest Class Definition. Treasury Interest Class Definition supports RFR methods and computation preferences for securities repo module only.

### **Securities Repo Product Definition**

The Rate Fixing Days and Fixing Date Movement defaults from the Interest Component. However the user can modify the default value. For more information, see the section:

### **Securities Repo Contract Online**

Users can set the values of fields Rate Fixing Days and Fixing Date Movement in the interest component. For more information, see the section:

**Build Rate Fixing Schedules**

On saving the SR transaction/contract, the system builds rate fixing schedules based on the rate revision dates, rate fixing days and fixing date movement. Derived Rate fixing date is viewed from the revision schedule details screen after saving the Instrument. If there are no revision schedules defined for a contract then rate fixing is not applicable.

For every revision schedule, which applies a rate fixing from an external system or in OBTR through online screen or EOD processing, the event rate fixing event RTFX is triggered and the rate fixing applied field is updated automatically to Y. The effective rate resolves after considering the spread and is displayed with other rate related details in the Revision date details screen of SRDTRONL.

Rate fixing is not applied on back dated contracts having past revision schedules. For future dated rate fixing date that is when the fixing date movement is forward rate revision event will not fire on schedule date. Once rate fixing is done on the future date (that is, same as business date) the rate revision event will trigger.

**Table 2-53 Rate Fix Forward Example - 2 days forward**

| Revision Schedule Date | Rate Fixing Date |
|------------------------|------------------|
| 12/11/2019             | 12/13/2019       |
| 12/18/2019             | 12/20/2019       |
| 12/25/2019             | 12/27/2019       |
| 1/1/2020               | 1/3/2020         |
| 1/10/2020              | 1/12/2020        |

**Table 2-54 Rate Fix Backward Example - 2 days Backward**

| Revision Schedule Date | Fixing Date | Weekend Holiday             |
|------------------------|-------------|-----------------------------|
| 12/17/2019             | 12/13/2019  | 14th & 15th Weekend holiday |
| 12/24/2019             | 12/20/2019  | 21st & 22nd Weekend holiday |
| 12/31/2019             | 12/23/2019  | 28th 29th Weekend holiday   |
| 1/7/2020               | 1/3/2020    | 4th & 5th Weekend holiday   |
| 1/14/2020              | 1/10/2020   | 11th & 12th Weekend holiday |

**Table 2-55 Rate Fix Example**

| Revision Schedule Date | Fixing Date |
|------------------------|-------------|
| 12/17/2019             | 12/17/2019  |
| 12/24/2019             | 12/24/2019  |
| 12/31/2019             | 12/31/2019  |
| 1/7/2020               | 1/7/2020    |
| 1/14/2020              | 1/14/2020   |

### Treasury Manual Rate Fixing

- Treasury Manual Rate fixing screen TRDMRTFX will fetch deals for which rate fix is applicable based on the filter selected. Fixing date must be the primary search criteria to query deals, which are due on that day for rate fixing. Ensure the fixing date is less than or equal to the system date, this cannot be future dated.
- The system fetches the deals requiring rate-fixing from this screen based on the Branch Code, Module, Rate Fixing date, Rate code, Source System and currency filter conditions.
- Contracts with the rate fixing and status as Authorized or Unauthorized are not listed here upon date search or fetch.
- This screen also supports the initiation of rate-fixing procedure on selected contracts from OBTR. Rate fixing event is processed online or during EOD on fixing date, only if the effective date floating rates are available. System skips the rate-fixing events if rates are not available during the job processing.
- From this screen user have an option to process rate fixing for:
  - Specific Modules
  - Specific Rate Code
  - Specific Branch or
  - Multiple Branches
- User is given the option to select single, multiple or all records that are eligible for rate fixing.
- The final interest rate is derived, considering the Spread on the contract.
- Minimum and the Maximum rates are validated if the resolved rate exceeds these limits.
- If rate-fixing event is not processed manually from the Rate fixing screen or during BOD batch then, during EOD batch process system checks for latest effective date rate. If available, rate fixing is processed.
- Based on the Proceed with previous available rate maintenance at the Treasury Branch parameter Maintenance. If the flag Proceed with previous available rate is not selected, during the EOD batch, system skips the rate revision and fixing procedure if the effective date is not available.
- The rate-fixing event RTFX is triggered upon each successful rate-fixing contract online and during EOD.
- In margin screen, when the user saves the details, it will get saved in unauthorized status. Another user can verify the details and authorize the same.
- Once the rate-fixing event is processed, the system generates the standard MT 320 swift confirmations or advice applicable. On confirmation, MT320 will specify the rate and period applicable.
- Once the rate fixing is applied, the contracts are not listed on fetching from rate-fixing screen. User will receive a message that Rate fixing is successfully processed on the selected contracts.
- Rate fixing on back value dates is supported from this screen, if rates are available because of the time difference. An index published on the effective date in the US, or Europe market is available in the Asian region only on the next business day effective from the previous day. The system posts the backdated Interest Adjustments during EOD.



- In case of a forward movement on fixing days from the revision effective date, the rate is fixed after the effective date, and interest catch up entries are posted during the EOD processing.

This topic has the following topic:

- [Treasury Manual Rate Fixing Maintenance](#)  
Use the Treasury Manual Rate Fixing to fetch the contracts which require rate fixing and also apply the rate fix on the selected float rate type contracts having the fixing date as the primary search criteria to query deals.

## 2.16.1 Treasury Manual Rate Fixing Maintenance

Use the Treasury Manual Rate Fixing to fetch the contracts which require rate fixing and also apply the rate fix on the selected float rate type contracts having the fixing date as the primary search criteria to query deals.

1. On the homepage, type **TRDMRTFX** in the text box, and click the next arrow.  
**Treasury Manual Rate Fixing** screen is displayed.

**Figure 2-57 Treasury Manual Rate Fixing**

2. On the **Treasury Manual Rate Fixing** screen, specify the details as required.

**Note:**


A scheduler job, TR\_RTFX\_UPLOAD is defined and scheduled to pick rate fixed records from the external system.

For information on fields, see the below table

**Table 2-56 Treasury Manual Rate Fixing- Field Description**

| Field                               | Description  |
|-------------------------------------|--|
| <b>Rate Fixing Reference Number</b> | This is a Mandatory Field.<br>The system generates the reference number for rate fixing. |

**Table 2-56 (Cont.) Treasury Manual Rate Fixing- Field Description**

| Field                     | Description  |
|---------------------------|--|
| <b>Branch Code</b>        | This is a Mandatory Field.<br>Specify the Branch code as per the requirement.  |
| <b>Rate Code</b>          | Specify the Rate code from the list of values displayed.   |
| <b>Rate Fixing Date</b>   | This is a Mandatory Field.<br>Specify the Rate fixing date as per the requirement.   |
| <b>Source System</b>      | Specify the Source System as per the requirement.  |
| <b>Module Code</b>        | This is a Mandatory Field. Specify the Module code from the list of values displayed.  |
| <b>Currency</b>           | Specify the Currency details as required from the list of values displayed.<br><br><div style="border: 1px solid #0070C0; padding: 5px; background-color: #E6F2FF;">  <b>Note:</b><br/>The rate fixed contracts having status Authorized or Unauthorized is not listed here. </div> |
| <b>Contract Reference</b> | Displays the contract reference number for which rate fixing is done   |
| <b>Component</b>          | Displays the interest component  |
| <b>Rate Code</b>          | Displays the rate code for which rate fixing is done   |
| <b>Currency</b>           | Displays the rate code currency  |
| <b>Rate</b>               | Displays the floating rate   |
| <b>Spread</b>             | Defaults the rate code spread from contract  |
| <b>Customer Margin</b>    | Displays customer margin from product  |
| <b>Effective Rate</b>     | Displays the effective interest rate   |
| <b>Rate Fixing Date</b>   | Displays the rate fixing date  |
| <b>Effective Date</b>     | Displays the effective date  |

- The user has an option to process the rate fixing for the specific modules or specific rate code; all rate code; specific currency or all currency; specific branch or all branches.
- Rate fixing for the first interest period below the trade date of the transaction can be handled.
- Once all the details are provided the and the user click on Fetch, the contracts pending for rate fixing are fetched based on the conditions mentioned in the deal details field.
- For the contracts once rate fixing is applied, the same contract is not fetch again.
- The Final Effective rate is derived from the Rate, Spread, and Customer Margin.
- The Rate fixing event is triggered on authorization of the record.
- The confirmation message is generated for the contract (if applicable).
- The Rate fixing on back dated dates is supported from this screen, if rates are available.

- In case of a forward movement, rate is fixed after the effective date and interest catch up entries are posted during EOD processing.
- On Batch Processing, the Rate fixing event is processed on fixing date, only if the effective date floating rates are available. If rates are not available during processing, rate fixing event is skipped.

This topic has the following topics:

- [Treasury Manual Rate Fixing Summary](#)
- [Generic Interface Support](#)
- [Scheduler Job](#)
- [Trigger Interface](#)

### 2.16.1.1 Treasury Manual Rate Fixing Summary

You can view the rate fixing changes for a contract using the ‘Treasury Manual Rate Fixing Summary’ screen. You can invoke this screen by typing **TRSMRTFX** in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

1. In the **Treasury Manual Rate Fixing Summary** screen, query the records based on any or all of the following criteria:
  - Auth Status
  - Rate Fixing Reference Number
  - Source System
  - Branch Code
  - Module Code
  - Contract Status
  - Rate Fixing Date
  - Rate Code
  - Currency
  - Contract Reference

**Treasury Manual Rate Fixing Summary** screen is displayed.

**Figure 2-58 Treasury Manual Rate Fixing Summary**

2. Click the **Search** button. The system identifies all the records that satisfy the specified criteria and displays the following details along with the other fields for each one of them:
  - Auth Status
  - Contract Status
  - Rate Fixing Reference Number
  - Rate Fixing Date
  - Source System
  - Rate Code
  - Branch Code
  - Currency
  - Module Code
  - Contract Reference

### 2.16.1.2 Generic Interface Support

This process streamlines the exchange of data between OBTR and external systems.

User can define properties, formats and components associated with interface file in the Interface Definition screen (GIDIFTDFP). For uploading rate fixed contracts from the external system into OBTR select Interface type as Incoming, Interface code as TRIMRTFX.

### 2.16.1.3 Scheduler Job

Job name: TR\_RTFX\_UPLOAD is defined and scheduled to pick the rate fixed records from the external system.

### 2.16.1.4 Trigger Interface

User can trigger the process of generic Interface using the Interface trigger GIDIFPRS screen.

## 2.17 Amend Securities Repo Transactions

This topic describes how to use the Securities Repo Value Dated Changes Input screen to authorize and amend the securities repo deal.

Once a SR contract is authorized, changes to this is done through the Securities Repo Value Dated Changes Input screen.

#### **Value Dated Amendment**

Any change to the terms of a SR deal, which affects its financial details and the accounting entries, is made through the Value Dated Changes function of Oracle Banking Treasury Management. Through this function, the user can make changes to authorized deals on any day before the Maturity Date of the deal. The changes to the terms of a deal notified through this function, take effect on a date referred to as the "Value Date".

That is why the changes brought about by this function are called Value Dated Changes.

A Value Date could be:

- Today

- A date in the future
- A date in the past

Using the Value Dated Changes function, the user can make changes to the various components of a deal like the interest rate or amount. The user can also change the Maturity Date. In addition to changing the values in certain fields, the user can enter a value into a field, which was not used, when the Repo details was captured.

For example, the user may not have specified a fee at the time of deal input. Using the Value Dated Changes function, the user can specify the fee so that the fee entries are passed on the Value Date.

When the user make a value dated change, only the accrual entries is passed by the Value Dated Changes function. The Automatic Contract Update function passes all the other accounting entries. The Value Date is the date on which the changes that are going to be defined will take effect. This is a date earlier than today, today, or a date in the future. If the value date is a date in the past, it must not be beyond the following dates for any component:

- Last payment date
- Last schedule date

Also, a value date in the future cannot be beyond the Maturity Date of the deal. If it has to be beyond the Maturity Date of the deal, the user first must postpone the Maturity Date of the deal so that the proposed future value date falls before the new maturity date. Only after this change is authorized which the user can fix a value date in the future for the deal.

#### Change the Maturity Date

Enter the new Maturity Date on the screen. When the user change the Maturity Date of a deal:

- If the user has advanced the Maturity Date, the schedules falling due after the new Maturity Date is redefined to the Maturity Date.
- If the user has postponed the Maturity Date, the schedules that have not liquidated and which fall due before the new maturity Date is redefined to the new Maturity Date.
- The user has to authorize the change in Maturity Date, before the user redefine the schedules as per your new requirements, through the Contract Schedules screen.
- When the user extend the Maturity Date of a deal, the time code of the credit line to which the deal is linked must be beyond the new Maturity Date. If not, the system will seek an override.
- The new Maturity Date applies to the deal from the Value Date of the deal.

#### Make Changes in Interest

If the user want to make value dated changes in the interest rate, the rate code, the spread or the interest amount the user has to invoke the Contract Interest, Charge and Fee screen of the ICCB module through the Value Dated Changes screen. The user can make value dated changes only to the following components in the Contract ICCB screen: Interest Rate

Enter the new interest rate. However, the user will not be able to:

Change the interest rate if the user has defined zero-interest for the deal

- Rate Code: If a floating type of interest is defined, enter the new rate code.
- Spread: Enter the new spread here.
- Interest Amount: Enter the new interest amount.

- **Acquired Interest:** If the deal initiated when it was input, the interest amount that has been accrued is entered here. The amount is taken into account by the system during the next liquidation cycle. The user can make changes to the acquired interest through this screen.
- **Waiver:** The attributes of an interest component are defined for a product is applied to a deal involving the product. If for some reason the user do not want to apply the interest component for the deal the user are processing; the user can do so by checking this field. The interest is calculated, but it is applied on the deal.

 **Note:**

For back valued changes in interest rate, the system will take corrective action. Accruals are redone till the last accrual date. Also, in case of a back valued change, the value date must not be beyond the last liquidation date.

## 2.18 Security Repo VAMI

This topic describes how to use Security Repo Vami to capture the Security Repo Vami details.

1. On Homescreen, specify **SRDXVMND** in the text box, and click the next arrow.  
**Security Repo Vami** screen is displayed.

**Figure 2-59 Security Repo Vami**

2. On the **Security Repo VAMI** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-57 Security Repo VAMI - Field Description**

| Field                        | Description  |
|------------------------------|--|
| <b>Contract Reference</b>    | SR Contract Reference Number or Agreement Reference Number |
| <b>Counterparty</b>          | The Counterparty details is displayed.                     |
| <b>Customer Name</b>         | Customer name is displayed.                                |
| <b>Currency</b>              | Contract currency details are displayed.                   |
| <b>Latest Version Number</b> | Contract version number is displayed.                      |

Table 2-57 (Cont.) Security Repo VAMI - Field Description

| Field                            | Description   |
|----------------------------------|---|
| <b>Amendment Date</b>            | The date of amendment is displayed.   |
| <b>Start Date</b>                | The start date of contract is displayed.  |
| <b>Product</b>                   | The product details is displayed.   |
| <b>Product Description</b>       | The default description is displayed.   |
| <b>Current Values</b>            | Specify the Current Values.   |
| <b>Principal</b>                 | The Principal details are displayed.  |
| <b>Rate</b>                      | The rate is displayed.  |
| <b>Modification</b>              | Specify the modification details.   |
| <b>Maturity Date</b>             | The Maturity date of the contract is displayed.   |
| <b>Repricing</b>                 | Repricing of purchased repo/reverse repo is specified.  |
| <b>Increase in Principal</b>     | Change in principal on repricing is given.  |
| <b>Decrease in Principal</b>     | Decrease in principal can be given if repricing is selected.  |
| <b>Local Currency Equivalent</b> | Specify the local currency equivalent for the total paid amount. The local currency equivalent is calculated. |

- If Collateral revaluation is by repricing, value dated amendment is initiated. The Value dated amendment is done from SRDXVMND Repo VAMI screen.
- If the Repricing flag is enabled, the user can increase or decrease the principal amount and change the repo rate for repricing.

 **WARNING:**

The Principal decrease is allowed for repricing only.

3. On the **Security Repo VAMI** screen, click **Brokerage**.  
The **Brokerage** screen is displayed.

**Figure 2-60 Brokerage**

4. On **Brokerage** screen, specify the details as required.  
For information on fields, see the section: Step 21. Brokerage
5. On the **Security Repo VAMI** screen, click **Revision Details**.  
**Revision Schedule Details** screen is displayed.

**Figure 2-61 Revision Schedule Details**

6. On the **Revision Schedule Details** screen, specify the details as required.  
For information on fields, see the below table:



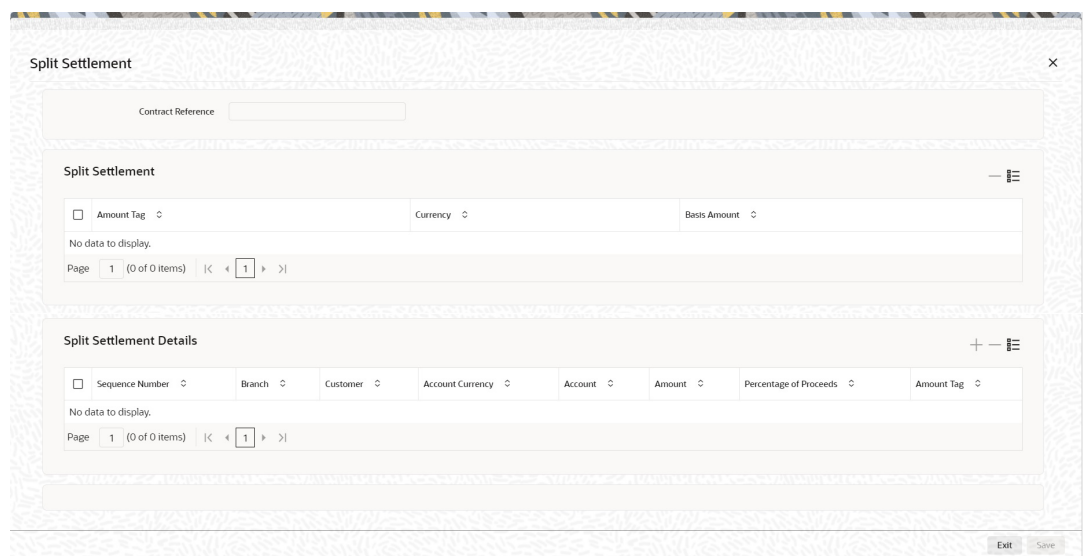
**Table 2-58 Revision Schedule Details - Field Description**

| Field                | Description   |
|----------------------|---|
| <b>Component</b>     | Displays Interest component   |
| <b>Revision Date</b> | This is a mandatory field.<br>Displays Rate revision date                 |
| <b>Apply</b>         | This is a mandatory field.<br>Displays whether revision is applied or not |

7. On the **Security Repo VAMI** screen, click **Split Settlement**.

**Split Settlement** Screen is displayed.

**Figure 2-62 Split Settlement**



8. On the **Split Settlement** screen, specify the details as required.
9. On the **Split Settlement** screen, select a contract.
10. On the **Split Settlement** screen, under the Split Settlement Details, click the + Icon.  
Split Settlement screen with New arrow is displayed.

**Figure 2-63 Split Settlement with a new row added**
**Note:**

This process of splitting the settlements for a contract is allowed on the principal, Interest (Anticipated Interest for new contracts), and charges.

11. On the **Split Settlement** screen, specify the details as required.

For information on fields, refer to the below table:

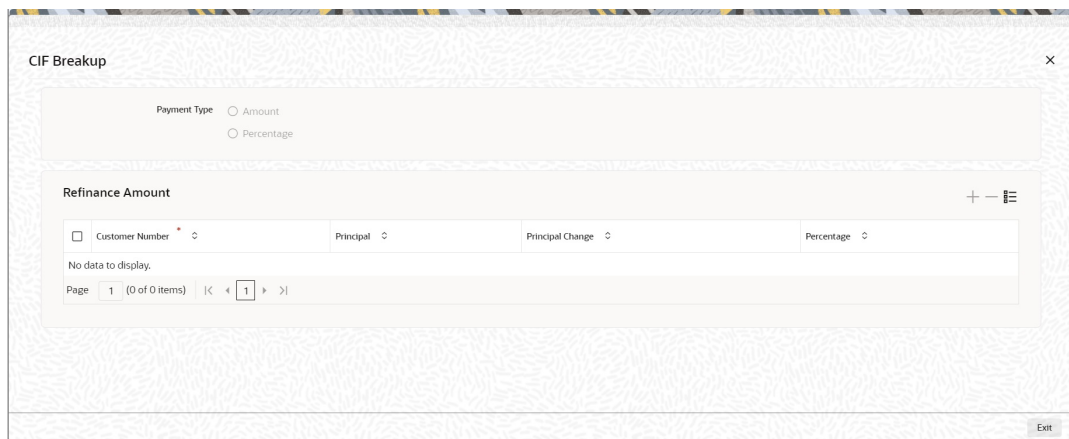
**Table 2-59 Split Settlement - Field Description**

| Field                         | Description   |
|-------------------------------|---|
| <b>Contract Reference</b>     | The selected contract reference number is displayed.  |
| <b>Amount Tag</b>             | The Amount Tag details from the contract is displayed.  |
| <b>Basis Amount</b>           | The Basis Amount details is displayed.  |
| <b>Sequence Number</b>        | The Sequence number details is displayed.   |
| <b>Branch</b>                 | The Branch details is displayed.<br>Click the search icon and select the branch as required.    |
| <b>Customer</b>               | The Customer number is displayed.<br>Click the search icon and select the customer as required. |
| <b>Account Currency</b>       | Click the search icon and select the account currency from the list displayed.                  |
| <b>Account</b>                | Click the search icon and select the account details from the list displayed.                   |
| <b>Amount</b>                 | Specify the amount details as required.   |
| <b>Percentage of Proceeds</b> | Specify the percentage as required for the split.   |
| <b>Amount Tag</b>             | Specify the amount tag details as required.   |

12. On **Security Repo VAMI** screen click **CIF Breakup**.

The **CIF Breakup** screen is displayed.

**Figure 2-64 CIF Breakup**



13. On **CIF Breakup** screen, specify the fields.

For more information on fields, see the below table:

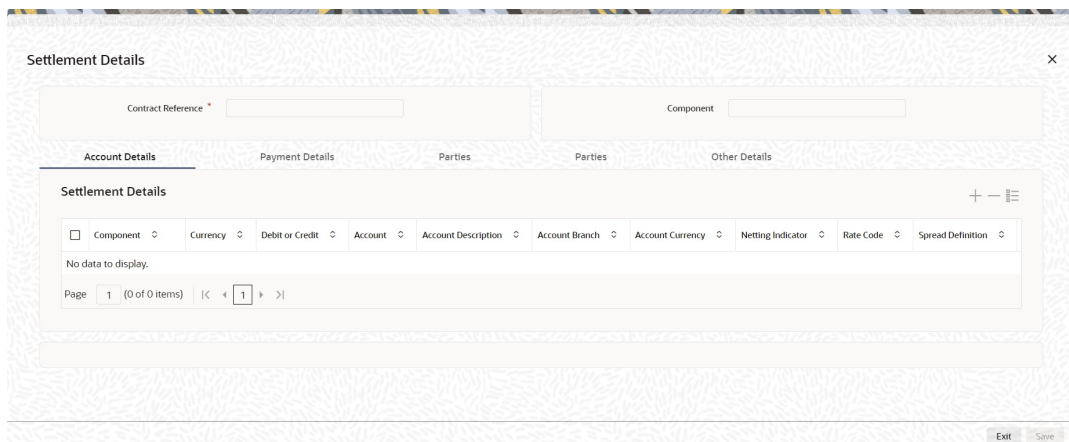
**Table 2-60 CIF Breakup - Field Description**

| Field                   | Description                   |
|-------------------------|-------------------------------|
| <b>Payment Type</b>     | Displays the payment type     |
| <b>Customer Number</b>  | Displays the customer number  |
| <b>Principal</b>        | Displays the principal amount |
| <b>Principal Change</b> | Displays the principal change |
| <b>Percentage</b>       | Displays the percentage       |

14. On **Security Repo VAMI** screen click **Settlement**.

The **Settlement** screen is displayed.

**Figure 2-65 Settlement**



15. On the **Settlement Details** screen, specify the details as required.  
For information on fields, refer to the Settlement User Guide.
16. On the **Security Repo Vami** Screen, click **Payment Details**.  
The **Settlement** screen is displayed.

**Figure 2-66 Settlement**

17. On the **Settlement Details** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-61 Settlement - Field Description**

| Field                  | Description                                      |
|------------------------|--|
| <b>Component</b>       | Displays Component details                       |
| <b>Due Date</b>        | Displays Payment due date                        |
| <b>Amount Due</b>      | Displays Payment Due amount                      |
| <b>Amount Settled</b>  | Displays Payment amount which is already settled |
| <b>Amount Adjusted</b> | Displays Adjustment amount                       |

18. On the **Security Repo Vami** Screen, click **Messages**  
**Advice Details** screen is displayed.

**Figure 2-67 Advice Details**

19. On the **Advice Details** screen, specify the details as required.  
For information on fields, see the below table

**Table 2-62 Advice Details - Field Description**

| Field                     | Description  |
|---------------------------|--|
| <b>Contract Reference</b> | Displays Contract reference number                   |
| <b>Advice Name</b>        | Displays the Advice name applicable for the contract |
| <b>Receiver</b>           | Displays the Receiver ID                             |
| <b>Medium</b>             | Displays the Message medium                          |
| <b>Suppress</b>           | Displays whether message must be suppressed or not   |
| <b>Priority</b>           | Displays the message priority                        |

20. On **Security Repo VAMI** screen, click **Interest**.  
ICCF screen is displayed.

Figure 2-68 ICCF

21. On **Interest Details** screen, specify the fields.

Table 2-63 Interest Details - Field Description

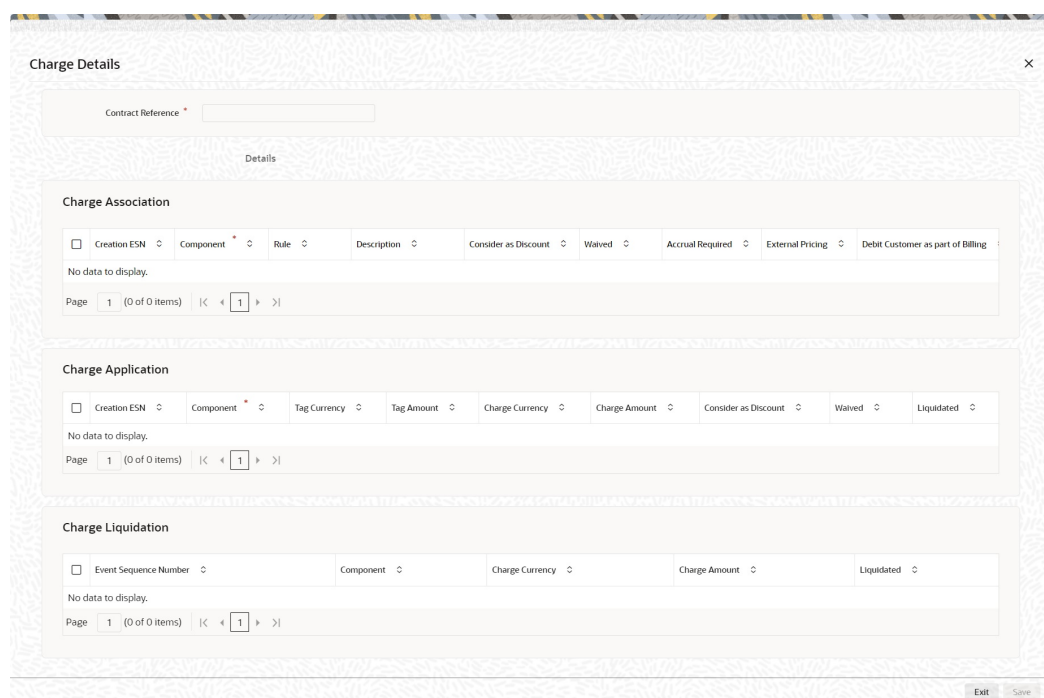
| Field                       | Description  |
|-----------------------------|--|
| <b>Interest Basis</b>       | <p>The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification the user made at the product level. The user can choose to change it. The following are the options available:</p> <ul style="list-style-type: none"> <li>• 30(Euro)/360</li> <li>• 30(US)/ 360</li> <li>• Actual/360</li> <li>• 30(Euro)/365</li> <li>• 30(US)/365</li> <li>• Actual/365</li> <li>• 30(Euro)/Actual</li> <li>• 30(US)/Actual</li> <li>• Actual/Actual</li> <li>• 30(Euro)/364</li> <li>• 30(US)/ 364</li> <li>• Actual/364</li> </ul> |
| <b>Fixing Date Movement</b> | <p>Select the movements from the drop-down list.</p> <p>The available movements are:</p> <ul style="list-style-type: none"> <li>• Forward</li> <li>• Backward</li> <li>• None</li> </ul> <p>as per the requirement for the effective revision date.</p>  |

**Table 2-63 (Cont.) Interest Details - Field Description**

| Field                   | Description   |
|-------------------------|---|
| <b>Rate Fixing Days</b> | Specified the rate fixing days, If rate fixing days is greater than zero, movement is selected either as forward or backward. If rate fixing days is zero, then fixing date movement will remain blank. |

22. The system performs the following validations:
  - a. It allows you to amend the interest rate from main interest component only.
  - b. Based on whether effective interest rate is positive or negative, the system assigns the rate to main component/negative component.
  - c. Back dated amendments are allowed with value date as last payment/amendment date whichever is later.
23. On **Security Repo VAMI** screen, click **Charges**.  
The **Charge Details** screen is displayed.

**Figure 2-69 Charge Details**



24. On the **Charge Details** screen, specify the details as required.  
For more information on fields, see the below table

**Table 2-64 Charges Details- Field Description**

| Field                     | Description                             |
|---------------------------|---|
| <b>Contract Reference</b> | Displays the contract reference number  |
| <b>Charge Association</b> | Specify the Charge Association details. |
| <b>Creation ESN</b>       | Displays the Event Sequence number      |

Table 2-64 (Cont.) Charges Details- Field Description

| Field                                    | Description  |
|--|--|
| <b>Component</b>                         | Displays the charge component  |
| <b>Rule</b>                              | Displays the Charge Rule ID  |
| <b>Description</b>                       | Displays the Charge Rule description                                     |
| <b>Consider as Discount</b>              | Displays whether Charge component must be considered for IRR calculation |
| <b>Waived</b>                            | Specify if user wants to waive the charge associated to the event        |
| <b>Accrual Required</b>                  | Displays if charge must be accrued or not                                |
| <b>External Pricing</b>                  | Displays if charge is priced externally                                  |
| <b>Debit Customer as part of Billing</b> | Displays if charge id debited from customer                              |
| <b>Charge Application</b>                | Specify the Charge Application details.                                  |
| <b>Creation ESN</b>                      | Displays Event sequence number   |
| <b>Component</b>                         | Displays Charge component  |
| <b>Tag Currency</b>                      | Displays tag currency  |
| <b>Tag Amount</b>                        | Displays tag amount  |
| <b>Charge Currency</b>                   | Displays charge currency   |
| <b>Charge Amount</b>                     | Displays Charge Amount   |
| <b>Consider as Discount</b>              | Displays if charge component must be considered for IRR calculation      |
| <b>Waived</b>                            | Specify if the charge applied for the contract must be waived            |
| <b>Liquidated</b>                        | Displays if charge is liquidated   |
| <b>Charge Liquidation</b>                | Specify the Charge Liquidation details.                                  |
| <b>Event Sequence Number</b>             | Displays event sequence number   |
| <b>Component</b>                         | Displays charge component  |
| <b>Charge Currency</b>                   | Displays charge currency   |
| <b>Charge Amount</b>                     | Displays charge amount   |
| <b>Liquidated</b>                        | Displays if charge is liquidate for the contract                         |

25. On the **Securities Repo VAMI** screen, click **Tax**.

The **Tax Details** screen is displayed.



**Figure 2-70 Tax Details**

26. On the **Tax Details** screen, specify the details as required.  
For information on fields, refer to: *Step 31. Tax*
27. On the **Securities Repo VAMI** screen, click **MIS**.  
**MIS Details** screen is displayed.

**Figure 2-71 MIS Details**

28. On **MIS Details** screen, specify the details as required.  
For information on fields, refer to the *MIS User Guide*

## 2.19 Upload Deals of Amendment

The topic describes how the user can upload Securities Deals through an external system to amend the deal in Oracle Banking Treasury Management

The system will distinguish between the new and the deals that require amendment based on the action code of the uploaded record. For a contract requiring amendment, the action code is 'AMND'. If the action code is 'AMND', Oracle Banking Treasury Management will first check whether the deal exists in the system or not. If it does not exist in the system, an error message is displayed to notify that the deal cannot be amended. The Reference Number provided by the external system has to same if it is a new deal or if it is an amendment to an existing deal. When the user upload a new deal, the Reference Number is displayed in the User Reference Number field for that deal. The User Reference Number is the basis for checking whether the deal exists or not. The upload for contract amendment will trigger the 'AMND' event. The same event is triggered even when the amendment is done in the 'Contract Online' screen.

The fields that can be amended for a Securities Repo Deal are as follows:

- Verify Funds For Principal
- Verify Funds For Interest
- Verify Funds For Penalty Amount
- Verify Funds
- Holiday Currency
- Holiday Months
- Move Forward
- Move Payment Schedules
- Move Revision Schedules
- Move Disbursement schedules
- Receivable Tracking Parameters
- Liquidation – Auto/Manual
- Status Control – Auto/Manual
- Exposure Category
- Risk Free Exposure Amount.
- Internal Remarks
- Demand Basis
- Schedule Details
- Settlement Details
- The amendments through upload of the following fields are considered as financial amendment:
  - Currency
  - Counterparty
  - Amount
  - Booking Date

- Value Date
- Cr/Dr Branch Code
- Cr/Dr Account Number
- Holiday Currency
- Commitment (Revolving/ Non- revolving)
- Maturity Type
- User Input Maturity Date

 **Note:**

- If the request received has settlement details, then the values sent as part of the upload are uploaded.
- If Settlement Details are not sent and are maintained in the list of amendable fields, then the details corresponding to the parent contract is copied to the child contract.
- In case the request is a financial amendment, then the contract is reversed and rebooked. If it is non-financial amendment, then the normal amendment procedure is followed.
- In case of financial amendment, Settlement Instructions requires a special handling.
- The financial amendment can be done only through upload and not through fronted.

However, if the SGEN message is already generated then financial amendment upload is not allowed.

For amending a contract, if the source is null, it indicates that the contract is created in Oracle Banking Treasury Management and the user are not allowed to amend. If the value is not null, then the user is allowed to amend a contract.

### Reverse and Rebooking Contracts

While reversing and rebooking the parent contract details including the subsystems are copied to a new contract, and the parent is reversed, and the screen is in the new mode so that any details of the contract is changed. It is validated that no payment messages have been sent for the Reversed FCC ref no. A configurable override is displayed. If the payment messages are generated, then the Cancellation request messages (REVSWIFT) are generated. At the branch parameters maintenance, the option 'User Ref No in Messages' must be checked. The user reference number and the external reference number of the parent contract number are copied to the new contract. Deletion of the new contract will delete the reversal of the parent contract and set the value of user ref number and external ref number in the parent contract from the child contract. Authorization of the new contract will authorize the parent contract. It will not be possible to delete or authorize the reversal of the parent contract reference number without deleting or authorizing the child.

## 2.20 Securities Repo Payment Input

Use the Securities Repo Payment Input to process the payment method.

1. On the Home page, type **SRDPAMIN** in the text box, and click the next arrow.  
The **Securities Repo Payment Input** screen is displayed.

**Figure 2-72 Securities Repo Payment Input**

2. On the **Securities Repo Payment Input** screen, specify the details as required.  
For RFR contract on payment delay method, no penalty is charged for payment after actual due date and within payment delay days.  
For information on fields, see the below table

**Table 2-65 Securities Repo Payment Input - Field Description**

| Field                               | Description  |
|-------------------------------------|--|
| <b>Contract Reference Number</b>    | Specify Contract reference number  |
| <b>Syndication Reference Number</b> | Displays syndication reference number  |
| <b>Counterparty</b>                 | Displays contract counterparty ID  |
| <b>Counterparty Name</b>            | Displays counterparty name   |
| <b>Status</b>                       | Displays status of payment   |
| <b>Reject Reason</b>                | Specify the Reject reason Code for payment reversal message. The option list displays all valid code maintained in the system. Choose the appropriate one. |
| <b>Outstanding Amount Currency</b>  | Displays outstanding amount currency   |

Table 2-65 (Cont.) Securities Repo Payment Input - Field Description

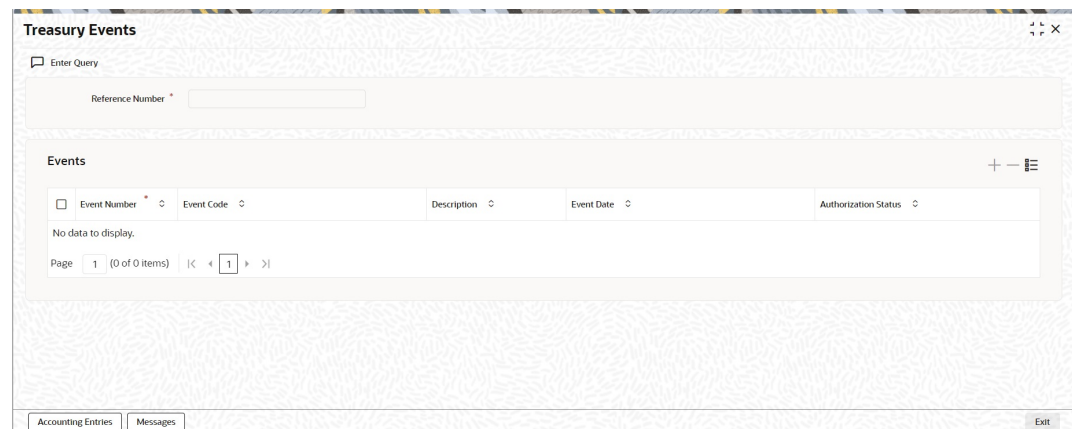
| Field  | Description   |
|--|---|
| <b>Outstanding Principal Amount</b>                      | Displays the outstanding balance amount.  |
| <b>Outstanding Amount Repayment</b>                      | Displays the outstanding amount repayment.  |
| <b>Effective From</b>                                    | Enter the date for which the rate must become applicable. Each rate that is defined for a Rate Code and Currency combination must have an Effective Date associated with it. This is the date on which the rate comes into effect. Once a rate comes into effect, it will be applicable till a rate with another Effective Date is given for the same Rate Code and Currency combination                                    |
| <b>Date and Amounts for Population of Components Due</b> | Specify the below fields.   |
| <b>Value Date</b>  | Specify the value date.   |
| <b>Limit Date</b>  | Enter here the Limit Date for prepayments. If the user has given a payment limit date, the system shows all the components, which are due till the limit date.  |
| <b>Limit Amount</b>                                      | Enter the Limit amount for prepayment. If the user has given the amount limit in the Amount field, it shows all the schedules for the limit amount.   |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the limit amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.   |
| <b>Net Amount Settled</b>                                | Enter the amount being paid for a particular component. This must be less than or equal to the total amount due for the component. If there are both positive and negative amounts are to be settled, then specify the net amount in this field.  |
| <b>Negative Amount Settled</b>                           | The system displays the total negative amount that should be settled. Partial settlement of negative amount is restricted.<br>Back dated payment of interest amount is allowed till last payment or amendment date whichever is later.  |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the total paid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.  |
| <b>Total Pre-paid</b>                                    | Specify the prepaid amount.   |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the total prepaid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.   |
| <b>Liquidated Nominal</b>                                | Specify the Liquidated Nominal amount which is the amount that the user receives, when the user redeem a T-Bill on the maturity date. This is also known as the face value of the T-Bill. The discount rate is used to calculate the Net Present Value (NPV) of a T-Bill when it is liquidated before the liquidation date i.e. the actual value obtained on the T-Bill when the user redeem it prior to the maturity date. |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the liquidated nominal value of the amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.   |
| <b>Discount Rate</b>                                     | Enter the discount rate.<br>If the discount rate basis is Direct Input then the user has to enter the rate at which interest is to be discounted in this field.   |

**Table 2-65 (Cont.) Securities Repo Payment Input - Field Description**

| Field                               | Description  |
|-------------------------------------|--|
| <b>Component</b>                    | Displays the Component for which payment is done                     |
| <b>Amount Due</b>                   | Displays the amount due for the component that the user has to repay |
| <b>Overdue Days</b>                 | Displays the overdue days  |
| <b>Amount Paid</b>                  | Specify the paid amount.   |
| <b>Interest</b>                     | Specify the interest prepaid for the component.                      |
| <b>Tax</b>                          | Specify the amount paid in tax.                                      |
| <b>Prepayment Penalty Rate</b>      | Displays the Prepayment penalty rate                                 |
| <b>Penalty Amount</b>               | Displays the penalty amount  |
| <b>Adjustment Amount</b>            | Displays the Adjustment amount                                       |
| <b>Additional Adjustment Amount</b> | Displays the additional adjustment amount                            |
| <b>Payment Remarks</b>              | Specify the payment remarks  |

- The system validates that ,if there are outstanding positive or negative interest amounts related to multiple schedules, earlier schedules are fully paid before settling subsequent schedules.
- On the **Securities Repo Payment Input** screen, click **Events**.  
The **Treasury Events** screen is displayed.

**Figure 2-73 Treasury Events**



- On the **Treasury Events** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-66 Treasury Events - Field Description**

| Field                   | Description  |
|-------------------------|--|
| <b>Reference Number</b> | Payment reference number automatically gets defaulted for the current payment. |
| <b>Events</b>           | Displays the event   |

**Table 2-66 (Cont.) Treasury Events - Field Description**

| Field                       | Description  |
|-----------------------------|--|
| <b>Event Number</b>         | This is a Mandatory field.<br>Displays the event sequence number |
| <b>Event Code</b>           | Displays the event code  |
| <b>Description</b>          | Displays the event code description                              |
| <b>Event Date</b>           | Displays the event date  |
| <b>Authorization Status</b> | Displays the event authorization status                          |
| <b>Maker Id</b>             | Displays the payment marker ID                                   |
| <b>Checker Id</b>           | Displays the payment checker ID                                  |

- On the **Treasury Events** screen, click **Accounting Entries**.  
The **Treasury Accounting Entries** screen is displayed.

**Figure 2-74 Treasury Accounting Entries**

- On the **Treasury Accounting Entries** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-67 Treasury Accounting Entries - Field Description**

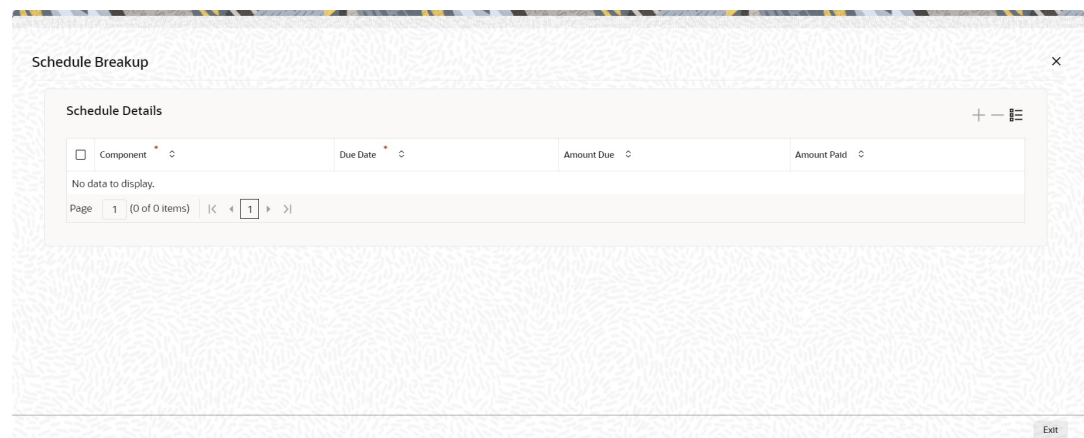
| Field                      | Description                                     |
|----------------------------|---|
| <b>Reference Number</b>    | Displays the contract reference number          |
| <b>Event Number</b>        | Displays the event number                       |
| <b>Event</b>               | Displays the event                              |
| <b>Accounting Entries</b>  | Specify the Accounting Entries fields.          |
| <b>Event</b>               | Displays the event                              |
| <b>Branch</b>              | Displays the account branch                     |
| <b>Account</b>             | Displays the account number                     |
| <b>Account Description</b> | Displays the account description                |
| <b>Debit or Credit</b>     | Displays whether account is debited or credited |

**Table 2-67 (Cont.) Treasury Accounting Entries - Field Description**

| Field                          | Description  |
|--------------------------------|--|
| <b>Amount Tag</b>              | Displays the related amount tag  |
| <b>Account Currency</b>        | Displays the account currency  |
| <b>Foreign Currency Amount</b> | Displays the FCY amount  |
| <b>Rate</b>                    | Displays the exchange rate   |
| <b>Local Currency Amount</b>   | Displays the local currency equivalent amount for a foreign currency payment |
| <b>Date</b>                    | Displays the event date  |
| <b>Value Date</b>              | Displays the event value date  |
| <b>Txn Code</b>                | Displays the transaction code  |

- On the **Securities Repo Payment Input** screen, Click **Breakup**  
The **Schedule Breakup** screen is displayed.

**Figure 2-75 Schedule Breakup**



- On the **Schedule Breakup** screen, specify the details as required.  
For information on fields, see the below table:

**Table 2-68 Schedule Breakup - Field Description**

| Field              | Description   |
|--------------------|---|
| <b>Component</b>   | The component getting paid is displayed.  |
| <b>Due Date</b>    | The due date of the component liquidated is displayed.  |
| <b>Amount Due</b>  | The amount outstanding for the liquidated component is displayed here.                                  |
| <b>Amount Paid</b> | The user can see here the amount paid for the component as of the value date (the current system date). |

- On the **Securities Repo Payment Input** screen, click **Settlement**.  
The **Settlement Details** screen is displayed.



**Figure 2-76 Settlement Details**

11. On the **Settlement Details** screen, specify the details as required.  
For more information, refer settlement guide for settlement processing.
12. On the **Security Repo Payment Input** screen, click **Split Settlement**.  
The **Split Settlement** screen is displayed.

**Figure 2-77 Split Settlement**

13. On the **Split Settlement** screen, specify the details as required.
14. On the **Security Repo Payment Input** screen, click **Advice**.  
The **Advice Details** screen is displayed.

**Figure 2-78 Advice Details**

15. On the **Advices** screen, specify the details as required.  
For information on fields, see the below table

**Table 2-69 Advices- Field Description**

| Field                     | Description                        |
|---------------------------|------------------------------------|
| <b>Contract Reference</b> | Displays contract reference number |
| <b>Advice Name</b>        | Displays the advice name           |
| <b>Receiver</b>           | Displays the receiver name         |
| <b>Medium</b>             | Displays the medium details        |
| <b>Suppress</b>           | Displays the suppress details      |
| <b>Priority</b>           | Displays the Priority details      |

16. On the **Security Repo Payment Input** screen, click **Charges**.  
The **Charge Details** screen is displayed.

**Figure 2-79 Charge Details**

17. On the **Charge Details** screen, specify the details as required.

For more information on fields, see the below table:

**Table 2-70 Charges Details- Field Description**

| Field                                    | Description  |
|--|--|
| <b>Contract Reference</b>                | Displays the contract reference number                                   |
| <b>Charge Association</b>                | Specify the below fields.  |
| <b>Creation ESN</b>                      | Displays the Event Sequence number                                       |
| <b>Component</b>                         | Displays the charge component  |
| <b>Rule</b>                              | Displays the Charge Rule ID  |
| <b>Description</b>                       | Displays the Charge Rule description                                     |
| <b>Consider as Discount</b>              | Displays whether Charge component must be considered for IRR calculation |
| <b>Waived</b>                            | Specify if user wants to waive the charge associated to the event        |
| <b>Accrual Required</b>                  | Displays if charge must be accrued or not                                |
| <b>External Pricing</b>                  | Displays if charge is priced externally                                  |
| <b>Debit Customer as part of Billing</b> | Displays if charge id debited from customer                              |
| <b>Charge Application</b>                | Specify the below fields.  |
| <b>Creation ESN</b>                      | Displays Event sequence number   |
| <b>Component</b>                         | Displays Charge component  |
| <b>Tag Currency</b>                      | Displays tag currency  |
| <b>Tag Amount</b>                        | Displays tag amount  |

**Table 2-70 (Cont.) Charges Details- Field Description**

| Field                        | Description  |
|------------------------------|--|
| <b>Charge Currency</b>       | Displays charge currency                                       |
| <b>Charge Amount</b>         | Displays charge amount   |
| <b>Consider as Discount</b>  | Displays if charge component is considered for IRR calculation |
| <b>Waived</b>                | Specify if the charge applied for the contract must be waived  |
| <b>Liquidated</b>            | Displays if charge is liquidated                               |
| <b>Charge Liquidation</b>    | Specify the below fields.                                      |
| <b>Event Sequence Number</b> | Displays event sequence number.                                |
| <b>Component</b>             | Displays charge component                                      |
| <b>Charge Currency</b>       | Displays charge currency                                       |
| <b>Charge Amount</b>         | Displays the charge amount                                     |
| <b>Liquidated</b>            | Displays if charge is liquidate for the contract               |

18. On the **Security Payment Repo Input** screen, click **Tax**.  
The **Tax Details** screen is displayed.

**Figure 2-80 Tax Details**

The screenshot shows the 'Tax Details' window. At the top, there are input fields for 'Product Code', 'Tax Scheme', 'Product Description', and 'Scheme Description'. Below these are two expandable sections: 'Tax Details' and 'Currency Details'. The 'Tax Details' section contains a table with columns: Tax Rule, Tax Component, Basis Amount Tag, Event, Tax Type, and Minimum Interest Rate Code for Tax. The 'Currency Details' section contains a table with columns: Currency, Maximum Interest Period for Tax, Period Unit, and Minimum Interest Amount for Tax. Both tables currently show 'No data to display.' and are on page 1 of 0 items.

19. On the **Tax Details** screen, specify the details as required.  
For information on fields, see the below table

**Table 2-71 Tax Details - Description**

| Field                      | Description  |
|----------------------------|--|
| <b>Tax Scheme</b>          | Choose A Tax Scheme from the Option list                   |
| <b>Product Description</b> | Add Product code and its description like other sub system |
| <b>Scheme Description</b>  | System defaults scheme description                         |
| <b>Tax Details</b>         | Specify the below fields.                                  |

**Table 2-71 (Cont.) Tax Details - Description**

| Field                                     | Description  |
|---|--|
| <b>Tax Rule</b>                           | System defaults the Tax Rule mapped to the scheme for Tax computation  |
| <b>Tax Component</b>                      | The method of tax application defined for the Tax Rule will be applied on this component   |
| <b>Basis Amount Tag</b>                   | Amount tag on which Tax is computed  |
| <b>Event</b>                              | Specify the event for which the tax is applicable.   |
| <b>Tax type</b>                           | The type of tax, decides the bearer the tax. It could be the bank or the customer.<br><br>A customer bears withholding type of tax and the tax component is debited to the customer's account. The bank bears an expense type of tax and the tax component is booked to a tax expense account. |
| <b>Minimum Interest Rate Code for Tax</b> | Specify the rate code for Tax  |
| <b>Currency Details</b>                   | Specify the below fields.  |
| <b>Currency</b>                           | Specify the currency from the list of option   |
| <b>Maximum Interest Period for Tax</b>    | Specify the maximum interest period for the tax  |
| <b>Period Unit</b>                        | Specify the period as <ul style="list-style-type: none"> <li>• Days</li> <li>• Months</li> <li>• Year</li> </ul>   |
| <b>Minimum Interest Amount for Tax</b>    | Specify the minimum Interest amount for the tax  |

20. On the **Securities Repo Payment Input** screen, click MIS.  
The **MIS Details** screen is displayed.

**Figure 2-81 MIS Details**

The screenshot displays the 'MIS Details' window with the following sections and fields:

- Header:** Contract Reference (text input), MIS Group (dropdown with search icon), Link To Group (checkbox), and a Default button.
- Input Section:**
  - Link To Group: Radio buttons for Related Reference and Related Account.
  - Related Account, Related Reference, and MIS Head: Text inputs with search icons.
  - Rate Code and Spread: Text inputs with search icons.
- Rate At Section:**
  - Rate Type: Text input.
  - Pool Code and Contract Level: Radio buttons.
  - Profit Method, Refinance Rate, and Pool Code: Text inputs with search icons.
  - Cost Code 1 through Cost Code 5: Text inputs with search icons.
- Transaction MIS, Composite MIS, and Fund MIS:** Each section contains an MIS Group dropdown and two text input fields with search icons.
- Footer:** Buttons for Refinance Rates, Amendment Rate, Change Log, Balance Transfer Log, Exit, and Save.

21. On the **MIS Details** screen, specify the details as required.
22. On the **MIS Details** screen, click **Refinance Rate**.  
The **Refinance Rate** screen is displayed.

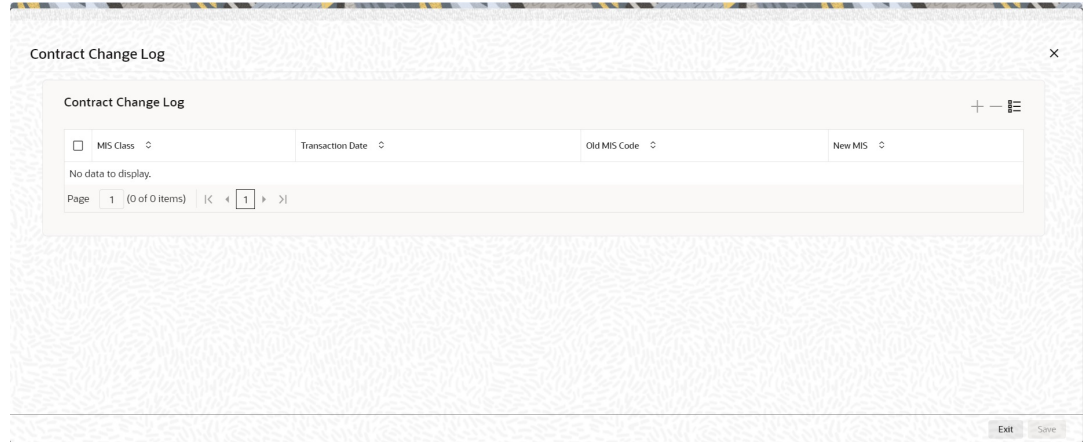
**Figure 2-82 Refinance Rate**

23. On the **Refinance Rate** screen, specify the details as required.
24. On the **MIS Details** screen, click **Amendment Rate**.  
The **Amendment Rate** screen is displayed.

**Figure 2-83 Amendment Rate**

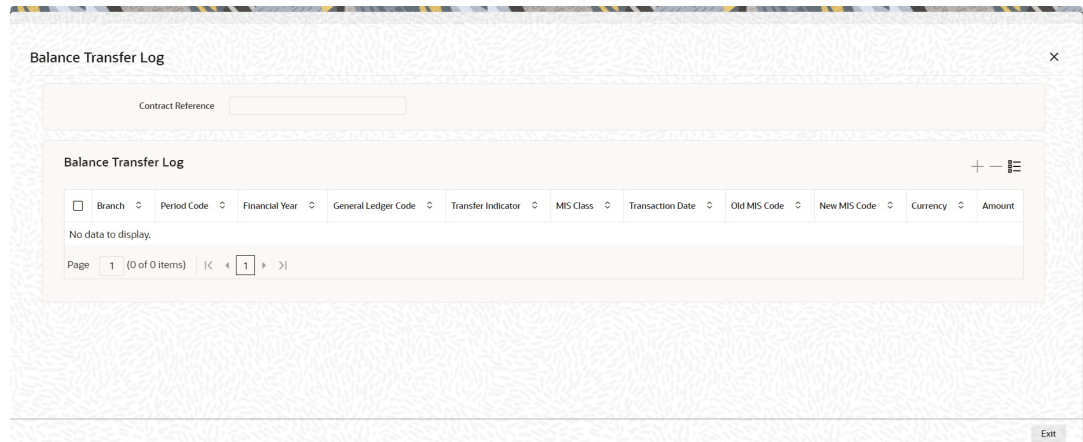
25. On the **MIS Details** screen, click **Change Log**.  
The **Change Log** screen is displayed.

**Figure 2-84 Change Log**



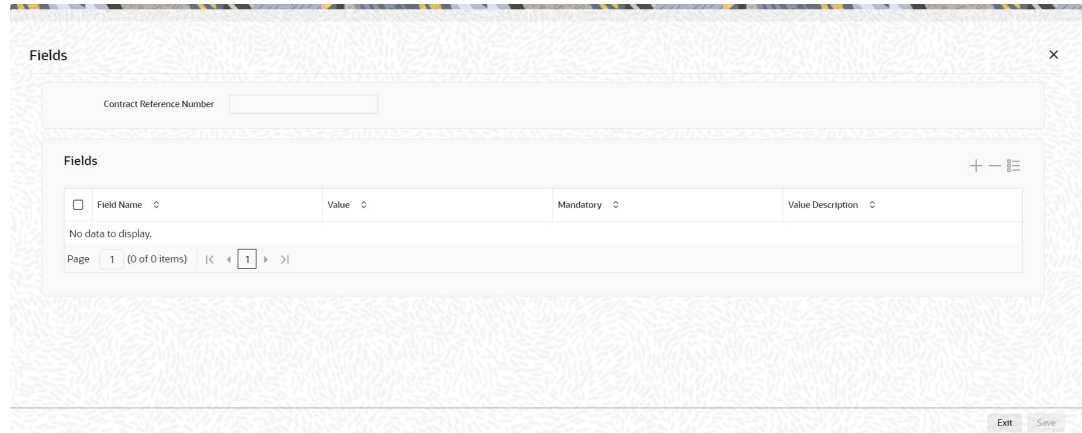
26. On the **Change Log** screen, specify the details as required.
27. On the **MIS Details** screen, click **Balance Transfer Log**.  
The **Balance Transfer Log** screen is displayed.

**Figure 2-85 Balance Transfer Log**



28. On the **Balance Transfer Log** screen, specify the details as required.
29. On the **Securities Repo Payment Input** screen, click **Fields**.  
The **Fields** screen is displayed.

**Figure 2-86 Fields**



30. On the **Fields** screen, specify the details as required.  
For information on fields, see the below table

**Table 2-72 Fields - Field Description**

| Field                            | Description  |
|----------------------------------|--|
| <b>Contract Reference Number</b> | Displays contract reference number                               |
| <b>Field Name</b>                | Defaults user defined field name mapped to the product           |
| <b>Value</b>                     | Specify the UDF value  |
| <b>Mandatory</b>                 | Defaults the mandatory flag from user defined maintenance screen |
| <b>Value Description</b>         | Displays the user defined value description                      |

## 2.21 Process Repayments

This topic describes the process repayments schemes with example.

When the user makes a Securities repo deal, the user also decide on the terms of the repayment of the placement or borrowing.

The user may have your repayment schemes; for example, the user may prefer monthly repayments of interest or the repayment of the principal on maturity, and so on. Or, the user may design repayment schedules to suit the convenience of your customer. Your customer may want the repayments done daily, instead of every week, for example.

In Oracle Banking Treasury Management, the user can customize your repayment schedules for a money market product. The same schedules will, by default, apply to the deals involving the product. However, when processing a specific deal, the user can change the repayment schedule, which it inherits, from the product it involves.

### Define Schedules for Repayment

Define repayment schedules for the interest or interest types of ICCB components like a tenor based charge or fee and the principal of a Securities Repo deal while defining a product.

The attributes of the schedules for a product are defined through the Product Preferences screen. The following are the attributes of a repayment schedule:



- Mode of liquidation - auto or manual. This is changed at the time of deal processing.
- Liquidation of back valued schedules upon initiation of a deal. This is changed at the time of deal processing based on requirement.

However, for a deal, the user can have:

- Only a maturity schedule for the principal and no interim schedules
- Interim schedules for the interest
- The only normal type of schedules for interest. Schedules cannot be capitalized or amortized
- No schedules for commission, charge or fees

A discussion on these attributes follows in this topic.

The Automatic Contract Update function executed as part of the SR Batch Daily routine automatically liquidates schedules that the user has marked for auto liquidation. If schedules are marked for manual liquidation, the user will have to liquidate them through the Contract Schedule Payments function.

Once the user specifies the attributes of schedules in the Product Preferences screen, the default schedules, which the user wants, applied to the deals involving the product, and are specified through the Product Schedules screen. At the time of deal processing, the user can change the schedules which have been inherited by the deal, to suit your needs.

If the Interest specified is an amount and not a rate (Special type of Interest), the user must enter this amount for the interest component. The user must specify the number of schedules for the component (interim schedules and maturity schedule). The user can give the Start Date, Frequency and Unit again or let the details inherited from the product remain.

 **Note:**

If schedules are not defined for the product, then the borrowings or placements under it will have bullet (or balloon) schedules by default. That is, all the components is liquidated on Maturity. Since for a money market deal, the principal repaid is always at Maturity, the user need not define a schedule

### Mode of Liquidation

Components of a deal are liquidated automatically or manually. In the Product Preferences screen, the user must indicate whether the mode of liquidation of repayment schedules is to be automatic.

Specify Auto liquidation if the user want the components of a deal (involving a product) to be liquidated automatically. If the user so specify, a schedule is automatically liquidated the day it falls due, during the beginning of day processing (by the Automatic Contract Update function.)

Now, consider the following situation:

- The user has indicated automatic liquidation
- The scheduled date falls on a holiday, and
- The user has specified (through the contract preferences screen), that the holiday be ignored while calculating the scheduled date.

In such a situation, a repayment falling on a holiday would be processed according to your specifications for holiday handling (in the SR Branch Parameters screen). It would be as follows:

- If the user has specified that processing has to be done (on the last working day before the holiday) for automatic events right up to the day before the next working day, the schedule falling on the holiday will be liquidated during the end of day processing on the last working day before the holiday.
- If the user has specified that processing has to be done only up to the System Date (today), then only those events scheduled for today (the last working day before the holiday) will be processed. The events falling due on holiday are processed on the next working day after the holiday, during the beginning of day processing.

In such a situation, a repayment falling on a holiday would be processed according to your specifications for holiday handling (in the SR Branch Parameters screen). It would be as follows:

- If the user has specified that processing has to be done (on the last working day before the holiday) for automatic events right up to the day before the next working day, the schedule falling on the holiday will be liquidated during the end of day processing on the last working day before the holiday.
- If the user has specified that processing has to be done only up to the System Date (today), then only those events scheduled for today (the last working day before the holiday) will be processed. The events falling due on holiday are processed on the next working day after the holiday, during the beginning of day processing.
- If a borrowing has been defined for verification of funds before automatic liquidation (through the Contract Online Preferences screen), those components whose schedule dates fall on the same day will be liquidated in the order the user has specified when defining the product.
- If the funds are insufficient, the liquidation is done to the extent of the available balance in the repayment account. The components will be liquidated in the order that the user specify. This will be reported in the Exception Report generated at the end of every day, automatically (by the Automatic Contract Update function). If the user has not specified that the funds be verified, and there are insufficient funds in the repayment account.
- The repayment account will be put into a debit balance (if the user has allowed overdraft) and the schedules for the components liquidated to the extent of the debit balance that the user has allowed for the account. The user can liquidate beyond the allowed debit balance for an account after overriding a warning message. This override will be recorded for audit trail purposes. Debit interest, as specified for the type of account (current or savings); is applied on the debit balance.
- If the repayment account has not been defined with an overdraft, the liquidation will not be processed.
- If the user specify manual liquidation for deals involving the product, then liquidation must be done manually, through the Manual Liquidation screen.

### Liquidate Back Valued Schedules During Initiation

Indicate whether for a backdated deal that has schedules before today's date; the schedules have to be liquidated when the deal is initiated. A backdated deal is one, which has an initiation date, which falls before today's date.

### Liquidate Back Valued Schedules During Initiation

The user has to specify whether the payment method for the main interest is to be bearing, discounted, or true discounted. This cannot be changed at the time of processing a deal.

### When the Repayment Schedule Date is a Holiday

The user has specified that repayment schedules must be generated automatically once the user indicate the frequency, number and the date of the first repayment. When the system computes the repayment dates based on these values, there is a chance that one or more schedules fall due on holiday. In such a case, the user has two choices:

- Ignore the holiday and retain the scheduled due date or
- Move it either backwards or forward, by specifying so. If the user specify that holidays are to be ignored, the scheduled dates will be fixed without taking the holidays into account. In such a case, if a scheduled date falls on a holiday, the processing of such a schedule is determined by your holiday handling specifications for automatic processes, in the Branch Parameters screen.
- If the user has specified that processing has to be done on the previous working day for automatic events right up to the day before the next working day the schedule falling on the holiday will be liquidated during end-of-day processing on the previous working day.
- If the user has specified that processing has to be done only up to the System Date, then only the events scheduled for the System Date will be processed. The events of the holiday are processed on the next working day during beginning -of-day processing.

### Move Schedules Forward or Backward

A scheduled date falls on a holiday, and the user has not specified that holidays are to be ignored at the time of schedule definition. In such a case, the user must indicate the movement of the scheduled date forward or backwards to the next working day, or the previous working day, respectively. Since the scheduled date itself is moved to a working day, the payment is processed on the due date.

### Move Schedule Dates Across the Month

If the user has chosen to move a schedule falling due on holiday to the next working day, or on the previous working day, and it crosses over into another month, the scheduled date is moved only if the user indicates. If not, the scheduled date will be kept in the same month.

### Specify the Holiday Currency

The user can specify the country of the deal currency for which the holiday table must be checked before drawing the payment schedules related to the deal. In case a schedule falls on a holiday, and the user has specified that the schedule is moved forward or backwards, the movement happens according to the holidays in this country. By default, the currency to be checked is the deal currency. If a currency other than this is specified, the holiday table will be checked for both the currencies.

### When the Repayment Schedule Date is a Holiday

The user can specify the Financial center of the deal for which the holiday table must be checked before drawing the payment schedules related to the deal. In case a schedule falls on a holiday, and the user has specified that the schedule is moved forward or backwards, the movement happens according to the holidays in this Financial center.

### Cascade Schedules

The question of cascading schedules arises only if:

- The user has specified that a schedule falling due on holiday has to be moved forward or backwards
- The schedule has been defined with a definite frequency
- If the user has indicated that schedules must be cascaded, the scheduled date for the next payable schedule will depend on how the scheduled date was moved for a holiday.

The following example illustrates how this concept of cascading schedules functions:

- When the user cascade schedules, the last schedule (at maturity), however, will be liquidated on the original maturity date and will not be changed like the interim schedules. Hence, for this particular schedule, the interest calculation days may vary from those of previous schedules

## 2.22 Rollover a Deal

The topic describes how the user can use this feature roll it over into a new deal instead of liquidating a deal on maturity.

A rollover is a renewal of a deal. The outstanding principal of the old deal is rolled over with or without the interest outstanding on it. When a deal is rolled over (renewed), it is processed in the following manner:

- The original deal is liquidated, and,
- A new deal is initiated

The user can rollover a deal that the user are processing provided it is allowed for the product the money market deal involves.

For a product with rollover defined, specify if deals involving the product must inherit:

- The attributes defined for the ICCB components (interest, charges and fees) from the product, or
- Those defined for the initial deal. This gains significance if the user changed the attributes that the (initial) deal acquired from the product. The rolled over deal will acquire the changed attributes.

In addition, the user has to specify the following for a product defined with rollover:

- Whether it is to be rolled over along with outstanding interest
- Whether the interest that has been accrued on a placement is to be considered a part of the 'utilized amount' for the purpose of risk tracking if the user are rolling over a placement with interest.
- Whether tax has to be applied on the rolled over deal
- Whether the principal of the rolled over interest must be taxed

However, when processing a deal, the user can change the attributes that the deal acquires from the product. At the time of processing the deal, the user can indicate if a rollover is to be automatic or manual; the maturity type (fixed, call or notice); the maturity date for a fixed maturity deal; and the notice days.

The user must also indicate if:

- Only the outstanding principal is to be rolled over,
- The outstanding principal is to be rolled over with interest, or
- If a special amount is to be rolled over. (if a part of the principal and interest from the old deal has been liquidated and only the outstanding principal - with or without interest - is rolled over, it is called a special amount).

When a deal is rolled over, the new contract continues to have the reference number of the old deal.

## 2.23 Specify Rollover for a Product

This topic describes how to use the Mode of Rollover (Manual or Automatic) feature to specify whether deals involving the product is to be rolled over when defining the product.

If rollover has been allowed for a product, all the deals involving the product can, by default, be rolled over.

### Note:

However, a deal involving such a product is rolled over only if it is not liquidated on its Maturity Date. Choose not to rollover a deal that involves a product with the rollover facility. The user can indicate this when processing the deal.

This topic contains the following:

#### **Mode of Rollover (Manual or Automatic)**

For a deal involving a product for which a rollover is allowed, the user must specify the mode of rollover - automatic or manual - during processing.

#### **Impact of Liquidation Mode on Rollover**

The mode of liquidation of a deal (automatic or manual) has the following impacts while executing the rollover:

**Table 2-73 Mode of Liquidation of a Deal**

| Specification                                       | Treatment   |
|---|---|
| Auto liquidation and auto rollover                  | <p>The old deal is liquidated and a new one initiated on the Maturity Date of the deal during the BOD (Beginning Of Day) run of the Automatic Contract Update function. If the Maturity Date falls on a holiday, then the liquidation and the rollover is processed as per your holiday handling specifications in the Branch Parameters screen. If the user specified (in the Branch Parameters screen) that processing has to be done today (the last working day before the holiday) for automatic events right up to the day before the next working day, the schedule falling on the holiday is liquidated during end of day processing on the last working day before the holiday.</p> <p>If the user specified that processing has to be done only up to the System Date (today), then only the events scheduled for today (the last working day before the holiday) is processed. The events falling on the holiday is processed on the immediate working day after the holiday, during the beginning of day processing</p> |
| Auto liquidation (of principal) and manual rollover | <p>The old deal is liquidated automatically on the Maturity Date. If the deal has to be rolled over, the rollover instructions must be specified for the deal before the Maturity Date. If the contract has not been liquidated because of lack of funds in the repayment account, the user can give rollover instructions even after the maturity date saying that the contract has to be rolled over as of the maturity date.</p>   |
| Manual liquidation (of principal)                   | <p>Rollover has to be manual. The deal will not be liquidated by the Auto Liquidation function. The user can either liquidate it or specify that it has to be rolled over. This is specified at any time - before or after the Maturity Date of the deal, if the contract has not yet been liquidated.</p>  |

If the user has defined that the deal be liquidated manually, the user cannot roll it over automatically. When a deal is rolled over or renewed for the interest, charge or fee components, it can assume the following attributes:

- Those of the product involving the deal being rolled over, or
- Those of the old deal itself

Specify this at the time of deal processing (of the old deal).

#### **Roll over a Contract Manually**

Rollover a deal manually through the Rollover Details screen.

If a deal has to be rolled over:

- The latest activity on the deal has to be authorized
- It must be past its maturity date; and
- It must not have been liquidated

Two activities take place when a deal is rolled over:

- The original deal is liquidated and
- A new deal is initiated

However, Reference Number of the renewed or rolled over deal is the same as that of the old deal.

### Specify the Maturity Details

The Maturity Type, which the user has specified for the old deal, will apply to the deal being rolled over, by default. However, the user can change the Maturity Type through this screen. If the maturity type is to be changed, the user has to specify the new Maturity Type for the rolled over or renewed deal. It could be:

**Table 2-74 Maturity Details**

| Maturity Type | Details   |
|---------------|---|
| Fixed         | This type of deal has a fixed Maturity Date. For a deal with a fixed maturity date, the user enter the changed date on which the deal needs to be liquidated.   |
| Call          | The Maturity Date is not fixed. The deal is liquidated anytime.   |
| Notice        | The deal is liquidated at a certain period of notice. The number of days of notice must be specified in this screen. This is only for information purposes. Whenever a report is generated on a notice type of deal, the notice days is mentioned on it. For a deal with notice type of maturity, the user has to enter the Maturity Date once the notice is issued to the counterparty (customer). |

For a deal maturing at notice, enter the notice period (in days) in this field. This is only for information purposes. Whenever a report is generated on a notice type of deal, the notice days is mentioned on it. For a deal with notice type of maturity, the user has to enter the Maturity Date once the notice is issued to the counterparty (customer).

## 2.24 Automatic Processing

This topic describes the automatic processing of contract feature.

While discussing the various events in the life cycle of a deal, we have referred to the Automatic Contract Update function that carries out these events. In this chapter, we shall discuss the features of this function.

The Automatic Contract Update function must be executed at least twice during the day, once before the user begin transaction-related activities for the day (that is, as a part of the beginning of day activities) and once after the user has finished all the transaction-related activities for the day. If any transaction-related activities are carried out after the function are run as part of end of day (EOD) activities, the user has to execute it again so that the processing that is necessitated by the transaction-related activity carried out.

This topic has the following sub-topics:

## 2.25 Automatic Events in the Lifecycle of a Deal

This topic describes the automatic events in the life cycle of a deal.

The following are the various events in the life cycle of a deal carried out automatically. Group them into automatic events that take place Beginning-of Day (BOD) and those that take place End of day (EOD).

This topic has the following sub-topics:

- [Begin of Day Processes](#)
- [End of Day Processes](#)
- [Process During Beginning of Day](#)
- [Process During End of Day](#)
- [Process for Holidays](#)
- [Initiate a Future Value Dated Deal](#)
- [Process an Automatic Repayment](#)
- [Automatic Rollover of a Deal](#)
- [Advices for Rollover](#)
- [Automatic Status Changes](#)
- [Accrual of ICCB Components](#)
- [SGEN Messages Generation](#)
- [RFR Enabling for SGEN](#)
- [Contract Level Message Generation](#)

## 2.25.1 Begin of Day Processes

Below are the processes:

- Initiation of a deal with a Value Date in the future
- Application of the appropriate interest rates for deals with Floating Interest
- Application of rate changes with a Value Date in the future
- Liquidation of a scheduled repayment (interim or at maturity)
- Rollover of a deal
- Change of deal status as part of the aging analysis process
- Automatic events falling on a holiday and scheduled to take place on the day after the holiday

## 2.25.2 End of Day Processes

Below are the processes:

- Periodic accrual of ICCB components
- Generation of reports
- Automatic events falling on a holiday and scheduled to take place on the day before the next working day.

The user might have noticed that some activities carried out, automatically would be done so only on specific instruction from the user. The following are such activities:

- Liquidation of a scheduled repayment
- Rollover of a deal



## 2.25.3 Process During Beginning of Day

All the automatic events scheduled for the day, except the accrual of ICCB components, is carried out when the Automatic Contract Update function is executed during the beginning of day operations.

In addition, all the activities scheduled for the holidays is carried out if the current system date follows a holiday(s) and the user has specified that events falling on holidays must be processed on the immediate working day succeeding the holiday.

## 2.25.4 Process During End of Day

When the function is executed during the end of day activities, the processing is carried out for:

- Accrual of ICCB components scheduled for the day;
- Any Value Dated change (additional disbursements, change in interest rates, etc.) that were done during the day with a Value Date as the current system date; and
- Activities scheduled for holidays (if the current system date is preceded by holiday(s) and the user has specified that activities falling on holidays must be processed on the last working day preceding a holiday).

## 2.25.5 Process for Holidays

Any automatic event that is scheduled for a holiday is processed as per your specifications in the Branch Parameters table:

- If the user has specified that processing has to be done on the last working day (before a holiday) for automatic events that fall due on holidays, the events falling on the holiday is processed during end of day on the last working day before the holiday.
- If the user has specified that processing has to be done only up to the System Date (today), then only the events scheduled for the system date (the last working day before the holiday) is processed. The events that fall due on the holiday is processed on the working day immediately following the holiday, during beginning of day processing

## 2.25.6 Initiate a Future Value Dated Deal

A 'future dated' deal is one that has a Value Date that is later than the date on which it is booked. The Automatic Contract Update function will initiate the deal on the Value Date of the deal during BOD processing.

If there were holiday(s) preceding today, future dated deals that were dated for the holiday(s) will also be initiated if the user has specified that events falling on a holiday must be processed on the next working day.

All the initiation related entries specified for the product, that the deal involves, is passed automatically. If currency conversions are involved, the conversion rates as of today is picked up from the Currency Table.

If for some reason, a deal scheduled for initiation today is not initiated, it is reported in the Exception Report generated during EOD processing.

For a future dated deal falling due today, if there is also a rate change today, the interest amounts are also recalculated for the schedules.

## 2.25.7 Process an Automatic Repayment

For deals that are defined with automatic liquidation of repayments, the liquidation is carried out by the Automatic Contract Update function. It could be an interim repayment schedule liquidation or a maturity schedule liquidation. The schedule, whether an interim schedule or a maturity schedule, is automatically liquidated on the day it falls due, during the beginning of day processing.

Now, if the user has indicated automatic liquidation, the scheduled date falls on a holiday, and the user has specified that the holiday is ignored (through the Contract Preferences screen), the liquidation falling due on holiday, would depend on your holiday handling specifications in the Branch Parameters screen:

- If the user specify that processing has to be done today (the last working day before the holiday) for automatic events right up to the day before the next working day the schedule is falling on the holiday is liquidated during the end of day processing on the last working day before the holiday.
- If the user specify that processing has to be done only up to the System Date (today), then only the events scheduled for today (the last working day before the holiday) is processed. The events falling on the holiday is processed on a working day immediately following the holiday, during the beginning of day processing.

If a placement has been defined for verification of funds before automatic liquidation, the components whose for which the schedule dates fall on the same day is liquidated in the order that the user specified while defining the product. If the funds are insufficient, the liquidation is done to the extent of the available balance in the repayment account, again, following the order of liquidation of components specified by the user. If this is so, it is reported in the Exception Report generated at the end of every day, automatically (by the Automatic Contract Update function).

If the user has not specified that the funds are to be verified, and the funds are insufficient:

- The repayment account is put into a debit balance if an overdraft is allowed, and the schedules for the components is liquidated to the extent of the debit balance allowed. If it crosses the extent of debit balance allowed, the liquidation is done with an overdraft override that is automatically recorded. The debit interest that is applicable to the account (current or savings) is applied.
- If the repayment account has not been defined with the overdraft, the liquidation will not be processed.

The liquidation order is helpful when the user wants to liquidate the dues in a certain order: say interest (or interest type of components) first and then the principal. If the deal has been defined with Floating interest, and an interest revision falls due today, the revised rate is applied before the repayment is processed.

### Advices Generated for a Repayment

Advices are generated by the Automatic Contract Update function during beginning of day processing. While defining a product the user may have specified that an advice is to be generated to intimate the customer every time a payment has been liquidated. This will apply to all deals involving the product (refer chapter on product definition). However, for a particular deal, the user can suppress this advice. If a repayment advice has been specified for a deal, it is generated by the Automatic Contract Update function when the user run it at the beginning of day.

## 2.25.8 Automatic Rollover of a Deal

A Rollover is renewal of a deal. For a deal to be rolled over it:

- Must be past its Maturity Date
- Must not have been liquidated

If the user has specified automatic liquidation and automatic rollover for a deal, the old deal is liquidated and a new one initiated on the Maturity Date of the deal during the BOD (Beginning of Day) run of the Automatic Contract Update function.

If the Maturity Date falls on a holiday, then the liquidation and the rollover is processed as per your holiday handling specifications in the Branch Parameters screen.

If the user specified that processing has to be done today (the last working day before the holiday) for automatic events right up to the day before the next working day, the schedule falling on the holiday is liquidated during end of day processing on the last working day before the holiday.

If the user has specified that processing has to be done only up to the System Date (today), then only the events scheduled for today (the last working day before the holiday) is processed. The events of the holiday is processed on the next working day after the holiday, during beginning of day processing.

If the user has defined that the deal be liquidated manually, the user cannot roll it over automatically.

When a deal is rolled over or renewed for the interest, commission, charge or fee components, it can assume the following attributes:

- Those of the product involving the deal being rolled over
- Those of the original deal itself

Specify this at the time of deal processing (of the old deal).

## 2.25.9 Advices for Rollover

When creating a product, the user can opt to generate an advice that the user intimates the customer that a deal (involving her) has been rolled over or renewed. This specification will apply to all deals involving the product.

However, for a particular deal, the user can suppress this advice. If an advice for renewal of the deal has been specified, it is generated during BOD processing.

## 2.25.10 Automatic Status Changes

A placement that is yet to reach a repayment date, or on which repayments are being made regularly, is considered as having a 'Active' status. When a repayment is not done on the schedule date, the user may want to do aging analysis for the placement.

If the user has specified status and indicate that they be changed automatically, then the status change is done during BOD processing on the day the aging is due.

The user can do aging analysis by changing the status of a placement on which payment(s) are defaulted. At any time, the user can generate reports of deals, with details of aging, to facilitate the follow up process for repayment.

- Active - This is when repayments on a placement are done as per schedule.
- Past Due Obligation (PDO) - This is when repayments on a placement have been stopped but the accruals on the accruable components are still being done (There is still a chance of repayment of the deal).
- Non-accrual basis (NAB) - When the placement acquires this status all accruals for the placement are stopped (The chances of repayment diminish further).
- Write-off (WRO) - This is when the placement is written off and all accrual entries are reversed.

The user want a placement under this product to move from status to status in the order in which they are mentioned here. For such a condition, the user can indicate the number of days after which each component must move to the status being defined (these can differ for a maturity schedule and an interim schedule).

According to the number of days of default defined for each component, a placement will first be moved to PDO from Active status, then to NAB and lastly to WRO status.

The user can also indicate the change of GL if any when a component comes to a particular status, and the messages to be generated at each status change.

A 'forward' status change is one in which the status changes from one to the next. In our example, the movement from Active to PDO, PDO to NAB and NAB to Write Off are all forward changes. A 'reverse' status change is one in which the status changes from one to the previous. Such a situation arises when a payment is made on a placement with a status other than Active.

If the user specify that reverse changes have to be carried out automatically, the status will be changed when a payment is made on a placement with a status other than Active. If the user specify that reverse changes should not be automatic; the status remains unchanged even if a repayment is made on the placement. The status has to be changed by the user through the Contract Processing function. A reverse change may also become necessary when the number of days of default is increased for a product.

If the user specify that forward changes or reverse changes have to be carried out automatically, the status changes will be carried out by the Automatic Contract Update function when it is run either during Beginning of Day processes on the day the change falls due.

If the day on which the forward or reverse status change is due happens to be a holiday, then, the processing depends upon your specifications in the Branch Parameters screen.

- If the user has specified that processing has to be done today (the last working day before the holiday) for automatic events right up to the day before the next working day, the events falling on the holiday will be processed during end of day on the last working day before the holiday.

## 2.25.11 Accrual of ICCB Components

When the users are defining the interest, commission, charge or fee components (ICCB components) for an MM product, the user must specify whether accruals have to be done for the accruable ICCB components. The user can specify this through the Product ICCB Details screen.

If accruals must be done, the frequency of accrual must also be specified for the product (through the Product Preferences screen), at the time of product definition.

For all deals for which accruals fall due today, the Automatic Contract Update function will pass the accrual entries. Accrual of interest, commission, charge or fee is done during the end of day processing of the Automatic Contract Update function.

In some cases, for example, if a manual liquidation is done, the accrual entries is passed immediately by the system. If this falls on a holiday, the accruals is done as per your holiday handling specifications for automatic processes, in the Branch Parameters screen.

- If the user specified that processing has to be done today (the last working day before the holiday) for automatic events right up to the day before the next working day, the events falling on the holiday will be processed during end of day on the last working day before the holiday.
- If the user has specified that processing has to be done only up to the System Date (today), then only the events scheduled for today (the last working day before the holiday) will be processed. The events of the holiday will be processed on the next working day after the holiday, during beginning of day processing.

The accrual and income accounts will be picked up based on your definition in the Chart of Accounts. An Accrual Control Journal is generated by the Automatic Contract Update function, reporting the details of the accruals performed.

For a placement on which there is a default in payment, the user can specify that aging analysis must be done. This analysis involves the change of status of a deal. When the status is changed, the user can also specify that the accruals on the deal must be stopped. For such deals, the accrual entries will not be passed; they will only be calculated and reported in the Accrual Control Journal under 'Memo Accruals'.

#### **Contents of the Accrual Control Journal**

The memo accrual function will give the user the latest accrual amounts for all components of a live deal without actually passing the accrual entries. The memo accrual function generates the Memo Accrual Control Journal that reports the accrued amounts for the various components of the deal, (like interest, commission, charge or fee) that are due on each deal as of the current system date.

## 2.25.12 SGEN Messages Generation

The system can send SGEN messages 'n' number of days before the due date where 'n' is the value maintained as settlement days in 'Currency Definition' screen for Repo deals. This generation is done for the following events:

- INIT- Initiation
- LIQD - Liquidation
- ROLL - Rollover
- VAMI - Value dated Amendment (Principal Increase)
- CMPY - Cash Margin Pay
- CMRV - Cash Margin Receive

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

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

When you reverse a contract for which SGEN has been generated, the system displays an appropriate override message. If you accept the override and continue with contract reversal, the system generates the Cancellation request messages MT 292 /192 (REVSWIFT).

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

## 2.25.13 RFR Enabling for SGEN

In the case of RFR contracts with Payment delay preferences, the SGEN messages are required to be sent before the due date considering the maturity date + payment Delay days along with the currency settlement days maintained. For such contracts, the system generates the settlement message after considering the currency holidays maintained. It generates the SGEN messages during BOD.

- [Look back without Payment delay SGEN Generation](#)
- [Look back/Lockout with Payment delay SGEN Generation](#)

### 2.25.13.1 Look back without Payment delay SGEN Generation

**Table 2-75 Look back without Payment delay**

| Details            | Values           |
|--------------------|------------------|
| Year Basis         | 360              |
| Principal          | \$100,000,000.00 |
| Value Date         | Mon, 03-Jun-19   |
| Maturity Date      | Tue, 18-Jun-19   |
| Look back          | 5                |
| Payment Delay Days | 0                |
| Currency           | USD              |
| Sgen               | 2-Working days   |
| Modules Applicable | SR               |

**Table 2-76 SOFR**

| Rate published | Rate For  | Contract Calculation Date | SOFR  | No. days | Notional Principal        | Interest |
|----------------|-----------|---------------------------|-------|----------|---------------------------|----------|
| 28-May-19      | 27-May-19 | 03-Jun-19                 | 0.08  | 1        | \$100,000.00              | \$0.22   |
| 29-May-19      | 28-May-19 | 04-Jun-19                 | 0.081 | 1        | \$100,000.00              | \$0.23   |
| 30-May-19      | 29-May-19 | 05-Jun-19                 | 0.069 | 1        | \$100,000.00              | \$0.19   |
| 31-May-19      | 30-May-19 | 06-Jun-19                 | 0.077 | 1        | \$100,000.00              | \$0.21   |
| 03-Jun-19      | 31-May-19 | 07-Jun-19                 | 0.081 | 3        | \$100,000.00              | \$0.68   |
| 04-Jun-19      | 03-Jun-19 | 10-Jun-19                 | 0.07  | 1        | \$100,000.00              | \$0.19   |
| 05-Jun-19      | 04-Jun-19 | 11-Jun-19                 | 0.069 | 1        | \$100,000.00              | \$0.19   |
| 06-Jun-19      | 05-Jun-19 | 12-Jun-19                 | 0.069 | 1        | \$100,000.00              | \$0.19   |
| 07-Jun-19      | 06-Jun-19 | 13-Jun-19                 | 0.065 | 1        | \$100,000.00              | \$0.18   |
| 10-Jun-19      | 07-Jun-19 | 14-Jun-19                 | 0.066 | 3        | SGEN<br>(Payment Message) | \$0.55   |

**Table 2-76 (Cont.) SOFR**

| Rate published | Rate For  | Contract Calculation Date | SOFR  | No. days | Notional Principal | Interest |
|----------------|-----------|---------------------------|-------|----------|--------------------|----------|
| 11-Jun-19      | 10_Jun-19 | 17-Jun-19                 | 0.071 | 1        | \$100,000.00       | \$0.20   |
| -              | -         | 18-Jun-19                 | -     | -        | \$100,000.00       | -        |
| -              | -         | -                         | -     | -        | Total Amount       | \$3.03   |

### 2.25.13.2 Look back/Lockout with Payment delay SGEN Generation

**Table 2-77 Look back/Lockout with Payment delay**

| Details            | Values           |
|--------------------|------------------|
| Year Basis         | 360              |
| Principal          | \$100,000,000.00 |
| Value Date         | Mon, 03-Jun-19   |
| Maturity Date      | Tue, 18-Jun-19   |
| Look back          | 5                |
| Payment Delay Days | 2                |
| Currency           | USD              |
| Sgen               | 2-Working days   |
| Modules Applicable | SR               |

**Table 2-78 SOFR**

| Rate published(T - 4) | Rate For (T - 5) | Contract Calculation Date (System Date - T) | SOFR  | No. days | Notional Principal | Interest |
|-----------------------|------------------|---|-------|----------|--------------------|----------|
| 28-May-19             | 27-May-19        | 03-Jun-19                                   | 0.08  | 1        | \$100,000.00       | \$0.22   |
| 29-May-19             | 28-May-19        | 04-Jun-19                                   | 0.081 | 1        | -                  | \$0.23   |
| 30-May-19             | 29-May-19        | 05-Jun-19                                   | 0.069 | 1        | -                  | \$0.19   |
| 31-May-19             | 30-May-19        | 06-Jun-19                                   | 0.077 | 1        | -                  | \$0.21   |
| 03-Jun-19             | 31-May-19        | 07-Jun-19                                   | 0.081 | 3        | -                  | \$0.68   |
| 04-Jun-19             | 03-Jun-19        | 10-Jun-19                                   | 0.07  | 1        | -                  | \$0.19   |
| 05-Jun-19             | 04-Jun-19        | 11-Jun-19                                   | 0.069 | 1        | -                  | \$0.19   |
| 06-Jun-19             | 05-Jun-19        | 12-Jun-19                                   | 0.069 | 1        | -                  | \$0.19   |
| 07-Jun-19             | 06-Jun-19        | 13-Jun-19                                   | 0.065 | 1        | -                  | \$0.18   |
| 10-Jun-19             | 07-Jun-19        | 14-Jun-19                                   | 0.066 | 3        | -                  | \$0.55   |
| 11-Jun-19             | 10_Jun-19        | 17-Jun-19                                   | 0.071 | 1        | -                  | \$0.20   |

Table 2-78 (Cont.) SOFR

| Rate published(T - 4) | Rate For (T - 5) | Contract Calculation Date (System Date - T) | SOFR | No. days | Notional Principal     | Interest |
|-----------------------|------------------|---|------|----------|------------------------|----------|
| -                     | -                | 18-Jun-19                                   | -    | -        | SGEN (Payment Message) | -        |
| -                     | -                | 19-Jun-19                                   | -    | -        | -                      | -        |
| -                     | -                | 20-Jun-19                                   | -    | -        | \$100,000.00           | -        |
| -                     | -                | -   | -    | -        | Total Amount           | \$3.03   |

## 2.25.14 Contract Level Message Generation

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

- Book a Repo Deal with Customer Type as Corporate and Settlement Account Type as Normal and then the system generates the MT 900 Debit advice to the INIT event.
- Book a Reverse Repo Deal with Customer Type as Corporate and Settlement Account Type as Normal and then the system generates the MT 910 Credit advice to the INIT event.
- SGEN Payment message is applicable for both Online and EOD processing as per the currency settlement days maintained at the screen.
- SGEN for Payment message that is MT202/MT210/MT103 MT202 COV remains the same. The Payment message is generated only when the settlement account type is Nostro and Customer Type is Bank.
- Book a Future value date Repo deal where the Customer Type is Corporate and Settlement Account type is Normal, BOOK event is fired. When system reaches the value date on EOD processing the INIT event is fired with MT900 Debit advice message generation. As CUST\_PMT\_ADV is mapped at product level for INIT event, system resolves the debit or credit advice internally and generates the message accordingly.
- Book a Future value date Repo deal where the Customer Type is Bank and Settlement Account type is Nostro and then the BOOK and SGEN event will be triggered. MT210 Receiver Notice is generated as part of SGEN event when PAYMENT\_MESSAGE is mapped at the product level.
- If PAYMENT\_MESSAGE is not mapped to SGEN event at product level, then the system will not trigger any SWIFT message to the SGEN event.
- 'CUST\_PMT\_ADV' is supported for VAMI also. Perform Value dated amendment in SRDXVMD screen, check the VAMI event is triggered with MT900 or MT910 message. Future dated Amendment is also supported, the MT 900 or MT 910 message will be generated when the event occurs on EOD processing.
- Perform Rollover to the Repo or Reverse Repo Deal, check the MT900/MT910 message is generated as part of ROLL event if the customer type is Corporate and settlement account type is Normal. Future Rollover is also supported where the debit and credit advice is generated when the ROLL event occurs on EOD processing.
- Perform manual liquidation to the SR Repo or Reverse Repo Deal, MT910 message is generated to the LIQD event and MT 900 for Reverse Repo deal. The MT900/MT910 is



generated to the LIQD event when CUST\_PMT\_ADV is mapped to the product of Repo and Reverse Repo.

- The system supports auto liquidation and the MT 900 and MT 910 message will be generated when the LIQD event occurs on EOD processing.

You need to maintain the following details for the contract level message generation:

- Treasury message type for SR module and message type 'CUST\_PMT\_ADV' using the 'Treasury Message Type Maintenance' screen.
- Maintain new advice 'CUST\_PMT\_ADV' for INIT, LIQD, ROLL, VAMI event using the 'Security Repo Product Definition' screen.
- The system displays an appropriate error message if CUST\_PMT\_ADV is maintained to SGEN event.
- When CUST\_PMT\_ADV advice is maintained at specific events, the system will restrict you to maintain CREDIT\_ADVICE DEBIT\_ADVICE and displays an appropriate error message.
- Both PAYMENT\_MESSAGE and CUST\_PMT\_ADV can be mapped to same event. The system generates the messages at contract level based on the product.

# 3

## Risk Free Rates

Provision to consume Risk Free Rates (RFR) or any other index rate daily from a published source is provided. The system integrates product processor with centralized interest calculation engine. The Product Processor sends appropriate parameters to the Interest Calculation Engine per deal and receives the interest rate and computed interest amount.

RFR supports interest rate calculation on both simple average method and the compounding method, where the accrued interest is added to the principal. The system maintains the daily interest amount and daily rate for each contract.

RFR also supports interest rate calculation by using weighted average method (WAC).



### Note:

Only simple interest calculation can be done by WAC.

RFR does not support negative interest rate calculations.

The required accruals are posted on currency working days only and are reconciled for payouts at the end of the interest period.

RFR supports both the back and future value date bookings with proper interest application.

The SR module supports the below RFR methods.

In Arrear Method for bearing type of products include the below types:

- Lookback
- Lockout
- Payment Delay
- Plain
- Interest Rollover

In addition to the above, the SR module supports the below RFR combination methods:

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

In Advance method supported for discounted and true discounted products include the below types:

- Last reset
- Last recent

The WAC method supports the Arrear method and RFR combination method.

The arrear method supports the following bearing products:

- Lookback
- Lockout
- Payment Delay
- Plain

The below RFR combination methods are supported in the WAC method:

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

For detailed information on RFR calculation method for each type, refer to the [RFR calculation method](#) worksheet.

This topic has the following topics:

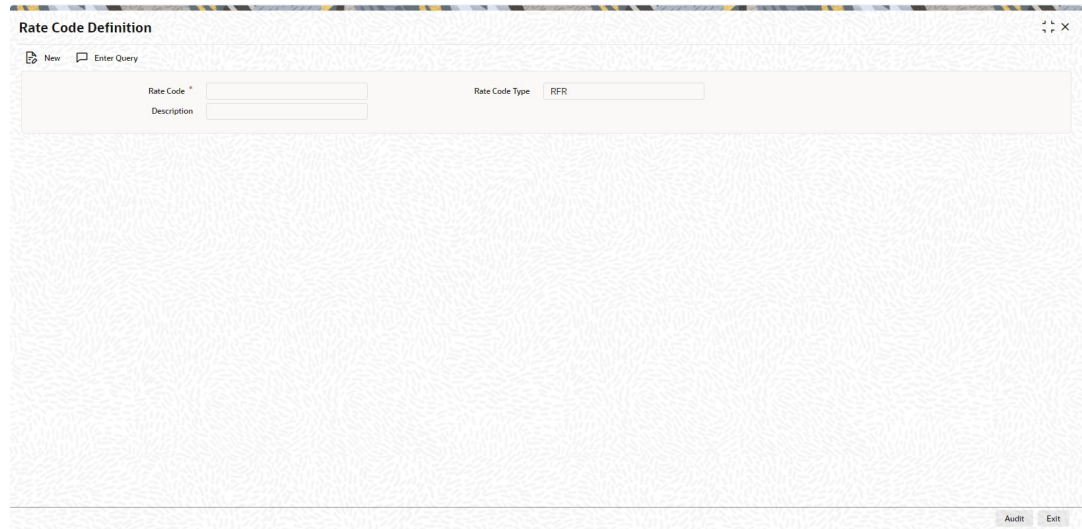
- [Define Rate codes for Risk Free rates](#)  
This topic provides the instructions to define the rate codes for risk free rates.
- [Risk Free Rates](#)  
This topic provides the instructions to capture the Risk Free Rates.
- [Treasury Interest Class Definition](#)  
This topic describes the instructions to capture the Treasury Interest Class Definition details.
- [Securities Repo Product](#)  
This topic provides the instructions to capture the RFR details in Security Repo Product.
- [Securities Repo Contract](#)  
This topic provides the instructions to capture the RFR details in Security Repo Contract.
- [Securities Repo Value Dated changes](#)  
This topic provides the instructions to capture the RFR details in Securities Repo Value dated changes.
- [Lifecycle process Impact](#)  
This topic describes the lifecycle process impact of RFR contract.

## 3.1 Define Rate codes for Risk Free rates

This topic provides the instructions to define the rate codes for risk free rates.

RFR codes is maintained at the **Rate Code Definition** screen.

1. On the Homepage, type **CFDFRTCD** in the text box, and click the next arrow.  
**Rate Code Definition** screen is displayed.

**Figure 3-1 Rate Code Definition**

The screenshot shows a web application window titled "Rate Code Definition". At the top left, there are two buttons: "New" and "Enter Query". Below these buttons, there are two input fields: "Rate Code \*" and "Description". To the right of these fields, there is a "Rate Code Type" dropdown menu with "RFR" selected. At the bottom right of the window, there are two buttons: "Audit" and "Exit".

2. <Enter the next step.>  
(Optional) <Enter additional information about the step.>
3. <Enter the next step.>
  - (Optional) <Enter one of the user's choices while performing this step.>
  - (Optional) <Enter another of the user's choices while performing this step.>
4. <Enter the next step.>
  - a. (Optional) <Enter a substep.>
  - b. (Optional) <Enter a substep.>

## 3.2 Risk Free Rates

This topic provides the instructions to capture the Risk Free Rates.

Selected Overnight Risk Free rates is maintained in this screen.

1. On the Home page, type **CFDRFRRT** in the text box, and click the next arrow.  
**RFR Rate Input** screen is displayed.

**Figure 3-2 RFR Rate Input**

2. On the **RFR Rate Input** screen, specify the details as required.  
For information on fields refer to:

**Table 3-1 RFR Rate Input - Field Description**

| Field                       | Description   |
|-----------------------------|---|
| <b>Rate Code</b>            | Identifies the Risk Free Reference Rate Code  |
| <b>Rate Description</b>     | Defines the RFR rate code   |
| <b>Type</b>                 | Choose the type of Maintenance: <ul style="list-style-type: none"> <li>• <b>Rate</b></li> <li>• <b>Index</b></li> </ul> |
| <b>Currency Code</b>        | Identifies the currency mapped to RFR code  |
| <b>Rate Received Date</b>   | The date on which our system received the RFR rate  |
| <b>Effective date</b>       | Applicable RFR effective date   |
| <b>Interest rate</b>        | RFR on the respective effective date  |
| <b>Rate Applicable days</b> | Number of days the RFR is applicable for  |
| <b>Percentile</b>           | Percentile of RFR defined as 1st, 25th, 75th and 99th   |
| <b>Volume in Billions</b>   | Identifies the RFR volume in count of billions  |

## 3.3 Treasury Interest Class Definition

This topic describes the instructions to capture the Treasury Interest Class Definition details. Treasury Interest Class Definition supports RFR methods and computation preferences.

1. On the Home page, type **CFDTRINC** in the text box, and click the next arrow.  
**Treasury Interest Class Definition** screen is displayed.

Figure 3-3 Treasury Interest Class Definition

2. On the **Treasury Interest Class Definition** screen, specify the details as required. For information on fields refer to: xref


Table 3-2 Treasury Interest Class Definition - Field Description

| Field   | Description  |
|---|--|
| <b>Alternative Risk Free Rate</b>             | Identifies if the interest class is enabled for RFR  |
| <b>Alternative Risk Free Rate Preferences</b> | <p>Select any one of the RFR calculation method check box from the below options:</p> <ul style="list-style-type: none"> <li>• Lookback</li> <li>• Payment Delay</li> <li>• Lockout</li> <li>• Interest Rollover</li> <li>• Last Reset</li> <li>• Last Recent</li> <li>• Plain</li> <li>• Weighted Average</li> </ul> <p>The user can also select the combination of the below calculation method check box:</p> <ul style="list-style-type: none"> <li>• Lookback and Lockout</li> <li>• Lookback and Payment Delay</li> <li>• Lockout and Payment Delay</li> <li>• Lookback, Lockout, and Payment Delay</li> </ul> |

**Table 3-2 (Cont.) Treasury Interest Class Definition - Field Description**


| Field                          | Description   |
|--------------------------------|---|
| <b>Lookback</b>                | The user can select Lookback as RFR preference if the Rate Method is In-Arrears.<br>The observation period for the interest rate calculation starts and ends a certain number of days prior to the Interest period. As a result, you can choose the interest payment to be calculated prior to the end of the interest period.  |
| <b>Look Back Days</b>          | This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lookback.  |
| <b>Lockout</b>                 | The user can select Lockout as RFR preference if the Rate Method is In-Arrears.<br>Lockout means that the RFR is frozen for a certain number of days prior to the end of an interest period (lockout period).<br>During this time, the RFR of lockout period days is applied for the remaining days of the interest period. As a result, the averaged RFR can be calculated a couple of days before the end of the Interest period. |
| <b>Lockout Days</b>            | This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lockout.   |
| <b>Payment Delay</b>           | The user can select Payment Delay as RFR preference if the Rate Method is In-Arrears.<br>In this method, Interest payments are delayed by a certain number of days and are due a few days after the end of an interest period.  |
| <b>Payment Delay Days</b>      | This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Payment delay. Number of days by which the interest (or installment) payments are delayed by a certain number of days and are thus due a few days after the end of an interest period.   |
| <b>Interest Rollover</b>       | Select this check box to enable the interest rollover as RFR preference.<br>Payments are set in advance and any missed interest relative to in arrears is rolled over into the next payment period.<br>This option combines a first payment (installment payment) known at the beginning of the interest period with an adjustment payment known at the end.  |
| <b>Plain</b>                   | This field will only be relevant if Rate Method is In-Arrears or bearing and RFR method is Plain. System uses averaged RFR over current interest period, paid on first day of next interest period.   |
| <b>Last Reset</b>              | This field will only be relevant if 'Rate Method' is 'In-Advance' and 'Rate Convention' is Last reset. In this option, interest payments are determined on the basis of the averaged RFR of the previous period.  |
| <b>Last Recent</b>             | This field will only be relevant if 'Rate Method' is 'In-Advance' and 'Rate Convention' is Last recent.<br>In this option, a single RFR or an averaged RFR for a short number of days, are applied for the entire interest period   |
| <b>Base Computation Method</b> | It is either simple or compounded   |
| <b>Computation Calendar</b>    | Select the Computation Calendar from the drop-down list, when RFR is selected for interest calculation. The available options are: <ul style="list-style-type: none"> <li>• Currency</li> <li>• Financial Calendar</li> </ul>   |

**Table 3-2 (Cont.) Treasury Interest Class Definition - Field Description**

| Field                                    | Description  |
|--|--|
| <b>Financial Center</b>                  | This field is mandatory if the financial center is selected as a computation calendar.<br>Select the code of the financial center from the displayed list of values.   |
| <b>Spread\ Margin Computation Method</b> | Spread\ Margin computation method can be maintained as either Simple or compounded.  |
| <b>Spread Adjustment Method</b>          | Spread adjustment method is either as either Simple or compounded  |
| <b>Rate Compounding</b>                  | <p>User can select the rate compounding to be applied for each calculation period. When enabled, system opts for rate compounding instead of amount compounding, the amount difference comes into effect only if any pre-payment is done.</p> <div style="border: 1px solid #0070C0; background-color: #D9E1F2; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>For more information on RFR Rate Compounding calculation, refer to the attached <a href="#">RFR Rate Compounding calculation worksheet</a>.</p> </div>   |
| <b>Rate Compounding Method</b>           | <p>Select the Rate Compounding Method from the drop-down list. The available options are:</p> <ul style="list-style-type: none"> <li>• <b>CCR</b></li> <li>• <b>NCCR</b></li> </ul> <p>This Rate Compounding method produces a rate for a period by applying the RFR compounding formula to the RFR rate and applying the compounded rate to the principal to calculate the interest due. Currently it's applicable for MM &amp; SR modules. Rate Compounding supports two methods:</p> <p><b>1. Cumulative Compounded Rate (CCR)</b></p> <p>Calculates the compounded rate at the end of the interest period and it is applied to the whole period. It allows calculation of interest for the whole period using a single compounded rate.</p> <p><b>2. Non-Cumulative Compounded Rate (NCCR)</b></p> <p>It is derived from Cumulative Compounded Rate i.e., Cumulative rate as of current day minus Cumulative rate as of prior Banking day. This generates a daily compounded rate which allows the calculation of a daily interest amount. Rate Compounding supports below RFR preferences:</p> <p>Arrear Method</p> <ul style="list-style-type: none"> <li>• Lookback</li> <li>• Lockout</li> <li>• Payment Delay</li> <li>• Plain</li> </ul> |



**Table 3-2 (Cont.) Treasury Interest Class Definition - Field Description**

| Field                           | Description  |
|---------------------------------|--|
| <p><b>Index Value</b></p>       | <p>Select the Index Value check box to use the RFR index rate.</p> <p>The RFR Index measures the cumulative impact of compounding RFR on a unit of investment over time. Index Value supports below RFR preferences:</p> <p>Arrear Method</p> <ul style="list-style-type: none"> <li>• Lookback</li> <li>• Lockout</li> <li>• Payment Delay</li> <li>• Plain</li> </ul> <p>Advance Method</p> <ul style="list-style-type: none"> <li>• Last Reset</li> <li>• Last Recent</li> </ul> <p>For more information on RFR Index value calculation, refer to the attached <a href="#">RFR Index Value</a> calculation worksheet.</p>   |
| <p><b>Observation Shift</b></p> | <p>Select the Observation Shift check box to apply observation Shift to RFR calculation. The observation shift mechanism provides the rate to be calculated and weighted by reference to the Observation Period rather than the relevant interest period.</p> <p>Observation Shift Currently supports below RFR Methods and combination.</p> <ul style="list-style-type: none"> <li>• Lookback</li> <li>• Lockout</li> <li>• Lookback and Lockout combination</li> </ul> <div style="background-color: #e6f2ff; padding: 10px; margin-top: 10px;"> <p> <b>Note:</b></p> <p>For more information on RFR Index value calculation, refer to the attached <a href="#">RFR Observation Shift</a> calculation worksheet.</p> </div> |

**Table 3-2 (Cont.) Treasury Interest Class Definition - Field Description**

| Field                            | Description  |
|----------------------------------|--|
| <b>Weighted Average</b>          | <p>Select this check box to use weighted average calculation (WAC) as the RFR calculation method. The WAC here represent the simple average calculation and not compounded.</p> <p>The averaged RFR in this convention is the simple arithmetic mean of the daily RFRs. OBTR supports WAC to calculate base rate (BR), Credit Adjustment Spread (CAS), and Customer Margin. The WAC formula to calculate simple interest is:</p> $AvgRate = \left[ \sum_{i=1}^{d_b} \left( \frac{r_i \times n_i}{N} \right) \right] \times \frac{N}{d_c}$ $InterestAmt = Principal \times AvgRate \times \frac{d_c}{N}$ <p>Here,</p> <p>db: the number of business days for the interest calculation period<br/> dc: the number of calendar days for the interest calculation period<br/> ri: reference rate for the day number i within the interest calculation period<br/> ni: the number of calendar days for which rate ri applied (on most days, ni will be 1, but on a Friday it will generally be 3, and it will also be larger than 1 on the business day before a holiday<br/> N: the number of calendar days in one year (360 to 365) For more information, refer to the <a href="#">RFR WAC</a> sheet.</p> |
| <b>Payment Movement Calendar</b> | <p>Select the payment movement calendar. The list displays the following values:</p> <ul style="list-style-type: none"> <li>• <b>Calendar</b></li> <li>• <b>Business</b></li> </ul> <p>If the option Calendar is selected, then the system skips the Holiday Preferences selected at the contract level. If the option Business is selected, it considers holiday treatment specified for schedule as per the Holiday Preferences selected at the contract level.</p>  |
| <b>RFR Rounding Unit</b>         | <p>Specify the Rounding Units value to round daily index value to the nearest whole number and use it for interest calculation.</p> <p>It is applicable only when RFR index value is used.</p>   |

3. On the **Treasury Interest Class Definition** screen, specify the details as required.

The following steps are followed:

- Rate code Field will fetch all the rate codes maintained at CFDFLTRI (floating rate code) and CFDRFRRT (RFR codes).
- If the RFR flag is checked, the rate code selected is maintained in CFDRFRRT(RFR codes) screen. Selecting the rate code is mandatory when RFR flag is checked.
- If the RFR flag is unchecked, select a rate code maintained in CFDFLTRI (floating rate code).

- Under limits multi-block, the system allows the saving of record for RFR mapped rate code currency only. Example for RFR code: RFR, only USD currency record is permitted. If in case any other currency is maintained, the system validates accordingly throws an error.
- For an RFR rate code currency, entering min and max rate is allowed.
- There are no restrictions on the interest basis selection for RFR rate codes.
- RFR usage is allowed only for the Main Interest component.
- The system allows multiple Interest class records for same RFR code and currency but with different preferences.
- After the Interest class maintenance is saved and authorized, the system allows the user to unlock the RFR details and modify it based on the requirement.

## 3.4 Securities Repo Product

This topic provides the instructions to capture the RFR details in Security Repo Product.

Login to the homepage and navigate to the Securities Repo Product screen.

The Securities Repo Product screen, Interest call form is enhanced to have similar new fields introduced in **Treasury Interest Class Definition (CFDTRINC)** screen.

1. On the **Securities Repo Product** Screen, click **Interest**.  
**ICCF details** screen is displayed.

Figure 3-4 ICCF details

2. On the **ICCF details**, specify the details as required.

During the creation and unlock after the authorization, user can change RFR preferences after they are defaulted from interest class.

During check and uncheck of RFR flag, the respective Rate code mapping is done.

System allows mapping of only one RFR interest class as the main component.

#### Note:

Once contract is saved and authorized, the RFR preferences cannot be changed.

## 3.5 Securities Repo Contract

This topic provides the instructions to capture the RFR details in Security Repo Contract.

Login to the homepage and navigate to the Security Repo Contract screen.

Interest call form of the Security Repo Contract screen is enhanced to have similar new fields introduced in **Treasury Interest Class Definition (CFDTRINC)** screen.

1. On the **Security Repo Contract** Screen, click **Interest**.  
**Treasury Interest Class Definition** screen is displayed.

**Figure 3-5 Treasury Interest Class Definition**

2. On the **Treasury Interest Class Definition** screen, specify the details as required.  
During the contract creation, user can change RFR preferences after they are defaulted from product level.  
When the user check or uncheck the RFR flag, map the respective rate code mapping.  
Existing customer margin field is used for RFR spread/margin value.  
Spread Adjustment field is enabled and used only for RFR component. Existing spread field is disabled and nullified for RFR component.  
The system allows mapping of only one RFR interest class as the main component for a contract. The system uses the Existing Rate Fixing Days field as lookback days for RFR Advance methods.

 **Note:**

Once contract is saved and authorized, the RFR preferences cannot be changed.

3. On the **Securities Repo Contract Online** screen, navigate to the Schedules tab and click **Explode**.  
Interest rate details are added to schedules explode to display details of interest calculated by system.

Payment Schedule Details screen is displayed.

Figure 3-6 Payment Schedule Details

The screenshot shows the 'Payment Schedule Details' window with the following sections:

- Schedule Summary:** Table with columns: Due date, Pay Receive, Currency, Total amount Due, Total Amount Settled, Total Amount Adjusted, Subsidy Amount, Settlement Date. Message: 'No data to display.' Page: 1 (0 of 0 items).
- Schedule Details:** Table with columns: Component, Pay Receive, Amount Due, Amount Settled, Adjusted Amount, Subsidy Amount, Back Value Adjustment Amount. Message: 'No data to display.' Page: 1 (0 of 0 items).
- Interest Rate Details:** Table with columns: Calculation Date, Rate Type, Rate Code, Principal Basis, Base Rate, Weighted Average Rate, Base Index Rate, Spread / Margin, Spread Adjustment, No. of Days. Message: 'No data to display.' Page: 1 (0 of 0 items).
- Amount Settled:** Table with columns: Input Date, Value Date, Amount Settled, LCY Equivalent Settled. Message: 'No data to display.' Page: 1 (0 of 0 items).

Buttons: 'Schedule Dates' (bottom left), 'Exit' (bottom right).

4. Refer to the provided payment schedule breakup.  
The following details are available:

**Table 3-3 Schedule Breakup**

| Field                        | Description   |
|------------------------------|---|
| <b>Interest Rate Details</b> | <ul style="list-style-type: none"> <li>• Calculation Date</li> <li>• Rate Type</li> <li>• Rate Code</li> <li>• Principal Basis</li> <li>• Base Rate</li> <li>• Base Index Rate</li> <li>• Spread/Margin</li> <li>• Spread Adjustment</li> <li>• No. of Days</li> <li>• Compound Interest</li> <li>• Simple Interest</li> <li>• Total Interest</li> <li>• Cumulative Interest</li> <li>• Rate Pickup Date</li> </ul> |
| <b>Schedule Details</b>      | Specify the Schedule details.   |
| <b>Interest Rate Details</b> | Specify the Interest Rate Details fields.   |

5. Effective interest rate is displayed as per the below calculation as an example. Consider a contract with Lookback RFR calculation method with below details:
- Trade date= 04 March 2020
  - Value date= 04 March 2020
  - Maturity date= 16 March 2020
  - System date= 16 March 2020
  - Principal= USD 95000
  - Lookback days= 1
  - Customer margin=0
  - Spread adjustment= 0
  - Base amount calc method= Lookback compounded
  - Interest basis= Actual/Actual

Below is the calculation for accruals (based on RFR rates taken as an example)

**Table 3-4 Accrual Calculation**

| Calender Date | Effective Date | Rate  | Principal | Accrual  |
|---------------|----------------|-------|-----------|----------|
| 4-Mar         | 3-Mar          | 1.01% | 95000     | 2.621585 |
| 5-Mar         | 4-Mar          | 1.02% | 95002.62  | 2.647614 |
| 6-Mar         | 5-Mar          | 1.03% | 95005.27  | 8.020937 |
| 9-Mar         | 7-Mar          | 1.04% | 95013.29  | 2.699831 |
| 10-Mar        | 9-Mar          | 1.05% | 95015.99  | 2.725869 |
| 11-Mar        | 10-Mar         | 1.06% | 95018.72  | 2.751908 |
| 12-Mar        | 11-Mar         | 1.07% | 95021.47  | 2.77795  |
| 13-Mar        | 12-Mar         | 1.08% | 95024.25  | 8.411982 |

**Table 3-4 (Cont.) Accrual Calculation**

| Calendar Date | Effective Date | Rate  | Principal | Accrual  |
|---------------|----------------|-------|-----------|----------|
| 16-Mar        | 14-Mar         | 1.09% | 95032.66  | 2.877378 |

Taking the final accrual as 32.63 USD with a simple interest calculation method for nominal of USD 95000 for a period from 04 March to 16 March 2020, the effective rate is calculated to be:

$$\text{Effective rate} = 1 + (32.63 \times 365) / (95000 \times 13) = 1.00938947$$

- To ensure that the rates are within the stipulated limits, the Security Repo module supports Minimum and Maximum Rate pick up for RFR enabled contracts.

If the derived RFR rate for a contract considering the base rate and spread adjustment is less than the minimum rate, the minimum rate maintained is applied on the contract.

If the derived RFR rate for a contract considering the base rate and spread adjustment is greater than the maximum rate, the maximum rate is applied on the contract overriding the RFR rates.

- The SR module supports booking of Repo and Reverse Repo deals having RFR preference enabled Security instruments.

## 3.6 Securities Repo Value Dated changes

This topic provides the instructions to capture the RFR details in Securities Repo Value dated changes.

The Securities Repo Value Amendment screen, Interest call form is enhanced to have similar new fields introduced in **Treasury Interest Class Definition (CFDTRINC)** screen.

- On the **Securities Repo Value Amendment** screen, click **Interest**.

**ICCF** screen is displayed.

- On the **ICCF** screen, below fields are editable during VAMI

- Customer Margin
- Spread Adjustment

No change is allowed for a RFR contract with payment delay method in between the schedule actual due date and the payment date calculated after adding payment delay days.

This topic has the following topic:

- [Securities Repo Payment Input](#)  
Use the Securities Repo Payment Input to process the payment method.

### 3.6.1 Securities Repo Payment Input

Use the Securities Repo Payment Input to process the payment method.

- On the Home page, type **SRDPAMIN** in the text box, and click the next arrow.

The **Securities Repo Payment Input** screen is displayed.



**Figure 3-7 Securities Repo Payment Input**

- On the **Securities Repo Payment Input** screen, specify the details as required.  
For RFR contract on payment delay method, no penalty is charged for payment after actual due date and within payment delay days.  
For information on fields, see the below table

**Table 3-5 Securities Repo Payment Input - Field Description**

| Field                               | Description  |
|-------------------------------------|--|
| <b>Contract Reference Number</b>    | Specify Contract reference number  |
| <b>Syndication Reference Number</b> | Displays syndication reference number  |
| <b>Counterparty</b>                 | Displays contract counterparty ID  |
| <b>Counterparty Name</b>            | Displays counterparty name   |
| <b>Status</b>                       | Displays status of payment   |
| <b>Reject Reason</b>                | Specify the Reject reason Code for payment reversal message. The option list displays all valid code maintained in the system. Choose the appropriate one. |
| <b>Outstanding Amount Currency</b>  | Displays outstanding amount currency   |
| <b>Outstanding Principal Amount</b> | Displays the outstanding balance amount.   |
| <b>Outstanding Amount Repayment</b> | Displays the outstanding amount repayment.   |

**Table 3-5 (Cont.) Securities Repo Payment Input - Field Description**

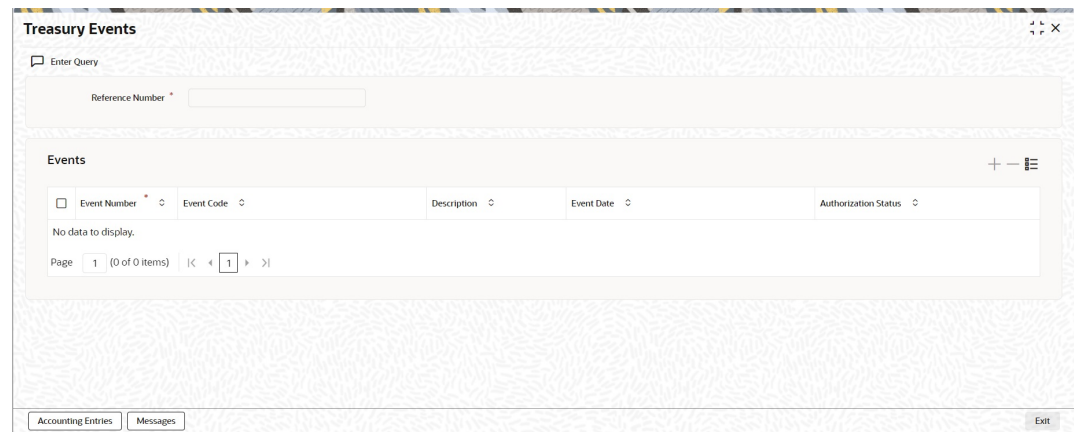
| <b>Field</b>   | <b>Description</b>   |
|--|--|
| <b>Effective From</b>                                    | Enter the date for which the rate must become applicable. Each rate that is defined for a Rate Code and Currency combination must have an Effective Date associated with it. This is the date on which the rate comes into effect. Once a rate comes into effect, it will be applicable till a rate with another Effective Date is given for the same Rate Code and Currency combination                                       |
| <b>Date and Amounts for Population of Components Due</b> | Specify the below fields.  |
| <b>Value Date</b>  | Specify the value date.  |
| <b>Limit Date</b>  | Enter here the Limit Date for prepayments. If the user has given a payment limit date, the system shows all the components, which are due till the limit date.   |
| <b>Limit Amount</b>                                      | Enter the Limit amount for prepayment. If the user has given the amount limit in the Amount field, it shows all the schedules for the limit amount.  |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the limit amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.  |
| <b>Net Amount Settled</b>                                | Enter the amount being paid for a particular component. This must be less than or equal to the total amount due for the component. If there are both positive and negative amounts are to be settled, then specify the net amount in this field.   |
| <b>Negative Amount Settled</b>                           | The system displays the total negative amount that should be settled. Partial settlement of negative amount is restricted.<br>Back dated payment of interest amount is allowed till last payment or amendment date whichever is later.   |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the total paid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.   |
| <b>Total Pre-paid</b>                                    | Specify the prepaid amount.  |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the total prepaid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.  |
| <b>Liquidated Nominal</b>                                | Specify the Liquidated Nominal amount which is the amount that the user receives, when the user redeem a T-Bill on the maturity date.<br>This is also known as the face value of the T-Bill. The discount rate is used to calculate the Net Present Value (NPV) of a T-Bill when it is liquidated before the liquidation date i.e. the actual value obtained on the T-Bill when the user redeem it prior to the maturity date. |
| <b>Local Currency Equivalent</b>                         | Specify the local currency equivalent for the liquidated nominal value of the amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.  |
| <b>Discount Rate</b>                                     | Enter the discount rate.<br>If the discount rate basis is Direct Input then the user has to enter the rate at which interest is to be discounted in this field.  |
| <b>Component</b>   | Displays the Component for which payment is done   |
| <b>Amount Due</b>  | Displays the amount due for the component that the user has to repay   |

**Table 3-5 (Cont.) Securities Repo Payment Input - Field Description**

| Field                               | Description                                     |
|-------------------------------------|---|
| <b>Overdue Days</b>                 | Displays the overdue days                       |
| <b>Amount Paid</b>                  | Specify the paid amount.                        |
| <b>Interest</b>                     | Specify the interest prepaid for the component. |
| <b>Tax</b>                          | Specify the amount paid in tax.                 |
| <b>Prepayment Penalty Rate</b>      | Displays the Prepayment penalty rate            |
| <b>Penalty Amount</b>               | Displays the penalty amount                     |
| <b>Adjustment Amount</b>            | Displays the Adjustment amount                  |
| <b>Additional Adjustment Amount</b> | Displays the additional adjustment amount       |
| <b>Payment Remarks</b>              | Specify the payment remarks                     |

- The system validates that ,if there are outstanding positive or negative interest amounts related to multiple schedules, earlier schedules are fully paid before settling subsequent schedules.
- On the **Securities Repo Payment Input** screen, click **Events**.  
The **Treasury Events** screen is displayed.

**Figure 3-8 Treasury Events**



- On the **Treasury Events** screen, specify the details as required.  
For information on fields, see the below table:

**Table 3-6 Treasury Events - Field Description**

| Field                   | Description  |
|-------------------------|--|
| <b>Reference Number</b> | Payment reference number automatically gets defaulted for the current payment. |
| <b>Events</b>           | Displays the event   |
| <b>Event Number</b>     | This is a Mandatory field.<br>Displays the event sequence number               |
| <b>Event Code</b>       | Displays the event code  |

**Table 3-6 (Cont.) Treasury Events - Field Description**

| Field                       | Description                             |
|-----------------------------|---|
| <b>Description</b>          | Displays the event code description     |
| <b>Event Date</b>           | Displays the event date                 |
| <b>Authorization Status</b> | Displays the event authorization status |
| <b>Maker Id</b>             | Displays the payment marker ID          |
| <b>Checker Id</b>           | Displays the payment checker ID         |

- On the **Treasury Events** screen, click **Accounting Entries**.  
The **Treasury Accounting Entries** screen is displayed.

**Figure 3-9 Treasury Accounting Entries**

- On the **Treasury Accounting Entries** screen, specify the details as required.  
For information on fields, see the below table:

**Table 3-7 Treasury Accounting Entries - Field Description**

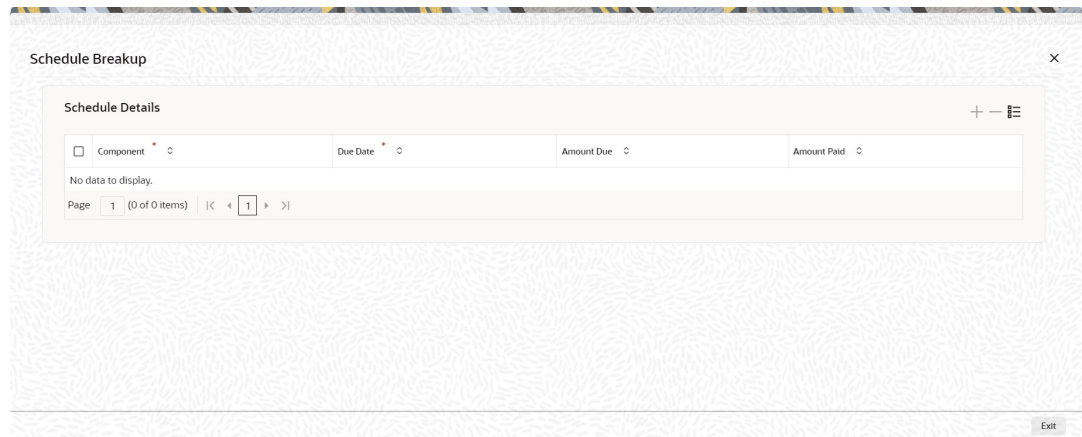
| Field                          | Description                                     |
|--------------------------------|---|
| <b>Reference Number</b>        | Displays the contract reference number          |
| <b>Event Number</b>            | Displays the event number                       |
| <b>Event</b>                   | Displays the event                              |
| <b>Accounting Entries</b>      | Specify the Accounting Entries fields.          |
| <b>Event</b>                   | Displays the event                              |
| <b>Branch</b>                  | Displays the account branch                     |
| <b>Account</b>                 | Displays the account number                     |
| <b>Account Description</b>     | Displays the account description                |
| <b>Debit or Credit</b>         | Displays whether account is debited or credited |
| <b>Amount Tag</b>              | Displays the related amount tag                 |
| <b>Account Currency</b>        | Displays the account currency                   |
| <b>Foreign Currency Amount</b> | Displays the FCY amount                         |

**Table 3-7 (Cont.) Treasury Accounting Entries - Field Description**

| Field                        | Description  |
|------------------------------|--|
| <b>Rate</b>                  | Displays the exchange rate   |
| <b>Local Currency Amount</b> | Displays the local currency equivalent amount for a foreign currency payment |
| <b>Date</b>                  | Displays the event date  |
| <b>Value Date</b>            | Displays the event value date  |
| <b>Txn Code</b>              | Displays the transaction code  |

- On the **Securities Repo Payment Input** screen, Click **Breakup**  
The **Schedule Breakup** screen is displayed.

**Figure 3-10 Schedule Breakup**



- On the **Schedule Breakup** screen, specify the details as required.  
For information on fields, see the below table:

**Table 3-8 Schedule Breakup - Field Description**

| Field              | Description   |
|--------------------|---|
| <b>Component</b>   | The component getting paid is displayed.  |
| <b>Due Date</b>    | The due date of the component liquidated is displayed.  |
| <b>Amount Due</b>  | The amount outstanding for the liquidated component is displayed here.                                  |
| <b>Amount Paid</b> | The user can see here the amount paid for the component as of the value date (the current system date). |

- On the **Securities Repo Payment Input** screen, click **Settlement**.  
The **Settlement Details** screen is displayed.

**Figure 3-11 Settlement Details**

11. On the **Settlement Details** screen, specify the details as required.  
For more information, refer settlement guide for settlement processing.
12. On the **Security Repo Payment Input** screen, click **Split Settlement**.  
The **Split Settlement** screen is displayed.

**Figure 3-12 Split Settlement**

13. On the **Split Settlement** screen, specify the details as required.
14. On the **Security Repo Payment Input** screen, click **Advice**.  
The **Advice Details** screen is displayed.

**Figure 3-13 Advice Details**

15. On the **Advices** screen, specify the details as required.  
For information on fields, see the below table

**Table 3-9 Advices- Field Description**

| Field                     | Description                        |
|---------------------------|------------------------------------|
| <b>Contract Reference</b> | Displays contract reference number |
| <b>Advice Name</b>        | Displays the advice name           |
| <b>Receiver</b>           | Displays the receiver name         |
| <b>Medium</b>             | Displays the medium details        |
| <b>Suppress</b>           | Displays the suppress details      |
| <b>Priority</b>           | Displays the Priority details      |

16. On the **Security Repo Payment Input** screen, click **Charges**.  
The **Charge Details** screen is displayed.

**Figure 3-14 Charge Details**

17. On the **Charge Details** screen, specify the details as required.

For more information on fields, see the below table:

**Table 3-10 Charges Details- Field Description**

| Field                                    | Description  |
|--|--|
| <b>Contract Reference</b>                | Displays the contract reference number                                   |
| <b>Charge Association</b>                | Specify the below fields.  |
| <b>Creation ESN</b>                      | Displays the Event Sequence number                                       |
| <b>Component</b>                         | Displays the charge component  |
| <b>Rule</b>                              | Displays the Charge Rule ID  |
| <b>Description</b>                       | Displays the Charge Rule description                                     |
| <b>Consider as Discount</b>              | Displays whether Charge component must be considered for IRR calculation |
| <b>Waived</b>                            | Specify if user wants to waive the charge associated to the event        |
| <b>Accrual Required</b>                  | Displays if charge must be accrued or not                                |
| <b>External Pricing</b>                  | Displays if charge is priced externally                                  |
| <b>Debit Customer as part of Billing</b> | Displays if charge id debited from customer                              |
| <b>Charge Application</b>                | Specify the below fields.  |
| <b>Creation ESN</b>                      | Displays Event sequence number   |
| <b>Component</b>                         | Displays Charge component  |
| <b>Tag Currency</b>                      | Displays tag currency  |
| <b>Tag Amount</b>                        | Displays tag amount  |



**Table 3-10 (Cont.) Charges Details- Field Description**

| Field                        | Description  |
|------------------------------|--|
| <b>Charge Currency</b>       | Displays charge currency                                       |
| <b>Charge Amount</b>         | Displays charge amount   |
| <b>Consider as Discount</b>  | Displays if charge component is considered for IRR calculation |
| <b>Waived</b>                | Specify if the charge applied for the contract must be waived  |
| <b>Liquidated</b>            | Displays if charge is liquidated                               |
| <b>Charge Liquidation</b>    | Specify the below fields.                                      |
| <b>Event Sequence Number</b> | Displays event sequence number.                                |
| <b>Component</b>             | Displays charge component                                      |
| <b>Charge Currency</b>       | Displays charge currency                                       |
| <b>Charge Amount</b>         | Displays the charge amount                                     |
| <b>Liquidated</b>            | Displays if charge is liquidate for the contract               |

18. On the **Security Payment Repo Input** screen, click **Tax**.  
The **Tax Details** screen is displayed.

**Figure 3-15 Tax Details**

The screenshot shows the 'Tax Details' window. At the top, there are input fields for 'Product Code', 'Tax Scheme', 'Product Description', and 'Scheme Description'. Below these are two expandable sections: 'Tax Details' and 'Currency Details'. Each section contains a table of fields with dropdown menus and search icons. The 'Tax Details' section includes fields for 'Tax Rule', 'Tax Component', 'Basis Amount Tag', 'Event', 'Tax Type', and 'Minimum Interest Rate Code for Tax'. The 'Currency Details' section includes fields for 'Currency', 'Maximum Interest Period for Tax', 'Period Unit', and 'Minimum Interest Amount for Tax'. Both sections show 'No data to display.' and a pagination control for 'Page 1 (0 of 0 items)'. At the bottom right, there are 'Exit' and 'Save' buttons.

19. On the **Tax Details** screen, specify the details as required.  
For information on fields, see the below table

**Table 3-11 Tax Details - Description**

| Field                      | Description  |
|----------------------------|--|
| <b>Tax Scheme</b>          | Choose A Tax Scheme from the Option list                   |
| <b>Product Description</b> | Add Product code and its description like other sub system |
| <b>Scheme Description</b>  | System defaults scheme description                         |
| <b>Tax Details</b>         | Specify the below fields.                                  |

**Table 3-11 (Cont.) Tax Details - Description**

| Field                                     | Description  |
|---|--|
| <b>Tax Rule</b>                           | System defaults the Tax Rule mapped to the scheme for Tax computation  |
| <b>Tax Component</b>                      | The method of tax application defined for the Tax Rule will be applied on this component   |
| <b>Basis Amount Tag</b>                   | Amount tag on which Tax is computed  |
| <b>Event</b>                              | Specify the event for which the tax is applicable.   |
| <b>Tax type</b>                           | The type of tax, decides the bearer the tax. It could be the bank or the customer.<br>A customer bears withholding type of tax and the tax component is debited to the customer's account. The bank bears an expense type of tax and the tax component is booked to a tax expense account. |
| <b>Minimum Interest Rate Code for Tax</b> | Specify the rate code for Tax  |
| <b>Currency Details</b>                   | Specify the below fields.  |
| <b>Currency</b>                           | Specify the currency from the list of option   |
| <b>Maximum Interest Period for Tax</b>    | Specify the maximum interest period for the tax  |
| <b>Period Unit</b>                        | Specify the period as <ul style="list-style-type: none"> <li>• Days</li> <li>• Months</li> <li>• Year</li> </ul>   |
| <b>Minimum Interest Amount for Tax</b>    | Specify the minimum Interest amount for the tax  |

20. On the **Securities Repo Payment Input** screen, click MIS.  
The **MIS Details** screen is displayed.

**Figure 3-16 MIS Details**

The screenshot displays the 'MIS Details' window with the following sections and fields:

- Contract Reference:** A text input field with a red asterisk.
- MIS Group:** A dropdown menu with a search icon and a 'Default' button.
- Link To Group:** A toggle switch.
- Input Section:**
  - Radio buttons for 'Link To Group', 'Related Reference', and 'Related Account'.
  - Searchable input fields for 'Related Account', 'Related Reference', and 'MIS Head'.
  - Searchable input fields for 'Rate Code' and 'Spread'.
- Rate At Section:**
  - Searchable input field for 'Rate Type'.
  - Radio buttons for 'Pool Code' and 'Contract Level'.
  - Searchable input fields for 'Profit Method', 'Refinance Rate', and 'Pool Code'.
  - Searchable input fields for 'Cost Code 1' through 'Cost Code 5'.
- Transaction MIS, Composite MIS, and Fund MIS:** Each section contains a dropdown for 'MIS Group' and two searchable input fields.
- Footer:** Buttons for 'Refinance Rates', 'Amendment Rate', 'Change Log', 'Balance Transfer Log', 'Exit', and 'Save'.

21. On the **MIS Details** screen, specify the details as required.
22. On the **MIS Details** screen, click **Refinance Rate**.  
The **Refinance Rate** screen is displayed.

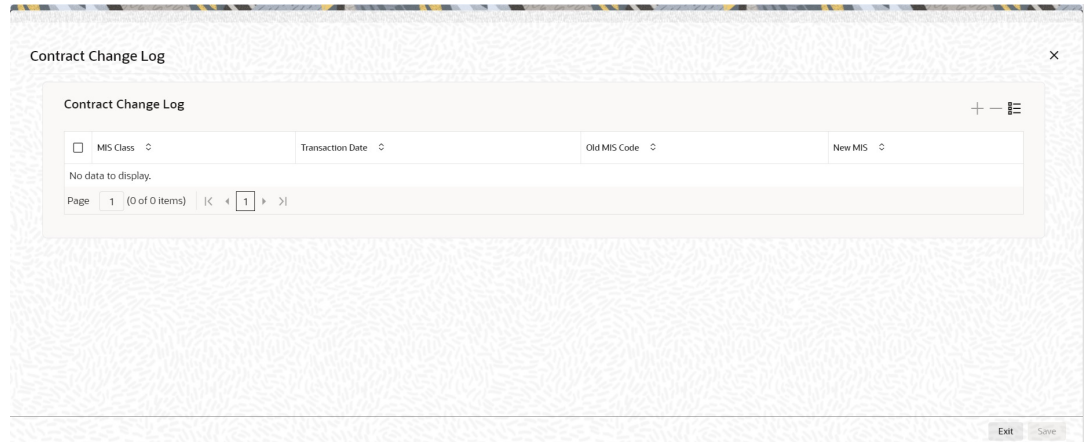
**Figure 3-17 Refinance Rate**

23. On the **Refinance Rate** screen, specify the details as required.
24. On the **MIS Details** screen, click **Amendment Rate**.  
The **Amendment Rate** screen is displayed.

**Figure 3-18 Amendment Rate**

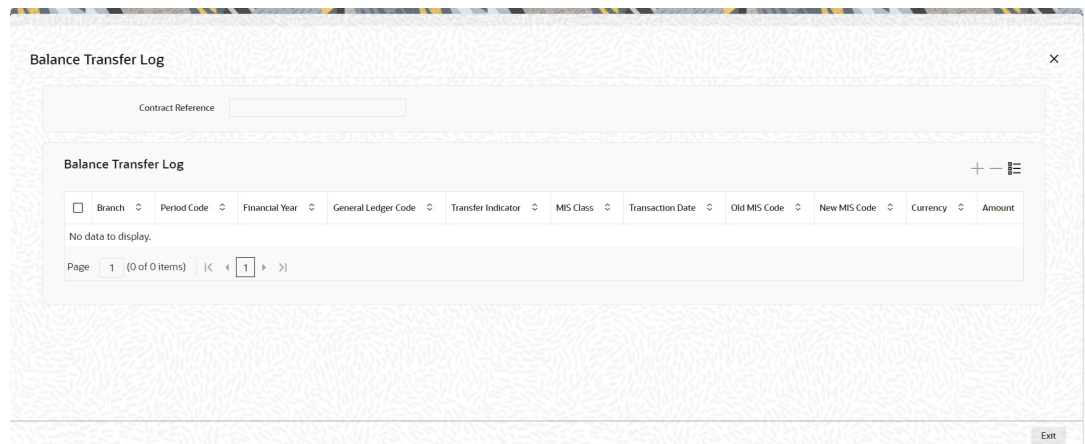
25. On the **MIS Details** screen, click **Change Log**.  
The **Change Log** screen is displayed.

**Figure 3-19 Change Log**



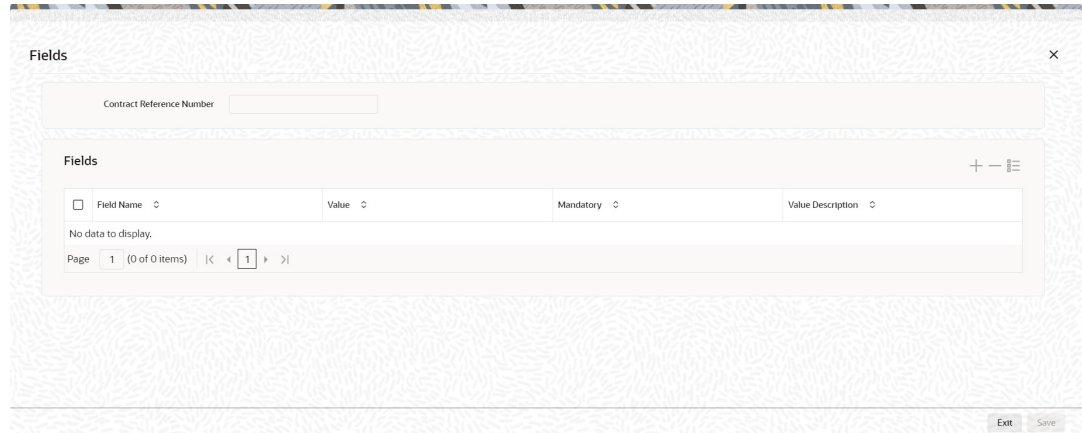
26. On the **Change Log** screen, specify the details as required.
27. On the **MIS Details** screen, click **Balance Transfer Log**.  
The **Balance Transfer Log** screen is displayed.

**Figure 3-20 Balance Transfer Log**



28. On the **Balance Transfer Log** screen, specify the details as required.
29. On the **Securities Repo Payment Input** screen, click **Fields**.  
The **Fields** screen is displayed.

**Figure 3-21 Fields**



30. On the **Fields** screen, specify the details as required.  
For information on fields, see the below table

**Table 3-12 Fields - Field Description**

| Field                            | Description  |
|----------------------------------|--|
| <b>Contract Reference Number</b> | Displays contract reference number                               |
| <b>Field Name</b>                | Defaults user defined field name mapped to the product           |
| <b>Value</b>                     | Specify the UDF value  |
| <b>Mandatory</b>                 | Defaults the mandatory flag from user defined maintenance screen |
| <b>Value Description</b>         | Displays the user defined value description                      |

## 3.7 Lifecycle process Impact

This topic describes the lifecycle process impact of RFR contract.

### Swift Messaging

MT320 SWIFT message generated during BOOK, LIQD & ROLL events, must have proper field values for below tags for SR contracts with RFR component:

- 32H Amount to be Settled
- 34E Currency and Interest Amount
- 37G Interest Rate

MT350 SWIFT message generated during interest payouts must have proper field values for below tags for SR contracts with RFR component:

- 34B Currency and Interest Amount
- 37J Interest Rate

### Contract Advices

Confirmation and rollover advices maintained for SR module must have proper interest rate and amount for SR contracts with RFR component.

### **Intraday Deals**

Booking and liquidation of SR intraday deals is supported for the SR contracts with the RFR component.

### **Back dated and Future dated Contract Booking**

RFR contracts supports both back and future dated booking.

In case of future dated contract, the deal is uninitiated on BOOK date, and the same is processed on the value date during EOD.

When the deal is initiated, the system derives the interest rate and amount.

### **Liquidate back date schedules**

When the user book a Back dated SR contract having the check for Liquidate backdated schedules and if there is back dated interim payment schedule, interest amount for the schedule is derived and settled on save.

### **Interest Accrual**

Interest is calculated and accrued based on the selected computation methods.

Any accrual based on negative interest rate/ negative amount is done at negative component level. Main interest component continues to support positive interest rate/ positive amount based accrual.

Any accrual based on negative interest rate/ negative amount is done at negative component level. Main interest component continues to support positive interest rate/ positive amount based accrual.

### **Interest Schedules**

Interest schedules are displayed against both main interest component and negative interest component separately.

Schedule amount for negative component are shown in absolute value with appropriate Pay or Receive indicators showing whether the amount is to be paid or received by bank

### **Interest Liquidation**

During interest liquidation, cumulative accrued interest amount is paid. RFR supports both Manual and Auto Liquidation of schedules.

### **Back dated and future dated Value dated amendments**

SR Contract with the RFR component supports the Back Dated and Value Dated amendments and respective adjustments are posted.

### **Prepayments and withdrawals**

In case of partial payments, interest calculation considers the outstanding principal amount.

### **Roll Over**

When roll preference is set as the principal only, cumulative interest accrued is liquidated on value date of contract. Else, both principal and interest are rolled over to child contract.

Rate pickup of child contract must happen based on the value date and other RFR preferences selected.

### **Liquidation Delay**

The system supports the delay in liquidating the contract till all the RFR rates are available. Liquidation will happen once the rate is received on the maturity date during EOD batch processing.



#### **Note:**

This functionality is applicable to RFR related contracts only (Plain Method).

# 4

## Securities Financial Transaction Regulation

Due to a lack of data, regulators and supervisors had difficulty anticipating the risks in the securities financing transactions (SFT) during the financial crisis and thereafter. In 2015, the European Union (EU) adopted the securities financing transactions regulation (SFTR) to increase the transparency of SFTs. SFTR covers three key requirements:

- **Transaction reporting:** Financial and non-financial counterparties must report their SFTs to central databases known as trade repositories.
- **Disclosure obligation:** Information on the use of SFTs is disclosed to investors in the regular reports and pre-investments documents issued by the funds.
- **Collateral reuse obligation:** Transparency on the reuse of collateral is required, such as disclosure of risks and the obligation to acquire prior consent.

This topic has the following topics:

- [Static Type Maintenance](#)  
This topic describes the systematic instruction to maintain static type.
- [Treasury Customer Additional Maintenance](#)  
This topic describes the systematic instructions to maintain customer additional details
- [SFTR Reporting Details in Securities Instrument](#)  
This topic describes the maintenance of SFTR reporting details.
- [Securities Repo Contract Online](#)  
This topic describes the instruction to specify details for the Securities Repo Contract Online screen.

### 4.1 Static Type Maintenance

This topic describes the systematic instruction to maintain static type.

This topic provides the instruction to maintain static types which are used to parameterize the SFTR reporting.



#### Note:

All fields marked with an asterisk (\*) are mandatory.

1. On the Home page, enter **CODTRTYP** in the text field and then click the next arrow. **Treasury Static Type Maintenance** screen is displayed.



**Figure 4-1 Treasury Static Type Maintenance**

2. On the **Treasury Static Type Maintenance** screen, specify the details, and click **Save** to record the new maintenance.

xref describes the static maintenance types.

**Table 4-1 Static Maintenance Types**

| Type        | Description                       |
|-------------|-----------------------------------|
| SECTOR      | Sector of a counterparty          |
| ADD SECTOR  | Additional sector of counterparty |
| TR VENUE    | Trading venue                     |
| AG TYPE     | Master agreement type             |
| COLL METHOD | Collateral transfer method        |
| COLL TYPE   | Collateral type                   |

For more information on the fields and combination of parameters to use in Treasury Static Type Maintenance screen, refer to below table. We recommend you use the parameter combination as shown in the below table.

**Table 4-2 Field- Parameters Combination**

| Type       | Type Name | Type Value                    |
|------------|-----------|-------------------------------|
| SECTOR     | REIN      | Reinsurance Undertaking       |
| -          | CSDS      | Central Securities Depository |
| -          | UCIT      | UCITSS                        |
| ADD SECTOR | ETFT      | ETF                           |
| -          | MMFT      | MMF                           |
| -          | REIT      | REIT                          |
| -          | OTHER     | OTHERS                        |
| TR VENUE   | XOFF      | MIC-Admitted                  |

**Table 4-2 (Cont.) Field- Parameters Combination**

| Type        | Type Name | Type Value  |
|-------------|-----------|---|
| -           | XXXX      | MIC-Unadmitted  |
| AG TYPE     | GMRA      | GMRA  |
| -           | CARA      | Investment Industry   |
| -           | CNBR      | China Bond Repo   |
| -           | OTHR      | Others  |
| COLL METHOD | TTCA      | Title transfer  |
| -           | SICA      | Securities financial collateral arrangement                   |
| -           | SIUR      | Securities financial collateral arrangement with right of use |
| COLL TYPE   | GOVS      | Government Securities   |
| -           | FIDE      | Debt Securities   |
| -           | SEPR      | Securitized Products  |

## 4.2 Treasury Customer Additional Maintenance

This topic describes the systematic instructions to maintain customer additional details

To maintain ESMA Details and to capture the Legal Entity Identifier (LEI) code of the customer, perform the following.



**Note:**

All fields marked with an asterisk (\*) are mandatory.

1. On the Home page, enter **STDTRCIF** in the text field, and then click the next arrow.  
**Treasury Customer Additional Maintenance** screen is displayed.

**Figure 4-2 Treasury Customer Additional Maintenance**

The screenshot shows the 'Treasury Customer Additional Details Maintenance' window. At the top, there are search and navigation buttons. Below are several input fields for 'Customer No.', 'Customer Name', 'Customer Category', 'Front Office Short Name', 'Front Office Long Name', and 'Relationship Pricing'. The main area is divided into four tabs: 'Main', 'Additional', 'ESMA Details', and 'Proprietary Codes'. The 'ESMA Details' tab is selected and contains the following controls:

- Settlement Parameters:** A toggle switch for 'CLS Participant'.
- Credit Check Parameters:** A toggle switch for 'Credit Check Required'.
- Multiple Swift Confirmation Parameters:** A toggle switch for 'Fund Type Customer', two search fields for 'Custodian BIC Code' and 'Settlement Member BIC Code', and three radio button options: 'Custodian Only', 'Settlement Member Only', and 'Both Custodian and Settlement Member'.
- Party Role:** A vertical list of toggle switches for 'Clearing House / CCP', 'Counterparty', 'Broker', 'Triparty Agent/Custodian', 'Intermediary', and 'Trading Venue'.

At the bottom of the window, there are buttons for 'CLS Restrictions', 'Force Debit Limit', 'Change Log', 'Audit', and 'Exit'.

2. On the **Treasury Customer Additional Details Maintenance** screen, click the **ESMA Details** tab and specify the details.

The **ESMA Details** page is displayed.

For more information on the field description, refer to the below table.

**Table 4-3 Treasury Customer Additional Details Maintenance - ESMA Details Tab - Field Description**

| Type                          | Description  |
|-------------------------------|--|
| Sector                        | Click the search icon and select the unique code of the sector from the displayed list for identifying a counterparty.   |
| Sector Description            | A brief description of the selected sector of the counterparty is displayed.   |
| Additional Sector             | Click the search icon and select the unique code of the additional sector from the displayed list for identifying a counterparty.<br>Indicates whether the reporting counterparty is an Undertaking for Collective Investment in Transferable Securities (UCITS) or Alternative Investment Fund (AIF). |
| Additional Sector Description | A brief description of the selected additional sector of the counterparty is displayed.  |
| Nature of the Entity          | Select the counterparty's Nature of the Entity from the drop-down list. The drop-down list shows the following options: <ul style="list-style-type: none"> <li>• Financial</li> <li>• Non Financial</li> </ul>   |
| LEI Code                      | Specify the LEI code of the counterparty.  |

## 4.3 SFTR Reporting Details in Securities Instrument

This topic describes the maintenance of SFTR reporting details.

This topic provides the instruction to maintain the Securities Financing Transactions Regulation (SFTR) reporting details in the **Securities Instrument Definition** screen.

The Securities Instrument Definition call form is enhanced with Financial Instrument's Classification field to maintain the SFTR reporting details.



### Note:

All fields marked with an asterisk (\*) are mandatory.

1. On the Home page, enter **SEDTRONL** in the text field, and then click next arrow. **Securities Instrument Definition** screen is displayed.

**Figure 4-3 Securities Instrument Definition**

2. On the **Securities Instrument Definition** screen, specify the **CFI code** (CFI - Classification of Financial Instrument) field of the security instrument. The inputted details will be displayed in the reports.

For more information on the other field description, refer to the *Details of Security* section in the *Securities User guide* in the Securities User Guide.

## 4.4 Securities Repo Contract Online

This topic describes the instruction to specify details for the Securities Repo Contract Online screen.



### Note:

All fields marked with an asterisk (\*) are mandatory.

1. On the Home page, enter **SRDTRONL** in the text field, and then click the next arrow. **Securities Repo Contract Online** screen is displayed.

Figure 4-4 Securities Repo Contract Online

2. On the **Securities Repo Contract Online** screen, click the **ESMA Details** tab and specify the details.

The **ESMA Details** page is displayed.

Figure 4-5 Securities Repo Contract Online - ESMA Details

The screenshot displays the 'Securities Repo Contract Online' application interface. At the top, there are navigation options: 'New' and 'Enter Query'. The main area is divided into several sections:

- Contract Information:** Includes search fields for Product Code, Product Description, Source, Dealer, Broker, Deal Input Time, and Reject Reason.
- Version and Reference Information:** Features a Version Number selector (left and right arrows), Contract Reference Number, User Reference Number, External Reference Number, Reversal reference Number, and Outstanding Amount.
- ESMA Details Tab:** This tab is active and contains:
  - Contract Information:** Report submitting entity, Entity responsible for the report, Clearing member, CSD participant code, Agent lender, Clearing Timestamp, CCP, and Description.
  - Preferences:** Centrally cleared (checkbox), Trading venue, Agreement type, Other agreement type, Master agreement version, Earliest call back date, General collateral indicator, Deliver by value (checkbox), Collateral Method, Collateral Description, Termination optionality, Collateralization of net exposure (checkbox), Hair Cut %, Collateral quality, Collateral type, and Availability for collateral reuse (checkbox).

At the bottom, a navigation bar includes buttons for: Events, Brokerage, Effective Interest Rate, Accrual, Linked Entities, Collateral-Netting, Change Log, Revision Details, Repo, Reverse Repo, Settlement, Split, Audit, and Exit.

For more information on the field description, refer to *Securities Repo Contract Online - ESMA Details Tab - Field Description*.

# 5

## Printing Subsidiary General Ledger Form-Repo and Reverse Repo Deals

At the time of defining a security, the user can specify a form type for the security. If the form is of type SGL, the system automatically generates a corresponding SGL advice. An SGL advice is generated for security, repo and reverse repo deals when the following events occur:

- On authorization of a securities deal
- On initiation of a repo deal
- On liquidation of a reverse repo deal

This topic has the following sub-topic

- [Process SGL Maintenance](#)  
This topic describes the systematic instruction to process SGL maintenance.

### 5.1 Process SGL Maintenance

This topic describes the systematic instruction to process SGL maintenance.

Specify User Id and Password, and login to Homescreen.

An SGL advice is printed on formatted stationery. Every SGL advice triggered by the system is tracked by a unique form number (serial number). The user can maintain the form numbers in the SGL Maintenance screen.

1. On Homescreen, specify **SEDXGLMT** in the text box, and click next arrow.  
**SGL Maintenance** screen is displayed.

**Figure 5-1 SGL Maintenance**



The screenshot displays the 'SGL Maintenance' application window. At the top, there are 'New' and 'Enter Query' buttons. The main area contains a form with the following fields: 'Form Number \*' (with a red asterisk), 'Status' (with the value 'N'), 'Deal Reference', 'Trade Date', 'Transaction Date', and 'Security Id'. Each field has a corresponding input box. At the bottom left, there is a 'Fields' button, and at the bottom right, there are 'Audit' and 'Exit' buttons.

2. On **SGL Maintenance** screen, specify the fields,

In this screen, the user can specify the form numbers either as a range or choose to enter the numbers manually.

Click on new icon in the tool bar to specify a new form number. At any point of time the status of a form number will either be:

- U (used)
- N (Not Used)
- Canceled

 **Note:**

By default, the status of a form number is 'N' (Not Used).



The form numbers will be available for use only after the user save and authorize the record.

**Table 5-1 SGL maintenance**

| Field   | Description  |
|---|--|
| <b>Assigning a form number to an SGL advice</b> | Whenever a deal involving a security with form type SGL is being processed, the system automatically assigns the next available unused form number to the deal. After a number is assigned to a deal, the system displays the following information corresponding to the form number, in the SGL Maintenance screen: |
| <b>Status</b>                                   | The status will be updated to U (Used).  |
| <b>Deal Reference Number</b>                    | The reference number of the deal to which the form number is linked.   |
| <b>Trade Date</b>                               | The Value Date of the deal.  |
| <b>Transaction Date</b>                         | The actual date when the deal was captured in the system.  |



**Table 5-1 (Cont.) SGL maintenance**

| Field                     | Description  |
|---------------------------|--|
| <p><b>Security Id</b></p> | <p>The security (the Security Code specified at the time of capturing a deal) involved in the deal.</p> <div data-bbox="737 369 1466 579" style="border-left: 2px solid #0070C0; border-right: 2px solid #0070C0; border-bottom: 2px solid #0070C0; padding: 10px; background-color: #E6F2FF;"> <p> <b>Note:</b></p> <p>Users are not allowed to close or delete a record with status 'Used' or 'Canceled'. However, the user can to delete an unused form number before authorization.</p> </div> <p>If the user reverse a deal for which an SGL advice has been generated, the system displays an over-ride saying that the SGL advice for the deal has already been generated. If the user say 'Yes' to the over-ride, the system updates the status of the form number to C (Canceled) in the SGL Maintenance screen.</p> <div data-bbox="737 793 1466 1003" style="border-left: 2px solid #0070C0; border-right: 2px solid #0070C0; border-bottom: 2px solid #0070C0; padding: 10px; background-color: #E6F2FF;"> <p> <b>Note:</b></p> <p>After a form number is assigned to a deal, the user cannot reuse the number even on reversal of the deal associated with it.</p> </div> |

# A

## Accounting entries for SR

This section contains details of the suggested accounting entries that is set up, for the SR module of Oracle Banking Treasury Management.

The details of the suggested accounting entries are listed event-wise.

- [SR Events](#)
- [Amount Tags](#)
- [Accounting Roles](#)
- [Event-wise Accounting Entries and Advices](#)

### A.1 SR Events

The following is an exhaustive list of events that can take place during the lifecycle of an SR contract. In the subsequent paragraphs we shall examine the accounting entries and advices for each of the events listed below.

**Table A-1 SR Events**

| Event Code | Event Description  | Remarks    |
|------------|--|------------|
| BOOK       | Booking a contract (Mandatory)                                   | All Types  |
| INIT       | Take-down or Initiation (Mandatory)                              | All Types  |
| ACCR       | Accrual (Mandatory for products with interest payment frequency) | All Types  |
| LIQD       | Liquidation (Mandatory)  | All Types  |
| CONF       | Confirmation of contract   | All Types  |
| CAMD       | Amendment  | All Types  |
| ROLL       | Rollover execution (treated as a liquidation + new booking)      | All Types  |
| REVC       | Reversal (Mandatory)   | All Types  |
| RESD       | Reversal of Residual Accrual                                     | All Types  |
| REVC       | Contract Reversal  | All Types  |
| REVN       | Rate Revision  | All Types  |
| REVP       | Reversal of Payment  | All Types  |
| STCH       | Status Change  | Placements |
| VAMB       | Value Dated Amendment Booking                                    | All Types  |
| VAMI       | Value Dated Amendment Initiation                                 | All Types  |
| RTFX       | Rate Fixing at contract level.                                   | All Types  |
| SMPY       | Securities Margin Pay  | All types  |
| SMRV       | Securities Margin Receive  | All types  |

**Table A-1 (Cont.) SR Events**

| Event Code | Event Description                  | Remarks   |
|------------|------------------------------------|-----------|
| CMPY       | Cash Margin Pay                    | All types |
| CMRV       | Cash Margin Receive                | All types |
| AMND       | Amendment of User Defined Contract | All types |
| FACR       | Fee Accrual                        | All types |
| FELR       | Fee liquid                         | All types |
| NOTC       | Billing Notice Generation          | All types |
| SGEN       | Settlements Generation             | All types |
| YACR       | Yield Accrual                      | All types |

## A.2 Amount Tags

The amount tags listed below are hard-coded in Oracle Banking Treasury Management.

**Table A-2 Amount Tag**

| Field                           | Description  |
|---------------------------------|--|
| PRINCIPAL                       | Principal Amount   |
| PRINCIPAL_DECR                  | Decrease in principal on amendment                       |
| PRINCIPAL_FWD                   | Forward take-down amount                                 |
| PRINCIPAL_INCR                  | Increase in principal on amendment                       |
| PRINCIPAL_LIQD                  | Principal Amount Liquidated                              |
| PRINCIPAL_ROLL                  | Principal Amount Rolled over                             |
| PRINCPAL_XFWD                   | Principal Amount Reclassified                            |
| PRINCPAL_XREV                   | Principal Amount Unclassified                            |
| ROLLOVER_AMT                    | Rollover Amount  |
| component_LIQD_CY               | Current year Unrealized accrual amount for a component   |
| component_LIQD_PY               | Previous year Unrealized accrual amount for a component. |
| <INTEREST_COMPONET>_ROLL        | The outstanding interest is stored in a bridge account   |
| <INTEREST_COMPONET>_LIQD        | Interest amount liquidation                              |
| <INTEREST_COMPONET>_ACCR        | Interest amount Accrual                                  |
| <INTEREST_COMPONET>_ACQD        | Interest amount Accrued amount                           |
| <INTEREST_COMPONET>_ADJ         | Interest amount Adjustment amount                        |
| <INTEREST_COMPONET_DIC_ADJ>_ADJ | Discounted Interest Adjusted                             |

**Table A-2 (Cont.) Amount Tag**

| Field                          | Description  |
|--------------------------------|--|
| <CHARGE_COMPONENT>_C<br>HRG    | Charge amount liquidation  |
| <CHARGE_COMPONENT>_DI<br>SC    | Charge Discounted amount   |
| <CHARGE_COMPONENT>_P<br>REM    | Charge Premium amount  |
| TXN_AMOUNT                     | Cash margin amount   |
| TXN_AMOUNT_EQ                  | Cash Margin Equivalent amount  |
| PRINCIPAL_ROIN                 | This is the principal of the rollover child contract. It equals the amounts of PRINCIPAL_ROLL and <INTEREST_COMPONENT>_ROLL. |
| LIQD_CY                        | SR Class   |
| BROKAMT                        | Brokerage Amount   |
| BROK_DISC                      | Brokerage Discount Amount  |
| BROK_PREM                      | Brokerage Premium Amount   |
| <Tax_Component>_AMT            | FATCA Tax amount   |
| <Tax_Component>_ESCRO<br>W_AMT | FATCA ESCROW amount  |
| EIMDISC_ACCR                   | Discount Accrual Amount  |
| EIMDISC_ADJ                    | Discount Adjustment Amount   |
| EIMINTADJ_ACCR                 | Par Accrual Amount   |
| EIMPREM_ACCR                   | Premium Accrual Amount   |
| EIMPREM_ADJ                    | Prem Accrual Adj Amount  |

In addition to these, define amount tags as per your requirements for interest and charges that is attached to the product.

## A.3 Accounting Roles

In this section, we have provided two separate lists of sample accounting roles. The list I contain accounting roles that are set up for a Reverse Repo product. List II contains samples of accounting roles that apply to a Repo product.

### List I – Acct Roles for a Reverse Repo Product

**Table A-3 Accounting Roles**

| Accounting Role | Description                    | Role Type        |
|-----------------|--------------------------------|------------------|
| BROKEXP         | Brokerage Expense              | Expense          |
| BROKPAY         | Brokerage Payable              | Liability        |
| BROKPIA         | Brokerage payable in advance   | Asset            |
| ASSETGL         | Asset GL for Placements        | Asset            |
| FWDASSETGL      | GL for Future Dated Placements | Contingent Asset |

**Table A-3 (Cont.) Accounting Roles**

| Accounting Role | Description   | Role Type            |
|-----------------|---|----------------------|
| FWDASSETOFF     | Offset for Future Dated Placements  | Contingent Liability |
| INTERINC        | Interest Income   | Income               |
| INTERRIA        | Interest Received in Advance  | Liability            |
| INTEREXP        | Interest Expense  | Expense              |
| INTERREC        | Interest Receivable   | Asset                |
| PENL1INC        | Penal Interest Income   | Income               |
| PENL1REC        | Penal Interest Receivable   | Asset                |
| CHARGINC        | Charge Income   | Income               |
| ComponentUNRL   | Unrealized Income   | Income               |
| ROLL_WASH       | Bridge account to wash the original parent's outstanding balances to the child contract | Asset                |
| EIMDISCINC      | Effective Int Based Disc Accrued Till Dt  | NA                   |
| EIMDISCRJA      | Effective Int Discount to be Accrued  | NA                   |
| EIMINTADJINC    | Effective Int Par Income  | NA                   |
| EIMINTADJREC    | Effective Int Par Receivable  | NA                   |
| EIMPREMEXP      | Effective Int Premium Expense   | NA                   |
| EIMPREMPIA      | Effective Int Paid in Advance   | NA                   |

**List II – Acct Roles for a Repo Product**

This is the list of Acct Roles for a Repo Product.

**Acct Roles for a Repo Product**

**Table A-4 Accounting Roles**

| Accounting Role | Description                  | Role Type            |
|-----------------|------------------------------|----------------------|
| LIABGL          | Liability GL for Repo        | Liability            |
| FWDLIABGL       | GL for Future Dated Repo     | Contingent liability |
| FWDLIABOFF      | Offset for Future Dated Repo | Contingent Asset     |
| INTEREXP        | Fixed Interest Rate          | Expense              |
| INTERPIA        | Fixed Interest Rate          | Asset                |
| INTERPAY        | Fixed Interest Payable       | Liability            |
| CHARGEXP        | Common Flat Amt W/o Slab     | Expense              |
| TAXCOMP_PAY     | Tax payable                  | Liability            |
| TAXCOM_EXP      | Tax Expense                  | NA                   |
| TAXCOMPAD       | Tax Paid                     | NA                   |
| FRTAXS_PAY      | Tax payable role for FRTAXS  | Liability            |
| Copy Eff int    | accr from repo               | NA                   |
| Component REAL* | Realized Income              | Income               |

The 'component' is the ICCB component that is created.



**Note:**

In the accounting roles listed above the prefixes INTER (Interest), PENL (Penalty), BROK (brokerage), CHARG (Charge) FRTAX1 (Tax) and FRTAXS are ICCB components.

## A.4 Event-wise Accounting Entries and Advices

In the subsequent sections, we have defined suggested accounting entries and advices for each of the events in the life-cycle of an SR deal. Samples of accounting entries, advices, and events for four different types of SR deals are:

- SR Reverse Repo with True Discount Interest
- SR Repo with Fixed Discounted Interest
- SR Reverse Repo with Fixed Bearing Interest
- SR Repo with Fixed Bearing Interest

Also note that some of the Amount Tag's linked to the Accounting Roles are user defined.

- [SR Reverse Repo with True Discounted Interest](#)
- [SR Repo with Fixed Discounted Interest](#)
- [SR Reverse Repo – Fixed Bearing Interest](#)
- [SR Repo with Fixed Bearing Interest](#)
- [Multi Media Support](#)
- [Entries for contracts liquidated with Previous Year Adjustment option](#)

### A.4.1 SR Reverse Repo with True Discounted Interest

The preferences set for this product are as follows:

- The payment type for this product is of True Discounted type
- Forward dating is allowed for the product
- Brokerage is not payable

**BOOK: Booking**

The following are the accounting entries:

**Table A-5 Accounting Entries**

| Accounting Role | Amount Tag    | Dr./Cr. Indicator |
|-----------------|---------------|-------------------|
| CHARGINC        | CHARG         | Credit            |
| CUSTOMER        | CHARG         | Debit             |
| FWDASSETOFF     | PRINCIPAL_FWD | Credit            |
| FWDASSETGL      | PRINCIPAL_FWD | Debit             |
| BROKEXP         | BROKAMT       | Debit             |
| BROKPAY         | BROKAMT       | Credit            |

The following are the advice entries:

**Table A-6 Advices**

| Advice Name   | Description                  |
|---------------|------------------------------|
| MM_DEAL_SLIP  | Deal Slip                    |
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350   |
| MMCONPLA      | SR Reverse Repo Confirmation |

**INIT: Initiation**

The following are the accounting entries:

**Table A-7 Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| INTERRIA        | INTER_LIQD     | Credit            |
| CUSTOMER        | INTER_LIQD     | Debit             |
| ASSETGL         | PRINCIPAL      | Debit             |
| CUSTOMER        | PRINCIPAL      | Credit            |
| FWDASSETGL      | PRINCIPAL_FWD  | Credit            |
| FWDASSETOFF     | PRINCIPAL_FWD  | Debit             |
| FWDASSETGL      | PRINCIPAL_FWD  | Debit             |
| FWDASSETOFF     | PRINCIPAL_FWD  | Credit            |
| ASSETGL         | PRINCIPAL_ROIN | Debit             |
| ROLL_WASH       | PRINCIPAL_ROIN | Credit            |
| ASSETGL         | PRINCIPAL_ADDL | Debit             |
| CUSTOMER        | PRINCIPAL_ADDL | Credit            |

The following are the advices:

Advices - Payment Message

**Table A-8 Advices - Payment Message**

| Advice Name | Description     |
|-------------|-----------------|
| MM_CONT_ADV | Contract Advice |
| NA          | NA              |

**ACCR: Interest Accrual**

This topic provides the details of Accounting Entries:

Interest Accrual

**Table A-9 Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr. Indicator |
|-----------------|------------|-------------------|
| INTERINC        | INTER_ACCR | Credit            |
| INTERRIA        | INTER_ACCR | Debit             |

**Table A-9 (Cont.) Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr. Indicator |
|-----------------|------------|-------------------|
| PENL1INC        | PENL1_ACCR | Credit            |
| PENL1REC        | PENL1_ACCR | Debit             |

There are no advices entries.

Any accrual based on negative interest rate or negative amount is done at negative component level. Main interest component continues to support positive interest rate or positive amount based accrual.

Accrual amounts for negative interest component are posted with absolute value. Accrual adjustments retain the sign of the adjustment amount.

**Table A-10 Securities Reverse Repo Deal**

| Accounting Role           | Dr/Cr  | Amount Tag                  |
|---------------------------|--------|-----------------------------|
| Main Interest CompREC     | DEBIT  | Main Interest Comp_ACCR     |
| Main Interest CompINC     | CREDIT | Main Interest Comp_ACCR     |
| Negative Interest CompEXP | DEBIT  | Negative Interest Comp_ACCR |
| Negative Interest CompPAY | CREDIT | Negative Interest Comp_ACCR |

**Table A-11 Securities Repo Deal**

| Accounting Role           | Dr/Cr  | Amount Tag                  |
|---------------------------|--------|-----------------------------|
| Main Interest CompEXP     | DEBIT  | Main Interest Comp_ACCR     |
| Main Interest CompPAY     | CREDIT | Main Interest Comp_ACCR     |
| Negative Interest CompREC | DEBIT  | Negative Interest Comp_ACCR |
| Negative Interest CompINC | CREDIT | Negative Interest Comp_ACCR |

**LIQD: Liquidation**

This topic provides the details of Accounting Entries:

Liquidation

**Table A-12 Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| PENL1REC        | PENL1_LIQD     | Credit            |
| CUSTOMER        | PENL1_LIQD     | Debit             |
| ASSETGL         | PRINCIPAL_LIQD | Credit            |
| CUSTOMER        | PRINCIPAL_LIQD | Debit             |



This topic provides the details of Advices Entries

**Table A-13 Advices**

| Advice Name     | Description                |
|-----------------|----------------------------|
| SWIFT_MESSAGE   | MT320, MT330, MT335, MT350 |
| PAYMENT_MESSAGE | Payment Message            |

Liquidation amounts for negative interest component are posted with absolute values.

Maintain the following accounting entries for product allowing negative rates for liquidation of the interest amount:

**Table A-14 SR Reverse Repo Deal- For liquidation of interest**

| Accounting Role           | Dr/Cr  | Amount Tag                  |
|---------------------------|--------|-----------------------------|
| Customer                  | DEBIT  | Main Interest Comp_LIQDM    |
| Main Interest CompREC     | CREDIT | Main Interest Comp_LIQD     |
| Negative Interest CompPAY | DEBIT  | Negative Interest Comp_LIQD |
| Customer                  | CREDIT | Negative Interest Comp_LIQD |

If you check the 'Net Negative Interest' checkbox at product level, then customer credit or debit leg amounts are netted internally, provided the customer's settlement account is the same for both legs

**VAMB: Value Dated Amendment Booking**

There are no accounting entries.

The following are advices entries:

Value Dated Amendment Booking

**Table A-15 Advices**

| Advice Name | Description      |
|-------------|------------------|
| MMAMDADV    | Amendment Advice |
| NA          | NA               |

**VAMI: Value Dated Amendment Initiation**

There are no accounting entries.

The following are advices entries:

Value Dated Amendment Initiation

**Table A-16 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |
| NA            | NA                         |

**CAMD: Contract Amendment**

There are no accounting entries.

The following are advices entries:

Contract Amendment

**Table A-17 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |
| NA            | NA                         |

**REVN: Rate Revision**

There are no accounting and advices entries.

**SGEN - Settlement Message Generation**

No entries are passed for this event.

Only Payment Message can be maintained for this event.

This is applicable for all types of deals.

**REVC: Reversal**

There are no accounting entries.

The following are advices entries:

Reversal

**Table A-18 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |
| NA            | NA                         |

**ROLL: Rollover**

The following are accounting entries:

Rollover

**Table A-19 Accounting Entries**

| Accounting Role       | Amount Tag                | Dr./Cr. Indicator |
|-----------------------|---------------------------|-------------------|
| PENL1REC              | PENL1_LIQD                | Credit            |
| CUSTOMER              | PENL1_LIQD                | Debit             |
| CUSTOMER              | PRINCIPAL_LIQD            | Debit             |
| ASSETGL               | PRINCIPAL_LIQD            | Credit            |
| CUSTOMER              | PRINCIPAL_LIQD            | Debit             |
| ASSETGL               | PRINCIPAL_LIQD            | Credit            |
| CUSTOMER              | <Interest_Component>_LIQD | Debit             |
| Interest_componentREC | <Interest_Component>_LIQD | Credit            |
| ROLL_WASH             | PRINCIPAL_ROLL            | Debit             |
| ASSETGL               | PRINCIPAL_ROLL            | Credit            |
| ROLL_WASH             | <Interest_Component>_ROLL | Debit             |
| Interest_componentREC | <Interest_Component>_ROLL | Credit            |

**Table A-20 SR Reverse Repo Deal - For Rollover of Interest**

| Accounting Role           | Dr/Cr  | Amount Tag                 |
|---------------------------|--------|----------------------------|
| ROLL_WASH                 | DEBIT  | Main Interest Comp_ROLL    |
| Main Interest CompREC     | CREDIT | Main Interest Comp_ROLL    |
| Negative Interest CompPAY | DEBIT  | Negative InterestComp_ROLL |
| ROLL_WASH                 | CREDIT | Negative InterestComp_ROLL |

**Table A-21 SR Repo Contract**

| Accounting Role            | Dr/Cr  | Amount Tag                 |
|----------------------------|--------|----------------------------|
| Main Interest CompPAY      | DEBIT  | Main Interest Comp_ROLL    |
| ROLL_WASH/<br>Liability GL | CREDIT | Main Interest Comp_ROLL    |
| ROLL_WASH/<br>Liability GL | DEBIT  | Negative InterestComp_ROLL |
| Negative Interest CompREC  | CREDIT | Negative InterestComp_ROLL |

The following are advices entries:

**Table A-22 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| MM_ROLL_ADV   | Rollover Advice            |
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |

**Cash Margin**

The following are event entries:

**Table A-23 Cash Margin - Events**

| Event Code | Event Description   |
|------------|---------------------|
| CMPY       | Cash Margin Pay     |
| CMRV       | Cash Margin Receive |

**Cash Margin - Accounting Entries**

The following are accounting entries:

**Table A-24 Cash - Margin Accounting Entries**

| Accounting Role         | Amount Tag    | Dr/ Cr |
|-------------------------|---------------|--------|
| CUSTOMER_AC (Margin AC) | TXN_AMOUNT    | Dr     |
| CUST_AC_OFFSET (NOSTRO) | TXN_AMOUNT_EQ | Cr     |
| CUST_AC_OFFSET (NOSTRO) | TXN_AMOUNT    | Dr     |
| CUSTOMER_AC (Margin AC) | TXN_AMOUNT_EQ | Cr     |

## A.4.2 SR Repo with Fixed Discounted Interest

The preferences set for this product are as follows:

- The payment type for this product is of Discounted type
- Forward dating is allowed for the product.
- Brokerage is not payable

**BOOK: Booking a Repo with fixed discounted interest**

The following are the accounting entries:

**Table A-25 Accounting Entries**

| Accounting Role | Amount Tag    | Dr./Cr. Indicator |
|-----------------|---------------|-------------------|
| CHARGEEXP       | CHARG         | Debit             |
| CUSTOMER        | CHARG         | Credit            |
| FWDLIABGL       | PRINCIPAL_FWD | Credit            |
| FWDLIABOFF      | PRINCIPAL_FWD | Debit             |
| BROKEXP         | BROKAMT       | Debit             |

**Table A-25 (Cont.) Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr. Indicator |
|-----------------|------------|-------------------|
| BROKPAY         | BROKAMT    | Credit            |

The following are the Advices entries:

**Table A-26 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| MMBRKCON      | Broker Confirmation        |
| MM_DEAL_SLIP  | Deal Slip                  |
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |
| MMCONDEP      | SR Repo Confirmation       |

**INIT: Initiation of a Repo with fixed discounted Interest**

The following are the accounting entries:

Initiation of a Repo with fixed discounted Interest

**Table A-27 Accounting Entries**

| Accounting Role | Amount Tag    | Dr./Cr. Indicator |
|-----------------|---------------|-------------------|
| Taxcomp_PAY     | Taxcomp_AMT   | Credit            |
| CUSTOMER        | Taxcomp_AMT   | Debit             |
| CUSTOMER        | Taxcomp_AMT   | Debit             |
| Taxcomp_PAY     | Taxcomp_AMT   | Credit            |
| INTERPIA        | INTER_LIQD    | Debit             |
| CUSTOMER        | INTER_LIQD    | Credit            |
| LIABGL          | PRINCIPAL     | Credit            |
| CUSTOMER        | PRINCIPAL     | Debit             |
| FWDLIABGL       | PRINCIPAL_FWD | Debit             |
| FWDLIABOFF      | PRINCIPAL_FWD | Credit            |

The following are the advices:

**Table A-28 Advices - Payment Message**

| Advice Name | Description     |
|-------------|-----------------|
| MM_CONT_ADV | Contract Advice |

**LIQD: Liquidation**

This topic provides the details of liquidation - accounting entries.

**Table A-29 Accounting Entries**

| Accounting Role | Amount tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| LIABGL          | PRINCIPAL_LIQD | Debit             |
| CUSTOMER        | PRINCIPAL_LIQD | Credit            |
| CUSTOMER        | INTER_LIQD     | Credit            |
| INTPIA          | INTER_LIQD     | Debit             |

The following are the advices entries:

**Table A-30 Advices**

| Advice Name     | Description                |
|-----------------|----------------------------|
| SWIFT_MESSAGE   | MT320, MT330, MT335, MT350 |
| PAYMENT_MESSAGE | Payment Message            |
| LIQDNOTC        | Liquidation Notice         |

**VABM: Value Dated Amendment Booking**

There are no accounting entries.

The following are the advices:

**Table A-31 Advices**

| Advice Name | Description      |
|-------------|------------------|
| MMAMDADV    | Amendment Advice |

**VAMI: Value Dated Amendment Initiation**

There are no accounting entries.

The following are the advices:

**Table A-32 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |

**CAMD: Amendment**

There are no accounting entries.

The following are the advices:

**Table A-33 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |

**REVN: Rate Revision**

There are no accounting and advices entries.

**ROLL: Contract Rollover**

The following are the accounting entries:

**Table A-34 Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| CUSTOMER        | INTER_LIQD     | Credit            |
| INTERPIA        | INTER_LIQD     | Debit             |
| LIABGL          | PRINCIPAL_LIQD | Debit             |
| CUSTOMER        | PRINCIPAL_LIQD | Credit            |

The following are the advices:

**Table A-35 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |
| MM_ROLL_ADV   | Rollover Advice            |

**CMPY**

The Following are the accounting entries:

**Table A-36 Accounting Entries**

| Event | Accounting Role         | Amount Tag    | Dr/Cr |
|-------|-------------------------|---------------|-------|
| CMPY  | CUSTOMER_AC (Margin AC) | TXN_AMOUNT    | Dr    |
|       | CUST_AC_OFFSET (NOSTRO) | TXN_AMOUNT_EQ | Cr    |
| CMRV  | CUST_AC_OFFSET (NOSTRO) | TXN_AMOUNT    | Dr    |
|       | CUSTOMER_AC (Margin AC) | TXN_AMOUNT_EQ | Cr    |

### A.4.3 SR Reverse Repo – Fixed Bearing Interest

The preferences set for this product are as follows:

- The payment type for this product is of Bearing type
- Forward dating is allowed for the product.

**BOOK: Booking**

The following are the accounting entries:

**Table A-37 Accounting Entries**

| Accounting Role | Amount Tag    | Dr./Cr. Indicator |
|-----------------|---------------|-------------------|
| FWDASSETGL      | PRINCIPAL_FWD | Debit             |
| FWDASSETOFF     | PRINCIPAL_FWD | Credit            |

The following are the advices entries:

**Table A-38 Advices**

| Advice Name   | Description                  |
|---------------|------------------------------|
| MMCONPLA      | SR Reverse Repo Confirmation |
| MM_DEAL_SLIP  | Deal Slip                    |
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350   |

**INIT: Initiation**

The following are the accounting entries:

**Table A-39 Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| ASSETGL         | PRINCIPAL      | Debit             |
| Customer        | PRINCIPAL      | Credit            |
| FWDASSETGL      | PRINCIPAL_FWD  | Credit            |
| FWDASSETOFF     | PRINCIPAL_FWD  | Debit             |
| FWDASSETGL      | PRINCIPAL_FWD  | Debit             |
| FWDASSETOFF     | PRINCIPAL_FWD  | Credit            |
| ASSETGL         | PRINCIPAL_ROIN | Debit             |
| ROLL_WASH       | PRINCIPAL_ROIN | Credit            |
| ASSETGL         | PRINCIPAL_ADDL | Debit             |
| CUSTOMER        | PRINCIPAL_ADDL | Credit            |

The following are the advices entries:

**Table A-40 Advices**

| Advice Name | Description     |
|-------------|-----------------|
| MM_CONT_ADV | Contract Advice |

**ACCR: Interest Accrual**

The following are the accounting entries:

**Table A-41 Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr. Indicator |
|-----------------|------------|-------------------|
| INTERINC        | INTER_ACCR | Credit            |



**Table A-41 (Cont.) Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr. Indicator |
|-----------------|------------|-------------------|
| INTERREC        | INTER_ACCR | Debit             |
| PENL1INC        | PENL1_ACCR | Credit            |
| PENL1REC        | PENL1_ACCR | Debit             |
| PENL2INC        | PENL2_ACCR | Credit            |
| PENL2REC        | PENL2_ACCR | Debit             |

There are no advices entries.

**LIQD: Liquidation**

The following are the accounting entries:

**Table A-42 Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| CUSTOMER        | INTER_LIQD     | Debit             |
| INTERREC        | INTER_LIQD     | Credit            |
| PENL1REC        | PENL1_LIQD     | Credit            |
| CUSTOMER        | PENL1_LIQD     | Debit             |
| CUSTOMER        | PENL2_LIQD     | Debit             |
| PENL2REC        | PENL2_LIQD     | Credit            |
| ASSETGL         | PRINCIPAL_LIQD | Credit            |
| CUSTOMER        | PRINCIPAL_LIQD | Debit             |

The following are the advices entries:

**Table A-43 Advices**

| Advice Name     | Description                |
|-----------------|----------------------------|
| SWIFT_MESSAGE   | MT320, MT330, MT335, MT350 |
| PAYMENT_MESSAGE | Payment Message            |

**VAMB: Value Dated Amendment Booking**

There are no accounting entries.

The following are the advices entries:

**Table A-44 Advices**

| Advice Name | Description      |
|-------------|------------------|
| MMAMDADV    | Amendment Advice |

**VAMI: Value Dated Amendment Initiation**

The following are the accounting entries:

**Table A-45 Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| ASSETGL         | PRINCIPAL_INCR | Debit             |
| CUSTOMER        | PRINCIPAL_INCR | Credit            |
| ASSETGL         | PRINCIPAL_DECR | Credit            |
| ASSETGL         | PRINCIPAL_DECR | Debit             |

The following are the advices entries:

**Table A-46 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |

**CAMD: Contract Amendment**

There are no accounting entries.

The following are the advices entries:

**Table A-47 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |

**REVC: Reversal**

There are no accounting entries.

The following are the advices entries:

**Table A-48 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |

**REVN: Rate Revision**

There are no Accounting or Advices entries.

**ROLL: Rollover**

The following are the accounting entries:

**Table A-49 Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr Indicator |
|-----------------|------------|------------------|
| CUSTOMER        | INTER_LIQD | Debit            |
| INTER_REC       | INTER_LIQD | Credit           |
| ASSET GL        | INTER_ROLL | Debit            |

**Table A-49 (Cont.) Accounting Entries**

| Accounting Role       | Amount Tag                | Dr./Cr Indicator |
|-----------------------|---------------------------|------------------|
| INTER_REC             | INTER_ROLL                | Credit           |
| ASSET_GL              | PRINCIPAL_LIQD            | Credit           |
| CUSTOMER              | PRINCIPAL_LIQD            | Debit            |
| CUSTOMER              | PRINCIPAL_LIQD            | Debit            |
| ASSETGL               | PRINCIPAL_LIQD            | Credit           |
| CUSTOMER              | <Interest_Component>_LIQD | Debit            |
| Interest_componentREC | <Interest_Component>_LIQD | Credit           |
| ROLL_WASH             | PRINCIPAL_ROLL            | Debit            |
| ASSETGL               | PRINCIPAL_ROLL            | Credit           |
| ROLL_WASH             | <Interest_Component>_ROLL | Debit            |
| Interest_componentREC | <Interest_Component>_ROLL | Credit           |

**Advices**

The following are the advices entries:

**Table A-50 Advices**

| Advice Name | Description     |
|-------------|-----------------|
| MM_ROLL_ADV | Rollover Advice |

## A.4.4 SR Repo with Fixed Bearing Interest

This topic provides the SR Repo with Fixed bearing Interest

The preferences set for this product are as follows:

- The payment type for this product is of Bearing type
- Forward dating is allowed for the product.

**BOOK: Booking a Repo with fixed bearing interest**

The following are the accounting entries:

**Table A-51 Accounting Entries**

| Accounting Role | Amount tag    | Dr./Cr. Indicator |
|-----------------|---------------|-------------------|
| FWDLIABGL       | PRINCIPAL_FWD | Credit            |
| FWDLIABOFF      | PRINCIPAL_FWD | Debit             |

The following are the advices:

**Table A-52 Advices**

| Advice Name | Description         |
|-------------|---------------------|
| MMBRKCON    | Broker Confirmation |

**Table A-52 (Cont.) Advices**

| Advice Name     | Description                |
|-----------------|----------------------------|
| MMCONDEP        | SR Repo Confirmation       |
| MM_DEAL_SLIP    | Deal Slip                  |
| SWIFT_MESSAGE   | MT320, MT330, MT335, MT350 |
| PAYMENT_MESSAGE | Payment Message            |

**INIT: Initiation of a Repo with fixed bearing interest**

The following are the accounting entries:

**Table A-53 Accounting Entries**

| Accounting Role | Amount Tag    | Dr./Cr. Indicator |
|-----------------|---------------|-------------------|
| Taxcomp_EXP     | Taxcomp_AMT   | Debit             |
| Taxcomp_PAY     | Taxcomp_AMT   | Credit            |
| LIABGL          | PRINCIPAL     | Credit            |
| CUSTOMER        | PRINCIPAL     | Debit             |
| FWDLIABGL       | PRINCIPAL_FWD | Debit             |
| FWDLIABOFF      | PRINCIPAL_FWD | Credit            |

The following are advices:

**Table A-54 Advices**

| Advice Name | Description     |
|-------------|-----------------|
| MM_CONT_ADV | Contract Advice |
| NA          | NA              |

**ACCR: Accrual of interest**

The following are the accounting entries:

**Table A-55 Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr. Indicator |
|-----------------|------------|-------------------|
| INTEREXP        | INTER_ACCR | Debit             |
| INTERPAY        | INTER_ACCR | Credit            |

**ROLL: Rollover**

The following are the accounting entries:

**Table A-56 Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr Indicator |
|-----------------|------------|------------------|
| CUSTOMER        | INTER_LIQD | Debit            |
| INTER_REC       | INTER_LIQD | Credit           |

**Table A-56 (Cont.) Accounting Entries**

| Accounting Role       | Amount Tag                | Dr./Cr Indicator |
|-----------------------|---------------------------|------------------|
| ASSET GL              | INTER_ROLL                | Debit            |
| INTER_REC             | INTER_ROLL                | Credit           |
| ASSET GL              | PRINCIPAL_LIQD            | Credit           |
| CUSTOMER              | PRINCIPAL_LIQD            | Debit            |
| CUSTOMER              | PRINCIPAL_LIQD            | Debit            |
| ASSET GL              | PRINCIPAL_LIQD            | Credit           |
| CUSTOMER              | <Interest_Component>_LIQD | Debit            |
| Interest_componentREC | <Interest_Component>_LIQD | Credit           |
| ROLL_WASH             | PRINCIPAL_ROLL            | Debit            |
| ASSETGL               | PRINCIPAL_ROLL            | Credit           |
| ROLL_WASH             | <Interest_Component>_ROLL | Debit            |
| Interest_componentREC | <Interest_Component>_ROLL | Credit           |

There are no advices for this event.

**LIQD: Liquidation**

The following are the Accounting Entries:

**Table A-57 Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| INTERPAY        | INTER_LIQD     | Debit             |
| CUSTOMER        | INTER_LIQD     | Credit            |
| CUSTOMER        | PRINCIPAL_LIQD | Credit            |
| LIABGL          | PRINCIPAL_LIQD | Debit             |

The following are the advices entries:

Advices

**Table A-58 Advices**

| Advice Name     | Description                |
|-----------------|----------------------------|
| SWIFT_MESSAGE   | MT320, MT330, MT335, MT350 |
| PAYMENT_MESSAGE | Payment Message            |

**VABM: Value Dated Amendment Booking**

There are no accounting entries.

The following are the advices:

Advices

**Table A-59 Advices**

| Advice Name | Description      |
|-------------|------------------|
| MMAMDADV    | Amendment Advice |
| NA          | NA               |

**VAMI: Value Dated Amendment Initiation**

The following are the accounting entries:

**Table A-60 Repo- Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| LIAB GL         | PRINCIPAL_INCR | Credit            |
| CUSTOMER        | PRINCIPAL_INCR | Debit             |
| LIAB GL         | PRINCIPAL_DECR | Debit             |
| CUSTOMER        | PRINCIPAL_DECR | Credit            |

The following are the advices:

**Table A-61 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |
| NA            | NA                         |

**CAMD: Amendment**

There are no Accounting entries.

The following are the advices:

**Table A-62 Advices**

| Advice Name   | Description                |
|---------------|----------------------------|
| SWIFT_MESSAGE | MT320, MT330, MT335, MT350 |
| NA            | NA                         |

**REVN: Rate Revision**

There are no Accounting and advices entries.

**ROLL: Rollover**

There are no Accounting entries:

**Table A-63 Accounting Entries**

| Accounting Role | Amount Tag | Dr./Cr. Indicator |
|-----------------|------------|-------------------|
| CUSTOMER        | INTER_LIQD | Credit            |

**Table A-63 (Cont.) Accounting Entries**

| Accounting Role | Amount Tag     | Dr./Cr. Indicator |
|-----------------|----------------|-------------------|
| INTER_PAY       | INTER_LIQD     | Debit             |
| LIABGL          | INTER_ROLL     | Credit            |
| INTER_PAY       | INTER_ROLL     | Debit             |
| LIABGL          | PRINCIPAL_LIQD | Debit             |
| CUSTOMER        | PRINCIPAL_LIQD | Credit            |

The following are the advices entries:

**Table A-64 Advices**

| Advice Name | Description     |
|-------------|-----------------|
| MM_ROLL_ADV | Rollover advice |
| NA          | NA              |

## A.4.5 Multi Media Support

The Multi Media support for same location and message type is enable in OBTR. The following table describes the Message type and Media details for multi media support.

**Table A-65 Message Types and Media Details for Multi Media Support**

| Message Type | Description                        | Media                           |
|--------------|------------------------------------|---------------------------------|
| LIQDNOTC     | Repo Liquidation Notice            | Fax, Mail, Telex, E-Mail        |
| MKTTRADECONF | Market-Side Trade Confirmation     | SWIFT, Fax, Mail, Telex, E-Mail |
| MMAMDADV     | Repo Amendment Advice              | Fax, Mail, Telex, E-Mail        |
| MMBRKCON     | Repo Broker Confirmation           | Fax, Mail, Telex, E-Mail        |
| MMCONDEP     | Repo Borrowing Confirmation        | Fax, Mail, Telex, E-Mail        |
| MMCONPLA     | Repo Placement Confirmation        | Fax, Mail, Telex, E-Mail        |
| MM_CONT_ADV  | Repo Deal Advice                   | Fax, Mail, Telex, E-Mail        |
| MM_DEAL_SLIP | Repo Deal Slip                     | Fax, Mail, Telex, E-Mail        |
| MM_ROLL_ADV  | Repo Rollover Advice               | Fax, Mail, Telex, E-Mail        |
| MT320        | Repo Deal Confirmation             | SWIFT, Fax, Telex, E-mail       |
| MT335        | Call/Notice Rate Change Advice     | SWIFT, Fax, Telex               |
| MT350        | Deposit Interest Payment Advice    | SWIFT, Fax, Telex               |
| SRAMDADV     | SR amendment advice                | Fax, Mail, Telex, E-Mail        |
| SR_GMRA_ADV  | Global Master Repurchase Agreement | Fax, Mail, Telex, E-Mail        |

## A.4.6 Entries for contracts liquidated with Previous Year Adjustment option

This topic provides the details of the Entries for contracts liquidated with Previous Year Adjustment option.

Need to maintain the following accounting entry set-up when an SR contract is liquidated with previous year adjustment option.

During the liquidation of a schedule/contract, the unrealized accruals for the previous year are liquidated before the liquidation of unrealized accruals for the current year.

For liquidating the interest components the system posts the following entries during Liquidation (LIQD) for a bearing contract:

**Table A-66 Accounting Entries**

| Accounting Role | Amount Tag        | Dr./Cr. Indicator |
|-----------------|-------------------|-------------------|
| ComponentREC    | Component_LIQD    | Credit            |
| Customer        | Component_LIQD    | Debit             |
| ComponentUNRL   | Component_LIQD_PY | Debit             |
| ComponentINC    | Component_LIQD_PY | Credit            |
| ComponentUNRL   | Component_LIQD_CY | Debit             |
| ComponentINC    | Component_LIQD_CY | Credit            |

If the interest has been collected in advance the following entries are passed:

**Table A-67 Accounting Entries**

| Accounting Role | Amount Tag        | Dr./Cr. Indicator |
|-----------------|-------------------|-------------------|
| ComponentUNRL   | Component_LIQD_PY | Debit             |
| ComponentINC    | Component_LIQD_PY | Credit            |
| ComponentUNRL   | Component_LIQD_CY | Debit             |
| ComponentINC    | Component_LIQD_CY | Credit            |

When the Amount Tag is of type component\_LIQD\_PY and the Accounting Role pertains to unrealized income/expense, the head for the accounting role is replaced by the previous year adjustment GL, while passing accounting entries.

 **Note:**

In case a contract spans over multiple years, any event (Back dated Rate revision, Principal Change etc, back dated booking of contract etc..) which causes the accrual balances of the previous year to be recomputed, the accrual entries are posted to the current year unrealized income and expense GL only.



# B

## Advices for Securities Repo

Advices generated for Securities Repo module are listed in this chapter.

This topic has the following sub-topics:

- [GMRA Advice](#)
- [Money Market Loan Contract Amendment Advice](#)
- [Money Market Deposit Contract Confirmation Advice](#)
- [Money Market Loan Contract Confirmation Advice](#)
- [Credit Advice](#)
- [Debit Advice](#)
- [Rollover Advice For a Placement](#)
- [Fixed Contract Confirmation](#)
- [Deposit Interest Payment Advice](#)
- [Payment Message](#)
- [Credit Advice](#)
- [Debit Advice](#)
- [Market-Side Trade Confirmation](#)

### B.1 GMRA Advice

```
#B
FROM,
  _BANK-NAME_
  _BRANCH-ADDR_
TO,
  _CUSTNAME_
  _ADD1_
  _ADD2_
  _ADD3_
  _ADD4_
DATE: _TDATE_
REFERENCE NO: _REF_
USER REFERENCE NO: _USERREF_
SUBJECT: REPURCHASE TRANSACTION (_CONTREF_)
```

Dear Sirs,

The purpose of this confirmation (this "Confirmation") is to set forth the terms and conditions of the above-referenced repurchase transaction between SELLER-NAME ("Seller") and BUYER-NAME ("Buyer") on the Trade Date specified below the "Transaction".

This Confirmation supplements and forms part of, and is subject to, the Global Master Repurchase Agreement as entered into between us as of < VDATE > as the same may be amended from time to time (the "Agreement"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and phrases defined in the Agreement and used in this Confirmation shall have the same meaning herein as in the Agreement.

BOOKING DATE: TRDATE

VALUE DATE: VDATE

MATURITY DATE: MDATE

CONTRACT CURRENCY: CCY

PURCHASED SECURITIES ISIN PURCHASE PRICE

-----

#LOOP

SECID, PRINCIAMT, SECID-ISINNO at INPUTPRICE for Face Amount CCY,  
FACEAMT

#ENDLOOP

#IF REPO

BUYER : CPTYNAME

SELLER : BANK-NAME

#ENDIF

#IF REVREPO

BUYER : BANK-NAME

SELLER : CPTYNAME

#ENDIF

PURCHASE DATE : VDATE

WE REQUEST YOU TO ACKNOWLEDGE THE CONTRACT ON THE DUPLICATE

BANK-NAME

AUTHORIZED SIGNATORY

#EB

## B.2 Money Market Loan Contract Amendment Advice

Date: 29-DEC-97

Reference Number: 0003P05973630002

FROM,  
Bank Futura  
79 Strand, Charing Cross, London, WC2R 0DE, United Kingdom

TO,  
MORGAN STANLEY  
#23,LINCON HIGHWAY  
LONDON  
UK  
LN

WE CONFIRM THAT A MM PLACEMENT 05  
HAS BEEN ACCEPTED AS PER THE DETAILED BELOW  
BOOKING DATE: 29-DEC-97  
VALUE DATE: 01-JAN-98  
MATURITY DATE: 15-FEB-98  
CALCULATION METHOD: 30[Euro]/365  
AMOUNT: 10,000,000.00 GBP

WE REQUEST YOU TO ACKNOWLEDGE THE CONTRACT ON THE DUPLICATE  
AMERICAN BANK  
AUTHORIZED SIGNATORY

## B.3 Money Market Deposit Contract Confirmation Advice

DATE: 28-DEC-07 REFERENCE NUMBER: CM2MBT2073620013  
USER REF NO: CM2MBT2073620013

FROM,  
Bank Futura 79 Strand, Charing Cross, London,WC2R 0DE, United Kingdom

TO,  
MORGAN STANLEY  
#23,LINCON HIGHWAY  
LONDON  
UK  
LN

WE CONFIRM THAT A Certificate of Deposit  
HAS BEEN ACCEPTED AS PER THE DETAILED BELOW  
DEFAULT SETTLE ACCOUNT: 200010

BOOKING DATE: 28-DEC-07  
VALUE DATE: 07-DEC-07  
MATURITY DATE: 28-DEC-07  
CALCULATION METHOD: Actual/365  
TENOR: 21  
AMOUNT: 100,000.00 GBP  
AMOUNT(WORDS): POUND ONE HUNDRED THOUSAND Only  
WE REQUEST YOU TO ACKNOWLEDGE THE CONTRACT ON THE DUPLICATE  
Bank Futura  
AUTHORIZED SIGNATORY

## B.4 Money Market Loan Contract Confirmation Advice

Date: 29-DEC-97  
Reference Number: 0003P05973630002  
FROM,  
Bank Futura  
79 Strand, Charing Cross, London, WC2R 0DE, United Kingdom  
TO,  
MORGAN STANLEY  
#23,LINCON HIGHWAY  
LONDON  
UK  
LN  
WE CONFIRM THAT A MM PLACEMENT 05  
HAS BEEN ACCEPTED AS PER THE DETAILED BELOW  
BOOKING DATE: 29-DEC-97  
VALUE DATE: 01-JAN-98  
MATURITY DATE: 15-FEB-98  
CALCULATION METHOD: 30[Euro]/365  
AMOUNT: 10,000,000.00 GBP  
WE REQUEST YOU TO ACKNOWLEDGE THE CONTRACT ON THE DUPLICATE  
AMERICAN BANK  
AUTHORIZED SIGNATORY

## B.5 Credit Advice

```
{1:F01FFFFUS00AXX1111111111}
{2:I910CUSTUS00XXXXN}
{4:
:20:FF1FTIC282450015 ---Transaction Reference Number
:21:FF1FTIC282450015 ---Related Reference
:25:60000USD01 ---Account Identification
:32A:080901USD5650, ---Value Date, Currency Code, Amount
:50K:BBBUS00 ---Ordering Customer
-}
```

## B.6 Debit Advice

```
DATE: 28-DEC-07
MORGAN STANLEY
#23,LINCON HIGHWAY
LONDON
UK
CUSTOMER ID: CM2000236
ACCOUNT: 200010
OUR REFERENCE NO: CM2MBT2073620012
USER REFERENCE NO: CM2MBT2073620012
WE HAVE EXECUTED THE FOLLOWING TRANSACTION ON YOUR BEHALF:
-----
VALUE DATE CCY AMOUNT
-----
28-DEC-07 GBP 100,000.00
POUND ONE HUNDRED THOUSAND Only
-----
PRODUCT SLOGAN:-
-----
Certificate of Deposit
FOR Bank Futura-Capital Market Branch2
AUTHORIZED SIGNATORY
```

## B.7 Rollover Advice For a Placement

MM PLACEMENT 04

Transaction Date: 01-JAN-98

Our Reference No: 0003P04983630002

User Reference No: TC8

US1009

516 W 34 St

New York

NY 10001

THE CONTRACT HAS BEEN ROLLED OVER WITH FOLLOWING DETAILS:

Principal Amount

-----  
Old Principal Amount: 12,000,000.00 AUD

Principal Amount: 12,000,000.00 AUD

Value Date: 01-JAN-98

Maturity Date: 04-JAN-98

Tenor: 3 DAYS

INTEREST/FEE DETAILS

Description Amount CCY Rate Interest Basis

-----  
INTEREST - AUD 13.5\* Actual/365

-----  
\*SUBJECT TO CHANGE

Transaction on Initiation

-----  
Component Value Date Account Amount CCY

-----  
Component Description Account Branch

-----  
INTEREST 01-JAN-98 BNKCUL-US1009-017 8,798.75 USD

MM INT PLACEMENTS 000

-----  
YOUR PAYMENT SCHEDULE WILL BE AS GIVEN BELOW

Component Amount CCY

-----  
Schedule Date: 04-JAN-98

INTEREST 13,315.50 AUD

PRINCIPAL 12,000,000.00 AUD

-----  
SETTLEMENT DETAILS

-----  
Component Dr/Cr Br Account CCY

-----  
INTEREST R 000 BNKCUL-US1009-017 USD

MMR002\_AMT R 000 BNKCUL-US1009-017 USD

PRINCIPAL P 000 BNKCUL-US1009-017 USD

PRINCIPAL\_INCR P 000 BNKCUL-US1009-017 USD

PRINCIPAL\_LIQD R 000 BNKCUL-US1009-017 USD

## B.8 Fixed Contract Confirmation

{1:F01ABNANL03AXXX111111111}

{2:I320CITIGB44XCM2N}

{3:{108:CM2MSOG0736501IU}}

{4:

:15A:

:20:CM2MPT2073650142

:22A:NEWT

:22B:CONF

:22C:ABNA030005CITI44

:82A:ABNANL03XXX

:87A:CITIGB44CM2

:15B:

:17R:L

:30T:20071231

:30V:20071228

:30P:20071231

:32B:GBP60000,

:30X:20071231  
:34E:NGBP25,  
:37G:5,  
:14D:ACT/360  
:15C:  
:57A:CITIGB44CM2  
:15D:  
:57A:CITIGB44CM2  
-}

## B.9 Deposit Interest Payment Advice

{1:F01ABNANL03AXXX1111111111}  
{2:I350HSBCGB22XCM1N}  
{3:{108:CM1MSOG07341002C}}  
{4:  
:15A:  
:20:CM1MPT2073380003  
:21:CM1MPT2073380003  
:22A:ADVC  
:22C:ABNA030005HSBC22  
:82A:ABNANL03XXX  
:87A:HSBCGB22CM1  
:15B:  
:30G:20071204/20071207  
:32B:GBP60000,  
:30V:20071207  
:34B:GBP25,  
:37J:5,  
:14D:ACT/360  
:15C:  
:57A:HSBCGB22CM1  
-}



## B.10 Payment Message

```
{1:F01FFFFUS00AXX111111111}\
{2:I202DDDDEU00XXXN}
{4:
:20:FF1FTOB282450003 ---Transaction Reference Number
:21:NONREF ---Related Reference
:32A:080901EUR1142,86 ---Value Date, Currency Code, Amount
:52A:BBBUS00 ---Ordering Institution
:58A:DDDDEU00 ---Beneficiary Institution
-}
```

## B.11 Credit Advice

```
{1:F01FFFFUS00AXX111111111}
{2:I910CUSTUS00XXXN}
{4:
:20:FF1FTIC282450015 ---Transaction Reference Number
:21:FF1FTIC282450015 ---Related Reference
:25:60000USD01 ---Account Identification
:32A:080901USD5650, ---Value Date, Currency Code, Amount
:50K:BBBUS00 ---Ordering Customer
-}
```

## B.12 Debit Advice

```
{1:F01FFFFUS00AXX111111111}
{2:I900CUSTUS00XXXN}
{4:
:20:FF1FTOC182450033 ---Transaction Reference Number
:21:FF1FTOC282450033 ---Related Reference
:25:60000USD01 ---Account Identification
:32A:080901USD1520, ---Value Date, Currency Code, Amount
-}
```

## B.13 Market-Side Trade Confirmation

```
{1:F01FFFFUS00AXX1111111111}  
{2:I292DDDDEU00XXXN}  
{4:  
:20:FF1FTOB082450015  
:21:FF1FTOB082450015  
:11S:202080901  
:20:FF1FTOB282450015  
:21:NONREF  
:32A:080901EUR2600,  
:52A:CCCCUS00  
:58A:DDDEU00  
-}
```

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