Oracle® Banking Treasury Management

Securities User Guide

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Contents

1 Overview of Securities Domain

1.1 Financial market 1-1
1.1.1 Types of Markets 1-2
1.1.2 Characteristic Features of the Financial Markets 1-2
1.1.3 Financial Intermediaries 1-3
1.1.4 Intermediaries Operating in Financial Markets 1-4
1.1.5 Financial Assets (Securities) 1-4
1.1.6 Equities 1-5
1.1.7 Preference Shares 1-5
1.1.8 Fixed Income Securities 1-5
1.1.8.1 Bonds 1-6
1.1.8.2 T Bills (Issued on Behalf of the Government) 1-7
1.1.8.3 T Notes and T Bonds (Issued on Behalf of the Government) 1-7
1.1.8.4 Treasury Strips (Issued on Behalf of the Government) 1-7
1.1.8.5 Certificates of Deposit (CDs) 1-7
1.1.8.6 Commercial Paper 1-7
1.1.8.7 Banker’s Acceptances (BAs) 1-8
1.1.8.8 Municipal Bonds And Notes 1-8
1.1.9 Rights and Warrants 1-8
1.1.9.1 Rights 1-8
1.1.9.2 Warrants 1-8
1.1.10 Trading in Equities 1-8
1.1.11 Trading in Bonds / Fixed Income securities 1-9
1.1.12 Corporate Actions on Securities 1-11
1.1.12.1 Cash Dividend 1-12
1.1.12.2 Stock Dividend 1-12
1.1.12.3 Interest on Fixed Income Securities 1-12
1.1.12.4 Redemption on Fixed Income Securities 1-12
1.1.12.5 Rights / Warrants 1-12
1.1.12.6 Stock Splits 1-13
1.1.12.7 Mergers and Spin-offs 1-13

2 Overview of Securities

2.1 Snapshot of the Module 2-2
2.2 Process at the Portfolio Level - at the Beginning or End of Day 2-5
2.3 Started with the Module 2-5
2.3.1 Build Classes 2-6
2.3.2 Define Products 2-6
2.3.3 Handle Interest, Charge and Tax Components 2-7
2.3.4 Build a Transaction Tax Scheme 2-8
2.3.5 Build an Issuer Tax Scheme 2-9
2.3.6 Handle Brokerage 2-9
2.3.7 Track Limits 2-9
2.3.8 Settle Deals 2-10
2.3.9 Query the System for Details 2-10

3 General Maintenance

3.1 Prerequisites for the Application Login 3-2
3.2 Define a New Product and Static Data 3-2
3.3 Maintain an Existing Product and Static Data 3-2
3.4 Bank Parameters 3-2
3.4.1 Maintain Bank Parameters 3-3
3.4.2 Maintain Deal Product 3-5
3.4.3 Maintain Nominal Based Yield Computation 3-6
3.5 Branch Parameters 3-7
3.5.1 Define Branch Parameters 3-7
3.5.2 Define Floating Rate Codes 3-14
3.5.3 Define Rate Sources 3-17
3.5.4 Define Rate Types 3-17
3.5.5 Define Float Rates 3-18
3.5.6 Rate Fixing Maintenance 3-19
3.5.7 Interest Class Definition 3-19
3.5.8 Maintain Market Details 3-19
3.5.9 Maintain Settlement Parties 3-26
3.5.10 Cancellation Message 3-28
3.5.11 Rate Reset Confirmation 3-28
3.5.12 EIM for Treasury Bills and Security Bonds 3-29
3.5.13 Yield Calculation Parameters for T-Bills 3-30
3.5.14 Interest Method for Computing Coupon Interest 3-32
3.5.15 Exempt Interest for the Ex Period 3-36
3.5.16 Tax Details 3-36

4 Price Details Maintenance

4.1 Maintain Price Details 4-1
4.1.1 Price Quotation Method 4-3
4.1.2 Price 4-4

5 Maintain Market Price Codes

5.1 Maintain Market Price Codes 5-1

6 Maintain Safe Keeping Locations

6.1 Maintain Safe Keep Location 6-1
6.1.1 Exposure Line 6-4
6.1.2 Specify SK Location Account 6-5
6.1.3 Making Query 6-5
6.2 KEST 6-5

7 Build Branch and Currency Restriction Classes

7.1 Maintain Restrictions as Classes 7-1
7.1.1 Advantage of Defining Restrictions as Classes 7-2
7.2 Process Branch and Currency Restrictions Class Screen 7-2
7.3 Specify the Customer Category Restrictions Class 7-3
7.3.1 Process Customer Category Restrictions Class screen 7-4

8 Accounting Role to Head Mapping Class

8.1 General Ledger Types 8-1
8.2 Accounting Roles and Heads Class 8-2
8.2.1 Advantage of Building Accounting Roles and Heads Classes 8-2
8.2.2 Maintain an Accounting Roles and Heads Class 8-3
8.2.3 Map Roles to Heads 8-3
8.3 Event Class 8-3
8.3.1 Maintain an Event Accounting Entries and Advices Class 8-4

9 Define Security Preference Classes

9.1 Security Product Preference Classes 9-1
9.1.1 Specify Security Product Preference Class 9-2
9.1.2 Capture Information Specific to a Security Type 9-5
9.1.3 Indicating Banker’s Acceptance 9-6
9.1.4 Indicate Banker’s Acceptance 9-6

9.1.5 Capturing Trade-Related Information 9-6
9.1.6 Identifying the Holder 9-8
9.2 Specify the Material of a Security 9-8
9.3 Indicate the Collateral Type 9-9
9.4 Opting for Automatic Initiation of Corporate Actions 9-9
9.4.1 Indicate the Price Code for Revaluation 9-9
9.5 Tenor Details 9-9
9.5.1 Capture SWIFT Related Information 9-10
9.6 Define Deal Limits for a Preference Class 9-10

10 Maintain Portfolio Preference Class

10.1 Specify Portfolio Preference Class 10-1
10.2 Yield Accrual for Deals bought on Par 10-23

11 Define a Deal preference Class

11.1 Process Deal Preference Class 11-1

12 Security Restriction Classes

12.1 Advantage of Defining Restrictions as Classes 12-1
12.2 Process the Security Restrictions 12-1

13 Maintain Portfolio Restriction Classes

13.1 Advantage of Defining Restrictions as Classes 13-1
13.2 Process Portfolio Restriction Classes 13-2
13.3 Process Securities - Portfolio Safe Keeping Location Balances Summary 13-3
13.4 Process Securities - Portfolio Safe Keeping Location Movements Summary 13-5

14 Define Attributes of a Securities Product

14.1 Process Security Product 14-1
14.1.1 Specify Interest Details Type, Event Details, and Rate Details 14-7

15 Define Attributes of a Portfolio Product

15.1 Process Security Portfolio Process Definition 15-1
15.2 Process Security Portfolio Instrument Restrictions 15-6

16 Securities Deal Product

16.1 Process Securities Deal Product 16-1
16.1.1 Specify Accounting Entries for KEST Computation 16-3
16.2 Process Security Deal Product Restrictions 16-4

17 Define a Product Combination

17.1 Process a Combination Product 17-1

18 Maintain a Security

18.1 Process Security Deals Product Definition 18-1
18.2 Details of a Security 18-2
18.2.1 Capture Details of a Security 18-3
18.2.2 Capture Interest details 18-6
18.2.3 Indicate Corporate Action Preference 18-6
18.2.4 Capture Trade-Related Information 18-6
18.2.5 Specify Type of Price Quotation 18-6
18.2.6 Capture Information Specific to the Security Type 18-7
18.2.7 Indicate bankers acceptance 18-10
18.2.8 Specify Currency 18-10
18.2.9 Specify Relevant dates 18-10
18.2.10 Specify Price Details 18-11
18.2.11 Specify Interest Details for a Bond 18-11
18.2.12 Opting for Automatic Initiation of Corporate Actions 18-16
18.2.13 Indicate a Revaluation Price Code 18-17
18.2.14 Indicate the Collateral Type 18-17
18.2.15 Specify the Market for Revaluation 18-17
18.3 Specify the Yield Calculation Parameters for a Security 18-17
18.3.1 Process Bonds and T-bill based on the YTM parameters 18-19
18.4 Interest Method for Computing Coupon Interest 18-20
18.5 Process Security Instruments 18-21
18.6 Holiday Preference 18-29
18.6.1 Holiday Validation Assumptions 18-32
18.7 Upload Security Instruments for Amendment 18-32
18.8 Bulk Upload- Security Instruments & Market Security-Price 18-33
18.9 Process Securities Deal Contract 18-33

19 Maintain and Process Corporate Actions

19.1 Process Corporate Action Event Stages 19-2
19.2 Rights and Warrants 19-2

19.2.1 Process Rights and Warrants 19-3
19.2.2 Indicate Rights Ratio and Rounding Fractions 19-4
19.2.3 Save Rights/Warrants Record 19-5
19.2.4 Process Rights and Warrants 19-6
19.2.5 Process Rights 19-6
19.2.5.1 Rights Tear-Off 19-6
19.2.5.2 Rights Exercise 19-7
19.2.5.3 Warrants Tear Off 19-7
19.2.5.4 Warrants Exercise 19-7
19.2.6 Process Rights and Warrants Expiry Details 19-7
19.2.7 Process Security Redemption Details 19-9
19.2.8 Security Redemption 19-13
19.2.8.1 Process for Security Redemptions 19-13
19.2.8.2 Redemption Processing based on Quotation Type 19-14
19.2.8.3 End of Trading Processing 19-14
19.2.8.4 Process of Amendment on Redemption Schedules 19-14
19.3 Interest Coupon Details 19-15
19.3.1 Process Interest Coupon Details 19-15
19.3.2 Link Interest Component to Tax Component 19-16
19.3.3 Specify Event Narrative 19-17
19.4 Process Interest Coupon 19-17
19.4.1 Process Interest Rate Revision Details 19-18
19.4.1.1 Specify Event Narrative 19-21
19.4.1.2 Holiday Preference 19-21
19.4.1.3 History 19-22
19.5 Backdated/Current dated Rate Revision Processing 19-23
19.6 Auto Processing of Rate Fixing 19-24
19.7 Maintain Stock Dividend Details 19-24
19.8 Process Cash Dividend 19-27
19.9 Process Dividends 19-29
19.9.1 Process Bonus to Cash Conversion Details 19-29
19.10 Process Bonus to Cash Conversions 19-31
19.10.1 Process Corporate Action Events 19-31
19.11 Coupon Transfer 19-34

20 Define Portfolio

20.1 Process Portfolio Definition Details 20-2
20.2 Process Details of a Portfolio 20-4
20.3 Define Preference for a Portfolio 20-8
20.4 Specify Advice to be Generated 20-18
20.5 Map Accounts to a Safe Keeping Location 20-22

20.6 Specify Accounting Role to Head Mapping Preferences 20-22
20.7 Process Security Revaluation Prices for a Portfolio 20-23
20.8 Process Risk Profile 20-24
20.9 View Safe keeping Location Portfolio Balances 20-25

21 Process Security Deal

21.1 Securities Deal Input Screen 21-2
21.1.1 Process Securities Data Input Screen 21-2
21.1.1.1 Process Securities Deals 21-9
21.1.1.2 Additional Details 21-12
21.1.1.3 Process Safe Keeping Location Balances 21-20
21.1.2 Deal Net Consideration 21-21
21.1.3 View the forward profit or Loss in a Deal 21-23
21.1.4 Specify Details of Parties Involved in Block Security 21-23
21.1.5 Settlement Instructions for a Deal Leg 21-25
21.1.5.1 Maintain Settlement Instructions for a Deal Leg 21-25
21.1.5.2 Capture Settlement Instructions 21-26
21.1.5.3 Capture Account Details 21-26
21.1.5.4 Capture Details of the Deal Output 21-26
21.1.5.5 Capture Party Details 21-27
21.1.6 Process Levy Tax on a Deal 21-28
21.1.6.1 Features of Tax Details Screen 21-29
21.1.7 Process Brokerage on a Deal 21-30
21.1.8 Upload the Deals for Amendment 21-32
21.1.9 Liquidating a Deal 21-33
21.1.9.1 Money Settlement 21-34
21.1.9.2 Security Settlement 21-34
21.1.10 SGEN Message Generation 21-34
21.1.10.1 RFR Enabling for SGEN 21-35
21.1.10.2 Reassigning a Deal to another User 21-37
21.1.10.3 Contract Level Message Generation 21-38

22 Process A Block Securities Deal

22.1 Features of a Block Deal in Oracle Banking Treasury Management 22-1
22.2 Process Block Securities Deal Screen 22-2

23 Securities Transfer Across Locations

23.1 Transfer Securities Across Locations 23-1

23.2 Specify the SK locations and accounts 23-3

24 Maintain Block Security Details

24.1 Process Securities Block/Release Block Input 24-1
24.2 Specify Details of Parties Involved in Block Security 24-4

25 Maintain Manual Revaluation Details

25.1 Process Manual Revaluation 25-1
25.1.1 Manual Revaluation Processing 25-4
25.2 View Manual Revaluations 25-4

26 Bonds Provisioning

26.1 Securities Security Product Definition 26-1
26.2 Securities Manual Provision 26-4
26.3 Securities Provisioning Summary 26-5
26.4 Securities Instrument Definition 26-6

27 Bonds Status Change

27.1 Securities Security Product Definition 27-1
27.2 Securities Instrument Definition 27-4
27.3 Securities Status Properties 27-6
27.4 Securities Status Properties Summary 27-7
27.5 Securities Manual Status Change 27-8
27.6 Securities Status Change Summary 27-9

28 Batch Process

28.1 Beginning of Day Processing 28-1
28.2 Process Daily Events 28-2
28.3 Process Triggering Securities MSTL Batch 28-2
28.4 Unrealized Revaluation for Unsettled Buy and Sell Deals 28-3
28.4.1 Illustrations 28-6
28.5 Unsettled EX Sell Deal – Revaluation Date after Deal Settlement Date 28-6

29 Credit Default Index

29.1 Market Definition 29-2
29.2 CD credit event maintenance 29-3
29.3 Credit Derivative Instrument Product Definition 29-4

29.3.1 Security Preferences 29-6
29.3.1.1 Premium Details 29-7
29.3.1.2 Reference 29-9
29.3.1.3 MIS 29-10
29.3.2 Credit Derivative Instrument Definition 29-10
29.3.3 Coupon 29-14
29.3.4 Revision 29-15
29.3.5 Redemption Schedule 29-15
29.3.6 Contract Premium Details 29-16
29.3.7 Tax 29-16
29.3.8 MIS 29-16
29.3.9 Fields 29-17
29.4 Credit Derivative Deal Product Definition 29-18
29.4.1 Accounting Roles 29-19
29.4.2 Events 29-20
29.4.3 Preferences 29-21
29.4.4 Charges 29-21
29.4.5 Tax Definition 29-22
29.4.6 MIS 29-23
29.4.7 Market Details 29-24
29.4.8 Display Credit Derivative Deal Details 29-24
29.5 Credit Derivative Processing Branch Parameter 29-25
29.6 Credit Derivative Portfolio Product Definition 29-25
29.6.1 Accounting Role 29-26
29.6.2 Events 29-26
29.6.3 Preferences 29-27
29.7 CD Portfolio Definition 29-30
29.8 CD External Revaluation Changes 29-33
29.8.1 External MTM Example 29-34
29.9 CDI Derivative Deal Input 29-35
29.9.1 Contract Level Message Generation 29-38
29.10 Credit Derivative Corporate Action 29-39
29.11 CDI Redemption Product Maintenance 29-41

30 Risk Free Rates for Securities

30.1 Define Rate codes for Risk Free Rates 30-2
30.2 Risk Free Rates 30-3
30.3 Treasury Interest Maintenance 30-4
30.4 Securities Instrument Product 30-4
30.5 Interest Revision 30-4

30.6 Lifecycle process Impact 30-5

31 Customer Correspondence

31.1 Deal Related Advices 31-1
31.1.1 Corporate Action Related Advices 31-3
31.1.2 Statement Related Advices 31-4
31.2 Sample of all Advices 31-4
31.2.1 Security Trade Confirmation Affirmation message 31-4
31.2.2 Securities market Side Trade Confirmation 31-7
31.2.3 Securities Receive Free Instruction 31-10
31.2.4 Securities Receive Against Payment Instruction 31-11
31.2.5 Securities Deliver Free Instruction 31-12
31.2.6 Securities Deliver Against Payment Instruction 31-14
31.2.7 Securities Receipt Free Confirmation 31-15
31.2.8 Securities Receipt Against Payment Confirmation 31-16
31.2.9 Securities Deliver Free Confirmation 31-18
31.2.10 Securities Delivery Against Payment Confirmation 31-19
31.2.10.1 Securities Notice of Rights Message 31-21
31.2.10.2 Securities Notice of Event Message 31-22
31.2.11 Securities Advice of Money Income 31-23
31.2.12 Securities Advice of Income in the Form of Securities 31-24
31.2.13 Securities Advice of Redemption 31-25
31.2.14 Securities Request for Statement Message 31-26
31.2.15 Securities Statement of Holdings 31-27
31.2.16 Securities Statement of Transactions 31-29
31.2.16.1 Securities Statement of Pending Transactions 31-30
31.2.16.2 Other Information 31-32

32 Making Queries

32.1 Details of Securities Safe Keeping Movements 32-1
32.1.1 Process Securities Safe keeping Movements 32-1
32.1.2 The Other Query Screens 32-2
32.1.3 Ordering 32-3
32.2 Process Portfolio Security Movements 32-3

A Error Codes and Message for Securities

A.1 Error Codes and Messages A-1
A.2 Error Codes and Messages for Securities Online A-14
A.3 Error Codes and Messages for Batches A-20

A.4 Error Codes and Messages for Deal Input A-29
A.5 Error Codes and Messages for Non-Securities A-39
A.6 Error Codes and Messages for Portfolio Online A-44
A.7 Error Codes and Messages for Others A-46

B Accounting Entries

B.1 Security Events B-1
B.2 Amount Tags B-3
B.3 Accounting Roles B-6
B.3.1 AMND: Amendment of Securities Deal B-35
B.3.2 CANC: Cancellation of Securities Deal B-35
B.3.3 CCON: Counter party Confirmation B-35
B.3.4 DACF: Deliver Versus Payment Confirmation B-35
B.3.5 DFCF: Deliver Free Confirmation B-36
B.3.6 DSTL: Settlement of Securities Deal B-36
B.3.7 EXTN: Extension of Deal Settlement Date B-36
B.3.8 MSTL: Money Settlement of Securities Deal B-36
B.3.9 RACF: Receive Versus Payment Confirmation B-37
B.3.10 RBLK: Release Block of Security Positions B-38
B.3.11 RIBL: Reversal of Block of Security Positions B-38
B.3.12 RRBL: Reversal of Release Block of Security Positions B-38
B.3.13 REAS: Reassignment of Securities Deal B-38
B.3.14 REVR: Reversal of Securities Deal B-39
B.3.15 RFCF: Receive Free Confirmation B-39
B.3.16 MSTL: Money Settlement B-39
B.3.17 PROV: Provisioning B-41
B.3.18 STCH: Status Change B-41
B.4 CD Portfolio Processing B-41
B.5 SGEN - Settlement Message Generation B-42
B.6 Multi Media Support B-42

Index

Preface

This topic contains the following sub-topics:

- Purpose
- Audience
- Documentation Accessibility
- Critical Patches
- Diversity and Inclusion
- Related Resources
- Conventions
- Screenshot Disclaimer
- Acronyms and Abbreviations
- Basic Actions
- Symbols and Icons

Purpose

This manual is designed to help you to quickly get acquainted with the Securities module.

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.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

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Critical Patches

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Diversity and Inclusion

Oracle is fully committed to diversity and inclusion. Oracle respects and values having a diverse workforce that increases thought leadership and innovation. As part of our initiative to build a more inclusive culture that positively impacts our employees, customers, and partners, we are working to remove insensitive terms from our products and documentation. We are also mindful of the necessity to maintain compatibility with our customers' existing technologies and the need to ensure continuity of service as Oracle's offerings and industry standards evolve. Because of these technical constraints, our effort to remove insensitive terms is ongoing and will take time and external cooperation.

Related Resources

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

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

Conventions

The following text conventions are used in this document:

Table Conventions and Meaning

Convention	Meaning
boldface	Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary.
italic	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.

Screenshot Disclaimer

Personal information used in the interface or documents is dummy and does not exist in the real world. It is only for reference purposes.

Acronyms and Abbreviations

The acronyms and abbreviations are listed in this below table:

Table Acronyms and Abbreviations

Abbreviations or Acronyms	Definition
AEOD	Automated End of Day
AIF	Alternative Investment Fund
BA	Bankers Acceptance

Table (Cont.) Acronyms and Abbreviations

Abbreviations or Acronyms	Definition
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
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

Basic Actions

Table List of Basic Actions

Action	Description
Approve	Click **Approve** to approve the initiated report. This button is displayed, once the user click **Authorize**.
Audit	Click **Audit** to view the maker details, checker details of the particular record, and record status. This button is displayed only for the records that are already created.

Table (Cont.) List of Basic Actions

Action	Description
Authorize	Click **Authorize** to authorize the record created. A maker of the screen is not allowed to authorize the report. Only a checker can authorize a record. This button is displayed only for the already created records.
Close	Click **Close** to close a record. This action is available only when a record is created.
Confirm	Click **Confirm** to confirm the performed action.
Cancel	Click **Cancel** to cancel the performed action.
Compare	Click **Compare** to view the comparison through the field values of old record and the current record. This button is displayed in the widget, once the user click **Authorize**.
Collapse All	Click **Collapse All** to hide the details in the sections. This button is displayed, once the user click **Compare**.
Expand All	Click **Expand All** to expand and view all the details in the sections. This button is displayed, once the user click **Compare**.
New	Click **New** to add a new record. The system displays a new record to specify the required data. **Note:** The fields which are marked in asterisk red are mandatory fields.
OK	Click **OK** to confirm the details in the screen.
Save	Click **Save** to save the details entered or selected in the screen.
View	Click **View** to view the report details in a particular modification stage. This button is displayed in the widget, once the user click **Authorize**.
View Difference only	Click **View Difference only** to view a comparison through the field element values of old record and the current record, which has undergone changes. This button is displayed, once the user click **Compare**.

Symbols and Icons

The list of symbols and icons available on the screens are as follows:

Table Symbols and Icons - Common

Symbol/Icon	Function
	Minimize
	Maximize
	Close
	Perform Search
	Open a list

Table (Cont.) Symbols and Icons - Common

Symbol/Icon	Function
	Navigate to the first record
	Navigate to the last record
	Navigate to the previous record
	Navigate to the next record
	Grid view
	List view
	Refresh
	Click this icon to add a new row.
	Click this icon to delete a row, which is already added.
	Calendar
	Alerts
	Unlock Option
	View Option
	New
	Enter query
	Execute query
	Copy
	Delete
	Save

Table (Cont.) Symbols and Icons - Common

Symbol/Icon	Function
	Search
	Advanced search
	Clear all
	Reset
	Export
	Print
	View Details
	Sorting

Table Symbols and Icons - Widget

Symbol/Icon	Function
	Open status
	Unauthorized status
	Rejected status
	Closed status
	Authorized status
	Modification Number
	Hold
	Reverse

1

Overview of Securities Domain

The role of the financial system is classified into the following:

- Savings Function- Mobilize savings in a way to provide a potentially profitable and low-risk outlet.
- Policy Function- Through the policy function, the government ensures a smooth flow of funds from savings into investments to stabilize the economy.
- Credit Function- After mobilizing the savings and laying down the necessary policies for the transfer of these funds, the credit function of the financial system will then ensure that these savings will transform into the necessary credit for investment and spending purposes.

The financial system evolved due to certain complexities associated with performing these functions.

- Generally, the requirements of the borrowers do not match that of the savers. Savers are concerned about the safety of funds, return, and liquidity, borrowers are concerned about the terms of the funds borrowed, the cost of funds, and the ease associated with borrowing funds.
- The return-risk profile expectations of both borrowers and lenders/savers differ.

This topic contains the following sub-topics:

- Financial market
  This topic describes the types of financial market and its characteristics.

1.1 Financial market

This topic describes the types of financial market and its characteristics.

The financial markets channel the savings of the households and other surplus budget units to those individuals and institutions that need funds. While performing this role the aid of the financial market in increasing production and income for the various units.

This topic has the following sub-topics

- Types of Markets
  This topic describes the types of markets and segments of the organized financial markets.
- Characteristic Features of the Financial Markets
  This topic describes the features of the financial markets.
- Financial Intermediaries
  This topic describes the financial intermediaries.
- Intermediaries Operating in Financial Markets
  This topic describes the intermediaries operating in Financial Markets.
- Financial Assets (Securities)
  This topic describes the Financial Assets of Securities.
- Equities
  This topic describes the equities.

- Preference Shares
  This topic describes the preference shares feature.
- Fixed Income Securities
  This topic describes the fixed income securities.
- Rights and Warrants
  This topic describes the rights and warrants of the share holders.
- Trading in Equities
  This topic describes the Trading in Equities.
- Trading in Bonds / Fixed Income securities
  This topic describes trading in bonds on the stock exchanges.
- Corporate Actions on Securities

1.1.1 Types of Markets

This topic describes the types of markets and segments of the organized financial markets.

The main segments of the organized financial markets are as follows:

Table 1-1 Market Types

Market type	Description
Money Market	The money market is a wholesale debt market for low-risk, highly- liquid, short-term instruments. Funds are available in this market for periods ranging from a single day up to a year. Government, banks, and financial institutions dominate this market.
Capital Markets	The capital market is designed to finance long-term investments. The transactions taking place in this market are for periods over a year.
Forex Market	The forex market deals with multi-currency requirements, which are met by the exchange of currency. Depending on the applicable exchange rate, the transfer of funds takes place in this market. This is one of the most developed and integrated markets across the globe.
Credit Market	A credit market is a place where banks, financial institutions, and NBFCs purvey short, medium, and long-term loans to corporates and individuals. Such segregation of the financial market into various subgroups has enhanced the efficiency of resource allocation. Each market is unique in terms of the nature of participants, instruments, etc.

1.1.2 Characteristic Features of the Financial Markets

This topic describes the features of the financial markets.

Table 1-2 Financial Market

Financial Market	Purpose	Players	Regulator
Money Market	Short-term rupee finance	• Banks, • Governments • FIs • Corporates • FIIs • MFs • individuals	Central Bank
Capital Market	Long-term rupee finance	• Corporates • Banks • FIs • individuals • MFs • FIIs	E.g. US SEC
Forex Market	Short/Long-term foreign currency finance	• Banks • corporates • forex dealers	Central Bank
Credit Market	Short/long-term rupee finance	• Banks • FIs • NBFCs	Central Bank

Within the above-mentioned sub-markets, based on the transactions, financial markets can further be classified into open markets and negotiated markets. The basic distinction between these two types of markets is based on how the securities are bought and sold. In an open market, the securities can be offered to a large number of investors who can buy and sell them any number of times before the maturity period.

The public issue of securities takes place in an open market. On the other hand, the negotiated market have only a selected group of investors to whom the securities are offered and sold. It will generally be a private contract between the seller and the buyer. A bought-out deal and a car loan are good examples of transactions in a negotiated market.

Another useful and important distinction between markets in the financial system is the primary market and the secondary market. A primary market is a place for the fresh issue of securities. Corporates, banks, FIs, and the government can issue new securities and raise funds for investment purposes. The secondary market deals in securities previously issued in the primary market thereby providing liquidity to the investors. Investors can buy and sell securities in the secondary market on a continuous basis. Due to this, the volume of transactions taking place in the secondary market is far greater than those taking place in the primary markets.

Except for the capital market, the other sub-markets present in the financial system either do not have a secondary market or their operations in the same are negligible. The secondary market transactions of the capital market take place at the stock exchanges. All securities that are issued in the primary market have to be listed on the stock exchanges to enable trading activity. The secondary market helps in undertaking maturity inter-mediation by bringing together savers and users with conflicting maturity targets.

1.1.3 Financial Intermediaries

This topic describes the financial intermediaries.

Having designed the instrument the issuer should ensure that these financial assets reach the ultimate investor in order to garner the required amount. When the borrower of funds approaches the financial market to raise funds, the mere issue of securities may not suffice. Adequate information on the issue, issuer, and the security should be passed on the supplier of funds for the exchange of funds to take place. To serve this purpose, financial intermediaries came into existence. Major changes have been witnessed in the type of issuers and investors participating in the market.

Financial innovations, technological up-gradations and most importantly changing regulatory mechanisms made the process of raising funds from the market place a complex task. Investors' preferences for financial assets have also changed. Designing instruments that catch the investors' attention has now become a specialized service. Likewise, proper expertise is also necessary for establishing transactions in the financial markets. The large volume of transactions taking place in the markets will have to be recorded promptly and accurately.

Some of the important intermediaries operating in the financial markets include investment bankers, underwriters, stock exchanges, registrars, depositories, custodians, portfolio managers, mutual funds, financial advertisers, financial consultants, primary dealers, secondary dealers, self-regulatory organizations, etc. The role of these intermediaries is summarized in the following table.

1.1.4 Intermediaries Operating in Financial Markets

This topic describes the intermediaries operating in Financial Markets.

Table 1-3 Intermediaries

Intermediary	Market	Role
Stock Exchange	Capital Market	Secondary market for securities.
Investment Bankers	• Capital Market • Credit Market	Corporate Advisory services, Issue of securities.
Underwriters	• Capital Market • Money Market	Subscribe to un-subscribed portion of securities.
Registrars Depositories Custodians	Capital Market	Issue securities to the investors on behalf of the company and handle share transfer activity.
• Primary Dealer • Secondary Dealers	Money Market	Market making in government securities.
Forex Dealers	Forex Market	Ensure exchange in currencies.

In a market, which is not well regulated, these intermediaries increase the risks for the investor. To prevent any misappropriation of the lenders' funds and to reduce the risks of the investors a well-regulated environment has to be developed. With markets in various countries, harmonizing their regulations, these financial intermediaries are now becoming global players.

1.1.5 Financial Assets (Securities)

This topic describes the Financial Assets of Securities.

Financial assets constitute an abstract but verifiable financial stake that may be represented through a paper document or a computer system but does not disappear just because something happens to the piece of paper (or the computer) on which it was recorded.

Financial assets can be broadly classified into Equities / Stocks, fixed income securities, and derivatives. The financial stakes represented by securities are stakes in some business, government, or other legal entity.

- If the security is equity/stock, then the investor's role is ownership (together with other investing shareholders, if any).
- If the security is a bond, then the investor is a creditor and the other entity can be corporate or government.
- If the security is an option, then the investor has certain well-defined rights and the other entity has corresponding obligations.

1.1.6 Equities

This topic describes the equities.

Buying equities of any company/corporation lead to investors becoming owners of the corporation. As a shareholder, investor has certain basic rights.

- A claim, proportional to the number of shares held, to a portion of the corporation's assets
- The power to vote on company business at shareholders' meetings, again in proportion to shares held
- The right to dividends that may be voted by the Board of Directors
- Sometimes, a pre-emptive right to purchase new shares before they are offered to the general public.

The liability of the investor/shareholder is limited to the proportion of the holdings of the investor in the corporation.

1.1.7 Preference Shares

This topic describes the preference shares feature.

Preference shares are also shares with certain variations.

- They carry a fixed dividend, which is announced at the time of the issue.
- They have no voting rights.
- Payment of dividend to these shares are done first prior to dividend payment on equity shares.
- The claim of the preference share holder precedes the claim of equity shareholder.

Preference shares may be cumulative or non-cumulative. If they are cumulative, they are entitled to a dividend, whether or not the firm earns it. If during a particular year the company does not have adequate earnings to distribute as dividends, the dividends in arrears are accumulated and paid in a later year when earnings are sufficient. Some preference shares are convertible. This option permits the shareholders to exchange preference shares for equity shares of the same company.

1.1.8 Fixed Income Securities

This topic describes the fixed income securities.

The following types of securities are considered as fixed income securities.

- Bonds

- T Bills (Issued on Behalf of the Government)
- T Notes and T Bonds (Issued on Behalf of the Government)
- Treasury Strips (Issued on Behalf of the Government)
- Certificates of Deposit (CDs)
- Commercial Paper
- Banker's Acceptances (BAs)
- Municipal Bonds And Notes

1.1.8.1 Bonds

Bonds are fixed income securities. The basic characteristics of the bonds are as follows:

- Bondholders are typically lenders to the corporation and not owners as in the case of equity shares
- They carry no voting rights
- They carry a fixed interest rate, which gets paid to the bondholder on a periodic basis
- There is a maturity period associated with the bonds, upon which the principal is repaid back by the corporation to the bond holders
- The claim of bond holders take precedence over the claim of preference / equity share holders in the event of liquidation

Bonds are typically classified into fixed income securities with long term maturity (7 – 10 years), commercial paper with very short maturity term (< 18 months) and treasury notes which fall in the intermediary range.

Bond Features

- Callable As with preferred stocks, bonds may be callable. Issuers have the ability to retire the issue before maturity, if they want to, under set conditions.
- Convertible Usually this convertible feature allows the bond to be converted into equity, thereby reducing the corporate debt.
- Adjustable-rate bonds- The coupon rate on this type of bond is changed periodically. By changing the coupon rate to reflect current economic conditions, the bond's price behaves more like that of a short-term instrument.
- Zero-coupon bonds- These are discounted instruments offered below the face amount, paying par or face value amount at maturity. The difference is the interest earned.
- Registered / Bearer bonds - Registered bonds are fully registered. This means the name of the owner or that of the nominee is maintained by a registrar. Interest on these bonds would be paid to the owner as appearing in the books of the registrar as of the interest payment date. Bearer bonds are transferable by endorsement. The interest coupons are issued along with the bonds, and the person who submits the interest coupon to the bank as of the interest payment date earns the interest on those bonds. Registrar does not maintain the books of the owners of the bonds for these bonds.
- Series bonds - Corporations may issue bonds in series (say I, II, III, etc). Most of the characteristics would be the same across all the series except that the maturity date for the series can be different, and it might follow an order.

Bonds may be retired / redeemed by three methods:

- In redemption, the bonds are retired, and the bondholders are paid cash. Here again, the bonds are retired completely in one stroke or a logical sequence of the series.

- In a conversion, the bondholders exchange their bonds for shares of common stock.
- In a refunding, the corporation retires one bond issue by issuing another.

1.1.8.2 T Bills (Issued on Behalf of the Government)

Treasury bills are short-term instruments, with the longest maturity of one year. Bills are discounted instruments. Discounted instruments usually do not have a coupon, or fixed, interest rate. Instead, the bills are bought at say $8 amount, and you receive a higher amount (the face value of say $10) at maturity. The difference between the two amounts is the discount. The rate of interest earned is 'built into the discount.

1.1.8.3 T Notes and T Bonds (Issued on Behalf of the Government)

Treasury bonds and notes are longer-term instruments. Notes are issued for one to ten years. Bonds are issued with maturities ranging from 10 to 30 years. Bonds and notes have fixed, or coupons, interest rates and pay interest on a semi-annual basis. The interest is computed on a 365-day basis, not 360 (as with bills and other instruments).

1.1.8.4 Treasury Strips (Issued on Behalf of the Government)

The Treasury also issues long-term discounted Treasury instruments known as strips. These instruments do not pay interest periodically. Instead, they pay 'face' at maturity. The difference between what is paid at the time of purchase and what is received at maturity represents the interest earned.

1.1.8.5 Certificates of Deposit (CDs)

CDs are one of the major instruments of the money market sector, which includes T Bills, commercial paper, and banker's acceptances. A certificate of deposit is negotiable security issued by commercial banks against money deposited over a period of time. The value of CDs varies depending on the amount of deposit and maturity.

Included in the category of certificates of deposit are small issues that are not transferable and therefore non-negotiable. This form of CD, usually $10,000 in value, and sometimes with a life of two years or more, is advertised by many banks to attract the retail investors. However, because these are not tradable, they are not part of the negotiable CD market.

1.1.8.6 Commercial Paper

Corporations raise long-term capital by issuing stocks and bonds. They raise short-term money by taking out loans from commercial banks and by issuing commercial paper to the investing public.

Commercial paper is a debt instrument that is offered sometimes as a discount instrument and sometimes as principal plus interest For a plus interest instrument, the client pays the full face value to buy the paper and receives the face value plus the interest accrued at maturity.

Neither type of instrument has a fixed interest rate. Instead, the rate is negotiated at the time of purchase and the interest is calculated from the face and full value. To receive the interest, the buyer must, for all practical purposes, hold the instrument until maturity. If the paper is sold during its life, its price is subject to market fluctuations. In the case of commercial paper, the secondary market is thin, almost non-existent.

1.1.8.7 Banker's Acceptances (BAs)

Banker's acceptances (BAs) are bills of exchange that are issued and guaranteed by a bank for payment within one to six months. The funds raised through their sale provide manufacturers and exporters with operating capital between the time of production or exporting and the time of payment y purchasers. I affect, the bank 'accepts' evidence of the value of goods being either manufactured or exported. For that evidence, it issues its 'acceptance' in the form of a certificate, which can then be bought and sold as a security.

1.1.8.8 Municipal Bonds And Notes

Municipal bonds or munis are debt instruments issued by state and local governments to raise capital to finance their projects and other needs. Income (that is, interest) earned on municipal securities is free from federal income tax. For a resident of the issuing municipality, interest from the bonds is also free from state and local income taxes

1.1.9 Rights and Warrants

This topic describes the rights and warrants of the share holders.

From time to time a company may need to raise additional capital by issuing common stock. It may do so either through the usual underwriting methods or through the issuance of rights or warrants to current stockholders. Rights and warrants are similar in that both permit their holders to subscribe to the new shares. They differ in that rights are generally short term whereas warrants have much longer lives. Also, a corporation may have several warrant issues outstanding at one time, but it may offer only one rights issue at a time.

- Rights
- Warrants

1.1.9.1 Rights

A right or subscription right is a privilege granted by a corporation to its stockholders to purchase new securities in proportion to the number of shares they own. Usually, right holders are entitled to purchase, or subscription price that is lower than the stock's current market price. Shareholders who choose not to subscribe may sell their rights.

1.1.9.2 Warrants

Usually lower than the current market value of the common stock. Warrants are longer-term issues than rights. They generally come to the marketplace as part of a unit, which is comprised of two or more issues. For example, a corporation may issue a combination of bonds and warrants. The bonds are in regular form, and the warrants are used to make the offering more attractive.

The Certificate In the case of either a right or warrant, the certificate itself is referred to as a right or as a warrant. A right certificate could represent 100 rights, and a warrant certificate could represent 100 warrants. The term confuses and is a source of errors in the brokerage community. Operations personnel should always make certain whether the term means the right or warrant certificate or the number of rights or warrants represented there on.

1.1.10 Trading in Equities

This topic describes the Trading in Equities.

Selling stock to the public - When corporations issue stock (or other securities), they are referred to as Issuers. Stock can be issued for sale to the public or for private placement. When issuers prepare to sell securities to the public, they usually call upon investment bankers to act as underwriters.

Most corporations come out with the new issue of shares through Initial Public Offerings (IPO), which is called the primary market offering. The equity shares then get listed on the stock exchange. The stock exchange is the market place for buying and selling of equity shares.

The stock exchange offers the common trading floor for trading on stocks. They offer liquidity to investors. Every stock exchange has its own rules and regulations under which the securities get traded. Investors can offer to buy or offer to sell stocks of certain corporations through financial intermediaries on the stock exchange. The stock exchange publishes the various price quotes for stocks listed on their stock exchange on a daily basis. Stock exchanges also allow for settlement for trades.

Typical settlement periods that stock exchanges follow are:

- Fixed Settlement - Stocks traded during a specific period would get settled on a specific date. All securities traded between Monday and Friday of every week would get settled on the Tuesday of the next week. If Tuesday happens to be a holiday, then the same would be either settled on Monday or on Wednesday as the case may be.
- Rolling Settlement – Stocks traded on any day would get settled after a defined period. For example, if the stock exchange has a rolling settlement of 3 days, then all deals done on June 01 will be settled on June 04 and all deals done on June 02 will be settled on June 05 and so on.

The investors can hold securities in any of the following forms:

- Scrip based – Certificates mentioning the details of the investor holding on the securities will be provided to every investor. In this scenario, the securities in physical form are typically held in the Safekeeping locations for the customer which can typically be a custodian, broking house or a bank.
- Dematerialized – No paper form holding of securities. The security positions at each investor level are held electronically at the depository. Any buy or sell by the investors in a dematerialized form will increase the holdings of the customer in an electronic format. Securities never exist in physical form.
- Immobilized – Very similar to Dematerialized. But, the physical forms of the certificates are available with the central depository.

1.1.11 Trading in Bonds / Fixed Income securities

This topic describes trading in bonds on the stock exchanges.

Bonds are traded on the stock exchanges. However, they are traded more in an Over The Counter (OTC) market scenario, wherein, most of the deals in the bonds lead to the Delivery vs Settlement scenario. The deals are done in such a manner that normally get settled within a few days. The quantity of bonds is generally quoted in the market in two forms:

- Units
- Nominal value

In the units scenario, bonds are bought in units and are quoted at a nominal price. Since fixed income securities usually mature at the face value, the prices of such securities are always quoted at discount. Years to maturity and interest rate of the fixed income security are the two primary factors, which determine the price of the security. Here again, the price at which it is quoted can be either a Clean price or it can be Flat price. Clean price is the basic price of the

security and flat price contains the basic price plus the accrued interest on the security from the last interest payment date. In the first case, the buyer will pay the seller the accrued interest from the last interest payment date separately. Even though the outflow for the buyer is the same in both cases, the important thing is from the accounting point of view.

Accrued = [Face value of bond] x [rate of interest] x

Interest {[Number of days bond is owned /360]}

Days used for interest computation (the variables mentioned within {} in the above formula) can be done using any of the nine methods as mentioned below:

- Actual / Actual
- Actual / 360
- Actual / 365
- Actual / 364
- 30 (US) / Actual
- 30(US) / 360
- 30(US) / 365
- 30 (US) / 364
- 30 (EURO) / Actual
- 30 (EURO) / 360
- 30 (EURO) / 365
- 30 (EURO) / 364

In the nominal value scenario, bonds are bought at face value. These bonds are normally traded at a discount on the face value. The investors then hold on these bonds to maturity at which time the face value of the security is recovered from the issuer.

In the bond market, three types of yield are typically encountered:

- Nominal Yield
- Current Yield
- Yield to maturity

Nominal Yield - This is the percentage of interest paid on the face value of the instrument. For instance, a $1000 bond with an interest obligation of 7% has a nominal yield of 7% (.07 x $1000). It pays $70 interest per year on each $1000 bond.

Current Yield - Bonds pay interest based on the face value. The interest or coupon rate remains the same regardless of fluctuations in the market price of the bond. The investor is concerned with the return or the amount of interest received on the amount of money paid. The current yield tells the investor what the return is, given the price of the bond.

For example, the bond in the previous example is selling for 120, that is, the bond costs the investor $1200 to acquire. It still pays only $70 in interest (7% on the face value of $1000). Although, as the bond's owner, the investor receives $70, the return is based on a cost of $1200. The current yield is therefore only 5.83%. ($70 / $1200)

Yield to Maturity: This type of yield takes into account the net dollar amount that an investor can expect if the bond is held to its maturity date.

For instance, a $1000 bond paying 7% interest will mature in 30 years. When the investor purchases it for $1200, the bond has twenty years of life left. At the end of the 20 years (at

maturity), the corporation is obligated to retire the debt for $1000 (face value). If the investor paid $1200 today for the bond, he will receive only $1000 at maturity. Divide the $200 loss (or amortize it) over the 20 remaining years: $200 divided by 20 years equals $10 per year. The investor is losing $10 per year, which accumulates on this transaction. Yet the bond is going to pay him $70 per year in interest. So over 20 years, the investor actually earned an average of $60 per year every year he owns the bond. In dollars, this is the yield to maturity.

Yield to maturity = Interest received +/- amortized figure

(Face value + cost) / 2

$70 - $10 = 0.0545

($1000 + $1200) / 2

The yield to maturity is 5.45%

Certain bonds like Zero coupon bonds trade with the price being quoted as ‘Yield to Maturity’ (YTM). These securities carry a face value, but they are usually traded at a discount. The 2-10 YTM for such securities would be quoted in the market. Yield to maturity in such scenario can be understood using the following formula:

YTM = (Face value – Purchase Price)* Days in a year Current price * Days to maturity

1.1.12 Corporate Actions on Securities

Some of these corporate actions can be directly correlated to the return, which the investors earn on these securities and others are relating to the various happenings on the securities during its life cycle.

Investors’ returns:

Corporate actions, which fall under this category, can be:

- Cash dividend on equities / preference shares
- Stock dividend on equities
- Interest on bonds / fixed income securities
- Redemption of bonds / fixed income securities either on Call / maturity date
- Exercise of rights / warrants associated with securities

Corporate actions, which do not fall under this category are:

- Stock splits
- Mergers and acquisitions

This topic has the following sub-topics:

- Cash Dividend
- Stock Dividend
- Interest on Fixed Income Securities
- Redemption on Fixed Income Securities
- Rights / Warrants
- Stock Splits
- Mergers and Spin-offs

1.1.12.1 Cash Dividend

Corporations reward the investors by declaring cash dividends, which would normally be a small portion of the company's earnings after interest payment and tax. Companies plow back the remaining portion of the earnings into its reserve, which can be re-used for funding the company's growth in the future. The dividend declared as explained above is paid to the investors in cash.

When voting on the amount and form of a dividend, the Board of Directors provides two dates: record date and payment date. The record date is the point of reference for determining shareholder eligibility for the dividend. The pay date is typically a couple of weeks after the record date.

Three days before the record date and about three weeks before the pay date, the stock goes ex-dividend. Investors who purchase shares between the ex-dividend date (sometimes just called the ex-date) and the pay date are not entitled to the dividend. Instead, it is paid to the previous shareholder. When a stock goes ex-dividend, its price usually drops by the (after-tax) amount of the anticipated payment.

1.1.12.2 Stock Dividend

Corporation rewards the investors by declaring additional free shares to the investors based upon the proportion of holdings of the investors as of the record date. Whenever the board of directors feel that the money lying in the Reserve account as explained above is more than adequate, they would convert a portion of the reserve into Capital by issuing stock dividends. The issuance of stock dividends does not entail any additional cost to the investor.

If the company issues a stock dividend of 1: 2 (Investors would get an additional share for every two shares held by them), the outstanding units of the company increase by 50% over the existing outstanding units. The market value of the stock usually comes down after a stock dividend.

1.1.12.3 Interest on Fixed Income Securities

The interest paid on the fixed income securities/bonds is the same as the Nominal yield as explained above. Interest is normally paid on these securities on a pre-defined frequency. Companies pay interest on the earnings earned by them prior to payment of tax or cash dividend on both preference/equity stocks

1.1.12.4 Redemption on Fixed Income Securities

Fixed income securities/bonds have a pre-defined life of 7 – 10 years. Conceptually, the company is indebted to all its borrowers who have funded the bonds. The companies would normally redeem their debts and thus there is a fixed maturity period for all the fixed income securities. The customers are usually paid back the face value of the bond or the face value and a small premium on the bond at the time of maturity.

For example, if the face value of the bond is $100, the company would repay $100 or $105 (Face value + premium of 5%) at the time of redemption.

1.1.12.5 Rights / Warrants

Rights offerings allow existing shareholders to purchase (or subscribe to) additional shares of stock at a discount from the public offering price when the company prepares to issue new shares. These shares, which are also called subscription rights, are transferable securities.

The existing investors have the option to allow the rights to expire, renounce (where they sell the rights offer to another person) or exercise the options.

A warrant, attached to another security, entitles the holder to convert the security into common stock or some other instrument at a set price during a specified period. The price set in the warrant is usually lower than the current market value of the common stock.These offerings give existing shareholders another opportunity to purchase additional shares at a discount from the market price.

1.1.12.6 Stock Splits

A stock split increases the total number of shares outstanding without changing the total market value of shares. The companies usually issue stock splits if the price of the stock is too high and is not affordable for the common investor. Essentially, the stock split increases the liquidity of the stock among common investors.

For example, in a 2-for-1 stock split, a holder of 100 shares IJK Corporation common stock receives an additional 100 shares usually in book-entry form, although investors can request a stock certificate). If the price of IJK was $144 just before the split, it is $72 right after it. The nominal value of the stock comes down by half in the above example after the split.

1.1.12.7 Mergers and Spin-offs

Mergers combine two (or more) companies to form a larger company. Frequently, the acquiring company pays shareholders of the acquired company in shares. For example, company A may purchase all of company B’s shares based on a predetermined ratio of shares, say, two shares of company A stock for every share of Company B stock outstanding. If an investor own 100 shares of Company B stock, after the acquisition is complete (and company B no longer exists as a separate entity) the investor will own 200 shares of Company A stock.

Spin-offs are like mergers in reverse. Company C decides to split off part of its operations into a separate organization. Let us say the new organization is called Company D. How are shareholders in Company C compensated for this splitting off of part of their ownership interest into a new enterprise? Usually, through the issuance of stock at some preset ratio. Let us say an investor owns 100 shares of Company C. After the spin-off of Company D, the investor still owns 100 shares of C, but you also own, say, 50 shares of Company D.

2

Overview of Securities

The Securities module of Oracle Banking Treasury Management is a comprehensive, automated, and flexible back-office deal processing, and security life-cycle processing system. With this module, you can capture details of the security deals entered at your front office, process deals, and track the life cycle events of holdings in your own, or your customer's portfolios.

The module is comprehensive in its ability to process different types of securities (fixed and flexible interest bonds, bonds with staggered and bullet redemptions, series type bonds, equities, warrants, rights, and discounted instruments) and portfolios (bank type, customer type, and issuer type). It is comprehensive in its ability to capture a host of relevant information for a variety of deal types (buy/sell; spot/forward; block; lodge/withdraw; repo/reverse repo; safekeeping location transfers, etc.).

The Securities module automates the entire processing-cycle of holdings in a portfolio (asset, liability, profit and loss bookings, accrual processing, and revaluation), and the processing of corporate actions (coupons, dividends, bonus, rights, warrants, and redemptions) defined for an instrument. The module automatically generates the SWIFT, Telex, and mail messages specified for the ‘events’ linked to deals or portfolios. It helps you automatically track your positions and holdings across various safekeeping locations, and automatically track, online, your exposure to a customer at the deal level for total or pre-settlement risks. At the end of the day, you can also track your exposure to selected issuers and safekeeping locations.

Defining ‘Products’, in Oracle Banking Treasury Management., helps you streamline your operations based on the various types or categories of business segments you operate in. For example, if you are an issuer of securities, you can define the different types of issuer portfolios as products. If you offer customer portfolio maintenance schemes, you can define each type of scheme as a product. Similarly, if you maintain short term zero-coupon bonds, you can define it as a product. You can, likewise, define different deal types into products.

The Securities module gives you the flexibility to define, upfront, components (such as interest, charge, and tax), restrictions (such as branch, currency, customer, security, and portfolio), preferences, and events and accounting entries into ‘Classes’. When defining a product, you merely need to associate it with the different classes that you have built. You can change the attributes of classes, on association with a product, to suit specific security, portfolio, or deal.

The module also offers you the flexibility to define portfolios based on your requirements. If you are an issuer of securities, you can maintain issuer portfolios for the coupon and discounted instruments you issue. On these instruments, you can automatically track coupon events, accruals, and redemption until maturity. You can define your trading and investment portfolios, and choose the costing method (LIFO, FIFO, WAC, etc.), the interest and discount/premium accrual frequencies, and the revaluation method that you would like to adopt. If you offer customer portfolio management facilities, you can define customer portfolios, and track all life cycle events from inception to maturity. You can levy charges on a variety of bases, at deal or portfolio level, for your services.

This topic contains following sub-topics:

- Snapshot of the Module
  This topic describes the process flow of the Securities module.

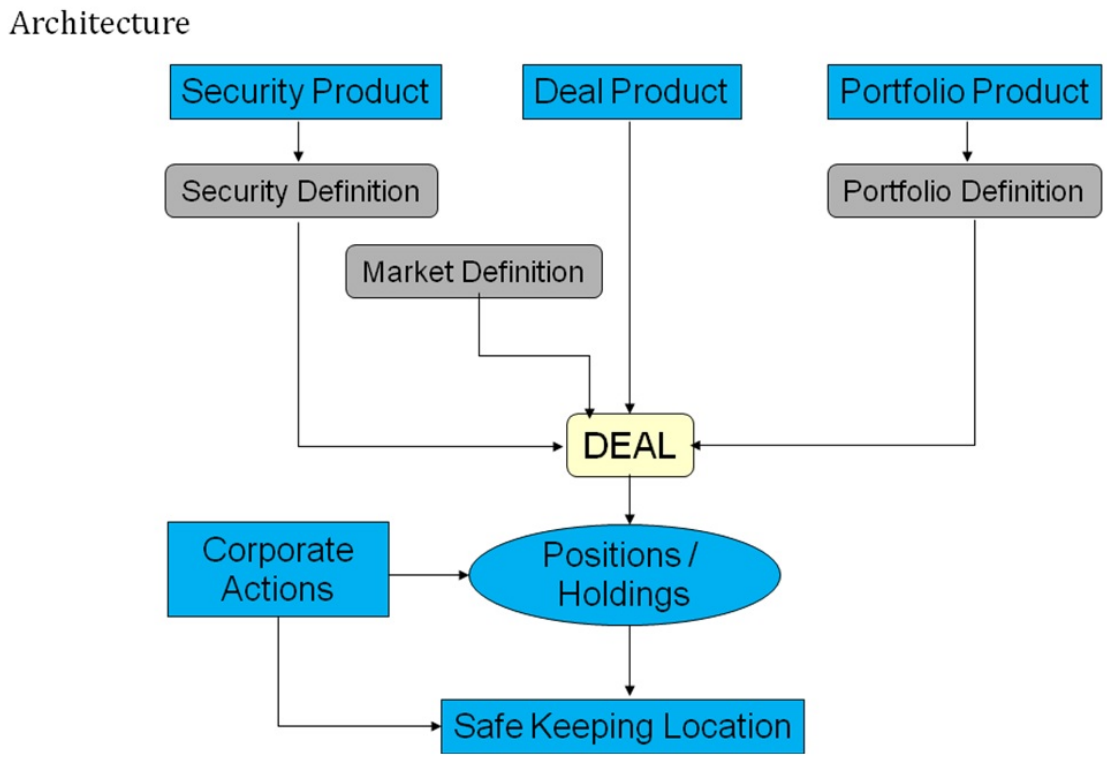
- Process at the Portfolio Level - at the Beginning or End of Day
  This topic describes the process at the portfolio level.
- Started with the Module
  This topic describes the features of the Securities module.

2.1 Snapshot of the Module

This topic describes the process flow of the Securities module.

The instruments supported

Figure 2-1 Process Flow



- Fixed interest bonds with quantity (staggered), bullet, or series type redemptions, and user-defined coupon schedules supporting different interest methods for accrual and liquidation.
- Flexible interest bonds with quantity, bullet, or series type redemptions, and user defined coupons with synchronous or asynchronous rate revision schedules supporting different interest methods for accrual and liquidation.
- Discounted instruments (Treasury Bills, Zero Coupon Bonds and Commercial Papers)
- Equities
- Rights
- Warrants

Corporate Actions processing supported

Bonds:

- Collection and disbursement of coupons for long and short holdings collected/ disbursed, by batch, from safekeeping location of holding for each portfolio.
- Redemption: processed, by batch, as an auto sell-type deal. The types of redemption supported are:
- Bullet (at premium or face value)
- Quantity (percent of original face value) at a user-defined redemption price for each intermediate redemption
- Series (with user defined series and redemption date and price)
- Warrant events are processed as appropriate auto buy or sell deals between the portfolio and the SK location of the holding.

Equities:

- Cash Dividend (as rate per face value, or value per unit) collected and disbursed, by batch, from the safe keeping location of the holding, for each portfolio.
- Stock Dividend (Bonus) with user-defined resultant security processed, by batch, as a buy deal from the location of holding of the parent security, for each portfolio.
- Partial or full cash conversion, at user-defined encashment price, collected by batchfrom the safe keeping location of the holding, for each portfolio.
- Rights events are processed as appropriate auto buy or sell deals between the portfolio and the SK location of the holding.

Rights and Warrants:

- Tear -off from the parent security at a user-specified ratio.
- Exercise giving a user-defined resultant security at a user-defined ratio and exercise price.
- Automatic expiry on the date specified.

Portfolio features supported:

Bank Portfolio

- Costing basis: Deal Matching, LIFO, FIFO, and Weighted Average Costing.
- Independent accrual option at flexible frequencies.
- Flexible accrual options for forward profit or loss.
- Revaluation using MTM or LOCOM for Settled or Total positions.
- Option to restrict the portfolio from taking a short position.
- Flexible, user-defined accounting entries and advices for each event.
- Facility to specify, upfront, the GLs to which accounting entries for a portfolio product would be posted. You can change the default to suit a specific portfolio maintained under a product.

Issuer Portfolio

- Costing basis is always WAC and the portfolio is always short in the issued security.
- Independent accrual option at flexible frequencies.

- Flexible accrual options for forward profit or loss.
- Revaluation using MTM or LOCOM for Settled or Total positions.
- Option to restrict the portfolio from taking a short position.
- Flexible, user-defined accounting entries and advices for each event.
- Facility to specify, upfront, the GLs to which accounting entries for a portfolio product would be posted. You can change the default to suit a specific portfolio maintained under a product.

Customer Portfolio

- Can attach pre-defined charge components (built with different charge bases, such as the coupon liquidation amount, stock to cash liquidation amount, etc.) to a customer portfolio.
- Specify the notices to be generated for the various corporate actions due on a security in the portfolio

Deal Product Types

The following deal types are supported:

- Buy and sell deals of type bank-to-customer, bank-to-bank, and customer-to-customer
- Rights and warrants ‘exercise’ type deals for bank and customer portfolios
- Lodge and withdraw type deals for customer portfolios
- Block and Release Block type deals for bank and customer portfolios
- Transfer from one SK location to another

Activities Supported through Deal Online are:

- Purchase and sale of securities between bank and customer portfolios, bank and standalone customers, bank and bank, and customer and customer.
- Spot and forward deals can be processed using user-specified market details, rates, trade, and settlement dates bought or sold interest, and deal currency. Most likely values are available as defaults for aiding faster inputs.
- Money settlement, on auto or manual basis, according to pre-defined settlement instructions.
- Deal level messaging based on the parties specified.
- Customer portfolio deals, with accompany withdraw/lodge options, to capture deals by customer portfolio outside bank’s custodial interest.
- Standalone Withdraw/Lodge for customer to handle customer deals struck independently from holdings managed by the bank.
- Repo by bank portfolio/Reverse Repo by the bank to the customer with portfolio (auto-blocking in portfolio of securities and with tracking of the market value of the blocked securities vis-à-vis the contract amount outstanding).
- Block Release Block.
- Transfer across Safe Keeping Locations.
- Facility to change the format of the security.

2.2 Process at the Portfolio Level - at the Beginning or End of Day

This topic describes the process at the portfolio level.

- Corporate Actions of coupons, dividends, and stock to cash (for bank and customer portfolios).
- Manual and auto initiation at the security level
- Manual and auto collection from the SK location by the bank
- Liquidation and disbursement of the corporate action to the portfolio
- Deal Settlement and updating of holdings. Profit and loss booking for user-entered and auto deals.
- Accrual entries passed - Accrual of Interest, Discount, Premium, Redemption Premium, Forward Profit and Loss accruals.
- Revaluation entries posted.

2.3 Started with the Module

This topic describes the features of the Securities module.

Oracle Banking Treasury Management Securities module helps you streamline your operations to a remarkable degree. This is borne out by the following maintenance features.

The maintenance functions can be broken into the following categories:

1. Maintaining commonly accessed data - such as market, SK locations, Interest, Charge and Tax components, and so on - required to simulate the specific business-related environment that you desire.
2. Building classes
3. Defining products

This topic contain the following sub-topics:

- Build Classes
- Define Products
- Handle Interest, Charge and Tax Components
- Build a Transaction Tax Scheme
- Build an Issuer Tax Scheme
- Handle Brokerage
- Track Limits
- Settle Deals
- Query the System for Details

2.3.1 Build Classes

In Oracle Banking Treasury Management, a ‘Class’ embodies a generic set of attributes. A class could represent:

- A set of restrictions (branch, currency, customer, security restrictions, or portfolio restrictions).
- A set of ‘preferences’ (security preferences, portfolio preferences, or deal preferences)
- A set of events and the corresponding accounting roles and heads (account types and the GLs involved), or
- A component (tax, interest, or charge).

As part of your one-time setup, you can define several sets of classes of a particular type. For instance, you may want to disallow banks and financial institutions from availing of a customer portfolio service that you offer. You can maintain a Restrictions Class with a Disallowed List of customers, and include Banks and Financial Institutions in this list. When defining the Customer Portfolio Service as a product, you merely need to associate this Restrictions Class to it. The same principle applies to all classes that you build.

In Oracle Banking Treasury Management, therefore, you do not have to specify restrictions, preferences, and components every time you create a product. You only need to associate the different sets of classes that you have already maintained.

This feature eliminates redundancy, and saves processing time.

2.3.2 Define Products

You can use the Product Definition facility in Oracle Banking Treasury Management to streamline your operations based on the types or categories of business segments you operate in.

A Portfolio Product is a category or a type of portfolio. For instance, you can define your investment portfolio of zero-coupon bonds as a product in Oracle Banking Treasury Management. A portfolio product can, thus, serve to classify the portfolios that you maintain in your bank and to reflect either the security level or the investment philosophy of your operations.

A portfolio product can also represent a specific service that you offer. You can define a customer portfolio maintenance service, Clean, Safe, and Fast Buck’, for example, as a product. Similarly, you can define a category of securities (such as the t-bills issued by your government) as a product, and a category of security deals as a product.

When building a product, you assign it a set of attributes. (You can define these attributes by associating the appropriate classes to the product.) The securities, portfolios, and security deals that you maintain under a product, respectively, acquire the attributes defined for the corresponding product.

The Advantage of Defining a Portfolio Product

The advantage of defining products is illustrated by the following example. Assume this scenario: Mr. Silas Marner, your customer, would like you to maintain his portfolio, worth USD 100,000, under the customer portfolio maintenance scheme, Clean, Safe, and Fast Buck. The highlights of this scheme are:

- You would not deal in long-term Zero Coupon Bonds.

- You would not deal in securities issued by alcoholic beverage companies.
- You would not deal in securities issued by industries blacklisted by Greenpeace.

Let us consider the different operations that you would perform in setting up this portfolio. You would specify, amongst other details:

- The securities that you are not allowed to deal in (long term zero coupon bonds, securities issued by alcoholic beverage companies and companies blacklisted by Greenpeace).
- The securities that you are not allowed to deal with (long term zero-coupon bonds, securities issued by alcoholic beverage companies and companies blacklisted by Greenpeace).
- The GLs that would be impacted.
- The advices that need to be generated.
- The charges that you would levy.
- The taxes that would apply.
- If you would like to auto liquidate for Corporate Actions.
- The MIS Heads under which you would like to report the portfolio.

If you maintain a hundred such customer portfolios under the same scheme, you will repeat the above operations as many times.

By defining portfolios with similar attributes as a product, you can standardize these operations. For example, for a portfolio product, you can define:

- The GLs that would be impacted (by associating an appropriate ‘Events, Accounting Entries and Advices Class).
- The advices that need to be generated.
- The charges that you would levy (by associating a Charge Class).
- The taxes that would apply (by associating a Tax Class).
- The MIS Heads under which you would like to report the portfolios.

Portfolios maintained under the product will acquire these attributes defined for the product.

Defining a customer portfolio scheme as a product reduces the effort involved in maintaining a portfolio.

By classifying your securities, portfolios, and security deals into products, you not only save time, but you can also easily retrieve information relating to securities, portfolios, ordeals of a particular type.

2.3.3 Handle Interest, Charge and Tax Components

In Oracle Banking Treasury Management, you can build interest, charge and tax components, upfront. When defining a product, you merely have to attach the required components. Thus, security, maintained under a security product, acquires the components associated with the security product. Similarly, portfolios and deals acquire the components associated with the respective products they involve.

The following example illustrates the advantage of defining a component upfront.

The following transaction taxes apply on all the securities deals that you enter into:

A Stock Exchange tax

Local tax 1 - applicable on the deal amount

Local tax 2 – an additional tax

In Oracle Banking Treasury Management, each of these taxes is referred to as a ‘component’ of the deals that you enter into.

In Oracle Banking Treasury Management, you can build each of these components upfront. Since these taxes apply to all deals, you can associate the tax components to all the deal products that you maintain at your bank. Deals involving a product acquire the components defined for the product.

The advantage is clear: you do not have to define these taxes every time you enter into a securities deal.

Build Interest and Charge Classes

A class is a specific type of Interest or Charge component. A quarterly coupon paid on the current face value is an example of an interest component. A charge levied on every extra Statement of Holdings provided is an example of a charge component. When building a class, you can identify:

- The Charge Rule (in case of a charge class)
- The event at which you would like to associate the component to a security
- The application event (for a charge class)
- The liquidation event (for a charge class)
- The basis amount on which the coupon is paid. Typically, this is on the current face value of a security (for an interest class)
- The rate type (for an interest class)
- The default rate code (for an interest class)
- The default tenor (for an interest class)

These details default to the products with which you associate the class. For instance, security maintained under a product acquires the interest components associated with the product. By building classes, and associating them to products, you remarkably save time and effort.

Build Tax Classes

With the Securities module of Oracle Banking Treasury Management, you can process two kinds of tax:

- Issuer tax (charged on the coupon or cash dividend paid by the issuer)
- Transaction tax (local taxes, for example)

Issuer tax for security is calculated on the basis of the Issuer Tax Scheme associated with the product that the security involves. The transaction tax for a securities deal is calculated on the basis of the Transaction Tax Scheme associated with the product that the deal involves. (A tax class is a specific type of Issuer or Transaction tax. A tax scheme is a set of Issuer or Transaction tax classes.)

2.3.4 Build a Transaction Tax Scheme

When building a transaction tax class, you associate it with a tax ‘rule’. A rule identifies the logic required to compute the tax. The logic built into a tax rule defaults to the tax class with which you associate the rule. For a tax rule you can define the following:

- The tax currency
- The minimum tax amount
- The maximum tax amount
- The floor amount
- The floor charge
- The ceiling amount
- If you would like to apply a rate or a flat amount
- The basis amount, etc

You can group any number of transaction tax classes into a tax scheme. When defining a security deal product, you can associate it with a transaction tax scheme that you have built. Transaction taxes for all deals associated with the deal product will be calculated, by default, according to the components built into the scheme.

2.3.5 Build an Issuer Tax Scheme

When building an Issuer tax class, you associate it with a Rate Code, and not a Tax Rule. (A code uniquely identifies a rate value.) You can group the Issuer tax classes that you have built into an issuer tax scheme. When maintaining a security product, you can associate it with an issuer tax scheme that you have built. Issuer taxes for securities associated with the product will be calculated, by default, according to the issuer tax components built into the scheme.

2.3.6 Handle Brokerage

In Oracle Banking Treasury Management, you can maintain a list of all the brokers with whom you deal with in the Broker Master Maintenance table. In this table, for each broker, you can specify brokerage details such as the broker's name and address; a unique code for the broker; the brokerage payable currency; whether you would like to book brokerage in advance or arrears, etc.

A centralized brokerage set up means that you do not have to specify brokerage details every time you enter into a deal. When processing a security deal, the details maintained for the specified broker are automatically picked up. You can change the default brokerage details.

2.3.7 Track Limits

The liability details for a customer, customer account, and product are maintained in the Central Liability module, which is at the core of Oracle Banking Treasury Management. Other modules, such as the Securities module, access these details online. This allows you to constantly track you exposure to:

- A counterparty in a securities deal
- An Issuer

Oracle Banking Treasury Management also provides you the facility to track your exposure in an SK Location.

For details relating to limits tracking and monitoring, please refer the Central Liability user manual.

2.3.8 Settle Deals

For a customer, you can maintain settlement preferences, centrally, in the Settlements subsystem of Oracle Banking Treasury Management. Defining preferences centrally means you do not have to specify settlement details every time you enter into a deal. Security deals are settled, by default, according to the preferences specified for the counterparty. When entering into a deal, however, you can change the default settlement details.

2.3.9 Query the System for Details

Oracle Banking Treasury Management offers you an invaluable tool - the Online Query facility. Using this facility, you can sieve data to locate the precise information that you require. Here is how the facility works: in the midst of your operations, you would frequently want to retrieve very specific information relating to:

- SK security movements
- SK location balances
- Portfolio security movement
- Portfolio balances

The Securities module offers you a Query screen to locate each of the above types of information. In the query screen, specific to the type of information you are looking for, you can enter the criteria by which you would like to filter data. Only data that satisfies the criteria that you specify will be displayed for your reference. The chapter ‘Querying the System for details’ discusses this feature elaborately.

3
General Maintenance

Before beginning operations on the Securities module, you need to maintain certain basic information. The information that needs to be maintained includes:

- Bank and Branch parameter details
- Floating interest rate details
- Market definition details
- Safe Keeping location details
- Tax details

The procedure for maintaining these details is discussed in the following sections.

> **Note:**
>
> The basic information necessary for the successful operation of the securities module must be periodically reviewed and updated to reflect the latest changes.

> **Note:**
>
> All fields with asterisk (*) symbol are mandatory.

This topic has the following sub-topics

- Prerequisites for the Application Login
  This topic provides the systematic instructions to login to the application to access all of the features.
- Define a New Product and Static Data
  This topic provides the systematic instructions to define a new product and static data.
- Maintain an Existing Product and Static Data
  This topic provides the systematic instructions to maintain an existing product and static data, or to revisit the data saved as draft.
- Bank Parameters
  This topic describes the bank parameters, deal product, nominal based yield calculation maintenance.
- Branch Parameters
  This topic describes how to define the branch parameters, floating rate codes, rate sources, rate types, and float rates.

3.1 Prerequisites for the Application Login

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

To login to the application, perform the following:

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

   The Home page is displayed.

3.2 Define a New Product and Static Data

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

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

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

3.3 Maintain an Existing Product and Static Data

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

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

3.4 Bank Parameters

This topic describes the bank parameters, deal product, nominal based yield calculation maintenance.

In the Securities Bank Parameters screen, you can maintain certain basic information regarding the processing of Auto Deals.

This topic contains the following sub-topics:

- Maintain Bank Parameters
- Maintain Deal Product
- Maintain Nominal Based Yield Computation

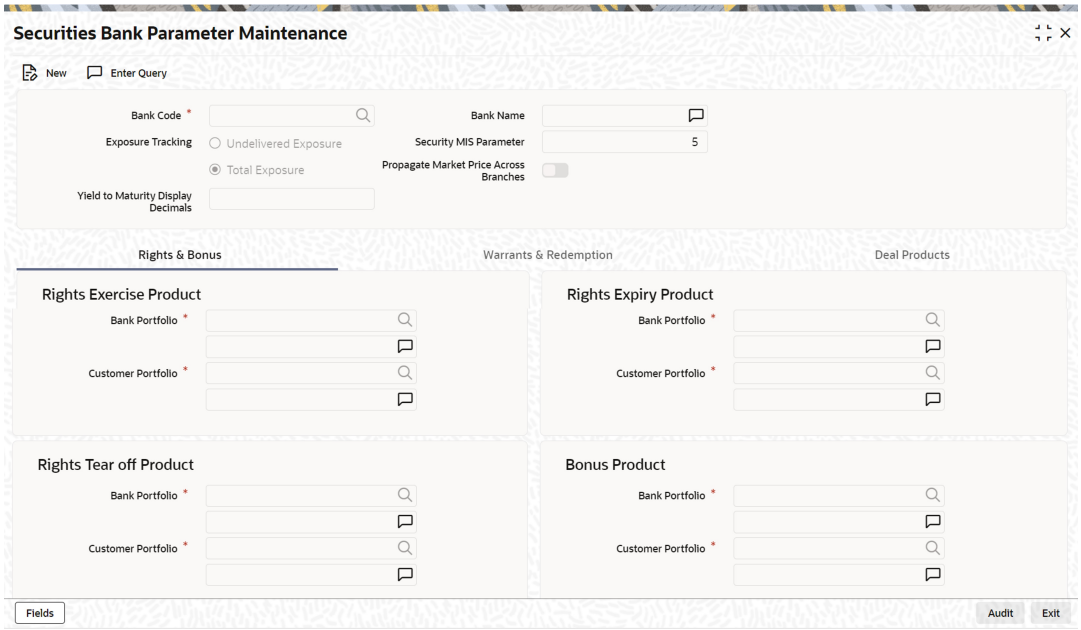
3.4.1 Maintain Bank Parameters

In the Securities Bank Parameters screen, you can maintain certain basic information regarding the processing of Auto Deals.

1. On the Home page, specify **SEDXBNPM** in the text box, and click next arrow.

   The **Securities Bank Parameter Maintenance** screen is displayed.

Figure 3-1 Securities Bank Parameter Maintenance



2. On the **Securities Bank Parameter Maintenance** screen, specify the fields.

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

   If you are calling a record that has already been created, click on the Summary view. From the Summary screen, you can open an existing record. Highlight the record you wish to view and double click on it. The details of the bank parameter record will be displayed in a tabular form.

Table 3-1 Securities Bank Parameter Maintenance

Field	Description
Security MIS Parameter	In Oracle Banking Treasury Management, a maximum of 10 transaction classes is maintained for security and portfolio. By specifying the security MIS parameter, you can indicate how the MIS transaction classes for a security position (Portfolio plus Security combination), is built from the respective transaction classes of the security and portfolio. The number that you enter in this field denotes the number of MIS transaction classes of the security that should be picked up, to determine the MIS transaction of the security position.

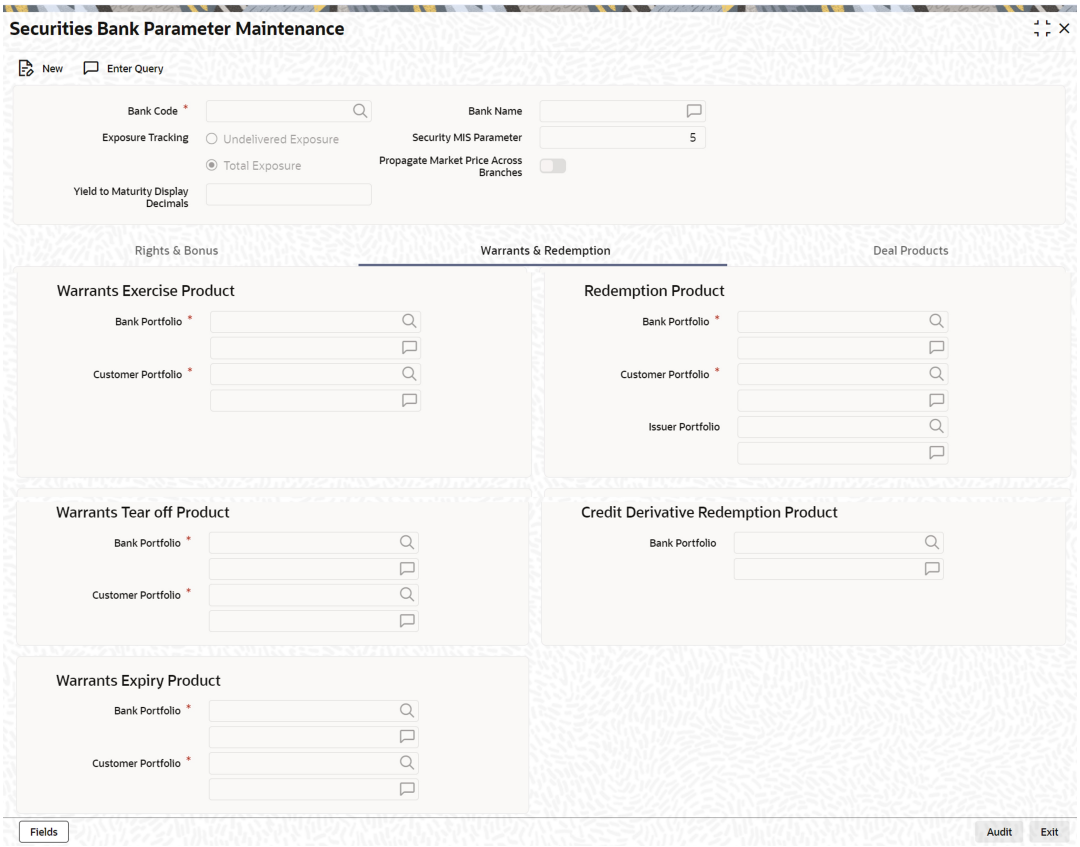
Table 3-1 (Cont.) Securities Bank Parameter Maintenance

Field	Description
Year to Month Display Decimals	The YTM values, which you can view through the Yield to Maturity details sub-screen of the Deal Online screen, are rounded off to the number of decimal places that you specify on this screen. Indicate the deal combination product code, which should be picked up, in case of declaration of one of the following: • Rights • Tear-off • Expiry • Expiry • Bonus • Warrants • Tear-off • Exercise • Redemption Deal combination product codes are maintained in the Deal Combination Product definition screen. All the product codes defined on that screen will be reflected in the pick list available. The attributes defined for a particular deal combination product will be inherited by the auto dealer to which it is linked. The parameters maintained in this screen are applicable across the bank.

3. On the **Securities Bank Parameter Maintenance** screen, click **Warrants & Redemption**.

   The **Securities Bank Parameter Maintenance- Warrants & Redemption** screen is displayed.

Figure 3-2 Securities Bank Parameter Maintenance- Warrants & Redemption



4. On the **Warrants & Redemption** tab screen, specify the details as required.

   For information on fields, see the below table.

Table 3-2 Warrants & Redemption- Field Description

Field	Description
Bank Portfolio	Select the portfolio details from the drop-down list as required. **Note:** Only the combination where both the buy product and sell product from Credit Derivative Deal Product Definition screen are populated in LOV.

3.4.2 Maintain Deal Product

If you wish to process Banker's Acceptances in your bank, then you must indicate the Loan/ MM product, under which loan contracts or money market placements are to be created whenever you process a Banker's Acceptance deal. In a Banker's Acceptance deal, you fund the issuer of security by creating a loan or a money market placement.

Select from the list of values containing all open and authorized Loan / MM products, which satisfy the following conditions:

- In case of an LD product, the product type must be - Loans
- In case of an MM product, the type must be - Placement
- The rate type must be - Special

- The payment type must be - Discounted
- The Loan / MM product can have only one interest component attached.

Refer to the *Deal Online chapter* of this User Manual for details on processing Banker's Acceptances.

3.4.3 Maintain Nominal Based Yield Computation

For your bank, you can specify whether the yield computation for securities must be based on Nominal Cash Flows or Face value (per unit). You can maintain this parameter in the CSTB_PARAM (Bank-Level Parameters) table. Maintain the parameter COMMON_YLD_ACCR as 'Y'.

Once this parameter is maintained as Y, the system will compute the yield and NPV for Bonds and T Bills using Nominal based cash flows.

Subsequently, the system triggers the Yield accrual event YACR. The value passed for the event YACR is inclusive of the discount/premium accrual for the deal and the events ACRD and ACRP will not be passed separately.

To compute yield using nominal based cash flows, the following validations are performed in the system:

- Coupon Rate Revision – If you have specified the bank parameter 'COMMON_YLD_ACCR' as 'Y', then
- The system does not allow a coupon rate revision before an existing IRR effective date. The IRR record can be a result of a sell deal or an earlier coupon rate change.
- If the revision date is less than the application date, the coupon rate revision is populated with the future revision details on confirmation of the coupon rate revision.
- Buy Deal – In case the Security is a Bond, and you have specified the bank parameter 'COMMON_YLD_ACCR' as 'Y' then
- Buy Deal – In case the Security is a Bond, and you have specified the bank parameter 'COMMON_YLD_ACCR' as 'Y' then
- Yield is computed based on actual cash flows instead of the face value.
- Securities Batch:
- Coupon rate revision – during EOD processing, the IRVN process initiates the coupon rate revision activity on the effective date of coupon rate revision. This is triggered before the YTMCALC – YTM Recalculation and ALPL processes. The system triggers the IRR re-computation before ALPL (profit/loss realization) processing. As a result of the revision, the 'CRVN' event for the deal is passed based on the new coupon rate
- Sell Deal – the system triggers an IRR effective on the sale date during the processing of a sell deal. In this case, the Yield value does not change but the cash flows are recomputed based on the current outstanding amount. Yield is recomputed only if the selling dealer is backdated and a rate change has happened after the DSTL date of the sale deal. The system throws up an override is a backdated sell or buy deal is input for a security for which rate revision has already occurred.
- Reversal of Sell Deal – in case of reversal of a sell deal, the IRR record as of the DSTL date of the sale deal is deleted and a new IRR record is created as of the earliest IRR re-computation date. The re-computed date can be the date of the coupon rate revision date or the DSTL date of the re-computed sell deal.

For more information on YACR calculation, refer to the YACR Calculation sheet

3.5 Branch Parameters

This topic describes how to define the branch parameters, floating rate codes, rate sources, rate types, and float rates.

A set of rules that governs the processing of securities in a particular branch of your bank is defined in the Branch Parameters screen.

This topic contains the following sub-topics:

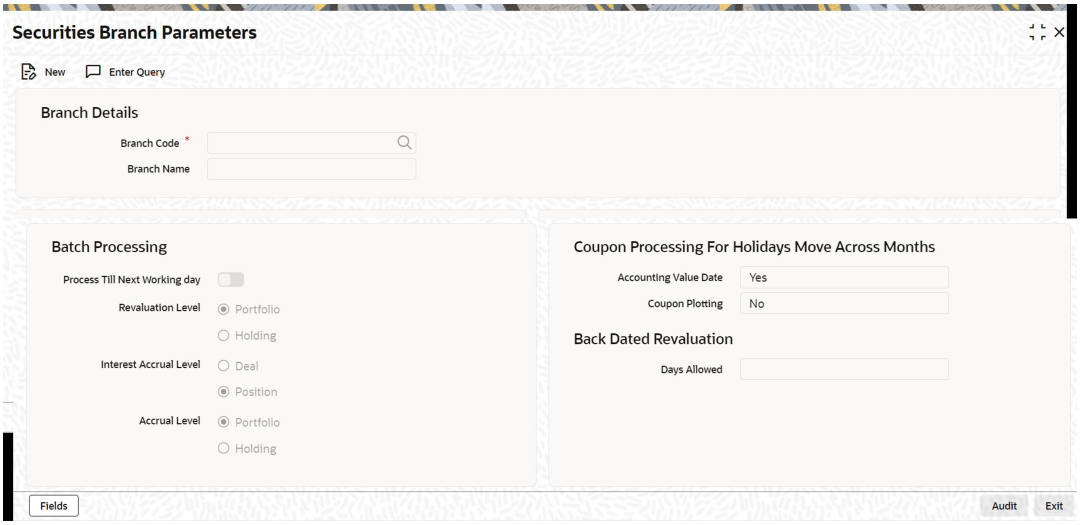
- Define Branch Parameters
- Define Floating Rate Codes
- Define Rate Sources
- Define Rate Types
- Define Float Rates
- Rate Fixing Maintenance
- Interest Class Definition
- Maintain Market Details
- Maintain Settlement Parties
- Cancellation Message
- Rate Reset Confirmation
- EIM for Treasury Bills and Security Bonds
- Yield Calculation Parameters for T-Bills
- Interest Method for Computing Coupon Interest
- Exempt Interest for the Ex Period
- Tax Details

3.5.1 Define Branch Parameters

1. On the Home page, specify **SEDXBRPM** in the text box, and click the arrow next t.

   The **Securities Branch Parameters** screen is displayed.

Figure 3-3 Securities Branch Parameters



2. On the **Securities Branch Parameters** screen and specify the fields.

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

   The events, for which you had indicated automatic processing, are triggered off during the Batch Process. You can specify preferences for the automatic events that fall on a holiday, in the Branch Parameters screen.

Table 3-3 Securities Branch Parameters - Field Description

Field	Description
Batch process Parameter	You have the option to specify when the batch process, must process automatic events falling due on a holiday. It could be either: • As part of the EOD on the last working date before the holiday. • As part of the BOD process on the next working day after the holiday

Table 3-3 (Cont.) Securities Branch Parameters - Field Description

Field	Description
Revaluation Level	Revaluation entries can be passed at the portfolio level or the holding level. • Portfolio: At the portfolio level, revaluation entries will be passed for the portfolio and currency combination. • Holding: At the holdings, level entries will be passed for the net holdings for a portfolio, and security across SK locations and SK location accounts. For example, • PF1 - SE01 • PF1 - SE02 • PF1 - SE03 The security currency for SE01, SE02 and SE03 is USD. The security currency for SE04 is GBP. If you indicate that revaluation should be passed at the holdings level, entries will be passes exclusively for the following combinations: • PF1 + SE01 • PF1 + SE02 • PF1 + SE03 • PF1 + SE04 If you specify that entries should be passed at the portfolio level, then the revaluation entries will be made in the following manner: • PF1 + SE01 + SE02 + SE03 • PF1 + SE04 Refer the Maintaining a Portfolio Preference class chapter of this User Manual for more details.
Specifying the Accrual level	• Portfolio: At the portfolio level, accruals will be passed for the portfolio and currency combination. • Holding: At the holdings, level entries will be passed for net holdings of a portfolio and security across SK locations and SK location accounts.
Interest Accrual level	You can opt to accrue interest at a position level or at a deal level. Position: At the position level, accrual happens for a combination of security and portfolio Deal Matching: Deal level interest accrual is done for every individual buy deal for the same combination of security and portfolioInterest accrual at deal level is for Bank Portfolios only.
Deal Level Interest Accrual	The interest accrual process pickups all the settled buy deals and passes accrual entries for each of them. The deal level interest accrual will be done only for portfolios with the following costing methods: • Deal Matching (DM) • First in First Out (FIFO) • Last in First Out (LIFO) Deal level interest accrual cannot be done for portfolios with Weighted Average Costing (WAC) method since it would not be possible to determine the deals for which interest accrual should be stopped.

Table 3-3 (Cont.) Securities Branch Parameters - Field Description

Field	Description
Revaluation	Though interest accrual occurs at deal level, the revaluation (REVL) entries will continue to be posted at the position level. The revaluation process will compare the current book value (cost of assets in your books) with the book value at the market place. The price quote at the market place can be: • Plus Accrued, in which case the value will be devoid of interest, which will be subsequently accrued. • Flat Value, where the interest is built into the value. In this case, the system will arrive at the clean price of the asset.
Capitalization	Capitalization or compounding of interest on interest) will result in a new deal, and the face value would be considered as the coupon amount for the previous coupon period. Therefore, IACR for the new deal would be done with the new face value.

Table 3-3 (Cont.) Securities Branch Parameters - Field Description

Field	Description
For Back Dated Deals	In the case of backdated deals, adjusting entries will be posted. As the IACR will be at a deal level, for a backdated buy deal, a consolidated IACR entry will be posted. For a backdated-sell deal, an adjustment IACR entry will be posted for the matched buy deals. On the reversal of a sell deal, the interest accrual process will pass an adjustment entry for the relevant matched buy deals. This is illustrated in the example below. Let us continue with the example discussed above. You have struck 3 deals (2 buys + 1 sell) for '10-year RBI Bonds' (S1) for the Trading Portfolio (P1). Further, the 12 units sold comprise of 10 units from D1 and 2 units from D2. The other details of the deal are as follows: • Coupon Period – 1st Jan to 30th Jan • Coupon Amount – 1 USD per day per unit • Interest Accrual Frequency - Daily Coupon Accrued on D1 till 4th Jan = 40 USD (10 units* 1 USD* 4 days) Accrual will not happen for D1 after 4th January as all the 10 units are sold out on 5th January. Coupon Accrued on D2 till 4th January = 45 USD (15 units * 1 USD * 3 days) After 4th January, for D2, accrual will happen only for the remaining 13 units (15 – 2 units sold = 13). Now, on 10th January, the sell deal, D3 is reversed. Between, 5th and 10th Jan, coupon accrued on D2 = 65 USD (13 units * 1 USD * 5 days) Due to the reversal of the sell deal, the interest accrual process will pass accrual entries for the period 5th Jan to 10th Jan for the buy deals (D1 and D2): D1 = 60 USD (10 units * 1 USD * 6 days) D2 = 12 USD (2 units * 1 USD * 6 days) Subsequently, interest accrual will continue for deals D1 and D2 till redemption/CPLQ. The accrual process will be zero based i.e. at deal level, the accrual process will do the following: • Identify all the BUY deals • Determine the current quantity (buy quantity – the sold quantity) • Find the amount to be accrued from the Previous Coupon Date (PCD) to the accrual date i.e. if the PCD is 1st Jan, and the accrual date is 10th Jan, it will calculate interest to be accrued for the period 1st Jan to 10th Jan. This amount is, say A1. • Find the amount already accrued for the deal i.e. interest accrued for the period 1st Jan to 9th Jan i.e. before the actual accrual date, 10th Jan. The interest accrued is said, A2. • Pass the accrual entry for A1-A2. **Note:** For a deal level interest accrual, the accrual of the Withholding Tax will also happen at the deal level. However, interest accrual will not happen for unsettled deals. For deal level interest accrual, the IACR (Interest Accrual) event and the associated accounting entries will continue to be maintained at the portfolio product level.
Days Allowed	Specify the number of days allowed for back dated revaluation. This field is required to maintain during creation of branch parameter setup and is not modifiable after authorization of record.

Table 3-4 For the Events SPLP & SPSP

Accounting Roles	Amount Tags	Debit/Credit Indicator
iccfcomp01_RCPY	iccfcomp01_PUCM	Dr
SEC BRIDGE GL	ccfcomp01_PUCM	Cr
SEC BRIDGE GL	iccfcomp01_PUEX	Dr
iccfcomp01_RCPY	iccfcomp01_PUEX	Cr

Table 3-5 For the Events SSLP & SSSP

Accounting Roles	Amount Tags	Debit/Credit Indicator
SEC BRIDGE GL	iccfcomp01_SOCM	Dr
iccfcomp01_RCPY	iccfcomp01_SOCM	Dr
iccfcomp01_RCPY	iccfcomp01_SOEX	Dr
SEC BRIDGE GL	iccfcomp01_SOEX	Cr

Table 3-6 For the Event IACR

Accounting Roles	Amount Tags	Debit/Credit Indicator
iccfcomp01_RCPY	iccfcomp01_IA	Dr
Iccfcomp01_I	iccfcomp01_IA	Cr
PAYABLE	iccfcomp01_ILIQ	Dr
iccfcomp01_RCPY	iccfcomp01_ILIQ	Cr

At the end of the coupon liquidation event, CPLQ, the balance in the interest receivable head (iccfcomp01_RCPY) would be zero. The following example will illustrate this.

The following deal details are available:

- Coupon Period – 1st January 2003 to 30-Jan-2003
- Previous Coupon Date (PCD) – 1st January 2003
- Next Coupon Date (NCD) – 30th January 2003
- Ex Date – 26th January 2000 (the issuer will pay interest to the holders of the securities as on the Ex. Date or the Record Date).
- Interest amount – 1$per day per unit
- Accrual Frequency – Daily

Now on 10th Jan, you buy 20 units of a bond S1 at PUCM amt of 200$i.e. the interest accrued for the period 1st Jan (PCD) to 10th Jan will be tracked as a receivable from the issuer of the units (200 $= 20 * 1*10)

The following entries would be passed as part of event SPLP (amount tag IntComp_PUCM):

Table 3-7 SPLP entries

Dr	IntComp_Rcpy (Interest Receivable)	200 $
Cr -	Sec Bridge GL -	200 $ -

Interest accrued on EOD of 26th Jan (for the period from 11th Jan to 26th Jan) = 320 USD (16days * 20 units * 1 USD).

The following entries will be passed for this amount as part of event IACR (amount tagIntComp_IA):

Table 3-8 IACR entries

Dr	IntComp_Rcpy (Interest Receivable)	320 $
Cr -	IntComp_IA (Accrued Interest) -	320 $ -

On 27th Jan, you decide to sell 15 units at the SOEX amount of 60 $. This is the sold interest after the Ex. Date/Record Date i.e. the interest on 15 units for the period from 27th Jan to 30th Jan. The following entries will be passed for this amount as part of event SSLP (amount tag IntComp_SOEX):

Table 3-9 SEOEX entries

Dr	IntComp_Rcpy (Interest Receivable)	60 $
Cr -	Sec Bridge GL (Intcomp_SOEX) -	60 $ -

Interest accrued on the remaining 5 units for the same period i.e. from 27th Jan to 30 Jan =20 USD (5 units * 1 USD * 4 days)

Therefore, Interest accrued on EOD of 30th Jan = 320 + 20 = 340 USD

Table 3-10 Entries

Dr	IntComp_Rcpy (Interest Receivable)	5 $
Cr -	IntComp_Rcpy -	5 $ -

Table 3-11 600 USD table

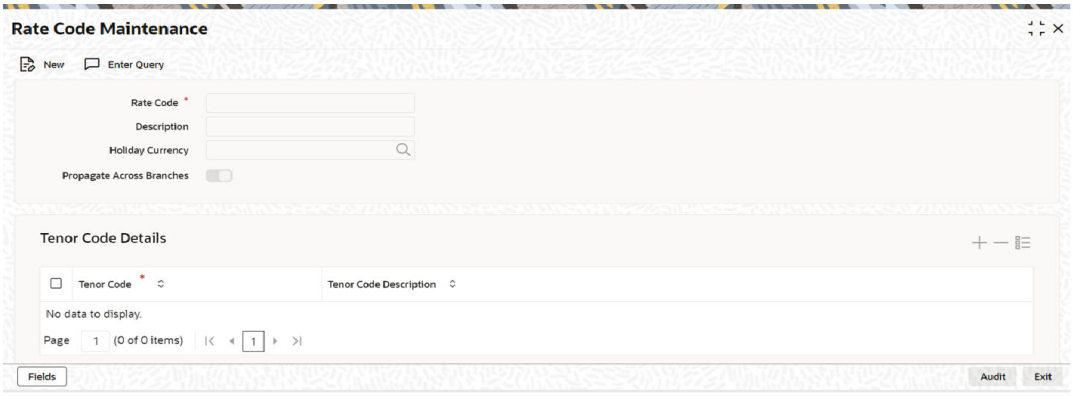
Dr	Payable	600$
Cr -	IntComp_Rcpy -	600 $ -

3.5.2 Define Floating Rate Codes

1. On the Home page, specify **CFDTRRCM** in the text box, and click next arrow.

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

Figure 3-4 Rate Code Maintenance



2. On the **Rate Code Maintenance** screen, specify the fields.

   For more information on fields, refer to the below

Table 3-12 Rate Code Maintenance- Field Description

Field	Description
Rate Code	Enter a code to identify the rate you are defining. You can associate several currencies to the rate code and specify rates for each currency. While processing a contract, you need to indicate this code to make the rate applicable to the contract. The code cannot exceed 10 characters.
Description	Specify a brief description to identify the rate code being defined.
Holiday Currency	Specify the holiday currency for this rate code. You can choose the appropriate one from the adjoining option list that displays all valid currency codes maintained in the system.
Propagate Across Branches	Check this option to indicate that the rate code should be available across all branches.
Tenor Code	Specify a unique code to identify the tenor for which this rate code should be applicable.
Tenor Code Description	Specify a brief description for the tenor code. You can add multiple tenor codes for the rate code Click the add row button. Select the desired row, and click the delete row button to delete the tenor code.

In order to process MT340, MT360 and MT361 you need to maintain the following rate codes:

- AONIA
- BR-AUBBSW

- BBR-BBSW
- SWAPRATE
- BA-CDOR
- BA
- CORRA
- TBILL
- ISDAFIX
- CLICP
- CIBOR
- DKKOIS
- ANNSR
- ANNUALSR
- EONIA
- EURIBOR
- TEC10-CNO
- HIBOR
- HONIX
- ISDA
- IDMA
- IDREFIX
- SBI
- SOR
- TELBOR01
- TELBOR
- BMK
- CMT
- INBMK
- MIBOR
- MIFOR
- MIOIS
- MITOR
- RFRCBANKS
- BBSF
- LIBOR
- MUTANCALL
- TIBOR
- TONA
- TSR

- CD3220
- CD-KSDA
- TILE-BANXICO
- NIBOR-NIBR
- BBR
- NZIONA
- WIBOR
- ANNUAL
- STIBOR
- SIBOR
- SONAR
- SOR
- THBFIX
- CMS
- COF11
- FEDFUND
- FEDFUND
- ISDAFIX3
- SANDPINDEX
- SIFMA
- TREASURYRATE
- TRSYRATE
- TRSYRATE
- BBR
- BA
- BA
- TBILL
- LIBOR
- TSR
- BBR
- WIBOR
- SIBOR
- SOR
- BRIBOR
- SOR
- BRIBOR
- SOR
- CMS

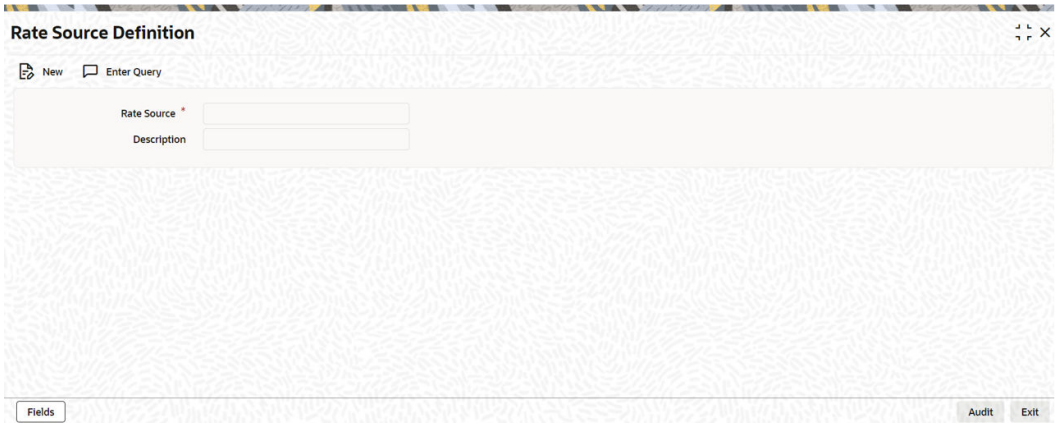
- COF11
- ISDA
- LIBOR
- TIBOR

3.5.3 Define Rate Sources

1. On the Home page, specify **CFDTRRSM** in the text box and click next arrow.

   The **Rate Source Definition** screen is displayed.

Figure 3-5 Rate Source Definition



2. On the **Rate Source Definition** screen, specify the fields.

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

Table 3-13 Rate type Definition - Field Description

Field	Description
Rate Type	Click the add row button. Select the desired row, and click the delete row button to delete the tenor code. To process MT340, MT360, and MT361. You need to maintain the following rate codes: Specify a unique code to identify the rate type you wish to maintain. The code cannot exceed 10 characters.
Description	Specify a brief description for the rate type.

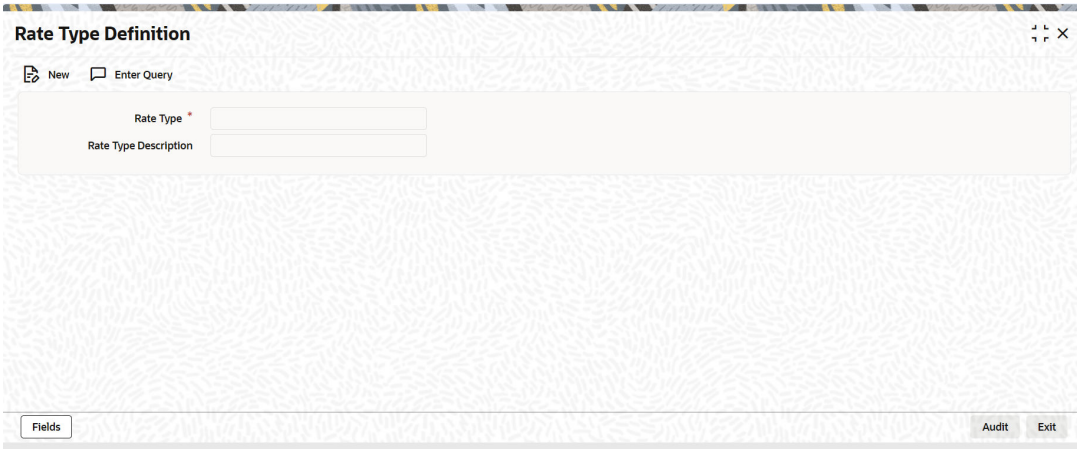
3.5.4 Define Rate Types

Specify **User ID** and **Password**, and login to Homescreen.

1. On the Home page, specify **CFDTRRTM** in the text box, and click next arrow.

   The **Rate Type Definition** screen is displayed.

Figure 3-6 Rate Type Definition



2. On the **Rate Type Definition** screen, specify the fields.

Table 3-14 Rate Type Definition- Field Description

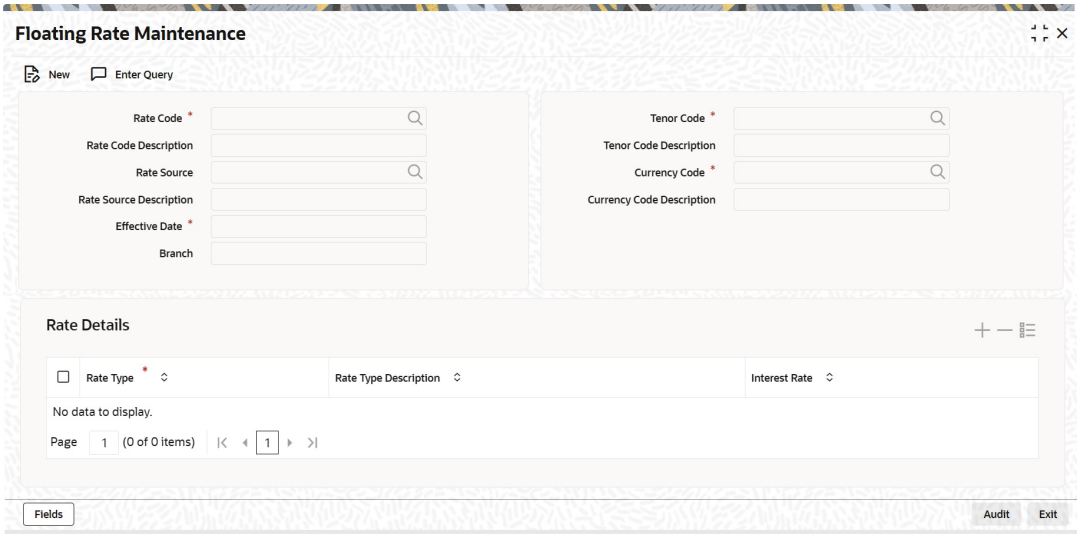
Field	Description
Rate Type	Specify a unique code to identify the rate type you wish to maintain. The code cannot exceed10 characters.
Description	Enter a brief description for the rate type.

3.5.5 Define Float Rates

1. On the Home page, specify **CFDFLRAE** in the text box and click next arrow.

   The **Floating Rate Maintenance** screen is displayed.

Figure 3-7 Floating Rate Maintenance



2. On the **Floating Rate Maintenance** screen, specify the fields.

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

Table 3-15 Floating Rate Maintenance

Field	Description
Rate Code	Select the Appropriate Rate Code from the List of Values Available.
Rate Source	Select the Appropriate Rate Source from the List of Values Available.
Tenor Code	Select the Tenor Code created as part of Rate Code Maintenance from the List of Values Available.
Currency Code	Select the Currency Code from the List of Values Available for which the Interest Rates are to be maintained.
Rate Details	Update the Interest Rate by adding the required rate types maintained and providing the Interest rates about the particular rate type selected.

3.5.6 Rate Fixing Maintenance

For every cash flow settlement period of the floating rate leg, you have to fix the floating rate. The rate fixing days defined may differ from trade to trade basis. The floating rate fixed in advance or at the end of the period according to the rate fixing days and movement set for the trade.

For more information on Rate fixing Maintenance, refer to the *Interest User manual*, *Section 2.4 Treasury Rate Fixing Maintenance*.

3.5.7 Interest Class Definition

Treasury Interest Class Definition supports RFR methods and computation preferences for securities repo module only.

For more information on Interest Class Definition, refer to the *Class User manual*, *Section 2.2.1 Defining Interest Class*.

3.5.8 Maintain Market Details

It is necessary to maintain certain standard details, relating to the markets where securities are traded. The information relates to issues such as the interest calculation method, the relevant spot, ex-dates, and the default safekeeping location.

Only the Head Office of your bank can define, and maintain market place related details. The other branches of your bank can refer to these details, every time a security is processed.

The advantage of defining market place details is that at the time of defining security, you only need to specify the code assigned to the market. All the details maintained for the particular market is automatically picked up.

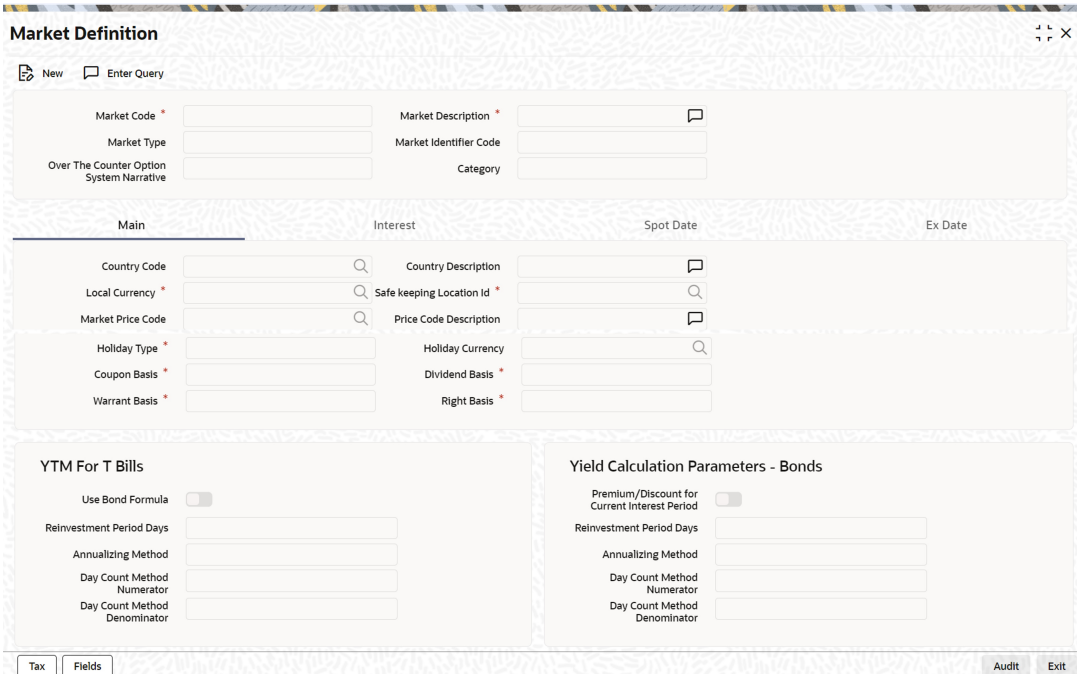
1. On the Home page, type **SEDXMTCD** in the text box, and click next arrow.

   If you are maintaining details of a new market place, choose New from the Actions menu or click on a new icon to open the Definition detailed screen.

   If you are calling a market place maintenance record that has already been defined, choose the Summary option under Market Codes. From the Summary, screen double clicks a record of your choice to open it.

   The **Market Definition** screen is displayed.

Figure 3-8 Market Definition



2. On **Market Definition**, specify the fields.

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

   Before maintaining, the interest calculation method, and the relevant spot and ex dates, etc., certain basic details about the market place need to be maintained.

   Apart from the other main details, you can specify the Yield Calculation Parameters for Bonds and T-bills for each market definition record that you maintain.

Table 3-16 Market Definition - Field Description

Field	Description
Market Code	This is a Mandatory field. Indicates the market in which the security involved in the deal is traded. The market in which the security is traded is defaulted from the Security Definition screen. You can change the default.
Market Type	Choose the Market type from the list of options: • **Stock Exchange** • **Over the Counter** • **LBL_DERVT_EXCHANGE** • **Others**
Market Description	This is a Mandatory Field. Specify the Market Description details as required.
Country Code	Specify the country to which the market belongs.
Local Currency	Specify the local currency of the country in which the market is situated.
Safe Keeping Location Id	The Safe Keeping location to and from which the securities will be delivered.

Table 3-16 (Cont.) Market Definition - Field Description

Field	Description
Price Code	Specify the price code from which the security price is to be picked up for this market.
YTM method for T-Bills	The basis for YTM calculation for T-Bills can either be: • **Simple Interest** • **Effective (Compound) interest**
Use Bond Formula	Enable the Use Bond Formula option, YTM is calculated using the effective interest formula (typically used for bonds). For Bonds and T-Bills with the effective interest method of YTM calculation, you need to specify the following details:
Reinvestment Period	The effective interest formula assumes that payments are reinvested at the same rate as the yield of the T-Bill/Bond (coupon schedules) until the maturity of the security. You have to specify this period in terms of days.
Annualizing Method	For Bonds and for T-Bills, with effective interest you need to specify the annualizing method. This is the method by which the System computes the periodic YTM. The options available are: • **Simple** • **Compound** If the Annualizing method is Compound, the Annual YTM is computed as follows: Y0=[(1=1/Y0)A/P-1] If the Annualizing method is Simple, the annual YTM is computed as follows: Y0=[Y_0(A/P)] Where • y0 is the Periodic YTM • Y0 is the Annual Deal YTM • A is the Day Count Method – Denominator (this is picked up from your maintenance in the Security Definition screen). • P is the Period of Reinvestment. If Null, defaulted to A/n Apart from these details, you need to specify the Day Count Denominator and Numerator methods for all Bonds and T-Bills.

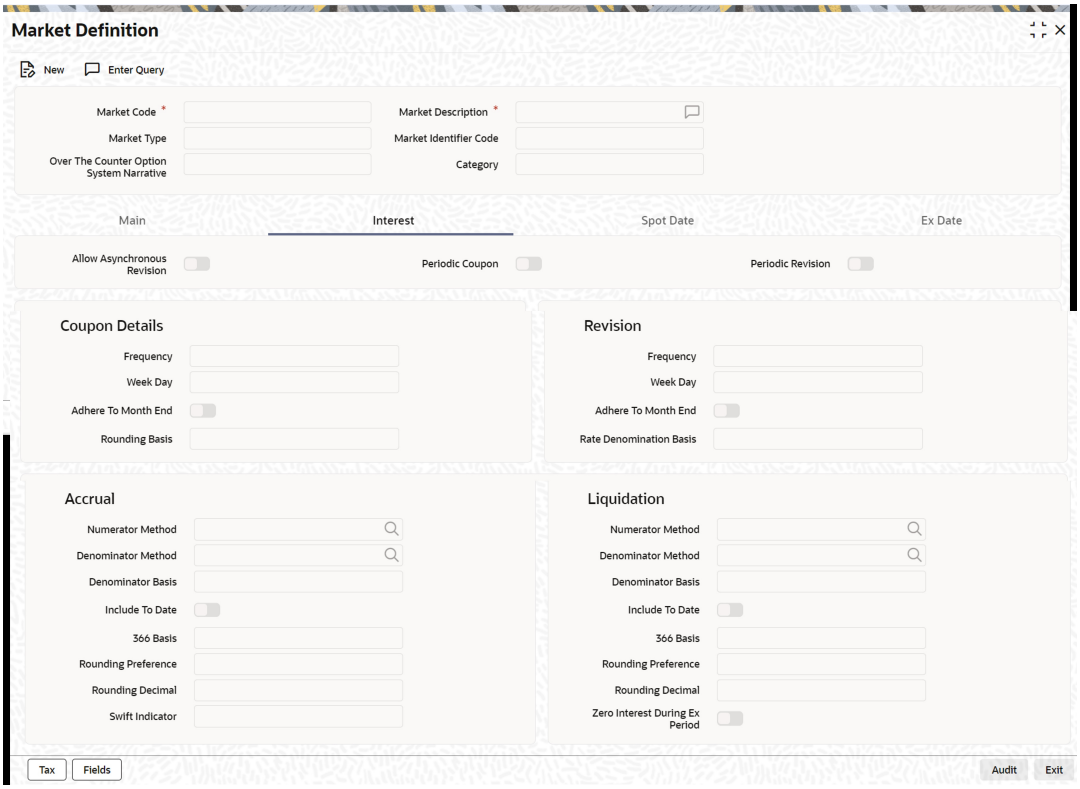
Note:

All the details maintained here are picked up and defaulted to the Securities Definition screen. You are allowed to change the information, at the time of defining securities

3. On the **Market Definition Interest** screen, click **Interest**

   The **Market Definition Interest** screen is displayed.

Figure 3-9 Market Definition- Interest



4. On the **Market Definition** screen, specify the fields.

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

   The interest details that you define here will be picked up, and defaulted, in the interest section of the Securities Definition screen. However, while defining security details you have the option of changing these details.

   The details maintained here are specific to the interest calculation methods, applied during accruals and liquidation. It is not necessary to specify, the same day count method for calculating interest on accruals as well as on liquidation. The system allows specifying two different day count methods for calculating interest, one for accruals and the other for liquidation.

Table 3-17 Interest Types Description

Interest Type	Description
Actual / Actual	Click on Actuals in Numerator Method field, click on Actuals in Denominator Method field. The Actual number of days in the period/ The Actual number of days in that year.
Actual /365	Click on Actuals in Numerator Method field; click on 365 days in the Denominator Method field. The number of actual calendar days for which calculation is done / 365days in a year.
Actual / 365 – Japanese	Click on Actual Japanese in Numerator Method field; click on 365 in Denominator Method field. This is similar to the Actual/365 method except that leap days are always ignored, in the numerator day count calculation.

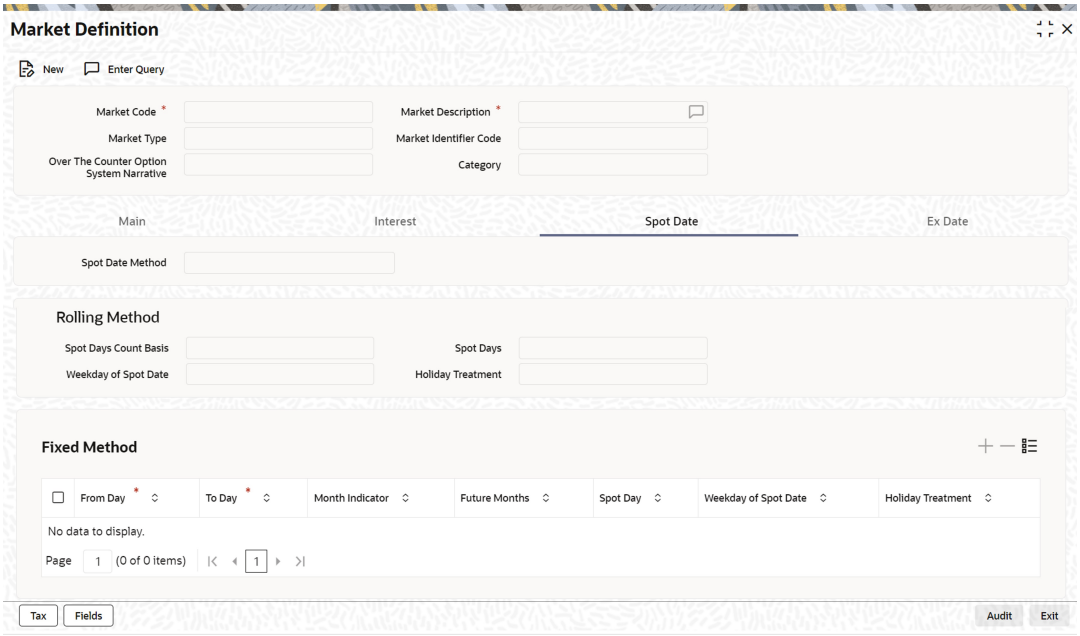
Table 3-17 (Cont.) Interest Types Description

Interest Type	Description
Actual / 365 – ISDA	Sum of (A) and (B) where: A = Interest accrual days falling within the leap year / 366 B = Interest accrual Days not falling within the leap year/ 365 The denominator is the actual number of days in a year. Click on 365 ISDA in Numerator Method field; click on Actual in Denominator Method field.
Actual /360	The actual number of calendar days for which calculation is done / 360 days. Click on Actual in Numerator Method field; click on 360 in 'Denominator Method' field.
ACTUAL/ACT-ICMA	The relevant number of days in a period from Start date to end date divided by the number of days in the Interest Period in which the relevant period falls.Click on ACTUAL in Numerator Method field; click on ACT-ICMA in Denominator Method field.
Denominator Method	Select the denominator method from the adjoining drop-down list. This list displays the following values: • **360** • **365** • **364** • **ACTUAL** • **ACT-ICMA**
Rounding Preference	Select the required rounding preference option on the basis of decimal position. The adjoining drop-down list displays the following values : • **Truncate** • **Round Up** • **Round Down** • **Round Near** **Note:** This field will be enabled only if the rounding basis is selected as 'Per Unit'.
Rounding Decimal	Specify the decimal places to apply the rounding preference on the coupon day count calculation value. **Note:** This field will be enabled only if the rounding basis is selected as 'Per Unit'.

5. On the **Market Definition** screen, click **Spot Date**.

   The **Spot Date** tab is displayed.

Figure 3-10 Spot Date



6. On the **Spot Date** tab, specify the details.

   In this section, indicate the method by which Spot Date is calculated. Spot date is calculated to keep a track of deal settlements. You can click on the respective tab to go to this section of the screen.

   There are two methods for calculating the spot-date. It can be calculated as a certain number of days from the trade date of the security. It can also be fixed for a market place for a specific range of trade dates.

   There are two methods for calculating the spot-date. It can be calculated as a certain number of days from the trade date of the security. It can also be fixed for a market place for a specific range of trade dates.

Table 3-18 Spot Date - Field Description

Field	Description
Rolling	If the spot date calculation method indicated is rolling, then you can specify the spot day count basis.
Spot Day Count Basis	There are two options available for this field: • **Calendar days** – spot days will be expressed as calendar days • **Working days** - spot days will be expressed as working days
Weekday of Spot Date	Indicate your preference of weekday for the spot date, if you have specified the calculation method as rolling. If the weekday of the spot date computed is different from the preferred weekday then, the spot date computed will be moved forward to the preferred weekday.

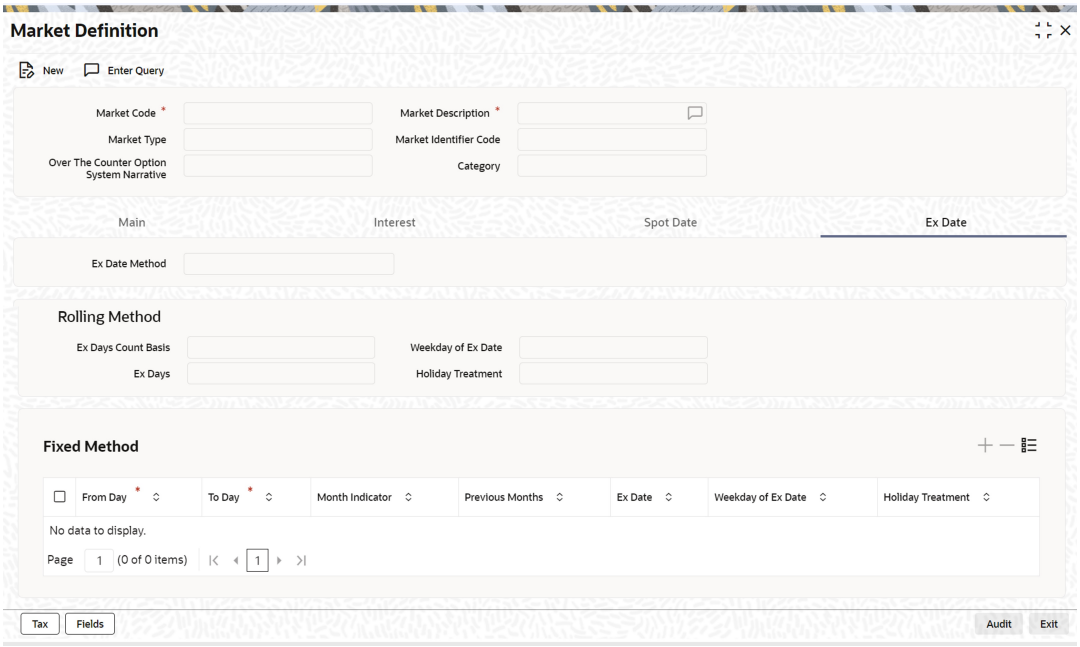
Table 3-18 (Cont.) Spot Date - Field Description

Field	Description
Holiday Treatment	Once you indicate a preferred weekday for the spot date, it is required to specify the holiday treatment for the preferred weekday. If you choose to ignore this option, the spot date will be retained on the holiday. If not, as specified by you, it will be moved forward to the next working day or moved back to the previous working day. When the spot day method specified is Fixed, indicate the details relating to the range of trade dates and the corresponding spot date for each slab. You also have to specify whether the spot date lies in the current month or a future month. You can select the relevant option from the pick-list available for the month indicator.

7. On the **Market Definition** screen, click **Ex Date**.

   The **Market Definition Ex-Date** tab is displayed.

Figure 3-11 Market Definition- Ex-Date



8. On **Ex Date** tab, specify the fields.

   There are different methods for calculating the ex date. It can be calculated as a certain number of ex days, prior to the next coupon date of the security or it can be fixed for a market place for a specific period.

Table 3-19 Ex Date - Field Description

Field	Description
Expiry Date Method	If the expiry date calculation method indicated, is rolling then you can specify the expiry date count basis.
Expiry Days Count Basis	express the expiry days as calendar days or as weekdays.

Table 3-19 (Cont.) Ex Date - Field Description

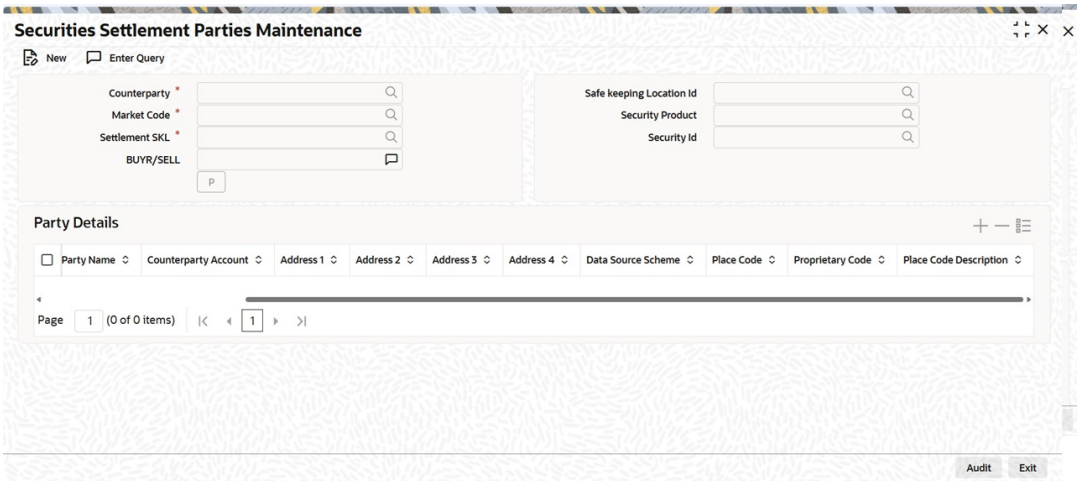
Field	Description
Weekday of Expiry Date	Specify your preference for the weekday for the ex-date. The concept of weekday, of the ex-date and the holiday treatment, is the same as that of Spot date.
Fixed Method	If the ex-date specified is fixed, then maintain certain mandatory details such as the From and To dates, the month indicator, and the holiday treatment. The information that you maintain here, is similar to the information entered for the spot date. This is so only if the spot date method specified, is fixed. However, in such a case, the ex-date will be before the event date.

3.5.9 Maintain Settlement Parties

1. On the Home page, specify **SEDSPRTY** in the text box, and click next arrow.

   The **Maintain Settlement Parties** screen is displayed.

Figure 3-12 Maintain Settlement Parties



2. On **Settlement Parties Maintenance**, specify the fields.

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

Table 3-20 Settlement Parties Maintenance - Field Description

Field	Description
Counterparty	Specify a counterparty from the adjoining option list. The list displays all valid counterparties maintained in the system. You can choose the appropriate one.
Market Code	Specify a market code from the adjoining option list. The list displays all valid market codes maintained in the system. You can choose the appropriate one.
Safe Keeping Location ID	Specify the safe keeping location ID from the adjoining option list. The list displays all valid location IDs maintained in the system. You can select an appropriate one.

Table 3-20 (Cont.) Settlement Parties Maintenance - Field Description

Field	Description
Security Product	Select the security product from the adjoining option list. All the valid security products maintained in the system are displayed here. You can select an appropriate one.
Settlement SKL	The system defaults the place of settlement. However, you can specify the settlement SKL from the adjoining option list.
Security Id	Specify the security ID from the adjoining option list. All the valid security IDs maintained in the system are displayed here. You can select an appropriate one.
P button	Click the **P** populate button. The system sets the BUYRSELL field. It displays the Counterparty BIC code or Address Line 1 to Address Line 4 if the BIC is not maintained for the counterparty.
BUYR/SELL	The system displays the BUY or SELL field
Party Type	Specify the party type from the adjoining option list. The list displays all valid party types maintained in the system. You can choose the appropriate one.
Description	Specify the description of the party type.
Party ID	Select the party ID from the adjoining option list. The list displays all valid party types maintained in the system. You can choose the appropriate one.
Party Name	Specify the party name.
Counterparty Account	Specify the counterparty account number.
Address1	Specify the address line 1 for the selected Party ID.
Address2	Specify the address line2 for the selected Party ID.
Address3	Specify the address line 3 for the selected Party ID.
Address4	Specify the address line 4 for the selected Party ID.
Data Source Scheme	Specify the Data Source Scheme.
Place Code	Choose the place code from the nearby options. The list shows all valid place codes available in the system. You can select the one that fits your needs.
Place Code Description	Specify the description of the place code.
Proprietary Code	Specify the proprietary code.

The system allows adding the SERV party type in the Security Settlement Parties Maintenance (SEDSPRTY) screen. The captured values default to the deal and are stamped as 94a (Place of Safekeeping) in the FIAC block, with options B, C, and F."

When the Place of Safekeeping and Place of Settlement are the same, the system should generate a configurable override upon deal save, indicating that the Place of Safekeeping and Place of Settlement are identical; hence, 94a will not be captured in the MT54X series.

During creation of Security deal, the system defaults the values from ‘Deal Settlement Parties Maintenance’ in the ‘Parties’ tab of Securities Deal Input screen from the Parties maintenance done for the combination of counterparty and Market code.

The party details are defaulted to the Bank leg of the Deal (i.e. BB or BS).

- BB – SELL, DEAG, PSET
- BS –BUYR, REAG, PSET

The system gets the BIC or address for the counterparty from customer leg and sets the BUYR or SELL record.

3. The settlement party maintenance are defaulted in Parties tab for the Bank Leg. You can capture the values if there is no maintenance available.
4. You can amend the defaulted settlement parties maintenance in Parties tab before authorization of the Security Deal.
5. The system performs the following validations in this screen:
   - On selection of the Party ID for Party type ‘DEAG’, the system defaults the BIC code of the Party ID or Address Line 1 to Address Line 4 if the BIC is not maintained for the Party ID (counterparty).
   - You cannot edit the fields Address Line 1 to Address Line 4 from ‘Party Details’ grid if any one value is set from BIC or CIF.
   - The system allows you to modify the fields Address Line 1 to Address Line 4 from ‘Party Details’ grid if Party ID is not selected. The value specified for Address Line 1 should satisfy BIC code validation.
   - The system validates when neither Party ID nor Address Line 1 field is specified on save of the record.

3.5.10 Cancellation Message

OBTR generates MT540, MT541, MT542 and MT543 as a part of reversal event of below type of deals.

- Security buy deal
- Security sell deal
- Repo deal
- Reverse-repo deal

You can link the message ‘SEC_SETTLEMENT’ with ‘REVR’ (Reversal) and ‘CANC’ in Bank Buy/ Sell Deal Product, Repo and Reverse repo product and ‘CANC’ (Cancellation) event in Bank Buy/ Sell Deal Product.

The Block deal generates the message MT543 MT542 which has the Repo/Reverse Repo Rates. The SEC_MESSAGE is to be linked with BOOK event of Block product.

The negative rates given in SR Repo/Reverse Repo contract are reflected in the Block deal message. OBTR resolves message type that has to be triggered based on deal product type and resulting in one of the SWIFT messages during reversal event.

3.5.11 Rate Reset Confirmation

Securities Repo (SR) module will support MT54x messages generation in linked SE deal when Rate revision (REVN) or Value dated Amendment (VAMI) events are performed on Fixed/Float rate Repo deals.

The REVN event will be triggered in linked SE deal when there is a Rate or Spread change in the related Repo deal either through Rate Revision schedules or Value dated Amendments.

The REVN event, in linked SE deal, will have 2 messages with same Swift message type. The first message will be similar to Original message (MT54x messages under BOOK event), but with a change in message tag ‘23G’ as ‘CANC’. This message indicates that it is cancellation of the original message which was sent during Repo deal booking.

The second message will be sent with message tag ‘23G: NEWM’ and message tag ‘98A: RERA//Rate revision date’ and the latest interest rate or Spread value will be updated in tag ‘92A’. This message indicates that it is the revised message with the latest interest rate or Spread value along with Repo deal details.

3.5.12 EIM for Treasury Bills and Security Bonds

Oracle Banking Treasury Management also supports yield computation using nominal based cash flows. This is applicable for bonds and treasury bills for both WAC and non-WAC based portfolio cashflows.

Processing for Bonds

If the parameter ‘COMMON_YLD_ACCR’ is set to ‘Y’, the initial cash flow for yield computation will be based on the net considerations of the deal. Yield will be calculated based on the actual cash flows instead of the face value. The formula used for the computation of YTM for Bonds is the same.

Table 3-21 Notation

Value	Description
P_0	Purchase price of the Bond
N	Total number of coupons
C_i	Coupon payment for coupon i
y_0	Periodic YTM
Y_0	Annualized Deal YTM
A	Day Count Method – Denominator
n	Number of coupons in a year
p_0	Purchase price of the Bond
P	Period of Reinvestment (Defaulted to A/n if null)
R.P.	Redemption Price
A_i	Accrued Interest
Ad_i	Coupon date – Value date
Ad_n	Redemption date – Value date

Processing for Treasury Bills

The YTM is computed using O/S Deal Nominal if COMMON_YLD_ACCR is set to Y. During the Revaluation of T-Bills and Accrual of Discount for T-Bills, the O/S Deal Nominal is also used to compute the Net Present Value (NPV). The formula used for the computation of YTM for T-Bills is the same.

Table 3-22 Notation

Field	Description
P_0	Purchase price of the T-Bill
R.P.	Redemption Price
y_0	Periodic YTM

Table 3-22 (Cont.) Notation

Field	Description
d	Redemption Date – Value Date
P	Period of Reinvestment
Y_0	Deal YTM
A	Day Count Method – Denominator

> **Note:**
>
> If the parameter COMMON_YLD_ACCR is set to Y, discount accrual is calculated at nominal value, and no scale-up would be done during the discount accrual process. This applies to both, T Bills and Bonds.

Day Count Method Numerator

Indicate the day count numerator, which is to be used to arrive at the number of days for yield calculation. The options available are:

- **30 Euro**
- **30 US**
- **Actual**

3.5.13 Yield Calculation Parameters for T-Bills

The options available for calculating the Numerator are:

- 30 Euro
- 30 US
- Actual

The options available for calculating the Denominator are:

- 360
- 365
- 364

You can select the appropriate.

> **Note:**
>
> For each Security, the Yield Calculation Parameters are defaulted from the market of issue depending on whether it is a Bond or a T-Bill. You will be allowed to modify these details.

Consider the following example for 364 Days Interest Method:

Forgiven bond security (SEC364M2), schedules are generated as shown below:

Security Instrument: SEC364M2

Quantity: 100

Security Face Value: 100

Interest Rate: 2%

Denom Method: Actual/364

Deal Value Date: 2-Sep-2008

Deal Maturity: 23-Nov-2008

Coupon Schedule: Weekly

Table 3-23 Details

No	Coupon Due Date	Days	Interest Amount
1	9-Sep-2008	7	3.89
2	16-Sep-2008	7	3.89
3	23-Sep-2008	7	3.89
4	30-Sep-2008	7	3.89
5	7-Oct-2008	7	3.89
6	14-Oct-2008	7	3.89
7	21-Oct-2008	7	3.89
8	28-Oct-2008	7	3.89
9	4-Nov-2008	7	3.89
10	11-Nov-2008	7	3.89
11	18-Nov-2008	7	3.89
12	23-Nov-2008	5	3.89

Consider the following example for Yield (T-Bills/Bonds)

Security Instrument: SEC364M2

Deal Input Price: 100

Redemption Price: 120

Denom Method: 364

DSTL Date: 2-Sep-2008

Deal Maturity: 23-Nov-2008

Formula used for Yield Calculation:

True discount (Return):

Yield = ((Redemption Value – Input Price) /(Input Price)) * (Denom Method/ No of days);

Days between DSTL and Maturity Date = 81

True discount (Return):

Yield = ((120-100)/100)*(364/81) = 0.898765432098765

Premium/Discount for Current Interest Period

Check this option to specify that the premium or discount should be accrued only for the current period. This option will be applicable only if the security is a Floating Rate Bond. If you check this option, all the securities whose market code is identical to the one specified in the Market Definition screen will inherit this feature, provided the interest rate type of the specified security product is Floating.

3.5.14 Interest Method for Computing Coupon Interest

Apart from the above-mentioned method for calculating the interest, you can also use the ACT/ ACT–ISMA Interest Method and ACT/ACT–FRF Interest Method.

ACT/ACT–ISMA Interest Method

The ACT/ACT–FRF Interest Method is applied for periodic coupons using the following coupon:Coupon Interest = Nominal x (Coupon Rate/Number of Coupons) x (Number of elapsed Days/ Number of days in coupon period)

For ACT/ACT–ISMA, you need to maintain the following parameters:

- Numerator Method – Any of the option in the list
- Denominator Method – Actual
- Denominator Basis – Per Annum
- Rate Denomination Basis – Per Coupon Period

Let us understand the above with the following example:

Consider the following facts:

Security purchased for 10 million at a rate of 5% p.a with the coupon date of 15th Jan.

In case the frequency of the coupon is Yearly:

The ACT/ACT–ISMA method for a non leap year is

Amount x 5/100 x 365/365 x 1

And for a leap year the ACT/ACT–ISMA method is

Amount x 5/100 x 366/366 x 1

In case the frequency of the coupon is Half yearly:

Then, for a coupon on 15/01 the formula used in ACT/ACT–ISMA method is

Amount x 5/100 x 184/184 x 2

And for coupon on 15/07, the formula used in this method is

For a non leap year:

Amount x 5/100 x 181/181 x 2

For a leap year the formula is:

Amount x 5/100 x 182/182 x 2

In case the frequency of the coupon is Quarterly:

Then, for coupon on 15/01 the formula used in ACT/ACT–ISMA method is

Amount x 5/100 x 92/92 x 4

For coupon on 15/07, the formula used in this method is

For a non leap year:

Amount x 5/100 x 90/90 x 4

For a leap year the formula is:

- Amount x 5/100 x 91/91 x 4
- For coupon on 15/10, the formula used in this method is Amount x 5/100 x 92/92 x 4

366 Basis

specify whether the system should use a leap year or leap date for calculating the interest

- Leap Year (Y) – Indicates that the system will compute the interest based on the number of calendar days in the year.
- Leap Date (D) – Indicates that the system will use the ACT/ACT–FRF Interest Method to compute the interest. Specify whether the system should use a leap year or leap date for calculating the interest

> **Note:**
>
> This field is enabled only if the Denominator Basis value is Per Annum, and the Denominator Method is ACTUAL.

ACT/ACT–FRF Interest Method

In ACT/ACT–FRF Interest Method, the Numerator will be the actual number of days between two coupon dates and the denominator will be 366 under the following cases:

- If 29th February falls between the duration of two coupon dates (i.e. previous coupon date and next coupon date)
- If the previous coupon date and the next coupon date fall in different years (annual frequency, next coupon dates in the immediately subsequent year of previous coupon date)
- If the coupon schedule is not periodic and spreads across multiple years. The system will apply 366 as the denominator for all the years for computing the day count, even if one instance of 29th February falls in between the coupon dates.

Let us understand the formula applied for calculating the interest in ACT/ACT–FRF methodwith an example:

Consider the following facts:

A security purchased for 10 million at a rate of 5% p.a with the coupon date of 15th January.

Case 1:

Assume the following parameters are maintained for a yearly coupon:

- Nominal - 10,000,000
- Interest Rate – 5% per Annum

- Coupon Frequency – Annual
- Previous Coupon Date – 15/01/1999
- Next Coupon Date – 15/01/2000
- Numerator Method – ACTUAL
- Denominator Method – ACTUAL
- Denominator Basis – Per Annum

In case 366 basis is Leap Year:

The interest is calculated based on the day count derived for each of the two years in which the coupon date fall and the formula applied is:

10,000,000 x 5/100 x 350/365 + 10,000,000 x 5/100 x 15/366

In case 366 basis is Leap Date:

Here the system will apply the ACT/ACT–FRF interest method to compute the coupon interest. Since this period does not include 29th February, the denominator for interest calculation will be 365 and the formula will be:

10,000,000 x 5/100 x 365/365

Assume the following parameters are maintained for a half yearly coupon:

- Nominal - 10,000,000
- Interest Rate – 5% per Annum
- Coupon Frequency – Half yearly
- ƒn Previous Coupon Date ¡V 15/01/2000 (PCD 15/07/1999)
- Next Coupon Date – 15/07/2000 (PCD 15/01/2000)
- Numerator Method – ACTUAL
- Denominator Method – ACTUAL
- Denominator Basis – Per Annum

In case 366 basis is Leap Year:

The interest is calculated based on the day count, derived for each of the two years in which the coupon dates fall (if the previous and the next coupon dates fall in different years). If both coupon dates fall in the same year, the denominator will be 365 or 366 respectively, depending on whether the current year is a leap year or a non-leap year.

For coupon on 15/01/2000, the formula used is

10,000,000 x 5/100 x 169/ 365 + 10,000,000 x 5/100 x 15/366

And for coupon on 15/07/2000, the formula used in this method is

10,000,000 x 5/100 x 182/366

In case 366 basis is Leap Date:

For coupon on 15/01/2000, the formula used in ACT/ACT– FRF method is

10,000,000 x 5/100 x 184/ 365

This period does not include 29th February.

And for coupon on 15/07/2000, the formula used in ACT/ACT– FRF method is

10,000,000 x 5/100 x 182/366

29th February falls in this period.

Case 2:

Assume the following parameters are maintained for a Quarterly coupon:

- Nominal - 10,000,000
- Interest Rate ¡V 5% per Annum
- Coupon Frequency ¡V Quarterly
- Coupon Date 1¡V 15/01/2000 (PCD 15/10/1999)
- Coupon Date 2¡V 15/04/2000 (PCD 15/01/2000)
- Coupon Date 3¡V 15/07/2000 (PCD 15/04/2000)
- Coupon Date 4¡V 15/10/2000 (PCD 15/07/2000)
- Numerator Method ¡V ACTUAL
- Denominator Method ¡V ACTUAL
- Denominator Basis ¡V Per Annum

In case 366 basis is Leap Year:

The interest is calculated based on the day count derived for each of the two years in which the coupon dates fall (if the previous and next coupon dates fall in different years). If both coupon dates fall in the same year, the denominator will be 365 or 366 respectively depending on whether the current year is a leap year or non-leap year.

For coupon on 15/01/2000 the formula used in is

10,000,000 x 5/100 x 77/ 365 + 10,000,000 x 5/100 x 15/366

For coupon on 15/04/2000, the formula applied is

10,000,000 x 5/100 x 91/366

For coupon on 15/07/2000, the formula applied is

10,000,000 x 5/100 x 91/366

For coupon on 15/10/2000, the formula applied is

10,000,000 x 5/100 x 92/366

In case 366 basis is Leap Date:

For coupon on 15/01/2000, the formula used in ACT/ACT– FRF method is

10,000,000 x 5/100 x 92/ 365

This period does not include 29th February.

For coupon on 15/04/2000, the formula used in this method is

10,000,000 x 5/100 x 91/365

29th February falls in this period.

For coupon on 15/07/2000, the formula used in this method is

10,000,000 x 5/100 x 91/365

This period does not include 29th February.

For coupon on 15/10/2000, the formula used in this method is

10,000,000 x 5/100 x 92/365

This period does not include 29th February.

3.5.15 Exempt Interest for the Ex Period

For Purchase Deals and Sell Deals booked in the Ex Period, you can specify whether you want to calculate the interest for that period. If you check this box, the system will not apply interest for such deals. Also, the system accrues the holdings as of the ex-date, and will not pass any interest related accounting entries related to the deals booked in the Ex period. In case you do not opt for a zero-interest facility, the system accrues the actual holdings during the accrual period, including the buy/sell deals booked in the Ex period.

Consider the following example.

Coupon Start Date – 01 Aug

Next Coupon Date – 08 Aug

Record Date –05 Aug

Coupon Interest – 3.65% (Per Annum)

Interest Accrual Frequency – Daily

Case 1: If you do not opt for Zero interest Accounting entries are passed for event SSLP (Interest Only) Dr IntComp_RCPY- 100 (IntComp_SOEX) Dr Sec Bridge GL - 100 (IntComp_SOEX)

Case 2: If you opt for Zero interest For interest, the system does not pass any accounting entries

3.5.16 Tax Details

Specify Tax Details

With every market place that you define, you can associate a Tax scheme. When you specify the market code, at the time of defining security, the details of the tax scheme associated with the market code are automatically associated with the security.

> **Note:**
>
> At the market definition level, you can only maintain the Issuer tax details. You can, however, change these details at the security definition level.

To invoke this screen, click the Tax button in the Market Definition screen. The Tax Definition screen will be displayed.

Associate Scheme with Issuer Tax

To associate a tax scheme with an issuer class, click the Default From Class' button. The Default from the Class screen will be displayed. In it is available a list of tax classes specific to the Securities module. Select the tax scheme to be associated with the issuer tax. All the

components linked to the particular scheme will be associated with the market code you are defining. To change the tax scheme which has already been linked to a market code, in the Market Definition screen, click on the unlock button in the toolbar.

Indicate Stop Association

The tax components linked to a tax scheme will be automatically applied to all deals involving the security associated with the particular market code. However, if you want to stop applying one or more of these components to new contracts that are initiated, you can do so by checking the Stop Association field. Stopping the application, of a tax component for a market code would be equivalent to deleting the component for all deals involving the security. However, you have the option of using the definition made for the component, once again. To do so, Uncheck this field. Deals that are subsequently input, will pick up the components.

> **Note:**
>
> Entry to certain fields in the Market Definition screen is mandatory. If you try to save the record without inputs to all these fields, the record will not be saved. You will be prompted to give all the mandatory inputs before attempting to save it again.

4

Price Details Maintenance

From time to time, you need to update the current market price of various securities maintained in the system. Through the Market Price Definition screen, you can update the market price of the securities that you maintain. On selecting a market code for the security being defined, the price code details maintained in this screen will be picked up and defaulted to the Security Definition screen. You have the option of changing these details at the security definition level. Thus, at the time of entering a deal, all you need to do is select the code assigned to the security. All other details such as the market to which it belongs, the interest quotation method and the price quote, will be automatically picked up from the Security Definition screen.

This topic has the following sub-topics:

- Maintain Price Details
  This topic describes the systematic instruction to maintain price details.

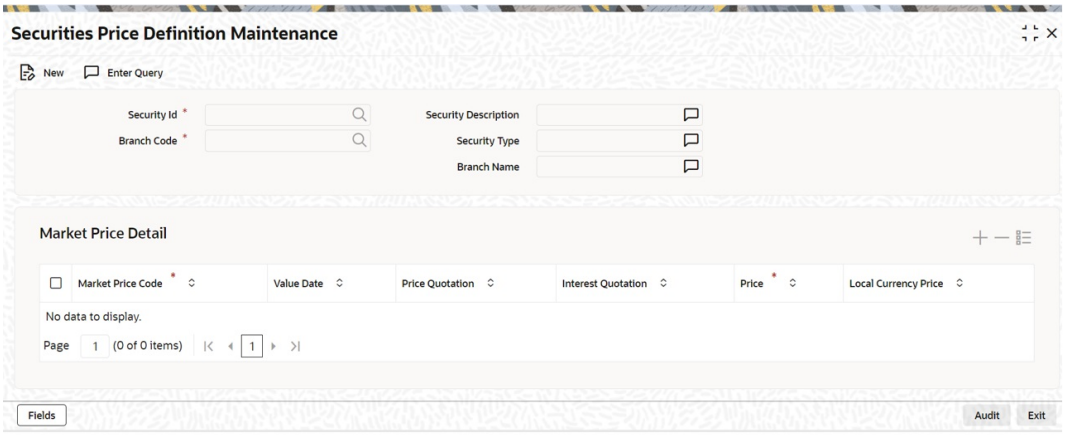
4.1 Maintain Price Details

This topic describes the systematic instruction to maintain price details.

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

   Securities Price Definition Maintenance screen is displayed.

Figure 4-1 Securities Price Definition Maintenance



2. On the **Securities Price Definition Maintenance** screen, specify the fields.

   If you are maintaining details of the market price for new security, click on new from the toolbar. The Market Definition detailed screen will be displayed without any details. To modify or update the existing prices as of different Value dates, click on the unlock button. Enter the value date and the new price in the respective fields and save the record. If you are calling a market price maintenance record that has already been defined, choose the Summary option under Market Price. From the Summary screen, double click on a record to open it.

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

Table 4-1 Securities Price Definition Maintenance - Field Description

Field	Description
Price Code	The price code indicates the price of a market place. Each price code you define is unique. If the security is quoted in different markets, its value would be different in each market. You can capture these prices using different price codes. The price code assigned to each security is used to identify the particular market price of the security for revaluation. All the price codes defined in this screen are picked up and displayed in the pick list available for the Revaluation Price Code field of the Security Definition screen. You can specify the revaluation price code for each security while defining it. If you are defining the revaluation price for the security, you can choose any one of the price codes as the revaluation code. Let's assume you choose SERL03. This code will be picked up exclusively for revaluation. Each security code is associated with a market code. At the time of entering a deal, specify the security code, and the price code linked to the market will be picked up and defaulted.
Price Quotation Method	You can specify the price quotation method to be used for the security for which you are defining the price. The details that you maintain here are specific to the price quotation method used for the particular security. You can choose any of the following methods for calculating the price: Absolute Price Here the market value of the security is quoted as the actual price of the security. %Price Here the security price is quoted as,% Price = (Market price / Face value) x 100 For example, the Face value of security A is USD1000. The market value of the same security is USD900. If the price quotation method specified is Absolute Price then the price of the security will be quoted as USD900. For the same security, if you choose to apply the% Price method, then the price of the security will be: 900 / 1000) x 100 =90% You will quote the% price of the security as 90. Premium/Discount is the differential between the face value of the bond and the price at which it is sold. If you were to specify the Discount/Premium method then the security would be quoted at a discount of USD100 (USD1000 – USD900 = USD100). If the market price of the security were to be USD1100 then the security would be quoting at a premium of USD100.
Security type	The Security type details are populated based on the selected Security ID.

Table 4-2 Example

Security	Market Place	Price	Price Codes
Reliance	NSE - Delhi	3000 Rs.	SERL01
Reliance	BSE - Bombay	3020 Rs.	SERL02
Reliance	OTC- Bombay	3010 Rs.	SERL03
Reliance	CSE - Calcutta	3025 Rs.	SERL04

If you are defining the revaluation price for the security, you can choose any one of the price codes as the revaluation code. Let's assume you choose SERL03. This code will be picked up exclusively for revaluation. Each security code is associated with a market code. At the time of entering a deal, specify the security code, and the price code linked to the market will be picked up and defaulted.

- Price Quotation Method
- Price

4.1.1 Price Quotation Method

specify the price quotation method to be used, for the security for which you are defining the price. The details that you maintain here are specific to the price quotation method used for the particular security. You can choose any of the following methods for calculating the price:

Table 4-3 Price Calculation table

Term	Definition
Absolute price	Here the market value of the security is quoted as the actual price of the security.
%Price	Here the security price is quoted as,% Price = (Market price / Facevalue) x 100

For example, the Face value of security A is USD1000. The market value of the same security is USD900. If the price quotation method specified is Absolute Price, then the price of the security will be quoted as USD900.

For the same security, if you choose to apply the% Price method, then the price of the security will be: 900 / 1000) x 100 =90% You will quote the% price of the security as 90. Premium/ Discount is the differential between the face value of the bond and the price at which it is sold. If you were to specify the Discount/Premium method then the security would be quoted at a discount of USD100 (USD1000 – USD900 = USD100). If the market price of the security were to be USD1100 then the security would be quoting at a premium of USD100.

In the% Discount/% Premium method, the percentage of the discounted price is quoted. In the case of the above example, it would be a 10% discount or a 10% premium.The YTM price is quoted on the basis of its yield to maturity. This price quotation method is applicable only for Zero-coupon bonds.The yield on discounted instruments is measured by the yield to maturity (YTM) which is the return on security bought at the current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price increases above the straight discounted price YTM would decrease and vice versa. In the Yield to Maturity quotation method the price is calculated as follows:

$$YTM = \frac{(\text{Face Value} - \text{Purchase price}) * \text{Days in a Year}}{\text{Price} * \text{Days to maturity}}$$

Interest Quotation Method

For interest-bearing instruments, the price at which the instrument is quoted can include the accrued interest or can be calculated separately. Indicate the interest quotation method for the security price code you are defining. The interest quotation method could be either:

- Flat or
- Plus accrued

In the former method, the price is quoted as inclusive of the interest. This is also called the Dirty price. In the latter method, the accrued interest is quoted separately; i.e., the price quoted is exclusive of the interest component. This is also referred to as the clean price.

4.1.2 Price

This is the price at which the security is to be traded. The price of the security keeps on fluctuating depending on the market rates. Hence, the updating of the price of the security at regular intervals is necessary. To define a new price for existing security, click the add button and enter the new price. This price will be associated with the particular security when it is traded. To delete an existing price, highlight the old price and click on the delete button. Each time you change the price details of existing security, the old details will automatically get stored into a history file maintained internally.

5

Maintain Market Price Codes

The Securities Market Price Codes screen, allows you to maintain codes for the price at which the security is trading in the market. Since particular security can be traded in different markets, you can also maintain multiple price codes for the same security.

The price codes that you define in this screen are available in the Price Code pick list of the Price Definition maintenance screen. These details can be amended at the time of defining security.

This topic has the following sub-topics:

- Maintain Market Price Codes
  This topic describes the systematic instruction to maintain market price codes.

5.1 Maintain Market Price Codes

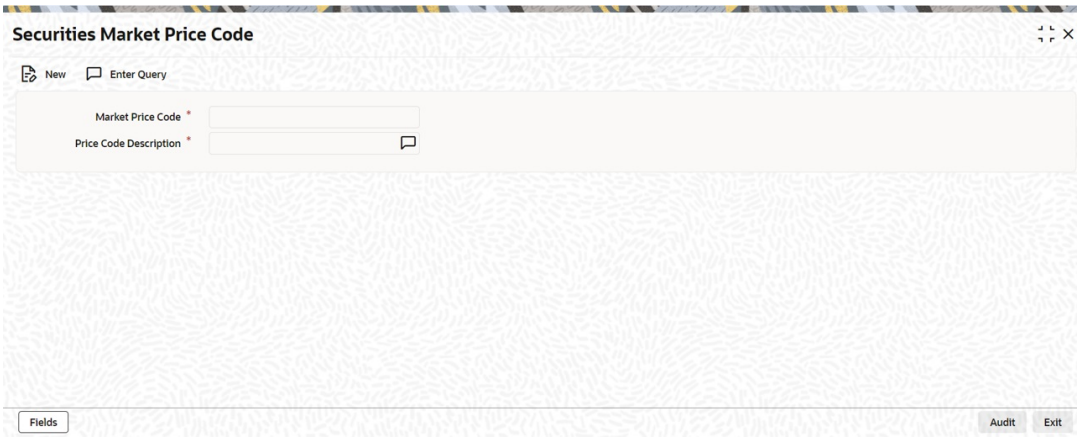
This topic describes the systematic instruction to maintain market price codes.

Specify **User ID** and **Password**, and login to Homescreen.

1. On the Home page, specify **SEDXMPCD** in the text box, and click next arrow.

   The **Security Market Price Code** screen is displayed.

Figure 5-1 Securities Market Price Code



2. On **Security Market Price code**, specify the fields.

   If you are maintaining details of a new market price code, click on new from the toolbar. The Market Definition detailed screen will be displayed without any details. If you are calling a market price code maintenance record that has already been defined, choose the Summary option under Market Price Code. From the Summary screen, double click on a record to open it.

6

Maintain Safe Keeping Locations

As a part of the maintenance function, you can define the various Safe Keeping (SK) Locations where securities can be lodged or withdrawn, as and when they are traded with. For every safe-keeping location that you define, you have to maintain SK accounts.

Therefore to record the movements of security held at a particular location, simply debit or credit the SK account, depending on whether the security is being lodged, withdrawn, bought or sold. Safekeeping locations can either be internal or external.

An internal location is one where the bank acts as the custodian. While maintaining details of safekeeping locations you are required to indicate whether the SK location is your bank or an external location. Basic details, of every customer of your bank, is maintained in the Customer Information Maintenance screen. Here you assign a unique CIF number to each customer so that the limit lines can be set for each customer. While defining external SK locations, indicate the CIF code assigned to the particular customer.

This aids in tracking limits for every SK location. The safekeeping locations you have maintained and authorized in this screen are in turn linked to different portfolios, through the Portfolio Definition screen. The pick list containing the location ID's of the various SK locations, in the Deal On-Line screen, will reflect only those SK location IDs associated with the particular portfolio.

Therefore, at the time of entering a deal if you specify the SK location ID that has been linked to a particular portfolio, the SK account(s) linked to the SK location is reflected in the pick list. You can specify this SK account in the To and From fields respectively.

This topic contains the following sub-topics:

- Maintain Safe Keep Location
  This topic describes the systematic instructions to maintain safe keep location.
- KEST
  This topic describes the KEST computation, KEST type, calculation of KEST for customer sell and buy type of transactions.

6.1 Maintain Safe Keep Location

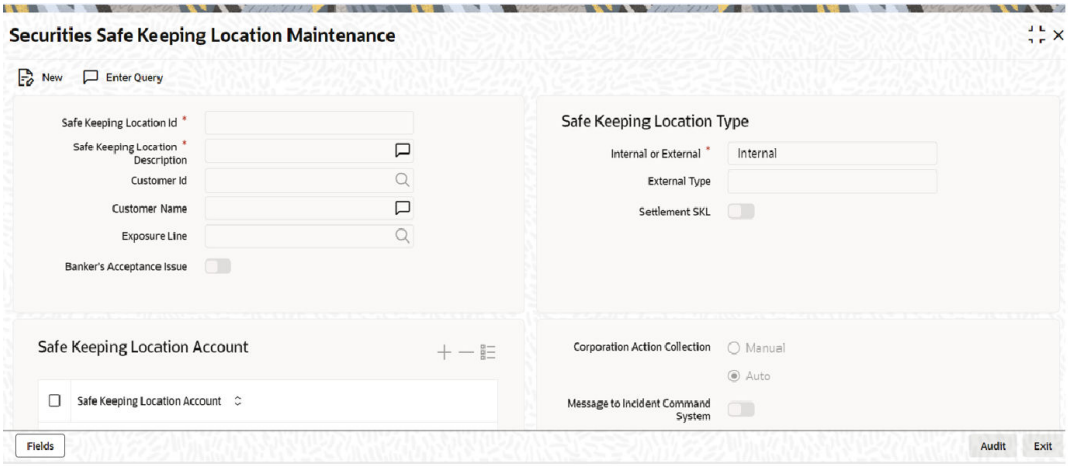
This topic describes the systematic instructions to maintain safe keep location.

Specify **User ID** and **Password**, and login to Home page.

1. On the Home page, specify **SEDXSKLC** in the text box and click next.

   The **Securities Safe Keeping Location Maintenance** screen is displayed.

Figure 6-1 Securities Safe Keeping Location Maintenance



2. On the **Securities Safe Keeping Location Maintenance** screen, specify the fields.

   If you are maintaining details of a new safekeeping location, click on new icon from the toolbar. The Safe Keeping Location detailed screen will be displayed without any details. If you are calling a safekeeping location maintenance record that has already been defined choose, the Summary option under SK Location Maintenance. From the Summary screen, double click on a record to open it.

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

Table 6-1 Securities Safe Keeping Location Maintenance- Field Description

Field	Description
Safe Keeping location Identification	Every safe keeping location that you define needs to be assigned a unique identification code. This ID is in turn linked to a single or to multiple accounts depending on the number of accounts you want to link, to a specific safe keeping location.
Description	In addition to the SK Location ID, specify a title or a short description of the SK location you are defining. This will enable you to identify the SK location quickly. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

Table 6-1 (Cont.) Securities Safe Keeping Location Maintenance- Field Description

Field	Description
Customer Identification	You might be holding securities on behalf of your customer therefore it becomes necessary to maintain a customer profile concerning the securities held. This information can be maintained in the **Customer Information Maintenance** (CIF) screen, which is part of the Core Entities module of Oracle Banking Treasury Management. The Customer Ids available in the pick list are defaulted from the CIF maintenance screen. By linking a Credit Line to a Liability Number, you assign a limit, to the customer linked to the line. Every credit-seeking customer is linked to a liability number and the credit facilities granted to him are tracked against this liability number. **Note:** In the Customer Information Maintenance screen, you need to link customers to specific SK Locations. For this purpose you can create a customer category called Safe Keeping Locations. This can be created through the Customer Category detail screen. All the SK Locations that you have maintained can come under this category. After defining the category, you only need to associate the liability number of the customer with the customer category. The customers thus defined can be linked to a credit line through the Limits maintenance screen. For further details, on the Customer Information Maintenance screen, please refer to the Oracle Banking Treasury Management user manual Core Entities.
Customer Name	The system displays the short name of the selected customer.
Exposure Line	Select the limit line to track the total exposure to the SK Location. Exposure lines can be defined in the external limit system with a maximum limit beyond which the bank would not like to expose (bank or clients), to a particular SK Location. Limit defined is calculated in terms of the market value of the securities held with this SK Location.
Banker's Acceptance Issue	User to indicate whether this SK location can be used for a Banker's Acceptance portfolio. By default, the Banker's Acceptance Issue check box is not selected.
Safe Keeping Location Type	Group of fields used to define the type of the SK Location.
Internal or External	Select the type of the SK Location. This field cannot be amended after first authorization of the SK Location. • Can select 'Internal', if the SKL is for the custodial accounts maintained by the portfolio customers with the bank • Can select 'External', if the SKL is for the custodial accounts maintained by the bank with external custodians and central security depositories (CSD/ICSD)
External Type	Select the treasury customer of the External SK Location. For example, Euroclear, Cedel, etc. Can select 'Other' if the Custodians, Sub-Custodians or CSD/ICSD is not defined as a treasury customer in the system.

Table 6-1 (Cont.) Securities Safe Keeping Location Maintenance- Field Description

Field	Description
Settlement SKL	Indicate whether this SK Location is a CSD/ICSD where settlement of the securities happens. This field cannot be amended after first authorization of the SK Location • If checked, then this SK Location is considered an CSD/ICSD and appear for selection as Settlement SKL in Securities deal booking and other applicable functions • If unchecked, then this SK Location is considered as a custodian, sub custodian or depository participant and not appear for selection as Settlement SKL in other functions
Corporate Action Collection	Indicate whether system should trigger collection events for corporate actions with this SK Location should be automatically triggered by the system. • If set to Auto, then collection events CPCD, DVCD etc. would be automatically triggered based on the preferences defined for the Instrument/Portfolio and considering the balances available for the instrument in this SKL on the event date • If set to Manual, then collection events need to be manually trigged by the user using manual corporate action function • By default, it is set to 'Auto'
Message to Incident Command System	Indicate whether the incident support team should be notified if any events and processes involving this SK Location fails. By default, this field is unchecked
Safe Keeping Location Account	Specify the custodial accounts which is maintained for the SK Location customer, in which balances in securities will be tracked. • These SK Accounts will be appear for selection in Securities deal booking and other applicable functions, where this SK Location is selected. • For SKL of type 'External', these are the custodial / demat accounts maintained by the bank with external custodians or CSD/ICSD • For SKL of type 'Internal', these are the custodial / demat accounts maintained by the portfolio customers with the bank • To add a new account, click the Add row button(+) and enter the new SK Account Number • To delete an existing SK account, highlight the SK account number and click on the delete row button(-)

This topic contains the following subtopics:

- Exposure Line
- Specify SK Location Account
- Making Query

6.1.1 Exposure Line

Track Exposure Line

To track the maximum limit up to which securities can be held in each SK location you can specify the exposure line for SK location. After defining the customer ID in the CIF maintenance screen, click on the Limits button and maintain an overall limit for each SK location.

You can also specify the limit beyond which you would not like to expose yourself or your customer, to a particular SK location. By defining a limit for each SK location, you can limit your exposure to the particular SK location.

Banker's Acceptance

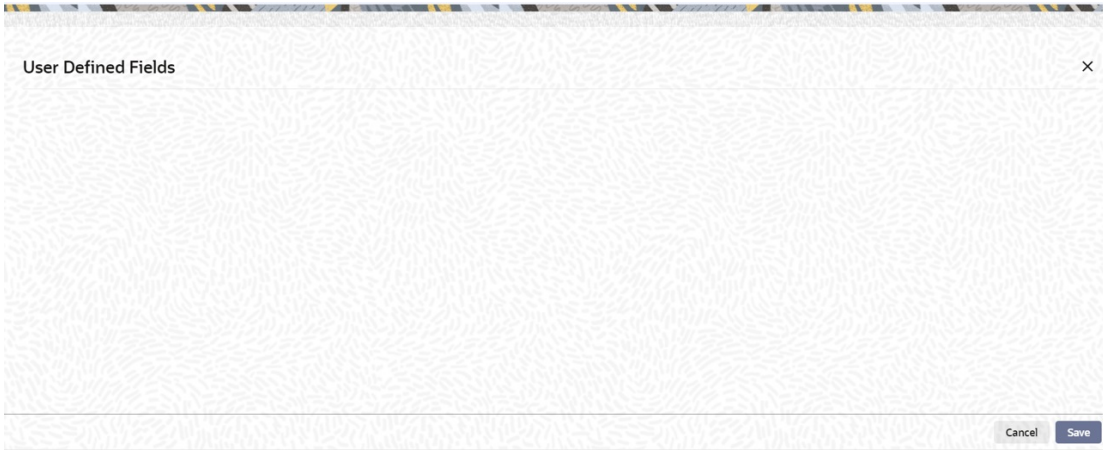
Indicate whether or not the SK location can be used for a Banker's Acceptance portfolio. The settlement account maintained for this SK customer should be a GL Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances.

6.1.2 Specify SK Location Account

For every SK location that you maintain you can define multiple accounts. Apart from defining individual accounts for each security, you can also define separate accounts for customer and bank portfolios, for the same security.

You can add to or delete from, the list of SK location accounts maintained. To add a new account, click the Add row button and enter the new SK Account Number. This number will be associated with the particular safe-keeping location, to track all future transactions involving the security. To delete an existing SK account, highlight the SK account number and click on the delete row button.

Figure 6-2 User Defined Fields



6.1.3 Making Query

Click the **Search** button in the Summary View screen to display the Query screen.

6.2 KEST

This topic describes the KEST computation, KEST type, calculation of KEST for customer sell and buy type of transactions.

Computation of KEST

KEST is a scheme of levying withholding tax on the income earned by the customers of your bank. This type of withholding tax is applicable only on incomes earned from securities. Some of the customers might directly pay the KEST amount to the Government. Under such circumstances, your bank need not calculate the KEST amount.

However, for customers who are not paying the KEST directly to the Government, you can calculate the KEST amount. The KEST that has to be paid to the Government can be of two types:

- KEST A
- KEST B

The difference between KEST A and KEST B is that the rate of KEST B is slightly higher than KEST A. The rate of KEST depends on the type of transaction:

- For normal security transactions, KEST will be a fixed percentage of the income earned by the customer.
- For mutual fund transactions, the rate is announced daily. Further, the rates for mutual fund will differ from one mutual fund to another. An external application called ‘Data Provider’ will provide the rates to Oracle Banking Treasury Management through an interface

Define KESTYTPE as a User Defined Field

For every customer that you maintain in Oracle Banking Treasury Management, you need to specify:

- Whether the customer is paying the KEST directly to the Government
- Whether the customer is exempted from paying the KEST type (either A or B). This is used to calculate the KEST amount if the customer transacts in securities through your bank.

In Oracle Banking Treasury Management, factory shipped UDF’s like KESTTYPE, KEST A and KEST B are available to capture the KEST type of a customer and KEST rates for each type.For every customer that you maintain in Oracle Banking Treasury Management, you need to specify:

- The user defined field KESTTYPE is associated with the function Id STDCIF, which represents the **Customer Information Maintenance** screen.
- The user defined fields KEST A and KEST B are associated with the function Id SEDXMRAT, which represents the **Security Price Definition Maintenance** screen.

Calculate of KEST for Customer Sell Type of Transactions

For a particular customer, if you have chosen the KEST type as KEST A or KEST B, the system will pick up an appropriate rate and the customer settlement account will be debited with the KEST amount in-case of customer sell type of transactions.

- For normal securities, the rate will be a pre-maintained fixed percentage (This is discussed in the subsequent sections of this document).
- In case of mutual funds, the rates are announced on a day–to-day basis.

Therefore, the percentage will be provided by an external application ‘Data Provider’ to Oracle Banking Treasury Management through an interface.

Calculate KEST for Customer Buy Type of Transactions

If you have opted for KEST A or KEST B type of KEST for a customer, the system will obtain an appropriate rate and credit the customer’s settlement account for customer buy type of transactions.

- For normal securities, the rate will be a pre-maintained percentage.
- In case of mutual funds, the rates are announced on a day-to-day basis. Therefore, the percentage will be provided by an external application ‘Data Provider’ to Oracle Banking Treasury Management through an interface.

Specify KEST Rates in the Securities Price Definition Maintenance

The current market price of various securities is maintained in the Market Price Definition screen. Further, you can update the market price of the securities through this screen. You need to specify the rates for KEST A and KEST B at the time of maintaining market prices. Therefore, at the time of defining a customer, you need to specify the type of KEST (whether A or B). During market price maintenance for a particular security, you indicate the actual rate for KEST A and KEST B.

On **Securities Maintenance** screen, click Field to indicate rates for KEST A and KEST B

The system will display the user defined fields KEST A and KEST B, if you have maintained these UDF's. Here, you need to indicate the actual rates for the two KEST types. Consequently, at the time of processing a security deal for a customer, the system will pick up the KEST rate from the market price maintenance based on the KEST type specified for the customer for a particular security code.

> **Note:**
>
> The system displays the override 'KEST Rates are not entered' if you try to save the market price details without specifying the KEST rates.

Specify Generation of New SWIFT Messages

If you need to generate new SWIFT messages MT 540, 541, 542 or 543 for any transactions involving the transfer (receipt or delivery) of securities, for a counterparty, you must indicate this when you are maintaining the counterparty BIC codes, in the BIC Code Details screen.

Indicate this by checking the ISO15022 box on the screen. If the messages MT 520, 521, 522 or 523 must be generated for any transactions involving the transfer (receipt or delivery) of securities, for the counterparty, you can leave the ISO15022 box unchecked to indicate the same.

7

Build Branch and Currency Restriction Classes

This topic contains the following subtopics:

- Maintain Restrictions as Classes
  This topic describes the restrictions maintenance as classes.
- Process Branch and Currency Restrictions Class Screen
  This topic describes the systematic instruction to process branch and currency restrictions class screen.
- Specify the Customer Category Restrictions Class
  This topic describes the customer category restrictions class.

7.1 Maintain Restrictions as Classes

This topic describes the restrictions maintenance as classes.

From the head office of your bank, you can establish certain controls over your branch operations. You can achieve these controls by specifying restrictions. In Oracle Banking Treasury Management, you can define restrictions of the following types:

- The branches that can offer a service and the currencies in which an allowed branch can offer a service
- The customers who can avail a service

A set of restrictions grouped is referred to in Oracle Banking Treasury Management as a Restriction Class. You can maintain several restriction classes of branch and currency and several classes of customer restrictions. To every product created, you can attach these restriction classes. If restricted, a product can only be used by those branches and offered only in those currencies that you allow. Only those customers that you allow, can avail a service.For example, suppose that you offer a special portfolio management facility, christened Safe Fast Buck.

Requirement

- You would like to offer this facility only in select branches
- You would like to offer this facility only in the local currency the GBP
- You would like to offer this service only to individuals

Set up:

Maintain the restrictions as follows:

- Maintain a restriction class of branches and currencies (in this case, only GBP) that you would like to allow: Class_A
- Maintain a restriction class of customer categories that you would like to allow: Class_B

You can associate these classes (Class_A and Class_B) with the product, Safe Fast Buck.

Result:

- Only those branches that you have allowed can offer Safe Fast Buck
- Allowed branches can offer Safe Fast Buck only in GBP
- Only Individuals can avail Safe Fast Buck

This topic has the following sub-topics:

- Advantage of Defining Restrictions as Classes
  This topic describes the advantages if defining restriction as classes.

7.1.1 Advantage of Defining Restrictions as Classes

This topic describes the advantages if defining restriction as classes.

The advantage of defining restriction classes is that at the time of creating portfolio and deal products, you do not have to repeatedly define security restrictions for each product. You only need to associate a product with a restrictions class that you have maintained. The product acquires all the attributes, defined for the Security Restrictions Class, that you associate it with.

By maintaining classes, you give yourself the flexibility of applying the same restriction classes on several services that you offer. You do not have to define restrictions for each service that you offer.

7.2 Process Branch and Currency Restrictions Class Screen

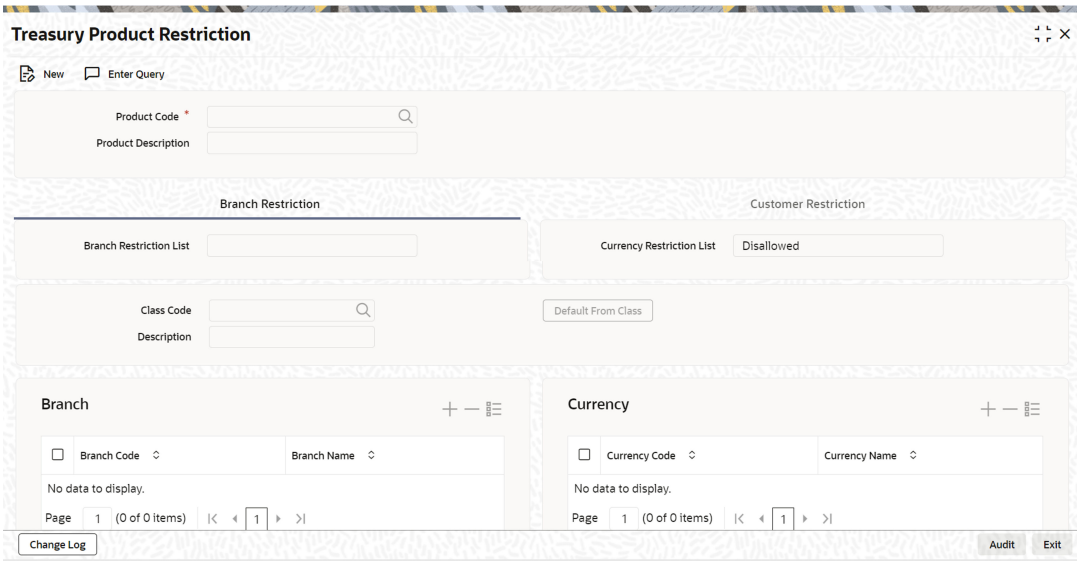
This topic describes the systematic instruction to process branch and currency restrictions class screen.

You can maintain branch and currency restrictions in the Product Branch and Currency Restrictions Class Maintenance screen, invoked from the Application Browser.

1. On Homescreen, specify **CSDTRPDR** in the text box, and click next arrow.

   Treasury Product Restriction- Branch Restriction screen is displayed.

Figure 7-1 Treasury Product Restriction- Branch Restriction



2. On **Treasury Product Restriction- Branch Restriction**, specify the fields.

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

A Branch and Currency Restrictions Class is identified by a unique Code and a Description. The branch and currency restriction classes that you maintain have to be specific to a module in Oracle Banking Treasury Management. This is because a class maintained for one module would be unsuitable for another. For instance, you may choose to allow loan facilities in some branches, but disallow these branches from trading in securities.

Table 7-1 Treasury Product Restriction- Branch Restriction - Field Description

Field	Descriptions
Maintain Branch Restrictions	A branch restriction class identifies a unique list of allowed or disallowed branches. At your head office, you can associate a product that you propose to offer with any Branch and Currency Restriction Class that you have maintained. The branch and currency restrictions defined for the class will apply to the service. **Note:** Any product that your bank offers is available to all branches, by default, unless you specifically restrict its availability.
Choosing the List Type	Specify branch restrictions either in the form of an allowed list or in the form of a disallowed list. When you associate a restriction class, defined as an allowed list, with a product, those branches that do not figure in the list cannot offer the service. If you have maintained a disallowed list for a class, branches that do not figure in it can offer the service. For example, suppose that you have a network of twenty branches. You would like to exclude six branches from trading in securities. You would like all other branches to deal in securities. Since there are more branches that can offer the facility than those that cannot, you can opt to maintain a disallowed list, and include the six disallowed branches in it. Indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option. Specifying a Branch to be Allowed/Disallowed Under Branch Restriction, click add the icon to display the list of available Branch Codes and Its Descriptions through its options list. From this option list, you can select the Branch Code to be Allowed/Disallowed.
Maintaining Currency Restrictions	A currency restriction identifies a unique list of allowed or disallowed currencies. When creating a product at your head office, you can associate it with any Branch and Currency Restriction Class that you have maintained. The branch and currency restrictions defined for the class will apply to the product.
Choosing the List Type	Specify currency restrictions either in the form of an allowed or a disallowed list. Branches can deal only with products that figure in the allowed list. Branches cannot deal with products that figure in a disallowed list. Specifying a Currency to be Allowed/Disallowed Under Currency Restrictions, click add an icon to display the list of available Currency Codes and Its Descriptions through its options list. From this option list, you can select the Currency Code to be Allowed/Disallowed. Click Cancel to delete your specifications.

7.3 Specify the Customer Category Restrictions Class

This topic describes the customer category restrictions class.

Group your customers according to the common features that they share. For example, customers can be grouped into:

- Banks
- Corporates

- Financial Institutions (excluding banks)
- Individuals

Each group may be referred to as a customer category. A customer restriction class identifies a unique list of customer categories that can avail of a service. When building service, at your head office, you can associate it with any Customer Restriction Class that you have maintained. The restrictions defined for the class will apply to the service.

This topic has the following sub-topic:

- Process Customer Category Restrictions Class screen

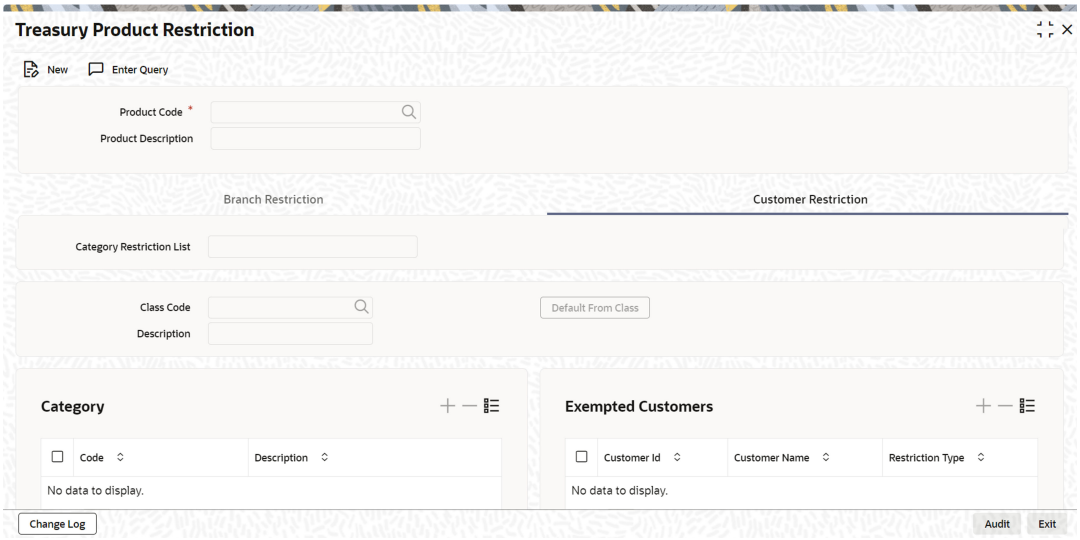
7.3.1 Process Customer Category Restrictions Class screen

You can maintain a list of either allowed or disallowed Customer Categories in the Customer Category Restrictions Class screen. This screen can be invoked from the Application Browser.

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

   Treasury Product Restriction- Customer Restriction screen is displayed.

Figure 7-2 Treasury Product Restriction- Customer Restriction



2. On the **Treasury Product Restriction- Customer Restriction** screen, specify the fields.

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

   A Customer Category Restrictions Class is identified with a unique Code and a Description. The customer restriction classes maintained have to be for a specific module, in Oracle Banking Treasury Management. A class maintained, for one module would be unsuitable for another. For 8-5 instance, you may choose to offer trade finance facilities to certain customer categories but disallow these categories from availing your portfolio maintenance services.

Table 7-2 Treasury Product Restriction- Customer Restriction - Field Description

Field	Description
Restriction Type	Specify customer restrictions in the form of either an allowed list or a disallowed list. Customer categories that do not figure in an allowed list, cannot avail that service (associated with the customer restrictions class). Customer categories that do not figure in a disallowed list can avail of the service.
Exempting Specific Customers belonging to a Category	Exempt customers, belonging to a particular category, from the allowed or disallowed list. For example, suppose that you have maintained Financial Institutions as a customer category and you do not want Financial Institutions to avail of a service that you offer. You can maintain a disallowed list, in the Customer Category Restrictions Class screen, and include Financial Institutions in the list. However, you would like Cavillieri and Barrett Inc., a financial institution to avail of this service.

8

Accounting Role to Head Mapping Class

The general ledgers and sub-ledgers that your bank maintains are defined in the Chart of Accounts. For instance, assume that you have maintained the following GLs, in the Chart of Accounts:

Table 8-1 Chart Account

Name of the GL	GL Code in Oracle Banking Treasury Management
Outright Asset GL	OUTASSTGL
Outright Liability GL	OUTLIABTY
Realized Trading Profit	RETRP0001
Realized Trading Loss	RETRL0001
Unrealized Revaluation Profit	RELREVP01
Unrealized Revaluation Loss	RELREVL01

To each GL, you can link more that one sub-ledger. For example, assume you have linked the following SLs to the Outright Asset GL:

Table 8-2 Chart Table

Name of the SL	SL Code in Oracle Banking Treasury Management
Long Term Bonds	OUTASST01
Medium Term Bonds	OUTASST02
Short Term Bonds	OUTASST03

In Oracle Banking Treasury Management, GL/SLs are broadly referred to as Account Heads.

This topic contain the following sub-topics:

- General Ledger Types
  This topic describes the general ledger types.
- Accounting Roles and Heads Class
  This topic describes the accounting roles and heads class, advantages of building accounting roles, maintain an accounting roles and heads, and map roles to heads.
- Event Class
  This topic describes the event class.

8.1 General Ledger Types

This topic describes the general ledger types.

The GL/SLs, maintained in the Chart of Accounts can be classified into different categories. The following are examples of the broad categories into which GLs fall:

- Asset
- Liability
- Realized Profit
- Realized Loss
- Income
- Expense
- Contingent Asset
- Contingent Liability
- Position GL
- Position Equivalent GL

These categories are referred to as ‘Accounting Roles’ in Oracle Banking Treasury Management.

8.2 Accounting Roles and Heads Class

This topic describes the accounting roles and heads class, advantages of building accounting roles, maintain an accounting roles and heads, and map roles to heads.

Every product maintained would impact specific accounting heads (GLs). These heads are unique to a product. For instance, if you have maintained ahead Medium-Term Bonds, only deals involving medium-term bonds would be reflected under the head. Similarly, you could maintain ahead for a specific portfolio. All accounting entries relating to the portfolio will be passed to the head maintained for the portfolio.

You can identify all the heads specific to a product and indicate their roles, individually, when you build a Class of Accounting Roles and Heads. A class, in this case, identifies the body of GLs unique to a product. A class of accounting heads can be associated with a product that you have maintained. All deals and portfolios involving the product will be reported under the heads that you specify.

This topic contains the following sub-topics:

- Advantage of Building Accounting Roles and Heads Classes
- Maintain an Accounting Roles and Heads Class
- Map Roles to Heads

8.2.1 Advantage of Building Accounting Roles and Heads Classes

While entering into a deal, one or more GLs have to be debited, and one or more GLs would have to be credited. For example, when you sell securities into a customer portfolio, you could do the following:

- Debit the Customer Account
- Credit the Bridge
- Credit the Tax Payable GL
- Credit the Income Charge

Every time you enter into a deal involving a product, you do not have to specify the account heads (GLs) involved. The heads identified for the class to which you associate the product will automatically be picked up.

8.2.2 Maintain an Accounting Roles and Heads Class

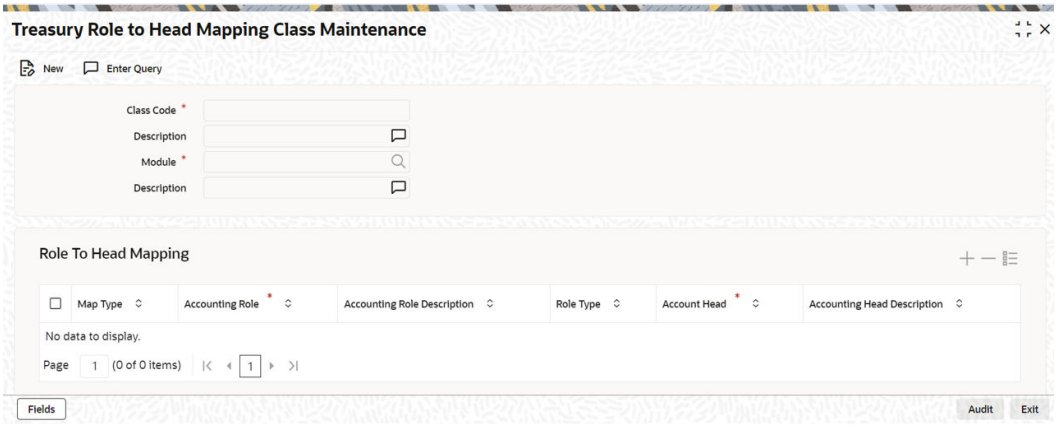
Classes of accounting roles and heads can be built, in the Accounting Role to Head Mapping Class Maintenance screen. In this screen, you can:

- Specify a list of accounting roles
- Map these roles to the appropriate account heads (GLs)

1. On the Home page, specify **CSDTRRHM** in the text box, and click next arrow.

   Treasury Role to Head Mapping Class Maintenance screen is displayed.

Figure 8-1 Treasury Role to Head Mapping Class Maintenance



2. On the **Treasury Role to Head Mapping Class Maintenance** screen, specify the fields.

   Each class that you maintain can be identified by a unique Class Code and a brief description. Ideally, this description facility would be used to specify the product for which you are building the class. This would help you easily associate a product with the class built for it. For example, suppose that you offer a portfolio maintenance facility to individuals. An accounting role and head class can be built specifically for this service. When building the class you can assign it a unique code, Port_In_01 and describe this Accounting Role and Head class as Class for Portfolio Maintenance of Individuals. You can indicate that this class is specifically for the Securities module. When defining the accounting roles and heads for the portfolio service in the Securities module, Port_In_01 will be available to you. You can associate the service with Port_In_01.

8.2.3 Map Roles to Heads

Choose a role by double-clicking on it. Now, you have to associate the role with an account head (a GL). Choose a particular head, by double-clicking on it. Choosing add icon confirms the association of a role with the corresponding head in the Accounting Head column. If you would like to disassociate a role and ahead, choose the delete icon. Similarly, you can associate all heads, which you would like to include in a class, with a role.

8.3 Event Class

This topic describes the event class.

A deal goes through different stages in its life cycle, such as:

- Deal booking
- Money Settlement of Securities Deal
- Settlement of Securities Deal
- Reversal of Securities Deal
- Cancellation of Securities Deal, etc.

Each stage is referred to as an Event, in Oracle Banking Treasury Management.

The following are examples of the events for a portfolio that you maintain:

- Booking of Contingent Asset
- Accrual of Discount Earned
- Accrual of Interest Earned
- Forward Profit and Loss Accrual

At an event, you may want to generate advices or post accounting entries. For instance, whenyou settle a deal (a Money Settlement Event), you would:

- Pass the requisite entries
- Print a payment advice

Define the accounting entries and advice to be passed for a set of events, as an Event Accounting Entries and Advices Class. An Events Class can be associated with a deal or portfolio product that you have maintained. At an event, in the life cycle of a deal relating to a product, or a portfolio, the appropriate entries will be passed. Advices will be generated as defined, for the associated events class.

This topic contains the following subtopics:

- Maintain an Event Accounting Entries and Advices Class
  This topic describes the systematic instructions to maintain event accounting entries and advice class.

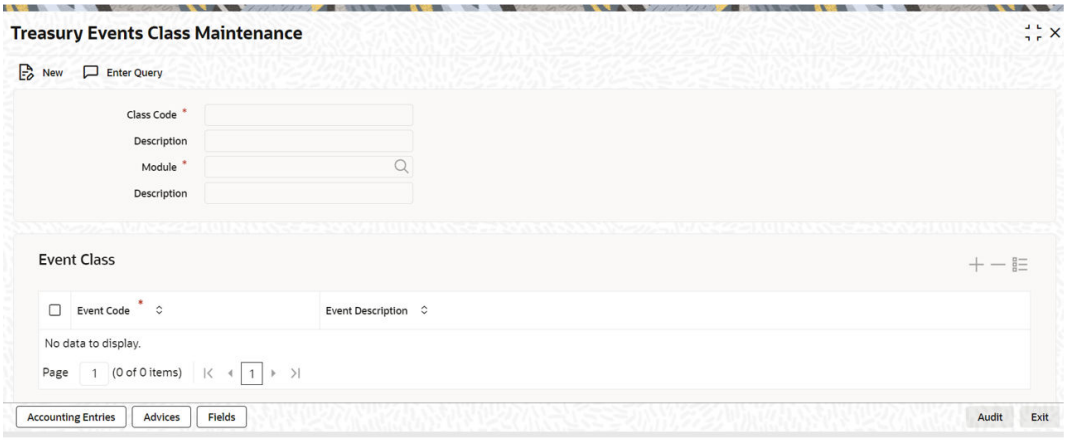
8.3.1 Maintain an Event Accounting Entries and Advices Class

This topic describes the systematic instructions to maintain event accounting entries and advice class.

An Events Class is identified with a unique Code and a Description. When you define an Events Class, you choose, first of all, the set of events that would belong to the class. Events are, usually, unique to a module. For instance, events like Securities Purchase from Long Position and Accrual of Securities Discount Earned are specific to Portfolios in the Securities module. Therefore, to build an Events Class that you would associate with a service offered in the Securities (Portfolio) module, choose the event from a list of events specific to the Securities (Portfolio) module. The events that you would like to include in an Events Class can be identified through the Events Accounting Entries and Advices Class Maintenance screen. This screen is invoked from the Application Browser.

1. On the Home page, specify **CSDTREVM** in the text box, and click next arrow.

   Treasury Event Class Maintenance screen is displayed.



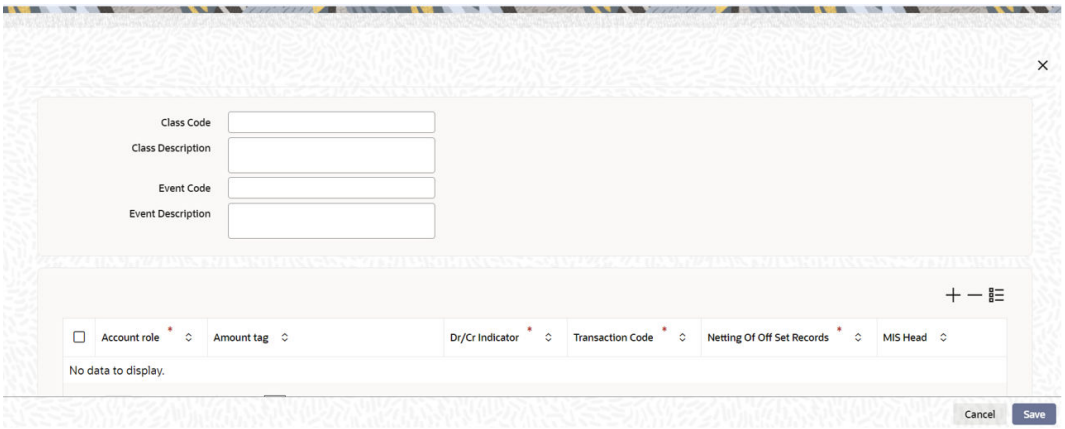
2. On the **Treasury Event Class Maintenance** screen, specify the fields.

   For every event constituting the class being built, you have to specify the accounting entries that should be passed (if any), and the advice that should be generated.

3. On the **Event Class Maintenance** screen, click **Accounting Entries**.

   Accounting Entries screen is displayed.

Figure 8-2 Accounting Entries



4. On the **Accounting Entries** screen, specify the fields.

   As part of the Accounting Entry details of an event, you should specify the following details:

   - The accounting role
   - The amount item
   - If a debit or a credit
   - The transaction code
   - If the entries are to be netted
   - The MIS Head

   If accounting entries are to be passed for an event, you have to indicate the different Accounting Roles. At an event in the life cycle of a deal, involving a product to which you associate the class, the appropriate entries will be passed, under the specified Accounting Roles.

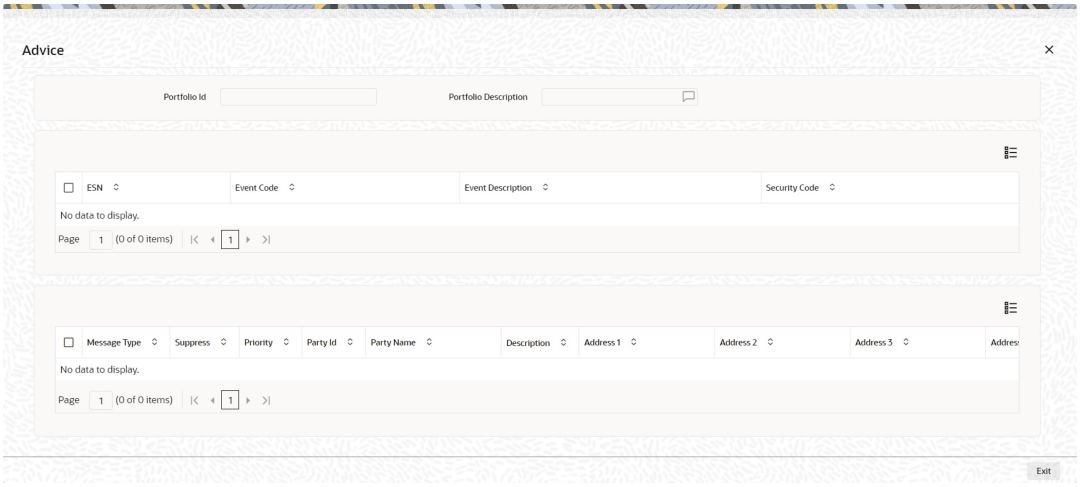
Table 8-3 Accounting Entries - Field Description

Field	Description
Specifying the Amount Tag	Choose a tag by double-clicking on it. The amount (i.e. the principal, the brokerage, the charge amount, etc.) that is to be posted for an event, is referred to as the Amount Item. The tag associated with an Amount Item is the Amount Tag. Process a list of the number of tags that are maintained in the Amount Tag field. Choose a tag by double-clicking on it.
Indicating if a debit or credit	Choose the Debit or Credit indicator. You have already specified the type of account to which an entry should be passed, and the tag which identifies the amount (principal, brokerage, the charge amount, etc.) that should be passed. In this field, you must indicate if the amount is to be debited from credited to the specified account. Choose the Debit or Credit indicator.
Transaction Codes	Every accounting entry in Oracle Banking Treasury Management involves a Transaction Code that describes the nature of the entry. This code and its description are available whenever you retrieve contract information in reports such as the Transaction Journal. The transaction code must be indicated in this field. Click the adjoining option list icon, to invoke a list of the transaction codes that are maintained. Double click on the Code that you would like to enter in this field. The Transaction Code for both legs of the transaction would be the same.
Netting	Click the add icon confirms the association of an accounting role with the corresponding Amount Tag, Transaction Code, MIS Head, and the Debit/ Credit and Netting indicators. If you would like to disassociate a role from the other details, click the delete icon. If two or more accounting entries for a particular event are to be passed to the same account and on the same Value Date, these entries can be netted while posting to the account. Specify whether such entries should be netted in this field by choosing either the Yes or the No indicator.

5. On **Events Class Maintenance fields**, click **Advice**.

Advice screen is displayed.

Figure 8-3 Advice screen



6. On the **Advices** screen, specify the fields.

Table 8-4 Advice screen - Field Description

Field	Description
Indicating the Advices to be Generated	Define the advices that you would like to generate for an event, in the Advice Name column.
Indicating when the Advice is to be Generated	You now need to indicate when the advice that you have chosen needs to be generated. To do this, you have to choose either the Input or the Authorize option from the Generation Time Field. You can also set the priority with which the advice should be generated. To suppress advice, choose the Yes option in the Suppress column.

9

Define Security Preference Classes

Preferences are the options available for defining the attributes of a security. The following are some of the preferences that you can indicate for security:

- The Market of Issue
- The tenor
- If there are Call' and 'Put' options associated with the security
- If you can trade the security in fractional quantities
- The lot size in which the security can be traded (say multiples of 10)
- If the coupon frequency is periodic (and, if yes, the actual frequency)
- If you would like to automatically initiate Corporate Actions for the security

It is your preferences that give security its distinctiveness. You can maintain several sets or classes of security preferences. Thus, you can maintain a class of preferences for short-term zero-coupon bonds, another for medium-term zero-coupon bonds, a third for long-term zero-coupon bonds, and so on. When defining a security product of a certain type, say short-term zero-coupon bonds, you only need to associate it with the appropriate preference class defined. The product will acquire, by default, all the attributes defined for the class associated with it. You can change these default attributes to suit specific security products.

This topic contains the following sub-topics:

- Security Product Preference Classes
  This topic describes how to specify the security product preference class, capture information specific to a security type, indicated banker's acceptance, capture trade-related information and identify the holder.
- Specify the Material of a Security
  This topic describes the security material.
- Indicate the Collateral Type
  This topic describes the collateral type.
- Opting for Automatic Initiation of Corporate Actions
  This topic describes the Automatic Initiation opting of Corporate Actions.
- Tenor Details
  This topic describes the tenor details.
- Define Deal Limits for a Preference Class
  This topic describes the systematic instructions to define deal limits for a preference class.

9.1 Security Product Preference Classes

This topic describes how to specify the security product preference class, capture information specific to a security type, indicated banker's acceptance, capture trade-related information and identify the holder.

This topic contains the following sub-topics:

- Specify Security Product Preference Class
- Capture Information Specific to a Security Type
- Indicating Banker's Acceptance
- Indicate Banker's Acceptance
- Capturing Trade-Related Information
- Identifying the Holder

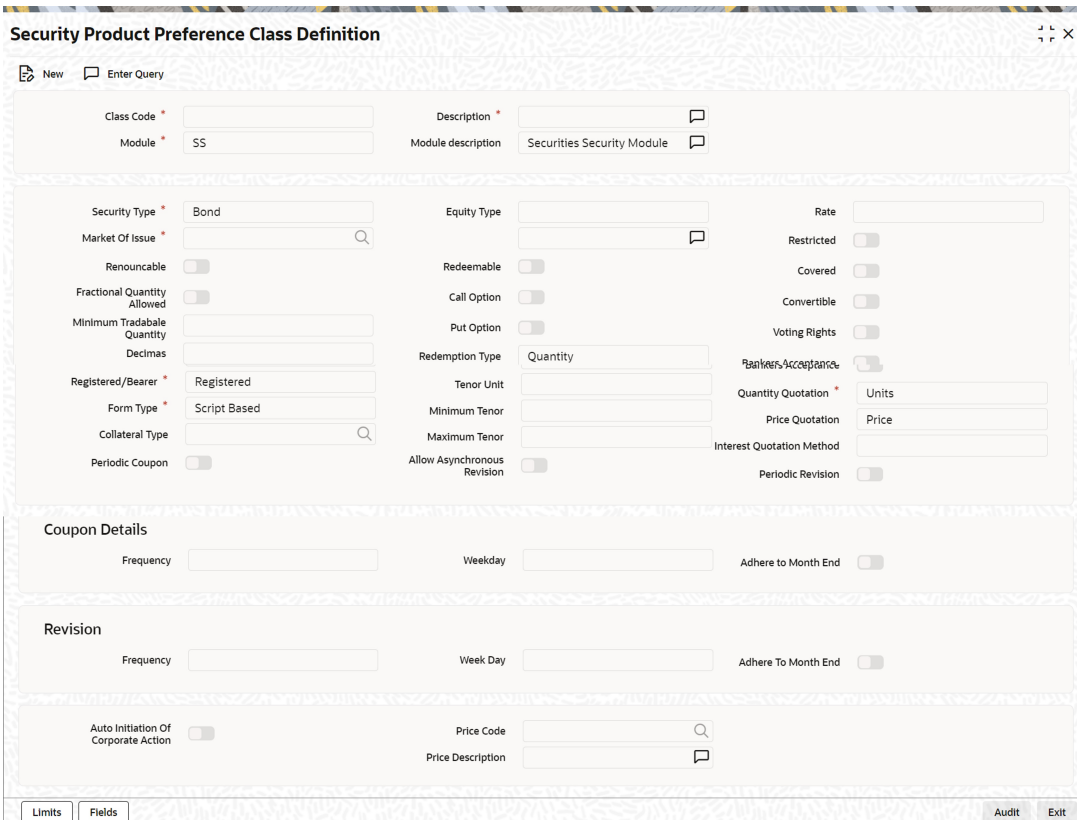
9.1.1 Specify Security Product Preference Class

Security preference classes are maintained in the Security Product Preference Class Definition screen, which is invoked from the Application Browser.

1. On the Home page, specify **SEDXSECL** in the text box, and click next arrow.

   Securities product Preference Class Definition screen is displayed.

Figure 9-1 Securities product Preference Class Definition



2. On the **Securities Product Preference** screen, specify the fields.

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

Table 9-1 Securities Product Preference - Field Description

Field	Description
Class Code	Identify a security preference class that you build with a unique ten-character Class Code. You can follow your convention for devising the code.
Description	Briefly describe the Security Preference Class that you are defining. The description that you specify is for information purposes only and will not be printed on any customer correspondence.
Market of Issue	For a Securities Preference class, you can identify a Market of Issue. Only a market maintained in the Markets Maintenance screen can be specified. Your specification here will default to the security products associated with the class. However, when defining a product, while retaining the other preferences that default from the associated class, you can change the default market. All securities maintained under a product, by default, will also be associated with the market specified for the product. However, when maintaining securities under a product, in the Securities Definition screen, you can identify different markets.
Security Type	The first preference defined for a class is the Security Type. Securities can be broadly classified into the following types: • Bonds • Zero Coupon Bonds • Equities • Rights • Warrants By indicating the security type, you restrict the application of a class on the products of a particular type. For instance, you can associate a Security Preference Class with the Security Type defined as Bonds, only on products maintained for bonds. The security type specified also determines the other references that you can define, for a preference class. For example, if you indicate the security type as Bond, you can also define details relating to interest.
Interest Details of bond	When maintaining a preference class for bonds, you must define interest-related details. These interest details will default to the security (bond) product with which you associate the class. These default interest details can be modified to suit the product.
Interest type	If you have indicated the security type for a preference class as Bond, you should also indicate the Type of Interest. It could be one of the following: • **Fixed** • **Floating** After defining the interest details, you can indicate the Coupon and Interest Rate Revision details.
The Interest Quotation Method	The Interest Quotation Method for a bond can be either of the following: • **Flat** • **Plus Accrued** When the interest component is included in the market price of a security, the quotation method is referred to as Flat. A flat price of a security is also referred to as the Dirty Price. When the interest component is excluded from the market price of a security, the quotation method is referred to as Plus Accrued.

Table 9-1 (Cont.) Securities Product Preference - Field Description

Field	Description
Coupon Frequency	When building a class of preferences, you can indicate if the coupons due for a bond are periodic. Coupons for bonds (maintained under the products with which you associate the preference class) will be calculated according to the periodicity that you specify. For an interest-bearing bond, with a periodic coupon, you must indicate the Coupon Frequency. Some coupon frequencies are listed below: • **Weekly** • **Monthly** • **Once in two months** • **Quarterly** • **Once in four months** If you indicate that the coupon frequency is weekly, you should also indicate the day on which the coupon is due. For instance, you can have a bond with a weekly coupon that is due on Wednesdays. If the coupon frequency is in terms of a month, you can choose to indicate that the coupon days should adhere to Month Ends. The implication of this option is explained in the following example. You would like to maintain a product for Periodic Interest-bearing Bonds. The coupon frequency for securities maintained under this product is Half-yearly. You are defining a preference class that you would like to associate with this product, amongst others. In the Product Preference Class Definition screen, in the Security Type field, choose the Bonds option and the Periodic Coupon option. Now, you can specify the Coupon Frequency, as Half-yearly. You can opt to indicate that the coupon dates should adhere to month ends. Let us study the impact of the Adhere to Month End option, with relation to a security that you have maintained under the product. Assume the Issue Date of the Security is 30 June 2000, and the Maturity Date is 30 June 2002. The coupon frequency is half-yearly. If you choose the Adhere to Month End option: • 31 December 2000 • 30 June 2001 • 31 December 2001 • 30 June 2002 If you do not choose the Adhere to Month End option: The coupons for this security would be due on the following dates: • 30 December 2000 • 30 June 2001 • 30 December 2001 • 30 June 2002 The coupon due dates for all securities maintained under the product (with which you associate the preference class) will be calculated similarly, depending on the option you choose.

Table 9-1 (Cont.) Securities Product Preference - Field Description

Field	Description
Interest Rate Revision Frequency	You can revise the interest rates for bonds with floating interest. The revision frequency can be different from the coupon frequency and is referred to as an Asynchronous (interest rate) Revision. Asynchronous revision can be: • Periodic • Non-periodic As part of your preferences for a Security Class, you can indicate Interest Rate Revision details. The revision details defined for the class will apply on all securities maintained under a product (with which you associate the class). 10-5 By default, interest rates will be revised according to the coupon frequency defined for a bond. If you would like to revise the interest rates at a different frequency, choose the Allow Asynchronous Revision option. If the asynchronous revision of rates is periodic, click on the Periodic Revision option, and specify the Revision Frequency. For a frequency that is weekly, indicate the day on which the revision is due. (For instance, you could indicate that the interest rates for securities should be revised every Monday.) If the revision frequency is in terms of a month, you can choose to indicate that the revision days should adhere to Month-Ends. The implication of this option is explained in the following example.

You are defining a Security Preference Class that you would like to associate with a Security Product. You have maintained several securities under this product. We shall study the impact of the Adhere to Month End option concerning security maintained under the Product. Assume the Issue Date of the security (with floating interest and an asynchronous rate revision) is 01 January 2000, and the Maturity Date is 31 December 2000. You have specified that the interest rate revision frequency is quarterly. If you choose the Adhere to Month End option: The rate revisions for this security, would be due on the following dates:

- 31 March 2000
- 30 June 2000
- 30 September 2000
- 31 December 2000

If you do not choose the Adhere to Month End option: The rate revisions for this security would be due on the following dates:

- 31 March 2000
- 30 June 2000
- 30 September 2000
- 30 December 2000

The rate revision dates for all securities maintained under the product (with which you associate the preference class) will be calculated similarly. If the interest rates for securities should be revised on a non-periodic basis, you should leave the Periodic Revision option blank. You can capture the revision details for a security with non-periodic rate revision, in the Security Online Definition screen.

9.1.2 Capture Information Specific to a Security Type

If the Security Type is ‘Bond

Specified the Security Type for a class as Bond, you can indicate if Call and Put options would be available.

The issuer of a bond may also offer the option of converting the bond into shares or equities. Such bonds are referred to as Convertible bonds. When defining a Security Preference Class,with the Type as Bond, you can capture this information by choosing the Convertible option.

Redemption

- Series
- Quantity
- Bullet

The Redemption Mode that you specify for a class, will default to the products that you associate with the class. When defining the redemption mode for a specific product, you can change the default redemption mode.

If the Security Type is Equity

The issuer of equity can grant a holder, voting rights. You can capture this information when defining a Security Preference Class with the Security Type, Equity. The holders of all equities maintained under a product, by default, will have voting rights. You can change these default attributes when maintaining the product.

If the Security Type is Right or Warrant

Rights and Warrants can be renounced. To capture this information at the Security Preference class level, you can choose the Renouncable option.

9.1.3 Indicating Banker's Acceptance

You can indicate whether or not the security that is defined under the product, which is based on this class, can be used for a Banker's Acceptance deal. This implies that you can fund the issuer of the security through a loan contract or a money market placement deal. You can also trade in the security on your behalf.

You will be allowed to select this option only if the Security Type is Zero Coupon Bond.

9.1.4 Indicate Banker's Acceptance

Indicate whether or not the security that is defined under the product, which is based on this class, can be used for a Banker's Acceptance deal. This implies that you can fund the issuer of the security through a loan contract or a money market placement deal. You can also trade in the security on your behalf. You will be allowed to select this option only if the Security Type is Zero Coupon Bond.

Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances.

9.1.5 Capturing Trade-Related Information

Based on the security type, the information for security is captured.

If the Security Type is 'Bond' If you specified the Security Type for a class as Bond, you can indicate if Call and Put options would be available.

The issuer of a bond may also offer the option of converting the bond into shares or equities. Such bonds are referred to as convertible bonds. When defining a Security Preference Class, with the Type as Bond, you can capture this information by choosing the Convertible option.

Redemption Type

Indicate the mode of redemption. An issuer can redeem bonds in three ways:

- Series
- Quantity
- Bullet

The Redemption Mode that you specify for a class, will default to the products, that you associate with the class. When defining the redemption mode for a specific product, you can change the default redemption mode.

If the Security Type is equity

The issuer of equity can grant a holder, voting rights. You can capture this information when defining a Security Preference Class with the Security Type, Equity. The holders of all equities maintained under a product, by default, will have voting rights. You can change these default attributes when maintaining the product.

If the Security Type is Right or Warrant

Rights and Warrants can be renounced. To capture this information at the Security Preference class level, you can choose the Renouncable option.

You can define the minimum quantity in which security should be traded when building a Security Preference class. In the Lot Size field, you can enter your specifications. Your specification will apply, by default, to all products with which you associate the class (and, in turn, to all securities maintained under the product). However, this default attribute can be changed, when defining the preferences for a security product.

Quantity Quotation

Securities can be quoted in the following terms:

- Units (Example, 500 units of a security)
- Nominal (Example, securities worth USD 5000 of face value)

When building a preference class, you can enter the preferred quotation method. This method will default to all products with which you associate the class. The default value can be changed. Security, maintained under a product acquires the quotation method specified for the product.

If you choose the Units Quotation option, you can also indicate if the securities can be traded in fractional units. You can specify the fractional units in the ‘Decimals’ field. Deals entered in fractional units of securities will be validated against the decimal value that you enter here.

Price Quotation

The method in which price is quoted, is a feature of the market where a security is traded. Each market may use a particular price quotation method. The price of a security can be quoted in the following ways:

Price

in this method, the total price of the security is quoted. The total price can beexpressed as: (Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is‘Flat’)

% Price

the price is quoted as a percentage. The same is expressed as follows:

% Price

% Price = (Market price / Face value) x 100

% Discount - in this case, the price is quoted on the basis of the discount percentage at whichthe security is bought or sold.

% Premium - in this case, the price is quoted on the basis of the premium percentage at whichthe security is bought or sold.

Premium - the price in this method is quoted on the basis of the premium at which the securityis bought or sold. That is, the differential between the face value of the bond and the price atwhich it is bought or sold.

Discount - the price is quoted on the basis of the discount at which the security is bought orsold. That is, the differential between the face value of the bond and the price at which it isbought or sold.

YTM - the price is quoted on the basis of its yield to maturity. In Oracle Banking Treasury Management, this pricequotation method applies only on Zero Coupon Bonds. The yield on a discounted instrument is measured by its yield to maturity (YTM). YTM is the yield on a security calculated from the purchase date to its maturity. The YTM changes with the market price. In case the market price increases above the straight discounted price, YTM would decrease, and vice versa. Using this quotation method, the price is calculated as follows:

$$YTM = \frac{(\text{Face Value} - \text{Purchase price}) * \text{Days in a Year}}{\text{Price} * \text{Days to maturity}}$$

The deal amount is determined based on the deal quantity and the price quotation method. Irrespective of the price quotation method used, the net result is always the same. For a Security Preference Class, you can identify a Price Quotation method. During trade, the securities maintained under a product (with which you associate the Preference Class) will, by default, be quoted in the manner that you specify. However, when maintaining a security,you can identify its price quotation method.

9.1.6 Identifying the Holder

The holder of a security can be either of the following:

- The registered
- The Bearer

If you would like the securities maintained under a product (with which you associate the Securities Preference Class you are defining) to be ‘Bearer’ type securities, choose the ‘Bearer’ option. Else, choose the ‘Registered’ option. However, when defining a product, while retaining the other preferences that default from the associated class, you can change the default Registered/Bearer indicator. While maintaining a security under a product, in the Securities Definition screen, you could choose to retain the defaulted Registered/Bearer indicator.

9.2 Specify the Material of a Security

This topic describes the security material.

Securities can be in different formats:

Table 9-2 Securities

Option	Description
Script-based	Issued in a paper format
Dematerialized	In an electronic format
Immobilized	Securities in lieu of which proxies are traded
Combination	Issued in one or more of the above formats

9.3 Indicate the Collateral Type

This topic describes the collateral type.

A customer can offer you securities as collateral against a liability. In the Central Liability module of Oracle Banking Treasury Management, you can categories different types of securities into Collateral Types. For example, you can define Government Bonds as one type of collateral, and Corporate Bonds as another type.

For a preference class, you can indicate a Collateral Type. All securities maintained under a product (with which you associate the preference class) will fall under the Collateral Type that you specify.

9.4 Opting for Automatic Initiation of Corporate Actions

This topic describes the Automatic Initiation opting of Corporate Actions.

Check against the option Auto Initiation of Corporate Action, to indicate that corporate action for securities should be automatically initiated. On choosing this option, corporate actions fora security will be automatically initiated on the due dates that you specified. If you do not choose this option, you have to manually initiate all corporate actions required for a security.

This topic has the following sub-topic:

- Indicate the Price Code for Revaluation

9.4.1 Indicate the Price Code for Revaluation

Every security that you deal with must be associated with a Price Code. A Price Code identifies the price of security in a specific market. To ascertain the value of a security, concerning the prevailing market rates, you need to constantly revalue it. When defining a Preference class, specify the Price Code that you Option Description Scrip-based Issued in a paper format Dematerialized In an electronic format Immobilized Securities instead of which proxies are traded Combination Issued in one or more of the above formats 10-9 would like to use, to revalue securities The value of a security in a market, will be determined concerning the current rates of the corresponding price codes.

9.5 Tenor Details

This topic describes the tenor details.

Specify tenor details for the Security Preference Class being defined. The tenor can be in terms of:

- Days
- Months
- Years

Securities maintained under a product should adhere to the minimum and maximum tenor limits that you specify here. For example, if you specify the tenor in Days, specify the Minimum Tenor as 2, and the Maximum Tenor as 100, the system ensures that the period between the Issue Date and the Redemption Date does not exceed 100 days.

This topic has the following sub-topic:

- Capture SWIFT Related Information

9.5.1 Capture SWIFT Related Information

If trade is restricted

Ownership or transfer of a security can be subject to restrictions imposed by the Issuer or Market. You can indicate if trade involving the securities maintained under a product is Restricted. You can choose the Restricted option to indicate this. Securities with trade restrictions will be reported as such, in the

If the position has been covered

You can allow or disallow selling (of a security) from a short position. Enter this information when building a Preference Class. Your specification will default to all securities maintained under products. This default can be changed. Choose the Covered option if your positions (on securities) should be covered. By not choosing the ‘Covered’ option, you indicate that securities (maintained under products with which you associate the class) can be sold from a short position. This attribute of a security will be reported in Field 17B of the Market-Side Securities Trade Confirmation message (MT 518), generated for deals involving the security.

9.6 Define Deal Limits for a Preference Class

This topic describes the systematic instructions to define deal limits for a preference class.

You may not want to sell a security at a deal price that varies beyond a limit, with respect to the market price. In Oracle Banking Treasury Management, you can ensure this by defining currency-wise deal price variance limits for a security preference class. These limits will apply to the securities maintained under products with which you associate the class.

1. On the **Security Product Preference Class** screen, click **Limits**.

   Limits screen is displayed.

Figure 9-2 Limits

2. On the **Limits** screen, specify the fields.

   For more information on screens, refer below table.

Table 9-3 Security Product Preference Class - Field Description

Field	Description
Currency	When building a Security Preference Class, you can define deal price limits in several currencies. Deals involving securities in the currency will be governed by the limits that you define for the currency. In this screen, you can express deal price limits in terms of: • Positive and Negative Overrides (percentage) • Positive and Negative Exceptions (percentage)
Positive Override	Indicates the upper override limit.
Negative Override	Indicates the Lower override limit. With respect to the market price, if the deal price of a security varies beyond the Override Limits (positive and negative), you can save the deal by providing an 'override'. All overrides provided at deal-time will be included in the reports that you generate for the deal. With respect to the market price, if the deal price of a security varies beyond the Exception Limits, you cannot save the deal.

10

Maintain Portfolio Preference Class

Preferences are the options that are available to you for defining the attributes of a portfolio. Based on the type of portfolio, (bank, customer, and issuer) you are defining the following are some of the preferences that you can define:

- The costing method to be used
- The accounting basis
- Accrual frequencies for components like premium, discount, forward profit or loss
- Revaluation preferences
- Limit tracking preferences

A set of such preferences can be grouped together into what we call in Oracle Banking Treasury Management, a ‘Preference Class’. You can maintain several portfolio preference classes. The preferences that you define will shape a portfolio and give it a distinctness that is unique to the type it represents.

The Advantage of Defining a Portfolio Preference Class

While creating a portfolio product, instead of specifying preferences for each product, you need to just associate the appropriate portfolio preference class to the product. All the attributes defined for the class will be made applicable to the portfolio product. You can change the defaulted preferences to suit the product. The preferences that you specify for a portfolio are comprehensive and cover all types of securities that can constitute it. Depending on the type of security the preferences will apply.

> **Note:**
>
> Once defined, a portfolio preference class can be made applicable to any number of products.

This chapter contains the following sub-topic:

- Specify Portfolio Preference Class
  This topic describes the systematic procedure to specify portfolio preference class.
- Yield Accrual for Deals bought on Par
  This topic describes the yield accrual for deal bought on par.

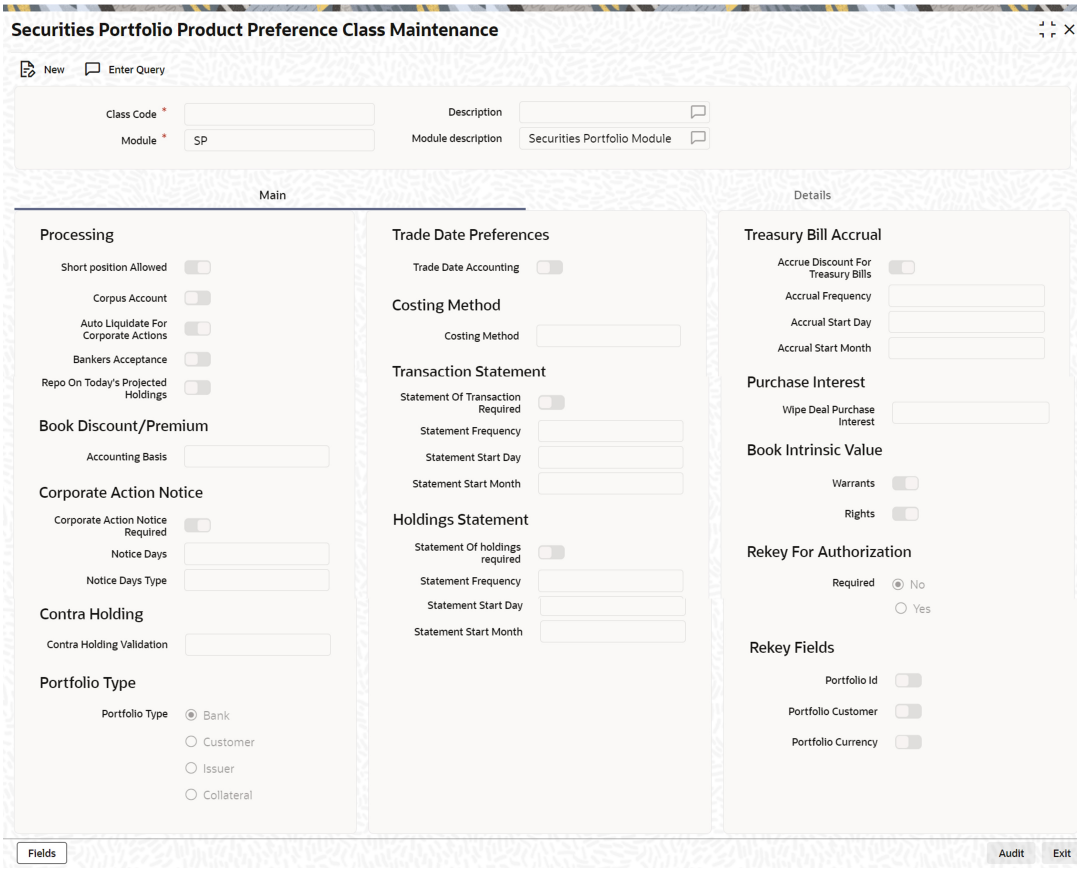
10.1 Specify Portfolio Preference Class

This topic describes the systematic procedure to specify portfolio preference class.

1. On the Home page, specify **SEDXPFCL** in the text box and click next arrow.

   Securities Portfolio Product Preference screen is displayed.

Figure 10-1 Securities Portfolio Product Preference



2. On the **Securities Portfolio Product Preference** screen, specify the fields.

Table 10-1 Securities Portfolio Product Preference - Field Description

Field	Description
Class Code	Specify a code to identify a class. In Oracle Banking Treasury Management, each portfolio preference class that you maintain is identified by a unique ten-character code called a Class Code. One of the characters of the code should necessarily be a letter of the English alphabet. You can follow your own convention for devising this code.
Description	Specify a short description that will enable you to identify the portfolio preference class quickly. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
Portfolio Type	An important detail in defining a portfolio class is to specify the type of portfolio for which you are defining preferences. The portfolio type identifies the basic nature of a portfolio. In Oracle Banking Treasury Management you can set up the following type of portfolios: • A bank Portfolio • A customer portfolio • Issuer portfolio • Collateral Portfolio This is the basic feature of a portfolio and will determine the subsequent entries that you make. This preference will be defaulted to a portfolio product and subsequently to thesecurities portfolios to which the product is associated. **Note:** Bank can create a Collateral Portfolio to hold security (pledged and received) as a part of Repo or a Reverse Repo transaction. Also, All Bank Portfolio Validations are applicable to Collateral portfolio.
Trade Date Accounting	Check this box to indicate that the accounting events for Securities position movement (SPLP, SSLP, SPSP or SSSP) should be triggered on the trade date itself for the portfolios defined using the preference class.
Costing Method	A costing method is used to determine your holding cost in a portfolio. While trading in the securities that constitute a portfolio, you can arrive at the profitable price at which you can trade, using one of the costing methods. You can indicate a costing method only if you are setting preferences for a bank type of portfolio. This is because you maintain the books of accounts only for a bank portfolio. Based on the preference of your bank you can select an option from the pick list. The costing method includes: • Weighted Average Cost (WAC) • Last in first out (LIFO) • First in first out (FIFO) • Deal matching For an Issuer type of portfolio, the Weighted Average Cost (WAC) method will be applicable. The costing method preference does not apply to a customer portfolio as you merely perform a custodial function and are not involved with maintaining a book of accounts for the customer. To understand the accounting methods mentioned above we will examine an example and apply all the costing methods to it. The following deals have been struck for a bank portfolio: Table 10-2
Weighted Average Cost (WAC)	The acquired cost of each security in a portfolio is maintained as an average cost. So the realized profit in this case would be computed as follows:Table 10-3 The remaining 150 securities would be held at an average cost of $95.83
Last in first out (LIFO)	In this method of cost accounting, the securities that have been bought last by a portfolio would be sold first. In this case the cost of the securities that have been sold would be $96.Table 10-4 The remaining securities would be held at: • 50 remaining out of deal B @ $96 • 100 remaining out of deal A @ $95

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
First in first out	In this case the securities that have been bought first by a portfolio would be sold first. In this case the computation of accrued interest would remain the same but the cost of the securities that have been sold would be $96.Table 10-4
Deal matching	In the case of deal matching you can indicate against which of the earlier buy deals the sell deal is to be matched. Thus the realized profit would change depending on the deals selected s the matched deals. We will consider one possibility, but in reality the number of combinations is infinite. The remaining securities would be held as • 50 remaining out of deal A @ $95 • 50 remaining out of deal B @ $96 • 50 remaining out of deal C @ $96.5
Processing	Processing preferences refer to specifications that you indicate for the functioning of Oracle Banking Treasury Management. Based on the preferences that you indicate, Oracle Banking Treasury Management will validate or perform functions. The processing preferences that you can specify include:
Automatic Liquidation of Corporate Actions	The corporate actions that are applicable for securities in the portfolio can be liquidated on the Event date (the date on which the corporate action is due). Check against this option to indicate that the corporate actions applicable to securities in a portfolio should be automatically liquidated on the due date. Leave it unchecked to indicate that it should be manually liquidated. If you select the automatic option, the corporate action will be automatically liquidated on the liquidation date as part of the automatic processes run as part of beginning of day (BOD) or End of day (EOD).
Short Positions Allowed	A short position is selling a security without sufficient holdings. As a preference you can indicate whether while trading in securities of a portfolio you can have a short position. Check against the option 'short positions allowed' to allow short positions for the portfolio. This check box works in combination with the value in the field ‘Contra Holdings Validation’. If you check this box, you have to select a value for ‘Contra Holding Validation’. While creating a Repo deal in a portfolio, you should uncheck this box. If ‘Repo on Today’s Projected Holdings’ is checked, you should not check this box.
Contra Holdings	Contra Holdings is value dated projected holdings based on the unsettled deals.

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
Contra Holdings Validation	Select the method of validating the position. The drop-down list displays the following options: • **Online** - Select 'Online' to validate the position online. If you select this, the system will allow you to create securities deal with value dated projected holdings. • **EOTI** - Select 'EOTI' to validate the position during EOTI (End of Transaction Input) stage. If you select this, the system will allow you to create a securities deal without sufficient position. The position will be validated during EOTI stage. • **No Check** - Unlimited - the system will allow you to sell more than the holdings in a portfolio for a security without restrictions on quantity and value date It is mandatory to specify the validation method if you have checked the box 'Short Position Allowed'. If that check box is not checked, then you need not specify the validation method If Short Position Allowed is unchecked, then the value of this field has to be null. **Note:** For a contract with the sell quantity greater than the value dated holdings for a particular security code, if you check 'Short Position Allowed' and set 'Contra Holding Validation' to 'No Check - Unlimited' or 'EOTI', then the system will display an override message when you save or modify the contract
Banker's Acceptance	indicate whether or not the portfolio that is defined under the product, which is based on this class, can be used for a Banker's Acceptance deal. You will be allowed to select this option only for 'Issuer' type portfolios. Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances. Select the method of validating the position. The drop-down list displays the following options:
Repo on Today's Projected Holdings	Check this box to enable Repo on projected holdings for the day. If you check this, the system will allow you to create a Repo deal based on the projected holdings for the day. However, this option does not allow you to create a Repo deal based on future dated projected holdings. If you check this box, you should leave the box 'Short Positions allowed' unchecked.
Book Discount Premium	Indicate how an asset belonging to a portfolio should be booked. In other words, the basis for asset accounting in a portfolio. In Oracle Banking Treasury Management an asset can be booked on the following basis: • **Non-accrual basis** • **Accrual basis** To understand these asset accounting methods, we will examine an example and apply each basis method to it. You have purchased a USD 10 bond for USD 15 on 1 January from a customer portfolio. You have paid a premium of USD 5 for the bond. On 30 January, you sell the bond for USD 20.
Non-accrual basis	Using the non-accrual basis, the following accounting entries will need to be passed: Table 10-7
Accrual basis	select this accrual basis for asset accounting, then on 1 January you would: Table 10-8 On 30 January the amount to be accrued is USD 1. The following entries will need to be passed: Table 10-9 When you sell the unit at USD 20 Table 10-11

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
Book Intrinsic Value	A warrant or right attached to security entitles the holder to convert it into common stock at a set price during a specified period. Thus rights and warrants attached to security have a hidden or intrinsic value. To recall, you have already defined the intrinsic value of a right or warrant in the Securities Warrants Definition screen. As a portfolio preference, you can choose to book or ignore the intrinsic value of rights and warrants for asset accounting purposes.
Rekey for Authorization	Authorization is a way of checking the entries made by a user. All operations on a portfolio, except placing it on hold, should be authorized before the end-of-day operation is begun. When a portfolio is invoked for authorization - as a cross-checking mechanism, to ensure that you are calling the right portfolio you can specify that the values of certain fields should be entered before the other details are displayed. The complete details of the portfolio will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the “re-key” fields.
Rekey Fields	You can specify any or all of the following as re-key fields: • **Portfolio ID** • **Portfolio customer** • **Portfolio currency** If no re-key fields have been defined, the details of the portfolio will be displayed immediately when the authorizer calls the portfolio for authorization. The re-key option also serves as a means of ensuring the accuracy of inputs. For example, suppose that you define a customer portfolio in the currency INR. The portfolio involves a product for which the re-key fields assigned are the portfolio customer and currency. By mistake, the portfolio currency is entered as USD instead of INR. When the authorizer selects the portfolio for authorization and indicates the re-key fields of portfolio currency asINR, the details of the portfolio will not be displayed. The portfolio details will not be displayed if: • The value in the field that has to be re-keyed has been entered wrongly at the time of portfolio definition, or • The re-key value is input wrongly at the time of authorization. When you have correctly captured the currency of the portfolio as INR and the authorizer makes an error while entering the re-key value. In such a case also, the details of the portfolio will not be displayed for authorization.
Corporate Action Notice	When you have correctly captured the currency of the portfolio as INR and the authorizer makes an error while entering the re-key value. In such a case also, the details of the portfolio will not be displayed for authorization.
Notice Days	indicate the number of days before a corporate action is due on which the corporateaction notice should be generated.

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
Notice Days Type	Further indicate whether the number of days that you specified was expressed in calendar or working days. For example, you have specified that a Corporate Action Notice should be generated ten days before a corporate action is due for securities in a portfolio. Today's date is 15 December; a corporate action is due for a security that is part of this portfolio on 30 December. Your bank closes for a Christmas vacation on 25 and 26 December. For calendar days: A Corporate Action Notice will be generated on 20 December. Ten calendar days before the corporate action is due. For working days: Going by the calendar of the bank, the Corporate Action Notice will be generated on 18 December, ten working days before the corporate action is due.
Accrue Discount for Treasury Bills	The discount or premium on Zero-Coupon Bonds or T-Bills can be accrued over its tenure. If you indicate that accrual of discountor premium applies to a portfolio preference class you can indicate accrual preferences. For example, you have purchased a 90-day T-Bill having a face value of USD 100,000 for USD 98,000. The difference between the purchase price and the face value of USD 2000 can be accrued over the 90-day tenor of the T-Bill or can be realized on its maturity. Check against the 'Accrue discount for Treasury bills' option to indicate that the discount on zero-coupon bonds and T-Bills that form part of the portfolio should be accrued. In this case, you can indicate accrual preferences like the: • **Accrual frequency** • **Accrual start day** • **Accrual start month** The accrual preferences that you specify will be made applicable to all portfolio products to which the class is associated.
Accrual Frequency	The discount or premium on T-Bills can be accrued over the tenor of the T-Bill. The frequency at which the discount or premium has to be accrued is specified as a portfolio preference. Thus, the discount components of all T-Bill in a portfolio will be accrued at the same frequency. The frequency can be one of the following: • **Daily** • **Monthly** • **Quarterly** • **Half yearly** • **Yearly**
Accrual Start Day	In the case of monthly, quarterly, half-yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as “30”, accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as “31“a indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for the half-yearly and yearly accrual frequency.

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
Accrual Start Month	If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done. For example, you have selected the half-yearly option and specified the start date as 31 and the start month as of June. The first accrual will be done on 30 June for the period from January 1 to June 30 and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.
Purchase Interest	While defining non-WAC portfolios you can indicate the point at which Purchase Interest is to be adjusted. (For portfolios with WAC as the costing method, this option is always set to Sale and Coupon and the purchase interest is taken into accruals and not tracked separately). The options are: • **Sale and Coupon** - indicates that the purchase (acquired) interest is to be netted during any sale in the first coupon of the purchase or on the first Coupon of Purchase (during Coupon liquidation against the coupon amount). • **Sale** - indicates that purchase interest is to be held till redemption. When a sale is made, purchase interest is reduced proportionately during partial sale/ full sale/ redemption. If you select this option purchase interest is not netted during coupon liquidation. This option can be overwritten at the product level. **Note:** The option of adjusting purchase interest at Sale is applicable only for purchase interest in the CUM period. You must handle adjustments for interest exchanged in the EX period operationally. Coupon liquidation takes place for a Portfolio + Security + SK Location combination. Therefore, for adjusting deal level purchase interest at the event CPLQ, the purchase interest of all deals contributing to the position are considered proportionately. For Capitalized Bonds, purchase interest is wiped-off at the time of coupon liquidation as part of the SPLP (Security Purchase) event. You will need to maintain accounting entries for the same. **Note:** Maintain the accounting entries for the CPLQ and SSLP events keeping in mind whether you have set the Wipe Deal Purchase Event as Sale and Coupon or Sale.
Statement of Holdings required	Indicate whether a statement of holding should be generated for portfolios associated with the portfolio preference class. Check against this option to indicate that it is applicable to the class. Leave it unchecked to indicate otherwise. If it is applicable to the class, you can indicate preferences for its generation.
Statement Frequency	Indicate the frequency, with which a statement of holdings should be generated. The frequency that you specify can be: • **Daily** • **Monthly** • **Quarterly** • **Half yearly** • **Yearly**

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
Statement Start Day	Based on the frequency that you specify you can indicate the start date for the generation of the statement. The system generates a statement of holding automatically, as part of the end of cycle processing based on the preferences that you specified here. If the statement generation date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.
Statement Start Month	Indicate the start month for the generation of the statement
Transaction Statement	Specify the fields.
Statement of Transactions Required	Indicate whether a transaction statement should be generated for portfolios associated with the class. Check against this option to indicate that it applies to the class. If it applies to the class, you can indicate preferences for its generation.
Statement Frequency	Indicate the frequency, with which a transaction statement should be generated. The frequency that you specify can be: • **Daily** • **Monthly** • **Quarterly** • **Half yearly** • **Yearly**
Statement Start Day	Based on the frequency that you specify you can indicate the start date for the generation of the statement. The system generates transaction statements for the portfolio, automatically as part of the end of cycle processing based on the preferences that you specified here. If the statement generation date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.
Statement Start Month	indicate the start month for the generation of the statement
Contra Holding	A contra (short for Customer and Bank/long for Issuer) holding is when you sell more than your holdings in security (buy back more than the issued quantity in case of issuer portfolios). As a preference, you can indicate whether while trading in securities of a portfolio you can have a contra holding (negative projected holdings for bank portfolios and positive projected holdings for issuer portfolios).
Contra Holding	Contra holding is the value dated projected holdings based on the unsettled deals.

Table 10-1 (Cont.) Securities Portfolio Product Preference - Field Description

Field	Description
Contra Holding Validation	While saving a securities dealer, the system checks the holdings on the basis of the settlement date. You can choose to allow the holdings in a portfolio to go negative based on the projected holdings as per the Settlement Date by enabling the Contra Holdings validation option. You need to indicate whether the projected holding can go negative for the portfolio. Select the Online option if you don't want the position to go negative at any point in time. If you have selected the EOTI option, you will not be allowed to mark the EOTI stage if the projected holding in the portfolio is negative on any given settlement date. In case of Buy Deals viz. Bank Buys, Customer Buys or Reversal of Sell Deals, the positions are updated on authorization of the respective buy deals. In case of Sale Deals viz. Bank Sells, Customer Sells or Reversal of Buy Deals, the positions are updated on saving the respective Sell deals. The settlement dated position checks are done for Sell Deals and Reversal of Buy Deals at the time of saving the deal and also during authorization of the deal. For contra holdings of type 'Online', if the projected holdings on the settlement date are going short, then an error message will be displayed while saving a Sell deal or while reversing a Buy deal. If the contra holding is of type 'EOTI', if the projected holdings on the settlement date are going short, then the system throws up an override while saving a Sell deal or while reversing a Buy deal The projected settlement date holdings are checked again at the time of marking EOTI for the branch. If the projected holdings have gone short for any of the settlement dates, the system displays an error message and stops any further processing. You are not allowed to configure this error message as an override.

Table 10-2 Deals table

Sequence	Purchase date	Deal	Asset Cost	Number of Units	Proceeds
A	1 January	Buy	$95	100	$9500
B	1 January	Buy	$95	100	$9600
C	15 January	Buy	$96.5	100	$9650
D	1 February	Sell	$97	150	$14550

Table 10-3 Weighted Average Cost

Cost Details	Descriptions
Total Cost of the securities	$28750 for 300 units
Average cost	$95.83
Total cost price of the securities sold	$14374.5 for 150 units
Total sale proceeds	$14550 for 150 units
Realized profit	$175.5

Table 10-4 Cost Accounting Table

Cost Details	Description
Total cost price of the securities sold	$96 arrived at thus: $9650 for 100 units and $4800 for 50 units
Total sale proceeds	$14550 for 150 units
Realized profit	$100

Table 10-5 Cost Details

Cost Details	Description
Total cost of the securities sold	$96 arrived at thus: $9500 for 100 units $4800 for 50 units
Total sale proceeds	$14550 for 150 units
Realized profit	$205

Table 10-6 Entries

Content	Description	Value
Dr	Premium to be accrued	USD 5
Cr	Customer	USD 15
Dr	Asset	USD 10

Table 10-7 March 1 Entries

Content	Description	Value
Dr	Customer	USD 20
Cr	Asset	USD 10
Cr	Premium	USD 5
Cr	Profit and Loss	USD 5

Table 10-8 Accrual Basis - January 1

Content	Description	Value
Dr	Premium to be accrued	USD 5
Dr	Asset	USD 10
Cr	Customer	USD 15

Table 10-9 Accrual Basis - January 30

Content	Description	Value
Dr	Premium to be accrued	USD 5

Table 10-9 (Cont.) Accrual Basis - January 30

Content	Description	Value
Dr	Asset	USD 10
Cr	Customer	USD 15

Table 10-10 USD 1 Entries

Content	Description	Value
Cr	PTBA	USD 1
Dr	Expense	USD 1

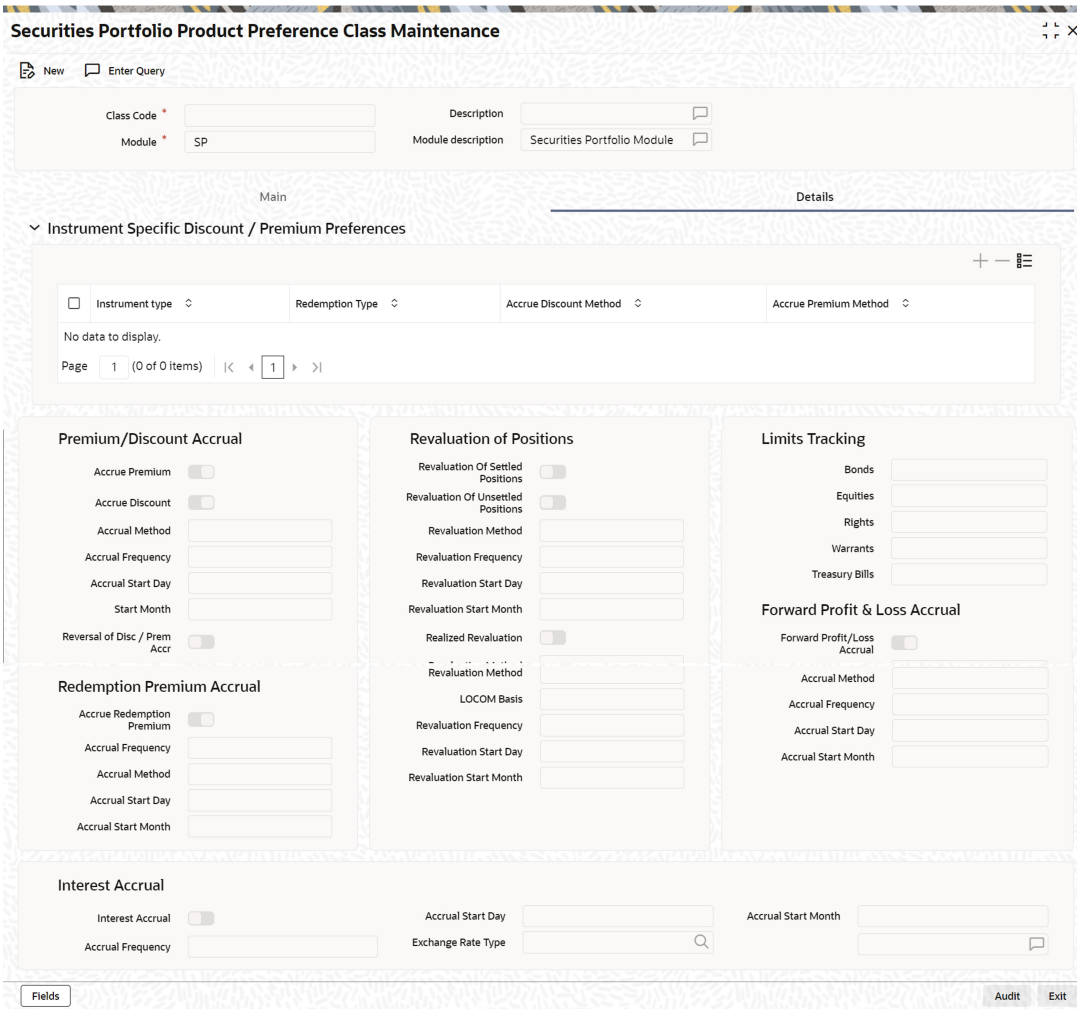
Table 10-11 USD 20 entries

Content	Description	Value
Dr	Customer	USD 20
Cr	Asset	USD 10
Cr	PTBA	USD 4
DR	Customer	USD 20
Cr	Profit and Loss	USD 6s

3. On Security Portfolio product Preference Class Maintenance screen, click Details.

   Security Portfolio product Preference Class Maintenance Details screen is displayed.

Figure 10-2 Security Portfolio product Preference Class Maintenance Details screen



4. On the **Security Portfolio product Preference Class Maintenance Details** screen, specify the fields.

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

   You can maintain portfolio preference classes in the Portfolio Product Preference Class Definition screen

   If you are calling a portfolio restriction class record that has already been defined, choose the Summary option.

Table 10-12 Details Tab - Field Description

Field	Description
Instrument Type	Select the instrument type from the adjoining drop-down list. The list displays the following options: • **Bonds** • **Treasury Bills** • **All**

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Redemption Type	Select the redemption type from the adjoining drop-down list. The list displays the following options: • **Bullet** • **Quantity** • **Series** • **All**
Accrue Discount Method	Specify the accrue discount method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield.
Accrue Premium Method	Specify the accrue premium method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield.
Premium/Discount Accrual	The premium or discount on coupon-bearing instruments can be accrued over a period. If you indicate that accrual of discount or premium applies to a portfolio product preference class, you can indicate accrual preferences. For example, you have purchased a USD1000 bond for USD 1200 and hold it for 5 years to maturity. You have paid a premium of USD 200 for the security. Choose to accrue the premium of USD 200 over the tenure of the bond or book it as a loss when the bond matures.
Accrue Premium	Check against this option to indicate that premium should be accrued.
Accrue Discount	Check against this option to indicate that discounts should be accrued. Also, you should ensure that accrual of both discount and premium is based on the same method i.e. either Straight Line or Constant Yield method. Yield for deals involving WAC portfolios with Constant Yield method of premium/discount accrual will not be calculated at deal input. Instead, it will be calculated on deal settlement as a part of the EOD batch process. This yield will be updated for all the deals in the particular holding. Yield for the holding will be calculated on the settlement of Bank Buy deals for all WAC portfolios other than Issuer portfolios wherein the yield will be calculated on the settlement of Bank Sell deals. The computed yield will be stored at the branch + portfolio + security level. **Note:** The yield computation for WAC portfolio will be triggered for the following events: • Buy Deal (Sell for Issuer) • Reversal of a buy deal (Reversal of Sell for Issuer) • Back dated Buy (Back dated Sell for Issuer) • Reversal of Back dated buy (Reversal of Back dated Sell for Issuer)

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Maturity Date Extension	If you have chosen to accrue premium or discount, you need to specify the following accrual preferences also: • **Accrual method** • **Accrual Frequency** • **Accrual start day** • **Accrual start month** The accrual preferences that you specify will be made applicable to all portfolio products to which the class is associated.
Accrual Method	Select the method to be used to calculate the amount of premium or discount to be accrued from the adjoining drop-down list. This list displays the following values: • **30 (Euro) / 360** • **30 (US) / 360** • **Actual / 360** • **30 (Euro) / 365** • **30 (US) / 365** • **Actual / 365** • **30 (Euro) / Actual** • **30 (US) / Actual** • **Actual / Actual** • **30 (Euro) / 364** • **30 (US) / 364** • **Actual / 364**
Accrual Frequency	The premium or discount on securities can be accrued over the tenor for which you hold the security. The frequency at which these components have to be accrued has to be specified as a Portfolio product preference. Thus, the premium or discount components of all securities in a portfolio will be accrued at the same frequency. • **Daily** • **Monthly** • **Quarterly** • **Half yearly** • **Yearly** If the 'Accrue Premium Method' or the 'Accrue Discount Method' selected is 'Weighted Moving Average', then the 'Accrual Frequency' cannot be 'Daily'.
Accrual Start Day	In the case of monthly, quarterly, half-yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as '30', accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as '31' and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly accrual frequency.

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Accrual Start Month	If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done. For example, you have selected the half-yearly option and specified the start date as 31 and the start month like June. The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.
Reversal of Disc/Prem Accr	Check this box to indicate that the premium or discount that has been accrued using the 'Weighted Moving Average' method should be reversed. If this is checked, the amortization accrual done using the 'Weighted Moving Average' method is reversed on the following BOD. During EOY, discount/premium accrual will be realized, that is, accrual will not be reversed as part of the same EOD/BOD batch (SEAUTDLY). This value is defaulted from the portfolio class level to the portfolio product level, where you can amend it. From the portfolio product level, it is defaulted to the portfolio definition level. Here too, you can amend it. The value at the portfolio definition level is considered as the final value and the reversal is determined by it.
Limit Tracking	Your liability in holding security is tracked under a Credit Line. You have already specified security limits, which indicate the maximum limit up to, which you can trade in security. For limit tracking purpose you can indicate the basis on which your liability to the security should be determined. In Oracle Banking Treasury Management you can use one of the following options: • **Face-value** • **Market price** • **Book price** If you indicate face value, then the face value of the instrument will be used to track your liability in holding the security. Your liability using the face value is calculated thus:
Liability = Face Value * Number of units held	The market price indicates the price at which the security is currently quoted in the market. Your liability to the security is calculated by using the current market value of the security; multiplied by the number of units held.
Liability = Face Value * Number of units held	The book price refers to the price at which you hold a security. The book price of a security is derived using the costing method that you specified for the portfolio. Your liability is the book price multiplied by the total number of units held.

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Liability = Book Price * Number of units held	For example, you enter a deal in Oracle Banking Treasury Management to buy 100 units of equity for a bank portfolio. The face value of the equity is USD 10. Currently the equity is quoted in the market for USD 15. The book price of the security using the Weighted Average Costing method is USD 12.For simplicity, assume that you have set up your exposure limit to the equity as USD 1200.You have indicated that an exposure beyond this amount is an exception and further processing of the deal should be stalled. If your exposure to the security reaches USD 1200 an override should be sought. Face value Your liability in holding 100 units of the security is:Face Value * Number of Units = LiabilityUSD 10 * 100 = USD 1000The deal will go through smoothly as it is below the security limit that you set up.Market ValueYour liability in holding 100 units of the security is:Market Value * Number of Units = LiabilityUSD 15 * 100 = 1500In this case, Oracle Banking Treasury Management will not allow you to process the deal as you have exceeded the security limit that was set up.Book valueYour liability in holding 100 units of the security is: Book Price * Number of Units = Liability USD 12 * 100 = USD 1200
Liability = Book Price * Number of units held	For example, you enter a deal in Oracle Banking Treasury Management to buy 100 units of equity for a bank portfolio. The face value of the equity is USD 10. Currently the equity is quoted in the market for USD 15. The book price of the security using the Weighted Average Costing method is USD 12.For simplicity, assume that you have set up your exposure limit to the equity as USD 1200.You have indicated that an exposure beyond this amount is an exception and furtherprocessing of the deal should be stalled. If your exposure to the security reaches USD 1200 an override should be sought.Face valueYour liability in holding 100 units of the security is:Face Value * Number of Units = LiabilityUSD 10 * 100 = USD 1000The deal will go through smoothly as it is below the security limit that you set up.Market ValueYour liability in holding 100 units of the security is:Market Value * Number of Units = LiabilityUSD 15 * 100 = 1500In this case, Oracle Banking Treasury Management will not allow you to process the deal as you have exceeded the security limit that was set up.Book valueYour liability in holding 100 units of the security is: Book Price * Number of Units = Liability USD 12 * 100 = USD 1200
Forward Profit and Loss Accrual	Specify the fields.

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Forward PL Accrual	The forward profit or loss on a deal can be accrued over a period starting from the deal spot date to the settlement date of the deal. As a preference for a portfolio, you can indicate whether the forward profit or loss should be accrued. Your profit or loss in a deal is determined thus:For a Buy deal if strike price is greater than spot price then it is a loss. For a Buy deal if strike price is less than spot price then it is a profit. For a Sell deal if strike price is greater than spot price then it is a profit. For a Sell deal if strike price is less than spot price then it is a loss. Check against the Forward profit and loss accrual option to indicate that the forward profit or loss should be accrued. Example: You strike a forward deal on 1 January to buy 100 units of security. The settlement date of the deal is 10 January. Your deal strike rate is USD 100 and the market price of the security stands at USD 120.Market Value (120) - Strike Rate (100) x No of units (100)= USD 2000 Profit You have made a profit of USD 2000. You can choose to accrue the USD 2000 over the 10 days or realize it as a profit on the settlement date of the deal. If you indicate that accrual of profit or loss applies to a portfolio class you can indicate accrual preferences like the: • **Accrual method** • **Accrual frequency** • **Accrual start day** • **Accrual start month** The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated. **Note:** The forward profit or loss amount is accrued over the period starting from the deal spot date to the deal settlement date. We will call this the regular accrual cycle. However, based on the accrual frequency preferences that you specify, the accrual start date can fall before or between the regular accrual cycle. If the accrual start date that you specify falls before the spot date of the deal, no accrual will be carried out until the spot date. If the accrual start date that you define falls between the spot date and the settlement date, accrual will begin on the start date that you specify. On the accrual, start date accrual entries will be passed even for the lapsed period between the spot and the accrual start date. Example You strike a forward deal on 1 January to buy 100 units of a security. The settlement date of the deal is 20 January and the Spot date is 01 January. You have specified the following accrual preferences: Start date: 10th. Start month: January. Based on the regular accrual cycle, accrual can start any time between 1 January and 20 January. Based on the accrual preferences that you specify accrual can start only on 10 January. However when accrual is done on the 10 January it will be done also for the elapsed period (01 to 10January).

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Accrual Method	Select the method to be used to calculate the amount of forward profit or loss that is to be accrued from the adjoining drop-down list. This list displays the following values: • **30 (Euro) / 360** • **30 (US) / 360** • **Actual / 360** • **30 (Euro) / 365** • **30 (US) / 365** • **Actual / 365** • **30 (Euro) / Actual** • **30 (US) / Actual** • **Actual / Actual** • **30 (Euro) / 364** • **30 (US) / 364** • **Actual / 364**
Accrual Frequency	The forward profit that you make or the loss that you incur while trading in securities of a portfolio can be accrued until the settlement date of the deal. The frequency with which these components have to be accrued has to be specified as a portfolio preference. Thus, the forward profit or loss will be accrued at the same frequency for all securities in the portfolio. The frequency can be one of the following: • **Daily** • **Monthly** • **Quarterly** • **Half yearly** • **Yearly**
Accrual Start Day	In the case of monthly, quarterly, half yearly or yearly accruals, you should specify the date, on which the accruals have to be done during the month. For example, if you specify the date as 30, accruals will be carried out on that day of the month, depending on the frequency. If you want to fix the accrual date for the last working day of the month, you should specify the date as “31“and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month - that is, on 31st for months with 31 days, on 30th for months with 30 days and 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly accrual frequency.
Accrual Start Month	If you set the accrual frequency as quarterly, half-yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done. You have selected the half-yearly option and specified the start date as 31 and the start month as of June. The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December. If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.
Redemption Premium Accrual	Specify the fields.

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Accrual Redemption Premium	For instruments like bonds, which bear a redemption premium, you can choose to accrue the redemption premium due to the security over its tenor. Check against the 'Accrue redemption premium' option to indicate that the premium on redemption premium bearing instruments in the portfolio should be accrued. Example You have purchased a USD 1000 bond with a redemption value of USD 1100. You hold it for 5 years to maturity. At the end of five years, you are paid USD 1100, USD 100 more than what you paid for it. You can choose to accrue this USD 100 over its 5 year tenor or realize it as a whole on the redemption of the bond. If you specified that redemption premium should be accrued you can indicate accrual preferences like the: • **Accrual method** • **Accrual frequency** • **Accrual start day** • **Accrual start month** The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated.
Accrual Frequency	The redemption premium can be accrued over the tenor of security. The frequency at which it has to be accrued has to be specified as a Portfolio Preference. Thus, the redemption premium of all redemption premium-bearing instruments in a portfolio will be accrued at the same frequency. The frequency can be one of the following: • **Daily** • **Monthly** • **Quarterly** • **Half yearly** • **Yearly**
Revaluation of Positions	Market-based securities are driven by market forces of demand and supply, the price of such securities tends to rise or fall in value. These fluctuations have a direct effect on the value of the portfolios to which security belongs. Oracle Banking Treasury Management provides a feature to revalue a portfolio based on settled (Holdings) or unsettled positions (Positions). You can specify the revaluation method and the frequency at which the settled and unsettled positions of the portfolio should be revalued. Further, for settled positions, you can indicate whether realized revaluation should take place. It is important to note that revaluation entries will be passed only for portfolios belonging to the bank. For customer portfolios, however, revaluation is done solely for reporting the performance of the portfolio.

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Indicating the Basis for Revaluation	In Oracle Banking Treasury Management, portfolio revaluation can be done based on the settled, unsettled position or both. However, while specifying revaluation preferences, you can choose to revalue only the settled positions or settled and unsettled positions in a portfolio. You will not be allowed to specify revaluation of only the unsettled positions in a portfolio. Revaluation of settled positions in a portfolio can be of two types: • **Realized** • **Unrealized** In the case of realized revaluation, the profit, or loss entries passed after the revaluation would be posted to the relevant GL. The next revaluation will pass entries based on the market price as of the last time the revaluation was done. In the case of unrealized revaluation, the profit and loss entries passed after the revaluation will also be posted to the relevant GLs. The only difference is, that when the next revaluation entries are passed, profit or loss entries are based on the original value of the portfolio. Let us take the example of a portfolio with a holding of 100 units of security. Each unit was bought at the rate of USD 10 on 1 January 2000. The value of the holding in the portfolio is USD 1000. The portfolio is defined with realized revaluation of settled positions. We will examine a case where the revaluation for the portfolio is done daily. Unrealized revaluation: On 2 January the value a unit of the security falls to USD 9. Consequently, the value of the portfolio is reduced to USD 900. The revaluation will post a loss to the tune of USD 100 to the relevant profit and loss GLs. On 3 January the value of a unit of the security increases to USD 11. The value of the portfolio now stands at USD 1100. When the revaluation is run again, the loss of USD 100 that was registered on 2 January is reversed and profit entries for USD 100 are passed to profit GLs. Realized revaluation: On 2 January the value a unit of the security falls to USD 9. Consequently, the value of the portfolio is reduced to USD 900. When the revaluation is done the profit and loss GLs will reflect the loss of USD 100. On 3 January the value of securities increases to USD 11. The value of the portfolio now stands at USD 1100. When the revaluation is run again, the loss of USD 100 that was registered is not reversed but the profit GLs will record an increase of USD 200. The profit as of 3 January is calculated based on the revalued portfolio value of USD 900 arrived at on 2 January.

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Revaluation Method	After you indicate the basis for revaluation, you can indicate the revaluation method to be used and the frequency with which revaluation should be carried out. The options available are:LOCOM (lower of cost or market) — This method can be used for realized and unrealized revaluation. MTM (marked to market) — This method can be used for realized and unrealized revaluation. MTM revaluation can be based on either the Book Value (MTM-BV) method or the Effective Interest method (MTM-EIM).MTMLOCOM — This is a combination of the two methods LOCOM and MTM and can be used only for realized revaluation. Portfolios marked with this revaluation method will be revalued only if they register a loss. Revaluation entries are passed at the portfolio level. The revaluation basis and method that you specify will determine how a portfolio is revalued. Select MTM – EIM method of revaluation for the portfolio that you are defining only if the following conditions are satisfied:The portfolio costing method is not WAC;Revaluation happens at the Deal level;The asset (security) is accounted for on accrual basis;The accrual method for Discount, Premium and Redemption Premium is Constant Yield; andNo Short position is allowed.
Specifying the Revaluation Basis if the Revaluation Method is LOCOM	For portfolios in respect of which you have opted for realized revaluation, and the revaluation method is 'LOCOM' and the costing method is 'WAC', you have two options about revaluation basis (the basis for LOCOM): If you choose the LOCOM basis as 'Acquisition Cost ', the revaluation profit is realized only to the extent of the accumulated realized loss – that is, revaluation profit goes towards offsetting accumulating revaluation loss. If you choose the LOCOM basis as 'Holding Cost', revaluation profit is not recognized, only the revaluation loss, if any, is realized. If a portfolio product uses a preference class for which this specification has been made, the specification defaults from the class; you can change the default. If you do so, your specification here is defaulted to any portfolios using the product. Realized revaluation using the LOCOM method, with the basis as 'Acquisition Cost' is done only for settled deals.
Revaluation Frequency	The frequency with which a portfolio should be revalued is specified as a portfolio preference. Once you have indicated the basis and method for revaluation, you can specify the frequency with which a portfolio should be revalued. The revaluation frequency can be one of the following: • **Daily** • **Monthly** • **Quarterly** • **Half yearly** • **Yearly**

Table 10-12 (Cont.) Details Tab - Field Description

Field	Description
Revaluation Start Day	In the case of monthly, quarterly, half-yearly or yearly revaluation, you should specify the date on which the revaluation should be done during the month. For example, if you specify the date as “30”, the revaluation will be carried out on that day of the month, depending on the frequency. If you want to fix the revaluation date for the last working day of the month, you should specify the date as “31” and indicate the frequency. If you indicate the frequency as monthly, the revaluation will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February. If you specify the frequency as quarterly and fix the revaluation date as 31, the revaluation will be done on the last day of the month at the end of every quarter. It works similarly for half-yearly and yearly revaluation frequency.

10.2 Yield Accrual for Deals bought on Par

This topic describes the yield accrual for deal bought on par.

To handle Yield accruals for deals bought on par, you need to maintain the event YACR and define the following accounting entries as part of the event:

Table 10-13 YACR Table

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM EARNED	SEC_PREM_ACCR	Debit
SEC PREM TBACRD	SEC_PREM_ACCR	Credit
SEC INT ADJ REC	SEC_INTADJ_ACCR	Debit
SEC INT ADJ INC	SEC_INTADJ_ACCR	Credit
SEC DISC TBACRD	SEC_DISC_ACCR	Debit
SEC DISC EARNED	SEC_DISC_ACCR	Credit

For sale from a long position, you need to maintain the SSLP event and the following accounting roles and amount tags:

Table 10-14 SSLP table

Accounting Role	Accounting Role	Dr./Cr. Indicator
SEC BRIDGE GL	ACCRUED_INT_ADJ	Debit
SEC INT ADJ	ACCRUED_INT_ADJ	Credit

Processing of the Yield accrual for deals bought on par

First, the system validates the Redemption Premium accrual frequency and Discount premium accrual frequency which needs to be the same at the Portfolio Definition level. This condition is validated only if the bank level parameter COMMON_YLD_ACCR is set to ‘Yes’. Secondly, the effect of the redemption premium accrued is included in the NPV calculation and the Redemption premium accrual is done before Discount Premium accrual. Then, the YACR

event is triggered for accrual only if you have maintained the bank parameter 'COMMON_YLD_ACCR' as 'Y' and the security is a bond or a T Bill. During IRR computation, the acquisition type should also be identified. Acquisition type can be:

- Discount
- Premium, or
- Par

The system displays the corresponding amount tags based on the acquisition type.

The NPV is computed as shown below:

NPV = O/S Deal Nominal

+ O/S Interest Accrual

+ O/S Redemption Premium Accrual

+ (Premium TBA – Premium Accrued*)

- (Discount TBA – Discount Accrued*)

+ (Interest Adjustment Accrued Already + Interest Adjustment Accrued*)

> **Note:**
>
> While computing NPV the Premium, Discount, and Interest adjustment (On par) are mutually exclusive.

Trading P/L

At the time of sale discount/premium accrued, redemption premium accrued is included for calculation of the trading profit/loss. While processing SSLP, the system includes trading profit and loss with the following parameters:

- O/S Redemption Premium Accrual
- Un-accrued Premium
- Un-accrued Discount
- O/S Interest Adjustment Accrual

Processing Trade Date Accounting

During EOD, the system checks the 'Trade Date Accounting' checkbox setup for each portfolio:

- If Trade Date Accounting is followed for a portfolio, then the system triggers Portfolio Accounting Events (SPLP / SSLP / SPSP/ SSSP) for the deals booked in the portfolio.
- Entries for Securities Face (Nominal) Amount, Premium or Discount for the deal, Realized Trading PL from the deal (as applicable) are posted on the Trade date itself even if that results in Short position in the security.
- Unaccrued Premium or Discount, Realized PL and other related position information are updated on the trade date itself.
- The system triggers Reversal Accounting Events (RPLP/ RSLP / RPSP/ RSSP) for the deals reversed and post accounting entries for reversing all accounting entries posted for the deal till that time, including the entries posted on the trade date.

As part of Premium or Discount Amortization process (ACRD / ACRP / ACRR / BRVL / YACR), the system considers the positions movements updated while calculating the amount to amortize for the day and post entries for the same.

In the Coupon Accrual process (IACR), the system does not include the positions movements while calculating the amount to accrue for the day, irrespective of whether Trade Date Accounting or Settlement Date Accounting system is followed for the portfolio.

Securities balances with the Custodian (SKL/SKA) are updated only on the securities settlement date (Dstl date) for the deal, irrespective of whether Trade Date Accounting or Settlement Date Accounting system is followed for the portfolio.

Portfolio Accounting Events for Corporate Actions (Coupon, Dividend, Rights, Warrants, etc.) will continue to be initiated on the Event date irrespective of whether Trade Date Accounting or Settlement Date Accounting system is followed for the portfolio.

Sale deal triggered for Redemption (partial or full) of Securities is processed like a normal sale deal and follows the rules applicable for Trade Date Accounting or Settlement Date Accounting as configured for the portfolio associated.

The above processing changes are also applicable for ‘Securities Portfolio Product Definition’ and ‘Security Portfolio Definition’.

Computing Weighted Moving Average Amortization

The formula for calculating WMA method of amortization is given below:

((Minimum of (Previous year end holding, Current amort period holding)/(Total No. of months to maturity from beginning)

+ (Maximum of ((Current amort period holding - Previous year end holding),0) / (2* Total No. of months to maturity from beginning -- Current Month number in Amort period)) * (Closing discount value of previous year

* Current Month number in Amort period / Current amort period holding)

Where:

- Previous year end holding is the closing balance at the end of previous year
- Current amort period holding is the closing balance of the current amort period
- Total No. of months to maturity from beginning is the total number of months from the start of financial year when the first deal was booked till final redemption month
- Current Month number in Amort period is the current month number in current fin cycle. (yearly amort period so max value is 12 and min value 1)
- 2 is a parameterization in the parameter 'SE_WMA_WEIGHT_ADJUSTMENT' in the table ‘CSTB_PARAM

You can maintain accrual frequency as ‘Monthly’ to allow posting of ACRD and ACRP event on a monthly basis. As per the WMA formula, the weightage changes as per the month. There is no restriction on the frequencies of accrual other than 'Daily'. The WMA formula ,as such, is applicable for frequencies ‘Monthly’ and above. So ‘Daily’ accrual frequency is restricted for WMA method of amortization/accrual.

In case of revaluation, MTM Revaluation starts from trade month and Weighted Moving Average Amortization Accrual of Premium/ Discount will start from Deal settlement month. This is as per the normal revaluation functionality.

Amortization of Premium/ Discount ends as on the sale deal date/ maturity date of the instrument. During the end of year, the system realizes ‘Weighted Moving Average’ method based amortized accrual amount.

During End of year, the system does not reverse discount/premium accrual and accrued Weighted Moving Average amortized discount/premium accrual amount will be realized.

RCRD (Reversal of Weighted Moving Average Amortization Discount accrual) and RCRP (Reversal of Weighted Moving Average Amortization Premium accrual) accounting entries are generated by system during BOD. The event RCRD and RCRP will post reversal of ACRD and ACRP entries posted on previous day except year end date for cases wherein Portfolio is marked with ‘Reversal of Discount/Premium Accrual’.

Note:

The 3 events, RCRD, RCRP and RACR, and their accounting entries are automatically generated by the system based on the entries in the events ACRD, ACRP and ACRR respectively. The entries will be posted with a negative sign.

During the end of year, the system realizes Weighted-Moving-Average-amortization /accrual-amount and will mark accrual amount as settled. The first BOD after year end does not have any reversal of realized amortized amount.

The sub-batch function 'Reversal of Weighted Moving Average Discount/Premium Accrual'" (RCRA) runs on first BOD of every month (that is, the BOD after End of Month) except first day of the year. It identifies Discount/Premium accrual entries posted on the previous day and post reversal of accrual entries as part of BOD process.

You can view the Weighted Moving Average amortized accrual and reversal of accrual accounting entry in the 'Security Portfolio Definition' screen, in the 'Events' tab.

Note:

WMA amortization is not applicable on portfolios having a position/holding on securities with redemption type other than 'Bullet'

11

Define a Deal preference Class

Preferences are the options available for defining the attributes of a deal. Preferences are based on the type of deal you define such as Bank portfolio buys and sells, the customer buys and sells, standalone lodge and withdraw, safekeeping location (SKL) to SKL transfer and block securities. The following are some of the preferences that you can define:

- Exchange rate preferences
- The mode of money settlement
- The mode of delivery settlement
- Allowing brokerage

A set of such preferences can be grouped into what is called in Oracle Banking Treasury Management, a Preference Class. You can maintain several deal preference classes. The preferences that you define will give a deal distinctiveness unique to the type it represents.

The advantage of Defining a Portfolio Preference Class

While creating a deal product, instead of specifying preferences for each product, you only need to associate the appropriate deal preference class to the product. All the attributes defined for the class will be by default, applicable to the deal product. You can change the preferences that are defaulted, to suit the deal product.

> **Note:**
>
> Once defined, a deal preference class can be made applicable to any number of products.

This topic contains the following sub-topic:

- Process Deal Preference Class
  This topic describes the systematic instructions to process deal preference class.

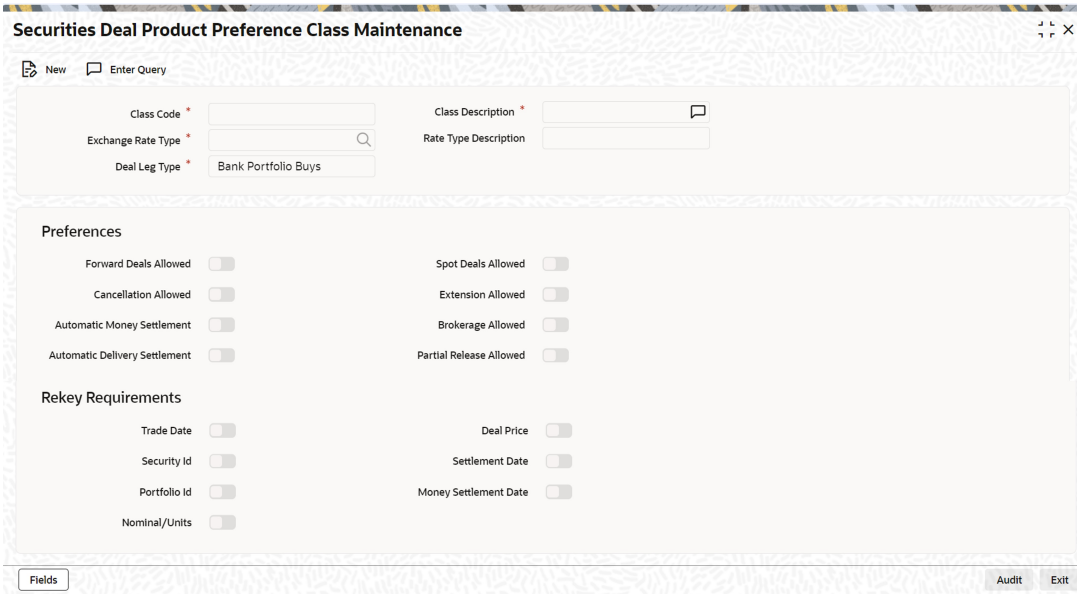
11.1 Process Deal Preference Class

This topic describes the systematic instructions to process deal preference class.

1. On the Home page, specify **SEDXDPCL** in the text box, and click next arrow.

   Security Deal Product Preference Class Maintenance screen is displayed.

Figure 11-1 Security Deal Product Preference Class Maintenance



2. On the **Security Deal Product Preference Class Maintenance** screen, specify the fields.

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

   After you have defined a deal preference class, click save icon from the toolbar to save the record. Click Exit to exit the screen. You will be returned to the Application Browser.

Table 11-1 Security Deal Product Preference Class Maintenance Screen

Field	Description
Class Code	In Oracle Banking Treasury Management, each Deal Preference Class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
Description	Specify a short description that will enable you to identify the deal preference class easily. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

Table 11-1 (Cont.) Security Deal Product Preference Class Maintenance Screen

Field	Description
Deal Leg Type	Each deal type has characteristic features that are unique to the type. Certain deals also have two legs, a buy, and a sell leg. A deal preference class that you set up can cater to a particular leg (buy or sell) of a deal. You can indicate the deal leg type for which you are setting up preferences. You can select one of the following from the pick-list: • **Bank sell** • **Bank buy** • **Customer sell** • **Customer buy** • **Standalone lodge** • **Standalone withdraw** • **SKL to SKL transfer** • **Block securities** By indicating the leg type, you restrict the application of the class to products of the same type. For instance, you can associate a Deal Preference Class of the Leg Type Bank sell, only with products that cater to the selling of securities by the bank.
Exchange Rate Type	Specify the exchange rates that are to be used when a deal involving a foreign currency, is processed. This is done, by specifying the Rate Type to be used in a deal. When a deal involves a currency conversion, the Rate Type that you defined will be picked up by default and applied. This defaulted rate type can be changed at the time of processing a deal. You can define an exchange rate variance (the upper and lower limit), within which the exchange rate can differ from the rate type that is defaulted.
Brokerage Allowed	You can choose to allow or disallow brokers, for a deal that you enter. Brokerage is applicable only for the bank to buy or sell the type of deals. As a preference, you can indicate whether the brokerage is applicable to the class you are defining. If you allow brokerage, you can enter deals that may or may not involve brokers. If you disallow brokerage for the product, then the product cannot be associated with deals that are struck through a broker. To allow brokers, check against this option. To disallow brokers, leave it unchecked. When a deal involving a broker is processed, the brokerage applicable to the broker will be picked up and applied from the Brokerage maintenance
Automatic Money Settlement	Money settlement for security deals can be liquidated automatically or manually. While setting up a deal preference class, you can indicate the mode of monetary settlement. It could be one of the following: • **Manual** • **Automatic** Check against this option, to indicate that money settlement should be automatic. Leave it unchecked to indicate manual settlement. If you specify the automatic mode of money settlement, deals involving a product to which the class is applied will be automatically settled, on the settlement date. If the money settlement date falls on a holiday If the money settlement date of a deal falls on a holiday, the deal will be settled depending on your specifications, in the Branch Parameters screen.

Table 11-1 (Cont.) Security Deal Product Preference Class Maintenance Screen

Field	Description
Extension Allowed	Choose to allow extension of the Settlement Date for deals involving a product to which, a preference class is applied. Check against this option, to allow extension of the settlement date. Leave it unchecked to disallow extension. This feature is useful when you need to extend the settlement date for the deal. You need not enter a new deal for the extension period but simply amend the settlement date of the deal to a future date. For example, the settlement date of a deal is 1 April. You need to extend the settlement date of the deal by two days. If you have allowed the extension of the deal for the product, you can settle the contract on 3 April.
Rekey Requirements	All operations on a deal, (input, amendment, modification, etc.) have to be authorized by a user other than the person who carried out the operation. They need to be authorized before the End of Day operation commences. Authorization is a method of checking the entries made by a user. As a cross-checking mechanism to ensure that the right deal is invoked for authorization, you can specify that the values of certain fields should be entered, before the other details are displayed. The complete details of the deal will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the re-key fields. You can specify any or all of the following as re-key fields: • **Trade date** • **Security ID** • **Deal price** • **Settlement date** • **Portfolio ID** • **Money Settlement date** • **Nominal/Units** If no re-key fields have been defined, all details of the deal will be displayed when the authorizer calls the deal for authorization. The re-key option also serves as a means of ensuring, the accuracy of inputs. For example, suppose that a user enters a deal to sell 100 units of a bond that belongs to the customer portfolio PF01. The deal involves a product for which the re-key field assigned is the Portfolio ID. Now, the user makes a mistake and enters the Portfolio ID as PF02. The authorizer selects the deal for authorization and indicates the re-key field of Portfolio ID as PF01. The details of the deal will not be displayed. When this happens, the authorizer can inform the user of the mistake and it can be rectified. The deal details will not be displayed if: • The value in the field that has to be rekeyed, has been entered wrongly at the time of deal definition. • The re-key value is entered wrongly at the time of authorization. It could also be that the user had correctly captured the Portfolio ID as PF01 but the authorizer made an error while entering the re-key value. In such a case also, the details of the deal will not be displayed for authorization.

Table 11-1 (Cont.) Security Deal Product Preference Class Maintenance Screen

Field	Description
Other Preference	Specify the following: • **Forward deals allowed** - whether forward deals can be entered into, by using a product to which the class is applied • **Cancellation allowed** - whether deals entered using a product, to which the class is associated, can be canceled • **Spot deals allowed** - whether spot deals can be entered using a product, to which the class is applied • **Partial release allowed** - whether partial delivery of securities is allowed, for the deals involving a product, to which the class is applied. This preference is applicable only if the leg type that you selected is Block securities.

12

Security Restriction Classes

From the head office of your bank, you can establish certain controls over the securities that your branches trade-in. These controls can be achieved by specifying restrictions. In Oracle Banking Treasury Management, you can define security restrictions of the following types:

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

Maintain several sets or classes of each type of security restriction. Thus, you can maintain several classes of security restrictions for portfolios, and several classes for deals.

You can associate these classes of security restrictions, to the respective portfolio products and the deal products that you maintain. In other words, you indicate that:

- A portfolio product cannot be used to trade in specific securities
- A deal product cannot be used to trade in specific securities

The Advantage of Defining Security Restrictions as Classes

The advantage of defining restriction classes is that at the time of creating portfolio and deal products, you do not have to repeatedly define security restrictions for each product. You only need to associate a product with a restrictions class that you have maintained. The product acquires all the attributes, defined for the Security Restrictions Class, that you associate it with.

By maintaining classes, you also give yourself the flexibility of applying the same restrictions class to several products.

This topic has the following sub-topics:

- Advantage of Defining Restrictions as Classes
  This topic describes the advantages if defining restriction as classes.
- Process the Security Restrictions
  This topic describes the systematic instructions to process the security restrictions.

12.1 Advantage of Defining Restrictions as Classes

This topic describes the advantages if defining restriction as classes.

The advantage of defining restriction classes is that at the time of creating portfolio and deal products, you do not have to repeatedly define security restrictions for each product. You only need to associate a product with a restrictions class that you have maintained. The product acquires all the attributes, defined for the Security Restrictions Class, that you associate it with.

By maintaining classes, you give yourself the flexibility of applying the same restriction classes on several services that you offer. You do not have to define restrictions for each service that you offer.

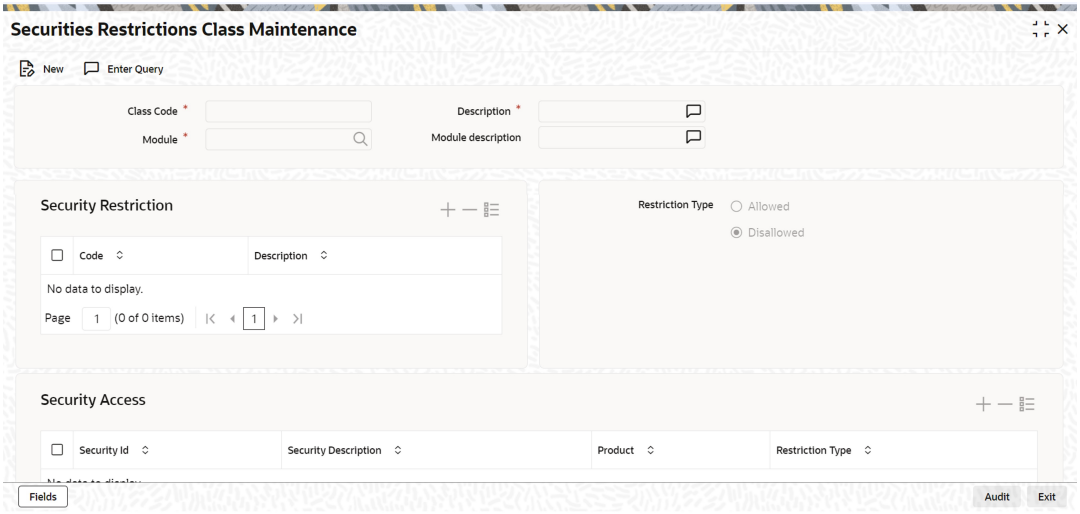
12.2 Process the Security Restrictions

This topic describes the systematic instructions to process the security restrictions.

1. On the Home page, specify **SEDXSRCL** in the text box, and click next arrow.

   Security Restriction Class Maintenance screen is displayed.

Figure 12-1 Security Restriction Class Maintenance



2. On the **Security Restriction Class Maintenance** screen, specify the fields.

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

   Maintain security restrictions in the Security Restrictions Class Maintenance screen, This is invoked from the Application Browser. If you are maintaining details of a new security restrictions class, or click new icon from the toolbar.

   If you are calling a Security Restrictions Class record that has already been defined, choose the Summary option of the Security Restrictions Class on the Application Browser.

Table 12-1 Security restriction Class Maintenance - Field Description

Field	Description
Class	In Oracle Banking Treasury Management, every Security Restrictions Class that you maintain is identified by a unique ten-character code called a Class Code.
Description	Briefly describe the Class that you are maintaining. The description helps you identify a class when you create a product. The description is for information purposes only and will not be part of any customer correspondence. When maintaining a Security Restrictions Class, you have to specify the module for which you are maintaining the class. A class can be maintained either for the Securities (Portfolio) module or for the Securities (Deal) module. This is because, a restrictions class maintained for one module would be unsuitable for another. For instance, you can choose to allow deals in some securities, but disallow the same securities in a portfolio.

Table 12-1 (Cont.) Security restriction Class Maintenance - Field Description

Field	Description
Restriction Type	Specify security restrictions in the form of an allowed or a disallowed list. You cannot deal with security products that are not listed in the allowed list of Security Restrictions Class. If you have maintained a disallowed list for a class, security products that do not figure in it can be involved in deals linked to the product (to which you associate the restrictions class). You can indicate if you are maintaining an allowed or a disallowed list type by choosing the appropriate option under this field.
Security Restriction	A security restriction class identifies a unique list of allowed or disallowed security products.
Code	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add icon to display the list of Security Product Code through its option list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to Allowed/Disallowed list.
Description	It is the Description of Security Product Code that you choose to Allowed/Disallowed list.
Exempting specific securities from a list	You can exempt specific securities, involving a securities product that you have listed, in the Allowed/Disallowed restrictions list.
Security Identification	It is the Internal Security Id for which Security Product has been maintained under Securities Security Product Definition.
Product	It is the Security Product Code that has been maintained under Securities Security Product Definition.
Security Description	It is the description of Security Identification. Click add an icon to display the list of Security Ids through its options list which has been maintained under Securities Security Product Definition. You can choose to move them to the Allowed / Disallowed List. For example, suppose that you have maintained a Securities Product for Short Term Zero-Coupon Bonds. You assigned the product a code SZC1. You have entered five zero-coupon bonds under this product, with the following Security IDs: SEC01, SEC02, SEC03, SEC04, and SEC05. You are maintaining a Securities Restrictions Class, SE_CUS_PR1. You include SZC1 in the Allowed list that you maintain for the class. By default, all securities entered against this product will be allowed. Requirement: Assume that you would like to disallow specific security, SEC05. All securities maintained under the different security products will be displayed in the Security ID, column under Security Access. Highlight the security SEC05 in the Security ID column. In the Restriction Type column corresponding to SEC05, choose the Disallowed option. Result: When you associate the restrictions class SE_CUS_PR1 with a portfolio product, say CP01, you can deal in all securities involving SZC1, except the security SEC05.

13

Maintain Portfolio Restriction Classes

From the head office of your bank, you can establish certain controls over the portfolios that your branches can trade-in. These controls can be achieved by specifying restrictions. A set of restrictions can be grouped, is called a Restriction Class in Oracle Banking Treasury Management. You can maintain several portfolio restriction classes.

Advantage of Defining Restrictions as Classes

While creating a product, instead of specifying restrictions for each product, you need to only associate the appropriate portfolio restriction class, to the product. All the attributes defined for the class will apply to the product. These defaulted restrictions can be changed to suit the product. Thus, you need not define restrictions for each product that you create.

> **Note:**
>
> Once defined, a portfolio restriction class can be made applicable to any number of products.

This topic has the following sub-topics:

- Advantage of Defining Restrictions as Classes
  This topic describes the advantages of defining restrictions as classes.
- Process Portfolio Restriction Classes
  This topic describes the systematic instruction to process portfolio restriction class.
- Process Securities - Portfolio Safe Keeping Location Balances Summary
  This topic describes the systematic instructions to process describe securities - portfolio safe keeping location balance summary.
- Process Securities - Portfolio Safe Keeping Location Movements Summary
  This topic describes the systematic instructions to process portfolio safe keeping location movements summary

13.1 Advantage of Defining Restrictions as Classes

This topic describes the advantages of defining restrictions as classes.

While creating a product, instead of specifying restrictions for each product, you need to only associate the appropriate portfolio restriction class, to the product. All the attributes defined for the class will apply to the product. These defaulted restrictions can be changed to suit the product. Thus, you need not define restrictions for each product that you create.

> **Note:**
>
> Once defined, a portfolio restriction class can be made applicable to any number of products.

13.2 Process Portfolio Restriction Classes

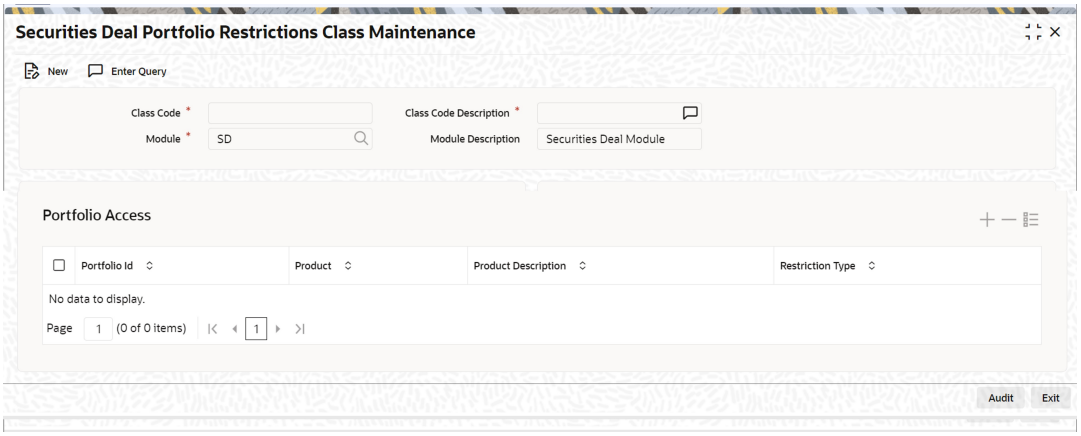
This topic describes the systematic instruction to process portfolio restriction class.

1. On the Home page, specify **SEDXPRCL** in the text box and click next arrow.

> **Note:**
>
> You can Process the Portfolio Restriction Class Maintenance screen from the Application Browser. If you are maintaining details of a new portfolio restriction class, click a new icon on the toolbar.

Securities Corporate Action Maintenance Redemption screen is displayed.

Figure 13-1 Securities Deal Portfolio Restriction Class



2. On the **Security Corporate Action Maintenance Redemption** screen, specify the fields.

Table 13-1 Security Corporate Action Maintenance Redemption

Field	Description
Class Code	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
Description	Specify a short description that will enable you to identify the portfolio restriction class easily. The short description that you specify is for information purposes only and will not be printed on any customer correspondence.
Module	A portfolio restriction class that you maintain has to be specific to a module in Oracle Banking Treasury Management. This is because a class that is maintained for one module would be unsuited to another. For instance, you may choose to allow trading in securities in some branches, but disallow these branches from loan facilities.

Table 13-1 (Cont.) Security Corporate Action Maintenance Redemption

Field	Description
Restriction Type	Specify portfolio restrictions in the form of an allowed or disallowed list. When you associate a restriction class with a product, the portfolios that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, portfolios that do not figure in the list can be involved in deals linked to the product. You can indicate whether you are maintaining an allowed or a disallowed list type, by choosing the appropriate option under this field.
Exempting Specific Portfolios from a List	You can exempt specific portfolios from the restriction specified for the product with which it is associated. Click add icon and select a portfolio code from the pick-list. You can choose to Allow or Disallow the portfolio that you have selected by choosing the appropriate option under Restriction Type. Click the delete icon to remove a portfolio from the list. For example, suppose that you have maintained a Portfolio Product to cater to Bank Portfolios. You assigned the product, a code PF01. You have entered five bank portfolios under this product, with the following Portfolio IDs: P001, P002, P003, P004, and P005. You are maintaining Portfolio Restrictions for the product and include PF01 in the Allowed list. By default, all portfolios entered against this product will be allowed. Requirement: However, you would like to disallow a specific portfolio, P005. Click the add icon and select the ID of the Portfolio P005 from the pick list. In the Restriction Type column corresponding to P005, choose the Disallowed option. Result: When you associate the restriction class with a product, you can deal in all portfolios involving PF01, except the portfolio P005.
Portfolio Identification	It is the Internal Security Id for which Security Portfolio has been maintained under Securities Security Portfolio Definition.
Product	It is the Security Portfolio Code that has been maintained under Securities Security Portfolio Definition.
Portfolio Description	It is the description of portfolio identification.

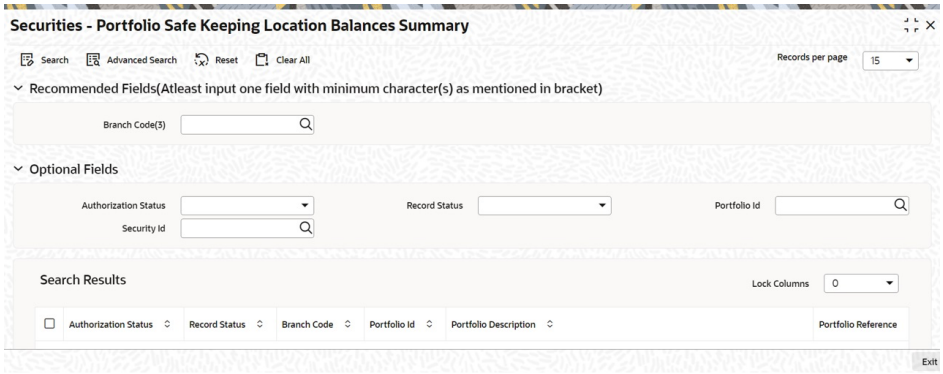
13.3 Process Securities - Portfolio Safe Keeping Location Balances Summary

This topic describes the systematic instructions to process describe securities - portfolio safe keeping location balance summary.

1. On the Home page, specify **SESXPFSB** in the text box, and click next arrow.

   Securities - Portfolio Safe Keeping Location Balances screen is displayed.

Figure 13-2 Securities - Portfolio Safe Keeping Location Balances



2. On **Securities - Portfolio Safe Keeping Location Balances** screen, specify the fields.

   In the above screen, you can base your queries on any or all of the following parameters and fetch records:

   - **Authorization Status**
   - **Branch Code**
   - **Record Status**
   - **Portfolio Id**
   - **Security Id**

   Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

   - **Authorization Status**
   - **Record Status**
   - **Branch Code**
   - **Portfolio Id**
   - **Portfolio Description**
   - **Portfolio Reference**
   - **Portfolio Customer Id**
   - **Customer Name**
   - **Security Id**
   - **Security Description**
   - **Security Currency**
   - **Currency Name**
   - **Safe Keeping Location Id**
   - **SK Location Description**
   - **Safe Keeping Location Account**
   - **Security Form**
   - **Current Position**
   - **Current Holdings**

- **Opening Position**
- **Opening Holdings**
- **Portfolio Type**

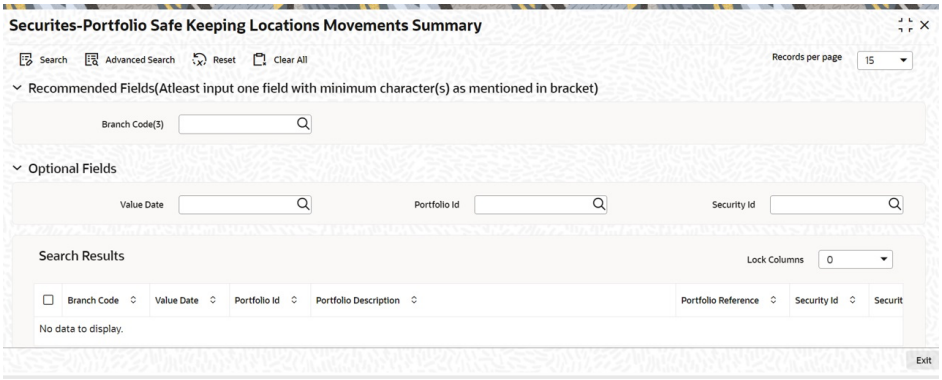
13.4 Process Securities - Portfolio Safe Keeping Location Movements Summary

This topic describes the systematic instructions to process portfolio safe keeping location movements summary

1. On the Home page, specify **SESXPSMV** in the text box, and click next arrow.

   Securities - Portfolio Safe Keeping Location Movements Summary screen is displayed.

Figure 13-3 Securities - Portfolio Safe Keeping Location Movements Summary



2. On the **Securities - Portfolio Safe Keeping Location Movements Summary** screen, specify the fields.

   On the screen, base your queries on any or all of the following parameters and fetch records:

   - **Branch Code**
   - **Value Date**
   - **Portfolio Id**
   - **Security Id**

   Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

   - **Authorization Status**
   - **Branch Code**
   - **Value Date**
   - **Portfolio Id**
   - **Portfolio Description**
   - **Portfolio Reference**

- **Portfolio Customer Id**
- **Customer Name**
- **Security Id**
- **Security Description**
- **Security Currency**
- **Safe Keeping Location Id**
- **SK Location Description**
- **Safe Keeping Location Account**
- **Balance type**
- **Opening Balance**
- **Closing Sec balance**
- **Movements As of Today**

14

Define Attributes of a Securities Product

A Security Product is a category or a type of security. For instance, you can define short term zero-coupon bonds in the local currency, as a product in Oracle Banking Treasury Management. Similarly, you can define Rights as a product. A security product, thus, serves to classify the securities that you deal with. In this chapter, we shall discuss how you can define attributes specific to a Securities (SP) product.

This topic has the following sub-topics:

- Process Security Product
  This topic describes the systematic procedures to Process Security Product.

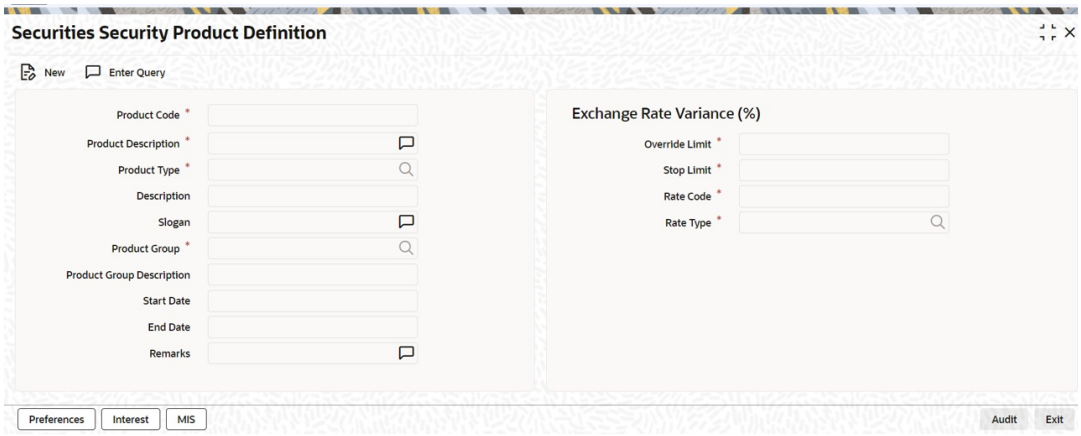
14.1 Process Security Product

This topic describes the systematic procedures to Process Security Product.

1. On the Home page, specify **SEDSEPRD** in the text box, and click next arrow.

   Securities Security Product Definition screen is displayed.

Figure 14-1 Securities Security Product Definition - Field Description



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

   For any product you create in Oracle Banking Treasury Management, you can define generic attributes, such as branch, currency, and customer restrictions, interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter. You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively.

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

- *Products*
- *Interest*
- *User Defined Fields*
- *Settlements*

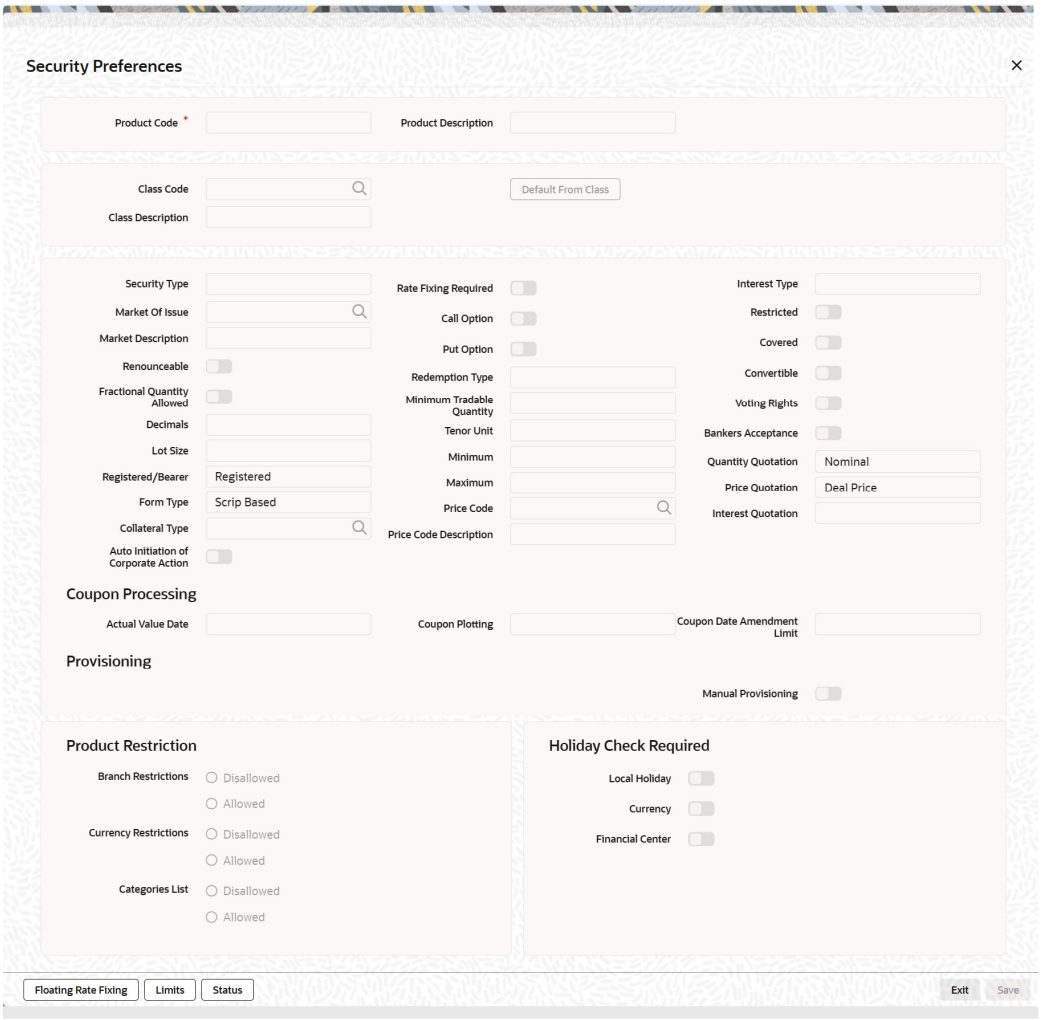
Table 14-1 Security Product

Field	Description
Product Type	The product type identifies the basic nature of a product. A securities product that you create can belong to any one of the following types: • **Bonds** • **Zero Coupon Bonds** • **Equities** • **Rights** • **Warrants**
Exchange Rate Variance	Define the market price variance that you would like to allow for a security product. This variance is expressed in terms of a percentage. For a special customer or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance. When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all portfolios associated with the portfolio product. The Override Limit If the variance between the default rate and the rate input varies by a percentage that is between the Override Limit and the Rate Stop Limit, you can save the transaction (involving the portfolio) by providing an override. Stop Limit If the variance between the default rate and the rate input varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the transaction involving the portfolio.

3. On Security Product page, click **Preference**.

   Security Preference screen is displayed.

Figure 14-2 Security Preference screen



4. On the **Security Preference** screen, specify the fields.

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

   When defining a product, you can choose to specify preferences for the product by the following methods:

   - Associating the product with a Security Preference Class.
   - By defining these preferences specifically for the product.

   Click the ‘Floating Rate Fixing’ button to display the Floating Rate Fixing Parameter screen. For detailed information on this screen refer to the section, ‘Specifying the Interest Rate Revision Frequency’ in the chapter, ‘Defining Security Preference classes’ of this User Manual. Click the ‘Limits’ button to display Currency Wise Limits screen. For detailed information on this screen, refer to the section ‘Defining deal limits for a preference class’ in the chapter, ‘Defining Security Preference classes’ of this User Manual. For detailed information on each of the attributes please refer to the chapter called Defining Security Preference classes.

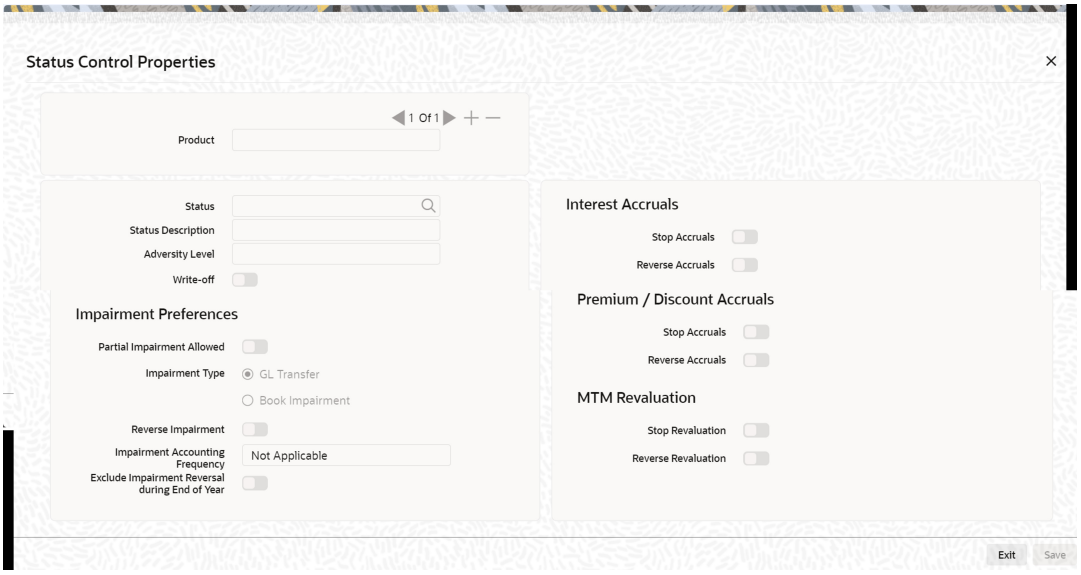
Table 14-2 Security Preference - Field Description

Field	Description
Coupon Plotting	Specify whether coupon events that fall on holidays should be shifted forward or backward. You can also choose not to change the event date even if it is a holiday. In the Coupon Plotting Holiday Treatment field, you can select from the following options: • **Forward** • **Backward** • **Ignore** The choice that you make here defaults to the specific securities that you define under this product. Irrespective of the holiday treatment specified by you, the system will not perform any holiday adjustment if, in the Product Event Accounting Entries Maintenance, you select 'No' as the Holiday Treatment parameter. A more detailed explanation is available in the Products manual. If the forward/ backward shift in a coupon event date entails a movement across months, then the event date will be guided by whether you have allowed/disallowed movement across months in the Branch Parameters screen. For more details and an example, refer to the chapter on Bank and Branch Parameter Maintenance in this manual
Accounting Value Date	Interest calculations and accruals are done till the coupon event date. However, if the coupon event date is a holiday, you can specify whether the actual processing of accounting entries should be shifted forward / backward. You can also choose that the accounting entries shall be passed as of the coupon processing date itself, even though it is a holiday. In the Acct Val Dt Holiday Treatment screen, you can select from the following options: • **Forward** • **Backward** • **Ignore** The choice that you make here defaults to the specific securities that you define under this product. If the forward/backward shift in an accounting value date entails a movement across months,then the value date will be guided by whether you have allowed/ disallowed movement across months in the Branch Parameters screen. A coupon event date falling on a holiday may itself be shifted to the previous or following working day. In that case, holiday treatment for the accounting value date becomes irrelevant. For more details and an example, refer to the chapter on Bank and Branch Parameter Maintenance in this manual.
Coupon Date Amendment Limit	For continuous coupon schedules, the coupon payment dates are automatically populated according to the coupon frequency that you specify while defining security. You can amend these dates within the limit that you specify in the Coupon Date Amendment Limit field. For more details on changing coupon dates for continuous schedules, refer to the Securities Online chapter in this manual.

5. On the **Security Preferences** screen, click **Status**.

   Status Control Properties screen is displayed.

Figure 14-3 Status Control Properties



6. On the **Status Control Properties** screen, specify the details as required.

   For Information on fields, refer to the below table.

Table 14-3 Status Control Properties - Field Description

Field	Description
Product	The selected product details is displayed.
Status	Click the search icon and select the status from the list of values displayed. This field denotes the user defined status code used in the instrument life cycle.
Status Description	The description of the selected status is displayed.
Adversity level	The adversity level of the status is displayed.
Write-off	Select this checkbox to indicate the user defined status is write-off. The Status is changed to Write off
Stop Accruals	Select this checkbox to Indicate the accruals (interest/premium/ discount) is discontinued for the selected portfolio.
Reverse Accruals	Select this checkbox to indicate the accruals (interest/premium/ discount) is reversed for the selected portfolio, when the status corresponds to this value.

7. On the **Security Product Definition** screen, click **Interest**.

   Interest Details screen is displayed.

Figure 14-4 Interest Details

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

   It contains the following sub-topics:

- Specify Interest Details Type, Event Details, and Rate Details

14.1.1 Specify Interest Details Type, Event Details, and Rate Details

While building an Interest Component, you can define:

- Primary Interest - Applicable only for Securities Module
- Coupon – Applicable only for Securities Module

Specify Event Details

Events and the Basis Amount

The term Event can be explained concerning a deal. A deal goes through different stages in its life cycle, such as:

- Deal Booking
- Money Settlement of Deal
- Reversal of Deal
- Cancellation of Deal

Each stage is referred to as an Event in Oracle Banking Treasury Management. The event at which you would like to associate the interest component, being defined, to a contract is referred to as the Association Event. The basis on which interest is calculated is referred to as the Basis Amount. For instance, a coupon can be based on the current face value of a security. When building an interesting class, you have to specify the tag associated with the Basis Amount.

Accrual Required

Choose to accrue the interests due to a contract. To accrue the interest payable on a contract, choose the ‘Accrual Required’ option.

Rate Type

The interests paid on contracts can be at a Fixed Rate or based on a Floating Rate. If you indicate that interests should be calculated based on a Floating Rate, you must specify the ‘Periodic’ Floating Rate Type. For all contracts maintained under products, associated with a class, the interest will be by default calculated using the specified Rate type.

Specify Rate Details

Default Rate Code

Interest payable on contracts would be calculated at specific rates. When building an interest component, you have to specify the rate at which the interest should be computed. When associating a rate code (that you have maintained in the Rate Codes Maintenance screen) with the interest component that you are building, the rates corresponding to the code will be used to compute interest. When maintaining a contract, you can choose to waive the rate code altogether or amend the properties of the code to suit the security. If you allow amendment of a rate code, you can specify if you would like to allow the rate code amendment after the association event. You can also allow the amendment of the rate value (corresponding to a rate code).

Default Tenor

Each rate code is associated with a tenor. For instance, you have a Rate Code ‘LIBOR’. You can link any number of tenor codes to the same rate code.

Table 14-4 Codes table

Tenor	Description
1W	One week rate
2W	Two week rate
2M	Two months rate
6M	Six months rate
1Y	One year rate

When building an interest component, you can specify a Tenor Code that you would like to associate, with the Floating Interest Rate Code. Interests for contracts (maintained under a product) will be calculated using the rate corresponding to the Rate Code and the Tenor Code.

Other Details

Default Waiver

Check this box to indicate that even if charge is computed, it should not be liquidated.

Allow Rate Type Amendment

Check this box, to allow rate type amendment

Allow Rate Code Amendment

Check this box, to allow rate code amendment

Amend after Association

If you would like to allow the amendment after association of a rule for a charge component, check this box. Once checked the system will allow you to modify the rule after the association event is triggered for the linked contract.

Allow Rate Amendment

Check this box, to allow rate amendment.

Negative Interest Allowed

Check this box to allow negative interest for interest class. You can check this box only if interest class is maintained for Money Market, Corporate Deposit or Bills and Collections module and ‘Main Component’ flag is checked.

If negative interest is allowed for an interest class, system will generate a negative interest component on saving the interest class. Negative Interest Class name is derived as Main Interest Class Code_N. If the length of main interest class code is more than 8, then the system truncates the interest class code to first eight characters and adds ‘_N”.

Specify the Rate Revision Preferences Details

During product creation and modification, user can change RFR preferences upon default of interest class.

> **Note:**
>
> When you select or clear the RFR flag, respective Rate Code is mapped.

> **Caution:**
>
> System allows you to map only one RFR Interest class as main component for a product.

Partial Impairment of Bonds

The system supports the partial impairment on Bonds for Bank type portfolio depending on price movement in Month end.

You can manually change the status of the Bond from NORM to LOSS where LOSS status is allowed for Partial Impairment at Securities Product screen.

The Accounting entries will be posted where accounting heads maintained for LOSS status for Partial Impairment (Target GL) in Securities Status Properties screen as part of STCH event. The STCH event will be posted at Portfolio Definition screen level. The above status change entries will be performed when the Impairment Type is 'GL Transfer'. The system will Transfer the loss percentage and un-accrued interest to Target GL, this maintenance can be done at Securities Status Property screen.

If you select the Stop Accrual at the product level, then the interest accrual gets stopped after status change. The accrued interest for the current period will be reversed if the Reverse Accrual is selected.

The system supports MTM realized and unrealized revaluation. When there is a reduction in market price compared to deal price, the bond is marked for partial impairment. You can modify the status of the bond manually in Securities Status Properties screen. The Realized revaluation amount posted before impairment will be reversed from the affected position when 'Reverse Reval' option is enabled under Realized Reval at Product level. During manual status change, you can select the execution process to be ‘Online’ or ‘Scheduled’.

- If ‘Online’ option is selected, then the status change and accounting entries will be posted immediately once the record is saved and authorized.
- If ‘Scheduled‘ option is selected, you can select the effective date greater than Application date, where the status change event and accounting entries will be posted as part of EOD processing when system reaches that effective date.

You can select the Impairment percent in Securities Manual Status Change screen during manual status change, the impaired percentage amount will be booked for Loss entry and remaining amount will be in current status. If deal nominal amount is USD 100 and 70% is input against the impairment percent field, system will book the Loss entry for USD 70 in the New status and entries will be against the Target GL. USD 30 will be not affected as part of manual status change and remains in the same current status GL. If impairment Allowed check-box is not selected at security product definition screen, an instrument is defined for this preference with a portfolio having position and holdings. Perform status change for this security by providing the impairment percentage. Post save system will do GL transfer for 100 percentage, and update the impairment field with value 100.

If you perform manual status change for the instrument defined with status preference having “Impairment allowed” checked and Book impairment type, and provide the impairment

percentage and online execution. System will immediately post the IMPR entry with accounting entries.

If you want the status change to happen in future, then scheduled process can be selected. You will have to provide the effective date as Future date and give the impairment percentage. IMPR event will be processed as part of EOD with accounting entries.

The accounting entries will be as follows:

Table 14-5 IMPR Event Accounting

Accounting Roles	Amount Tag	Dr/Cr
SEC DISC TBACRD	DEAL_DISCNT_AMT	Dr
SEC PREM TBACRD	DEAL_PREMIUMAMT	Cr
SEC ASSET GL	DEAL_NOMINALAMT	Cr
IMPR_LOSS	IMPR_DEP_LOSS	Dr

When there is an increase in Price movement, the status of the Bonds can be changed and accounting entries posted as part of partial impairment can be reversed. If you select the option 'Exclude Impairment Reversal during end of year' at the product level, then the bank will realized the loss impacted as part of partial impairment.

For Unrealized revaluation already system has the handling to post the reversal entry during next period as part of RRVL event.

15

Define Attributes of a Portfolio Product

In this chapter, we shall discuss the manner in which you can define attributes specific to a Securities Portfolio product. You can create a securities portfolio product in the Securities Portfolio Product Definition screen, invoked from the Application Browser. In this screen, you can enter basic information relating to a Portfolio product such as the Product Code, the Description, etc.

- Process Security Portfolio Process Definition
  This topic describes the systematic procedure to define attributes of a portfolio product.
- Process Security Portfolio Instrument Restrictions
  This topic provides the systematic instructions to process security portfolio instrument restrictions.

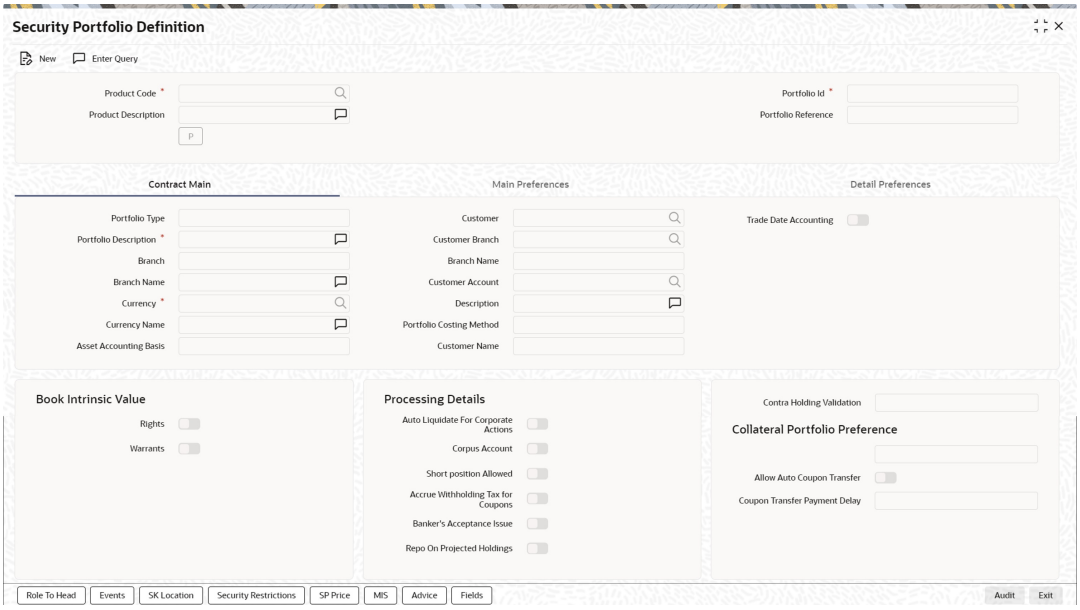
15.1 Process Security Portfolio Process Definition

This topic describes the systematic procedure to define attributes of a portfolio product.

1. On the Home page, specify **SEDPFPRD** in the text box, and click next arrow.

   Securities Portfolio Product Definition screen is displayed.

Figure 15-1 Securities Portfolio Product Definition



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

   For any product you create in Oracle Banking Treasury Management, you can define generic attributes, such as interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter. You can define the attributes specific to a Portfolio

product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively.

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

- *Product Definition*
- *Interest*
- *Settlements*

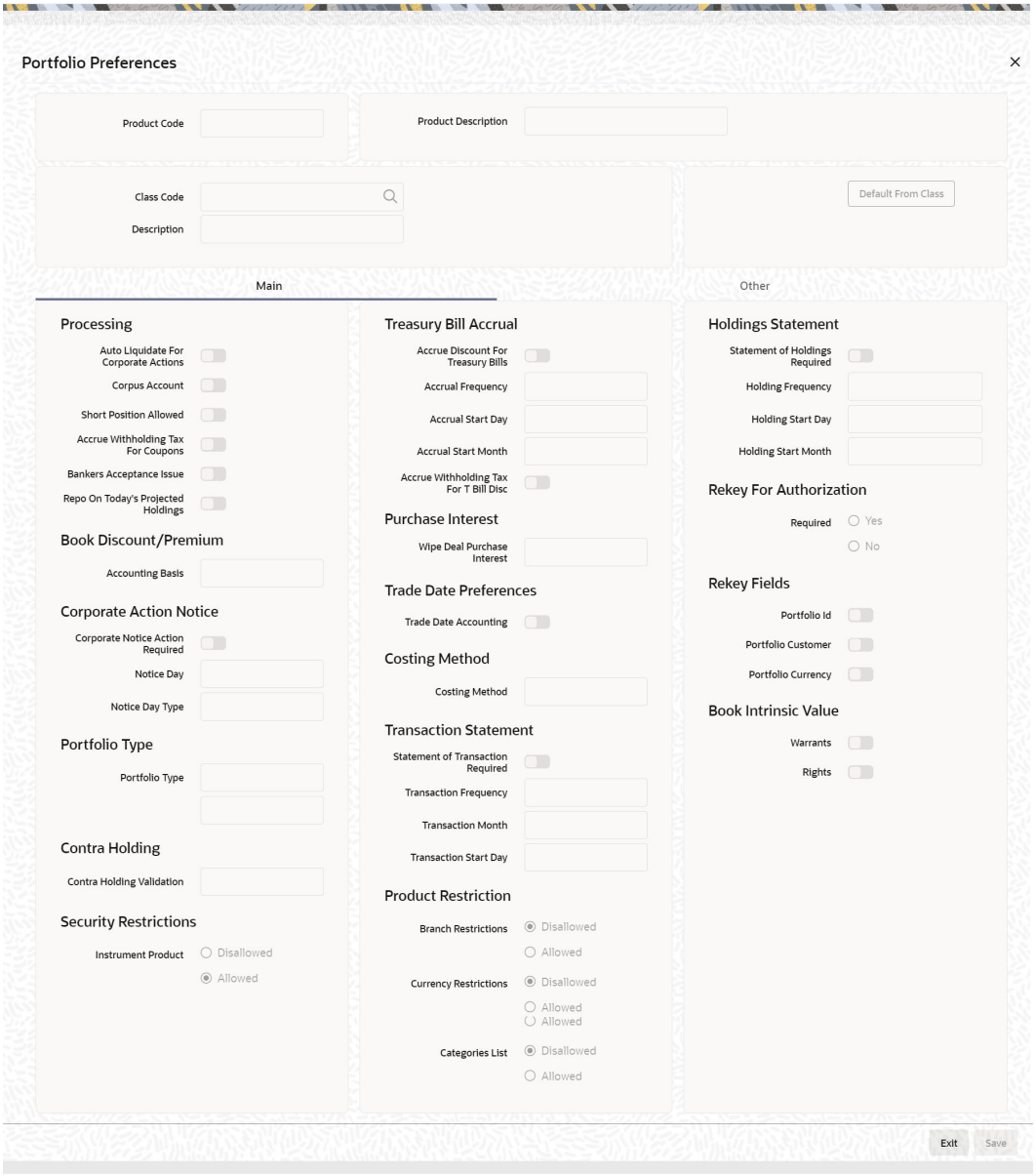
Table 15-1 Securities Portfolio Product Definition - Field Description

Field	Description
Product type	The first attribute that you define for a portfolio product is its type. You can broadly classify portfolio products into three types: • **Customer Portfolio** • **Bank Portfolio** • **Issuer Portfolio** • **Collateral Portfolio** If the bank issues securities (e.g., Central Bank issuing government bonds), it can maintain a portfolio for the securities it issues. This is an Issuer Portfolio. Under each product type, you can create any number of products. **Note:** Bank can create a Collateral Portfolio to hold security (pledged and received) as a part of Repo or a Reverse Repo transaction. Also, All Bank Portfolio Validations are applicable to Collateral portfolio.
Exchange Rate Variance	For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance. When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all portfolios associated with the portfolio product.
Override Limit	If the variance between the default rate and the rate input varies by a percentage that is between the Override Limit and the Rate Stop Limit, you can save the transaction (involving the portfolio) by providing an override.
Stop Limit	If the variance between the default rate and the rate input varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the transaction involving the portfolio.

3. On the **Securities Portfolio Product Definition** screen, click **preference**.

   Product Preference screen is displayed.

Figure 15-2 Product Preference



4. On the **Product Preference** screen, specify the fields.

   Preferences are the options that are available to you for defining the attributes of a product. The following are examples of portfolio preferences.

   - The Preferred Costing Method (Weighted Average, Deal Matching, FIFO, FILO)
   - The Revaluation details (Basis, LOCOM Basis, Method, Frequency, and Start Date)
   - The Forward Profit and Loss Accrual details
   - The Premium/Discount Accrual details
   - The Redemption Premium Accrual details
   - Corporate Action Notice details

   All portfolios maintained under a portfolio product will inherit the preferences that you define for the product.

Accrual Method

- 30(Euro)/360
- 30(US)/360
- Actual/360
- 30(Euro)/365
- 30(US)/365
- Actual/365
- 30(Euro)/Actual
- 30(US)/Actual
- Actual/Actual
- 30(Euro)/364
- 30(US)/364
- Actual/364

> **Note:**
>
> The values of the accrual method maintained in this screen get defaulted in portfolio creation for the selected product.

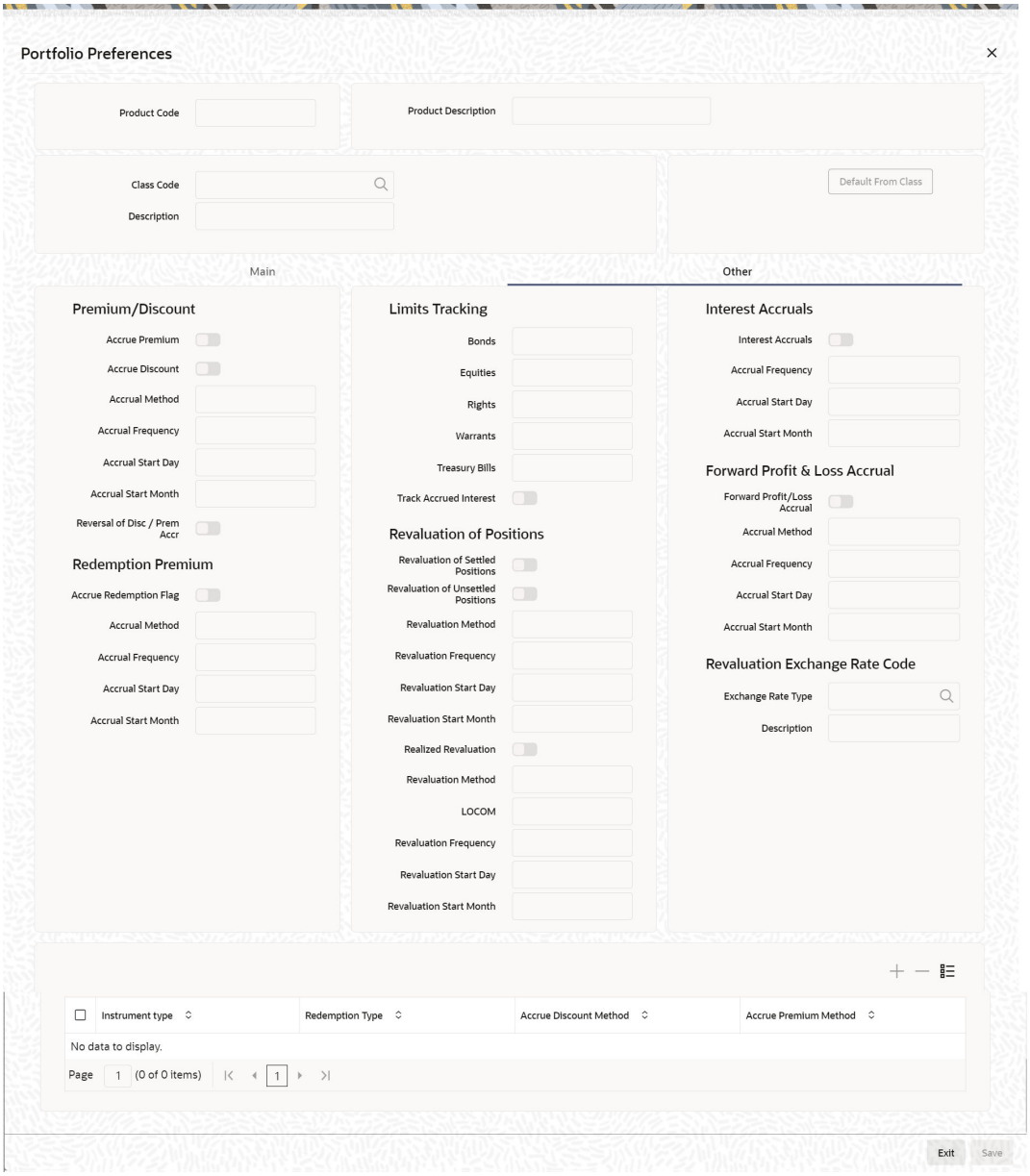
Table 15-2 Field Description

Field	Description
Trade Date Accounting	Check this box to indicate that the accounting events for Securities position movement (SPLP, SSLP, SPSP or SSSP) should be triggered on the trade date itself for the portfolios defined using the product.
Branch Restrictions	Indicate whether you want to create a list of allowed branches or disallowed branches by choosing one of the following options: • **Disallowed** • **Allowed**
Categories List	Indicate whether you want to create a list of allowed customers or disallowed customers by choosing one of the following options: • **Disallowed** • **Allowed**
Currency Restrictions	Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options: • **Disallowed** • **Allowed**

5. On the **Portfolio Preference** screen, click **Other**.

   Portfolio Preference screen is displayed.

Figure 15-3 Portfolio Preference



6. On the **Portfolio Preference** screen, specify the fields.

Table 15-3 Field Description

Field	Description
Accrue Discount Method	Specify the accrue discount method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield.

Table 15-3 (Cont.) Field Description

Field	Description
Accrue Premium Method	Specify the accrue premium method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield.
Reversal of Disc/Prem Accr	Check this box to indicate that the premium or discount that has been accrued using the 'Weighted Moving Average' method should be reversed. If this is checked, the amortization accrual done using the 'Weighted Moving Average' method is reversed on the following BOD. During EOY, discount/premium accrual will be realized, that is, accrual will not be reversed as part of the same EOD/BOD batch (SEAUTDLY). This value is defaulted from the portfolio class level to the portfolio product level, where you can amend it. From the portfolio product level, it is defaulted to the portfolio definition level. Here too, you can amend it. The value at the portfolio definition level is considered as the final value and the reversal is determined by it.

When defining a portfolio product, you can choose to specify preferences for the product, either by

- Associating the product with a Portfolio Preference Class that you have defined
- Entering your preferences specifically for the portfolio product

If you would like to associate a portfolio preference class to a product, choose the 'Default From Class' button in the Portfolio Product Preferences screen. A list of the Portfolio Preference Classes that you have maintained will be displayed. Choose the preference class that is applicable to the product that you are creating.

For detailed information on each of the attributes, please refer to the chapter called *Maintaining a Portfolio Preference Class* of this User Manual.

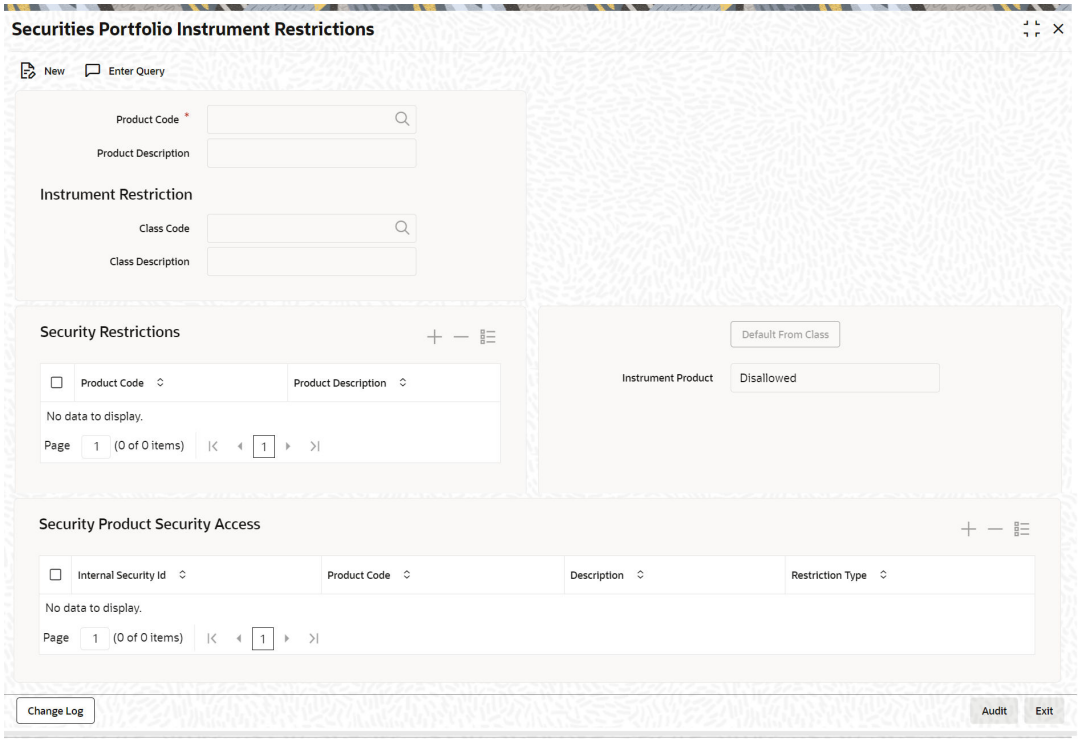
15.2 Process Security Portfolio Instrument Restrictions

This topic provides the systematic instructions to process security portfolio instrument restrictions.

1. On the Home page, specify **SEDPFINR** in the text box, and click next arrow.

   Security Portfolio Instrument Restrictions screen is displayed.

Figure 15-4 Security Portfolio Instrument Restrictions



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

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

Table 15-4 Security Portfolio Instrument Restriction

Field	Description
Product Code	Specify the product code. Alternatively, you can select the product code from the list.
Product Restriction	The description will be displayed based on the Product Code selected.
Class Code	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
Class Description	The description will be displayed based on the Class Code selected.
Security Restrictions	A security restriction identifies a unique list of allowed or disallowed security products.
Product Code	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add an icon to display the list of Security Product Code through its options list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to the Allowed/Disallowed list.

Table 15-4 (Cont.) Security Portfolio Instrument Restriction

Field	Description
Product Description	Security Product Code describes that you choose to Allowed/ Disallowed list.
Internal Security Id	It is the Internal Security Id for which Security Product has been maintained.
Product Code	It is the Security Product Code that has been maintained under Securities Security Product Definition.
Security Description	It is the description of Security Identification.
Restriction Type	Specify portfolio restrictions in the form of an allowed, or disallowed list.

16
Securities Deal Product

In this chapter, we shall discuss how you can define attributes specific to a Securities (SP) Deal product.

This topic contains the following sub-topic:

- Process Securities Deal Product
  This topic describes the systematic instructions to define securities deal product.
- Process Security Deal Product Restrictions
  This topic describes the systematic instruction to process security deal product restriction.

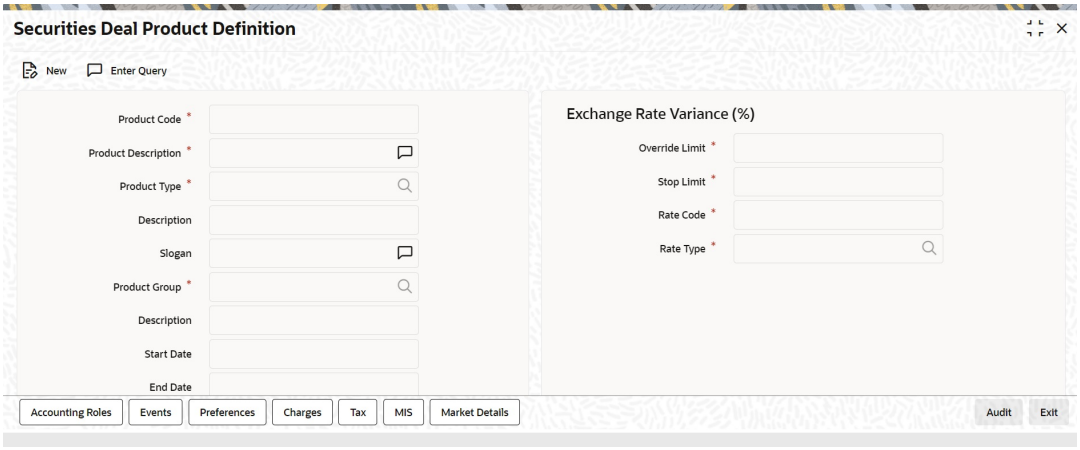
16.1 Process Securities Deal Product

This topic describes the systematic instructions to define securities deal product.

1. On the Home page, specify **SEDDLPRD** in the text box, and click next arrow.

   Securities Deal Product Definition screen is displayed.

Figure 16-1 Securities Deal Product Definition



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

   In this screen, you can enter basic information relating to a SP product such as the Product Code, the Description, etc.

   For any product you create in Oracle Banking Treasury Management, you can define generic attributes, such as interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons on this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter.

   You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively. For further information on

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

- *Product Definition*
- *Interest*
- *Settlements*

Table 16-1 Security Deal Product Definition - Field Description

Field	Description
Product Type	An important detail in defining a product is to specify the type of product you are creating. The product type identifies the basic nature of a product. A Securities Deal product that you create can be of the following types: • Bank buys • Bank sells • Customer buys • Customer sells • Standalone lodge • Safe keeping location 9SK) to SKL transfer • Block securities The accounting entries that are passed, the messages that are generated and the processing of deals involving this product are determined by your entry to this field. **Note:** The system will generate MT5x messages on booking Standalone Lodge and Standalone Withdrawal deals.
Exchange Rate Variance	For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance. When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all deals associated with the deal product. Rate Override Limit: If the variance percentage between the default rate and the rate input is between the Rate Override Limit and the Rate Stop Limit, you can save the deal by providing an override. Rate Stop Limit: If the variance between the defaulted rate and the rate that is entered varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the deal.

3. On the **Deal Product Preference** screen, click **Preference**.
4. On the **Preference** screen, specify the fields.

   When defining a product, you can specify preferences for the product, by either of the following methods:

   - Associating the product with a Deal Preference Class
   - Defining these preferences specifically for the product

   To associate a deal preference class to a product, click '**Default From Class**' button the Deal Product Preferences screen. A list of the deal preference classes that you have defined specifically for Securities module of Oracle Banking Treasury Management will be displayed. Choose the deal preference class to be associated with the product, from the option list. All the details defined at the class get defaulted here. In addition, you can specify certain attributes for the deal.

Table 16-2 Preference - Field Description

Field	Description
Consider Brokerage for Disc. Accrual	Check this option to indicate whether the brokerage component is to be considered for discount accrual on a constant yield basis.
Branch Restrictions	Indicate whether you want to create a list of allowed branches or disallowed branches by choosing one of the following options: • **Disallowed** • **Allowed**
Categories List	Indicate whether you want to create a list of allowed customers or disallowed customers by choosing one of the following options: • **Disallowed** • **Allowed**
Currency Restrictions	Indicate whether you want to create a list of allowed currencies or disallowed currencies by selecting one of the following options: • **Allowed** • **Disallowed** **Note:** This option is enabled only if you have allowed brokers for the deal. Default fields, From and To leg Safe Keeping details. For detailed information on the other attributes please refer to the chapter called Defining a Deal Preference Class.

This topic has the following sub-topic:

- Specify Accounting Entries for KEST Computation

16.1.1 Specify Accounting Entries for KEST Computation

KEST is a scheme of levying withholding tax on the income earned by the customers of your bank. This type of withholding tax is applicable only on incomes earned from securities. Some of the customers might directly pay the KEST amount to the Government. Under such circumstances, your bank need not calculate the KEST amount.

The system generates the accounting role KEST_GL and the amount tags KEST_BSINT_AMT and KEST_DEAL_AMT for tax on bought sold accrued interest and tax on deal nominal amount respectively. At the time of defining a deal product, you need to specify the accounting entries that need to be passed for KEST calculation. The accounting entries will be different for the sell and buy legs of a security deal. You will have to define the following accounting entries to process KEST:

Table 16-3 Accounting Entries table

Accounting Role	Amount Tag	Debit/Credit Indicator
Sec Settlement	KEST_BSINT_AMT	Dr
KEST_GL	KEST_BSINT_AMT	Cr
Sec Settlement	KEST_DEAL_AMT	Dr
KEST_GL	KEST_DEAL_AMT	Cr

The accounting entries for the buy leg of a security deal will be:

Table 16-4 Accounting Entries - Buy leg

Accounting Role	Amount Tag	Debit/Credit Indicator
Sec Settlement	KEST_BSINT_AMT	Cr You need to credit the customer account as the customer earns theKEST amount.
KEST_GL	KEST_BSINT_AMT	Dr
Sec Settlement	KEST_DEAL_AMT	Cr
KEST_GL	KEST_DEAL_AMT	Dr

These accounting entries have to be maintained for the event MSTL (Money Settlement of Securities Deal).

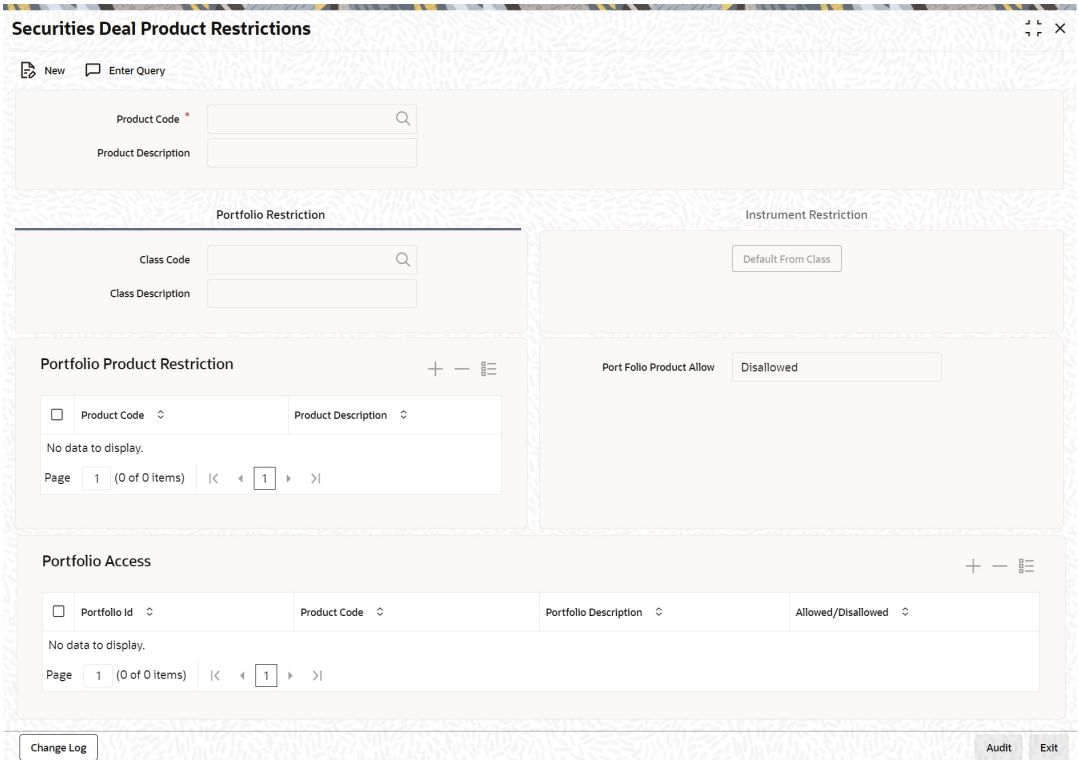
16.2 Process Security Deal Product Restrictions

This topic describes the systematic instruction to process security deal product restriction.

1. On the Home page, specify **SEDPRDRS** in the text box, and click next arrow.

   Securities Deal Product Restriction screen is displayed.

Figure 16-2 Securities Deal Product Restriction



2. On the **Securities Deal Product Restriction** screen, specify the fields.

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

Table 16-5 Security Deal Product Restriction - Field Description

Field	Description
Product Code	Specify the product code. Alternatively, you can select the product code from the list.
Product Restriction	The description will be displayed based on the Product Code selected.
Class Code	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
Class Description	The description will be displayed based on the Class Code selected.
Portfolio Product Restriction	Portfolio product restriction identifies a unique list of allowed or disallowed portfolio products.
Product Code	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add icon to display the list of Security Product Code through its option list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to Allowed/Disallowed list.
Product Description	Description of Security Product Code that you choose to Allowed/ Disallowed list.
Portfolio Id	It is the Internal Security Id for which Security Portfolio has been maintained under Securities Security Portfolio Definition.
Product Code	It is the Security Portfolio Code that has been maintained under Securities Security Portfolio Definition.
Portfolio Description	It is the description of portfolio identification.
Allowed/Disallowed	Specify portfolio restrictions in the form of an allowed, or disallowed list.
Class Code	In Oracle Banking Treasury Management, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
Class Description	The description will be displayed based on the Class Code selected.
Instrument Product Restriction	Instrument product restriction identifies a unique list of allowed or disallowed security products.
Security Code	It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add the icon to display the list of Security Product Code through its options list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to the Allowed/Disallowed list.
Security Id	It is the Security Id for which Security Product has been maintained.
Product Code	It is the Security Product Code that has been maintained under Securities Security Product Definition.
Security Description	It is the description of Security Identification.

Table 16-5 (Cont.) Security Deal Product Restriction - Field Description

Field	Description
Restriction Type	Specify portfolio restrictions in the form of an allowed, or disallowed list.

17

Define a Product Combination

Certain security deals that you enter can involve two legs - a buy and a sell leg. A product combination is an association of a buy and a sell product. To recall you have already defined products that cater specifically to either a buy or sells leg of a deal. The advantage of creating a product combination is that, at the time of entering a deal, you only need to indicate the code assigned to the product combination. The attributes defined for the buy and sell products will automatically be applied to the buy and sell legs of deals.

> **Note:**
>
> Create a product combination only after you have created a buy and sell deal products.

This topic has the following sub-topic:

- Process a Combination Product
  This topic describes the systematic instructions to process a combination product.

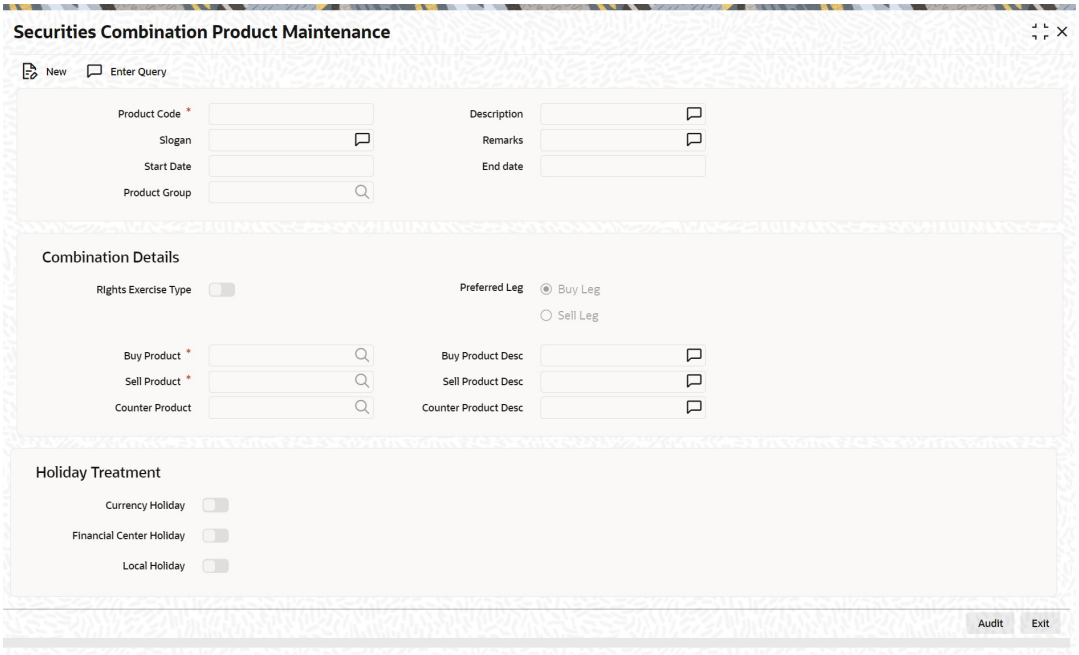
17.1 Process a Combination Product

This topic describes the systematic instructions to process a combination product.

1. On the Home page, specify **SEDXCMBP** in the text box, and click next arrow.

   Security Combination Product Maintenance screen is displayed.

Figure 17-1 Security Combination Product Maintenance



2. On the **Security Combination Product Maintenance** screen, specify the fields.

   The **Securities Combination Product Maintenance** screen is invoked from the Application Browser. To enter the details of a new deal, click new icon from the tool bar.

   From the Summary screen, you can to open an existing product combination, by double clicking on it.

Table 17-1 Security Contract Product Maintenance - Field Description

Field	Description
Product Code	In Oracle Banking Treasury Management, each product combination that you create is identified by a unique four-character code called a product code. You can follow your convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.
Description	Specify a short description that will enable you to identify the product combination easily. The short description specified is for information purposes only and will not be printed on any customer correspondence.
Product Group	Each product combination is classified under a specific group. The different groups are defined in the Product Group Definition screen. To indicate the group to which a product belongs, select a group code from the list.
Product Slogan	Specify a marketing punch line to be associated with the product combination. This slogan will be printed on all the advices that are sent to the customers involved in a deal involving this product combination.

Table 17-1 (Cont.) Security Contract Product Maintenance - Field Description

Field	Description
Specifying the life-span of a product	A product combination that is defined can be used over a specific period by defining a start and an end date. The settlement date of a deal involving a product should be: • The same as or later than the Start Date • The same as or earlier than the End Date of the product The start and end date of a product combination is useful when you are defining a product combination for a specific period. **Note:** If you do not specify an End Date, a message is displayed prompting you to indicate whether you are creating an open-ended product combination. In this case, the product combination can be used until it is closed.
Product Remarks	Specify information about the product combination, intended for the internal reference of your bank. Your remarks will not be printed on any correspondence with the customer.
Combining two deal products into a combination	When you create a product combination, you should only associate two unique deal products. One, catering to the buy leg and the other to the sell leg of a deal. The combination could be between any of the types listed below: • Bank buys • Bank sells • Customer buys • Customer sells For instance, you could create a combination for a bank buy and a customer sell. After this, indicate the sold product that constitutes the combination.
Indicating the preferred leg	When creating a product combination, indicate the Preferred Leg of the combination, under the preferred leg option. The attributes defined for the preferred leg will be inherited by all deals associated with the product combination.

Table 17-1 (Cont.) Security Contract Product Maintenance - Field Description

Field	Description
Indicating that a product combination can cater to rights and warrants exercise	Create a product combination to cater to the exercise of rights or warrants. When you choose to exercise rights that arise out of your holding, you should make a combination product, with the rights exercise option applicable to the deal. If you select the rights exercise option, you should also indicate the counter product that should be used, when rights are exercised. A counter product is a product combination (with a buy and sell leg) that will be applicable when rights are exercised. You can select a counter product from the option list available. In Oracle Banking Treasury Management, the exercise of rights involves four steps: • The selling of rights • The buying of rights • The buying of the resultant securities • The selling of resultant securities The buy leg of the combination product will cater to the buying of resultant securities and the sell leg to the selling of the resultant securities by the SK location. The sell leg of the counter product caters to the selling of rights from the portfolio, which is doing the exercise and the buy leg to the buying of rights from the SK location of the holding. For example, suppose that you hold 100 units of equity in a bank portfolio. To the equity is attached 100 rights that can be exercised on 15, June to purchase 100 units of shares. When you exercise the rights, you should associate with the deal, a product combination that caters to the exercise of rights. All the details that you specified for the product combination will apply to the deal.

18
Maintain a Security

In Oracle Banking Treasury Management, you have to maintain all securities that you deal with. In other words, you can only enter into deals involving securities that you have maintained in the system. Maintaining security involves various operations. They include specification for the following:

- Issuer Details
- The Maker of Issue
- The Relevant Dates (the Tear-off Date, the Start of Interest Date, etc.)
- The Price Details
- The Coupon Details

This topic contains the following sub-topics:

- Process Security Deals Product Definition
  This topic describes the systematic instruction to maintain process security deals product definition.
- Details of a Security
  This topic describes the details of Security deal such capturing interest detail, indicating corporate action preference, capturing trade-related information, specifying type of price quotation, indicating bankers acceptance, specifying currency type,
- Specify the Yield Calculation Parameters for a Security
  This topic describes the yield calculation parameters for a security.
- Interest Method for Computing Coupon Interest
  This topic describes the interest method for computing coupon interest.
- Process Security Instruments
  This topic describes the systematic instruction to process security instruments.
- Holiday Preference
  This topic describes the systematic instruction to capture in holiday preference and holiday validation assumptions.
- Upload Security Instruments for Amendment
  This topic describes the how to upload security instruments for amendment.
- Bulk Upload- Security Instruments & Market Security-Price
  This topic describes the bulk upload of security instruments and market security-price.
- Process Securities Deal Contract
  This topic describes the systematic instructions to process securities deal contract.

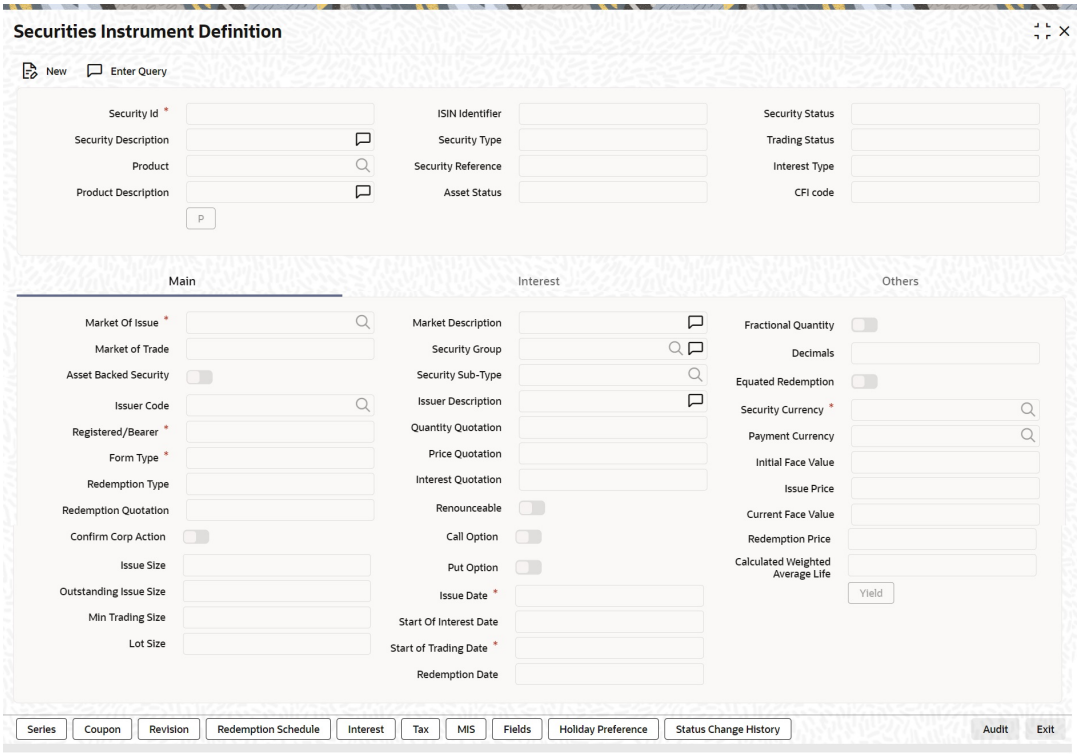
18.1 Process Security Deals Product Definition

This topic describes the systematic instruction to maintain process security deals product definition.

1. On Home page, specify **SEDTRONL** in the text box, and click next arrow.

   Security Instrument Definition screen is displayed.

Figure 18-1 Security Instrument Definition



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

   For more information on fields, refer to the *Security Instrument Definition - Field Description* table.

   When you enter into a deal, the details defined for security will automatically be picked up. Security is maintained in the Security Definition screen, which is invoked from the Application Browser.

18.2 Details of a Security

This topic describes the details of Security deal such capturing interest detail, indicating corporate action preference, capturing trade-related information, specifying type of price quotation, indicating bankers acceptance, specifying currency type,

This topic contains following sub-topics:

- Capture Details of a Security
- Capture Interest details
- Indicate Corporate Action Preference
- Capture Trade-Related Information
- Specify Type of Price Quotation
- Capture Information Specific to the Security Type
- Indicate bankers acceptance
- Specify Currency
- Specify Relevant dates

- Specify Price Details
- Specify Interest Details for a Bond
- Opting for Automatic Initiation of Corporate Actions
- Indicate a Revaluation Price Code
- Indicate the Collateral Type
- Specify the Market for Revaluation

18.2.1 Capture Details of a Security

Security can be maintained in the Security Definition screen, which is invoked from the Application Browser. In the Securities Definition screen, you can maintain details of the different kinds of securities that you deal with. They include Bonds, Zero Coupon Bonds, Treasury Bills, Equities, Rights, and Warrants. When dealing with security, the details that you specified on this screen will be picked up automatically.

Security must be maintained under a Security Product, created by the Head Office. For instance, if your bank has defined a Short Term Zero-Coupon Bonds security product, you would maintain all short-term zero-coupon bonds that you deal with under this product. Security inherits all the attributes defined for the product under which it is maintained.

This enables the efficient maintenance of security. At the time of saving a deal, the customer's portfolio balances for the security of the deal will be taken and the balance in security currency will be computed and inserted in the FATCA accounts and obligations screen. If the deal is closed or liquidated completely, then the corresponding row in FATCA accounts and obligations maintenance will be archived. If you delete the deal before authorization, then you should also delete corresponding entry in FATCA accounts and obligations maintenance.

Table 18-1 Security Instrument Definition - Field Description

Field	Description
Security Reference Number	In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially, by the system. This number tag is used to identify the security that you are maintaining. It is also used in all the accounting entries generated by transactions involving security. Thus, the system generates a unique number for each security. 19-4 The security reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number. The Julian Date has the following format: YYDDD Here, YY stands for the last two digits of the year and DDD for the number of day (s) that have elapsed in the year. For example, 31 January 1999 translates into the Julian date: 99031. 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. 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).

Table 18-1 (Cont.) Security Instrument Definition - Field Description

Field	Description
Security Id	You can identify a security that you are maintaining, with a unique identifier and a brief description. The identifier is referred to as the Security ID. A security will be identified by this number in addition to, the Security Reference No., generated by the system.
Description	The description that you specify is for information purposes only, and will not be printed on any customer correspondence.
ISIN (International Security Identification Number) Identifier	You can enter the ISIN reference, allotted to the security that you are maintaining. In theSWIFT messages that you generate, this number will identify a security.
Security Type	The securities that you deal in can be broadly classified into the following types: • Bonds • Zero Coupon Bonds • Equities • Rights • Warrants You can maintain a security of a particular type, only under products defined for the type. For instance, you can only maintain bonds, under a product defined for Bonds. The attributes that can be defined for a security depend on the Security Type. For example, if the security type is indicated as Bond, you can also define details relating to interest.
Trading Status	This field is generated by the system, that states whether the trade is Active or Closed (Suspended).
Security Status	This field is generated by the system, that states whether the security is of Primary type (new issue) or Secondary type.
Interest Type	This is a auto populated field. This is populated by the system based on the security product preferences specified. The value can be: • **Fixed** • **Floating**
CFI Code	Enter the financial instruments classification code of the security.
Product Code	You can associate every security that you maintain with a Security Product that you have maintained in the Security Product Definition screen. When you associate security with a security product, it acquires the attributes defined for the product. This means, you do not have to define the attributes of a security, all over again, when maintaining it. On choosing a product, you can view the type of security that you can associate with the product. The Security Type field displays this information. For instance, you can associate a bond that you are maintaining only with a product created for ‘Security Type: Bond’.
Description	In the adjacent field, you can view a brief description of the product (with which you have chosen to associate the security that you are maintaining).

Table 18-1 (Cont.) Security Instrument Definition - Field Description

Field	Description
Market of Issue	For a security, you can identify a Market of Issue. Only a market that you have maintained in the Markets Maintenance screen can be specified.All securities maintained under a product, by default, will also be associated with the market specified, for the product. When maintaining a security, however, you can identify a unique market for the security. An issuer of securities should have a valid CIF record, in the Core module of OracleBanking Treasury Management. When maintaining a security, you should identify the issuer. Your CIF specifications for the issuer, such as Limits, will automatically be picked up, for the security.
Market of Trade	Select the market of trade from the adjoining drop-down list. The list will display the following values: • **Exchange Traded** • **Over the Counter**
Asset Backed Security	The system will automatically default this checkbox based on the value in the 'Security Sub-Type' field. If any one of the CLO, CMO or MBS is selected, then this checkbox will be checked. This field helps in identifying the instrument as Asset Backed Security or not.
Specify Material of Security	When maintaining a security, identify the manner in which it can be held, and the material of the security. The holder of a security can be one of the following: • **Registered** • **Bearer** Securities can be in different formats:
Redemption Quotation Method	The Redemption Quotation Method can be specified in the following ways: • Percentage – In this case, the quantity to be redeemed is expressed in percentage. • Factor – In this case, the quantity to be redeemed is expressed in fraction. • Cash-flow – Here, the quantity to be redeemed is expressed as an actual cash flow. This represents the amount per face value that will be received on the redemption date. The cash flow includes the coupon and the redemption amount. **Note:** The Redemption Quotation types 'Factor' and 'Cashflow' are applicable only for the quantity redemption type securities.
Security Group	Specify the security group from the adjoining option list. The list will display all valid values maintained for the type 'ABS_TYPE' in the Treasury Static Type Maintenance screen. You can choose the appropriate one.
Security Sub-Type	Specify the security sub-type from the adjoining option list. The list will display all valid static values maintained in the system. You can choose the appropriate one.
Calculated Weighted Average Life	Displays the calculated Weighted average life of the instrument. It will be calculated on every accrual date and will get updated on every redemption or financial year change. Note: This is applicable only for Quantity redemption type and Accrual method as 'Weighted Moving Average'.

Table 18-2 Securities Formats

Option	Description
Scrip-based	Issued in a paper format
Dematerialized	In an electronic format
Immobilized	Securities in lieu of which proxies are traded
Combination	Issued in one or more of the above formats

18.2.2 Capture Interest details

1. On Home page, type **SEDTRONL** in the text box and click next arrow
2. On the **Securities Instrument Definition** screen, click **Interest**.

   The **Securities Instrument Definition Interest** screen is displayed

   For more information on fields, refer to table *Market Definition - Field Description*

18.2.3 Indicate Corporate Action Preference

The 'Confirm Corp Action' box indicates whether the redemption and coupon schedules should be created as a confirmed corporate action or not. By default, this check box will be checked. However, you can uncheck it to indicate that all redemption and coupon schedules should be created in the corporate action maintenance as unconfirmed.

18.2.4 Capture Trade-Related Information

You can define the minimum quantity in which a security should be traded. Enter the specification in the Lot Size field. Preferences defined for the product, under which you maintain the security, will default to this screen. These default attributes can be changed.

The Quantity Quotation method

Securities can be quoted in terms of:

- Units (500 units of a security)
- Nominal (securities worth USD 5000)

Specify the quantity quotation method for every security you maintain. A security maintained under a product acquires the quotation method specified for the product. If you choose the Units Quotation option, you may also indicate whether the security can be traded in fractional units. Specify the fractional units in the Decimals field. Deals entered in fractional units of the security will be validated against the decimal value that you specify.

18.2.5 Specify Type of Price Quotation

The method in which price is quoted is a feature of the market where security is traded. Each market may use a particular price quotation method. The price of a security can be quoted in the following ways: Price - in this method, the total price of the security is quoted. The total price can be expressed as:

Price - in this method, the total price of the security is quoted. The total price can be expressed as: (Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is Flat)

% Price - the price is quoted as a percentage, as follows:

% Price = (Market price / Face value) x 100

% Discount - in this case, the price is quoted based on the discount percentage at which the security is bought or sold.

% Premium - in this case, the price is quoted on the basis of the premium percentage at which the security is bought or sold.

Premium - here, the price is quoted on the basis of the premium at which the security is boughtor sold. That is, the differential between the face value of the bond and the price at which it isbought or sold.

Discount - the price is quoted on the basis of the discount at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

YTM - the price is quoted based on its yield to maturity.

The yield on a discounted instrument is measured by its yield to maturity (YTM). YTM is the yield on a security, calculated from the purchase date to its maturity. The YTM keeps changing with the market price. In case the market price increases above the straight discounted price, YTM would decrease and vice versa.

The price using this quotation method is calculated thus:

Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same. The price quotation specifications defined for the product, under which the security is maintained, will default in this screen. However, this quotation method can be specific for a security.

18.2.6 Capture Information Specific to the Security Type

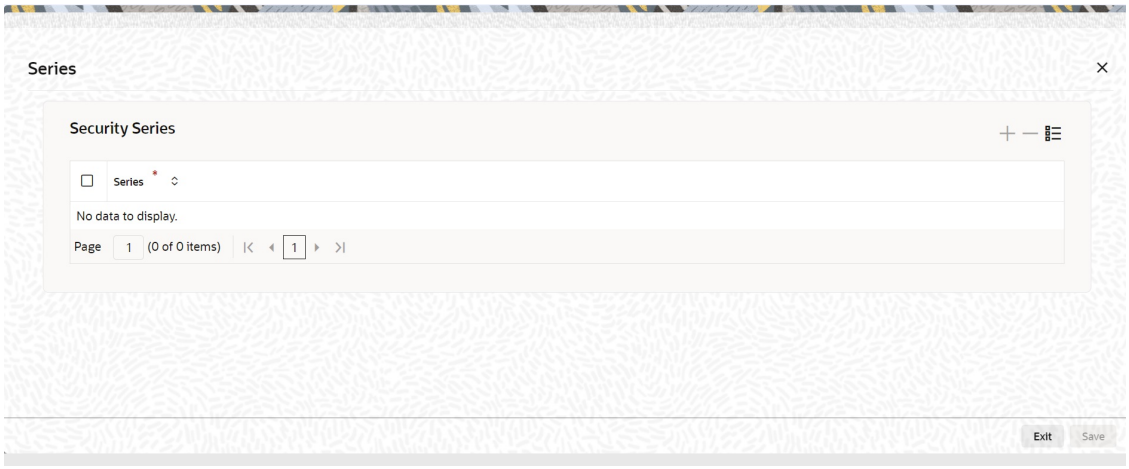
If the Security Type is bond

You can indicate if Call and Put options are available for the bond that you maintain in this screen. The issuer of a bond may also offer the option of converting the bond into shares or equities. Such bonds are referred to as convertible bonds. Choosing the Convertible option can capture this information. You can also indicate if the bonds would be Redeemable, and if so, the mode of redemption. An issuer can redeem bonds in three ways:

- Series
- Quantity
- Bullet

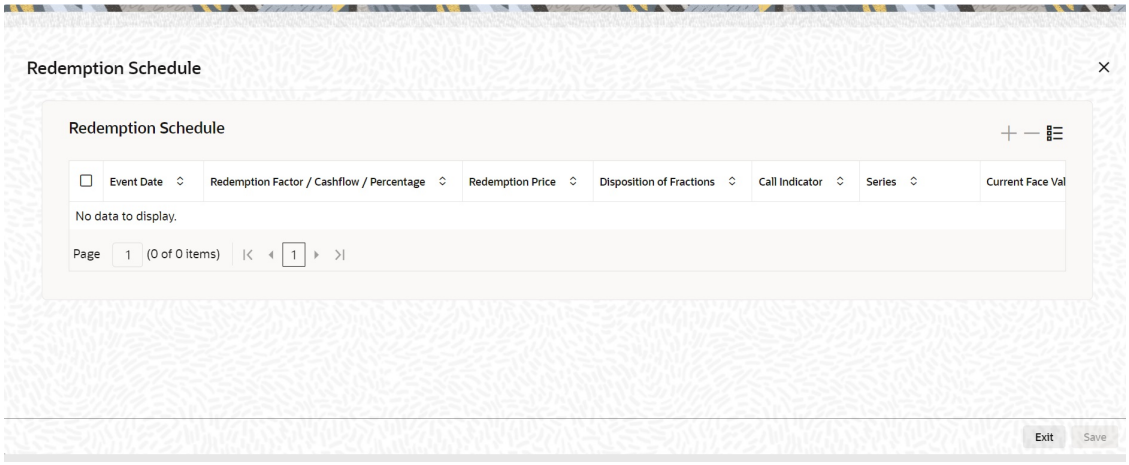
For bonds with the Redemption Type defined as Series, you can specify the Series details in the Security Definition - Series screen. Click **Series**.

Figure 18-2 Series



The actual (series) redemption dates can be specified, in the Security Definition – Redemption Schedules screen. For bonds with the Redemption Type, defined as Quantity and Series, you can specify the redemption details in the Security Definition - Redemption Schedules screen. This screen is invoked by clicking on the ‘Redemption Schedule’ button.

Figure 18-3 Redemption Schedule



Specify the date(s) of redemption (in the Event Date field) and the quantity of redemption (in terms of a percentage/fraction/actual cashflow). If the redemption mode is series, specify the series that should be redeemed on an Event Date. If the redemption quotation is ‘Cashflow’, you should ensure that the quantity is not less than the interest for the period. Redemption price will be derived based on redemption quotation type. If the Redemption quotation is ‘Factor’, then the redemption price will be derived as follows:

- Fn is the redemption factor of the nth redemption schedule
- Fn-1 is the redemption factor of n-1th redemption schedule (this value will be 1 for thefirst redemption schedule)
- RPn is the redemption price of the nth redemption schedule

- FV0 is the original face value of the security

$$RP_n = (F_{n-1} - F_n) * FV_0$$

> **Note:**
>
> The factor for the final redemption date will be zero. During modification of redemption schedules, the system will validate whether the cumulative factor of all redemption schedules(previous period factor – current period factor) is equal to one or not. The factor for each redemption schedule cannot be greater than one.

If the Redemption quotation is ‘Cashflow’, then the redemption price will be derived as follows:

$$RP_n = (CF_n - C_n)$$

- CFn is the cash flow of nth redemption schedule
- Cn is the actual coupon cashflow for the nth coupon period
- RPn is the redemption price of the nth redemption schedule

In case the Redemption Quotation is ‘Percentage’, the system will allow you to define the percentage as zero for any intermediate schedule. However, it will validate whether the sum of all percentages is equal to 100 or not. At the time of instrument definition for Factor/Cashflow type of securities, if the Factors/ Cashflows are unknown, the final redemption price will be the initial face value. At any point in time, if the factor values/cash flows for redemption date(s) are specified, then the final redemption price will be calculated as the Face value – the sum of the redemption price of the intermediate schedules. If the total redemption price across all schedules is not equal to the initial face value for Factor/Cashflow type of securities, the system will display an error message upon saving the record.

> **Note:**
>
> For Collateral Debt Obligations (CDOs), the sum of intermediate cash flows cannot be greater than the face value.

If the Security Type is equity

The issuer of equity can grant a holder voting rights. This information can be captured when maintaining a security, with the Security Type, Equity.

If the Security Type is Right or Warrant

Rights and Warrants can be renounced. You can capture this information when maintaining rights and warrants.

The system will display the following details:

- Current Face Value - It indicates the current face value for every quantity redemption.

- Redemption Factor - Based on Redemption Quotation (Factor, Cashflow or Percentage), the equivalent factor of the schedule cashflow will be computed. For 'Factor', the value will be same as Redemption Price. For 'Cashflow' and 'Percentage' redemption quotation, the factor equivalent of the schedule will be displayed.

18.2.7 Indicate bankers acceptance

Indicate whether or not you intend to use the security you are defining for a Banker's Acceptance deal. If this option is checked, it implies that you can fund the issuer of the security through a loan contract or a money market placement deal. You can also trade in the security on your behalf.

The value for this field defaults based on your specification in the Security – Product Preferences screen. If the default value is 'Yes', you can change it to 'No', but not the other way round. The quantity quotation for this security has to be 'Nominal' if the Banker's Acceptance option is enabled. Refer to the Deal Online chapter of this User Manual for details on processing Banker's Acceptances.

18.2.8 Specify Currency

When maintaining a security, specify the currency in which it is issued. You can also indicate the currency in which, the issuer of the security (that you are maintaining) pays corporate actions, such as Coupon Payment. The currencies can be selected from the pick lists available.

18.2.9 Specify Relevant dates

Capture the dates that are relevant to a security being maintained. The following are the dates that you should specify:

- The Issue/Tear-off Date
- The Start of Interest Date
- The Start of Trading Date
- The Redemption/Expiry/Maturity Date

The Start of Interest Date and the Start of Trading Date that you specify should be greater than the Issue Tear-off Date. In case you want to extend the redemption date of the security after it is authorized, indicate a new redemption date in the redemption/Expiry Date field.

> **Note:**
>
> No back dated buy/sell deal input or reversal of a deal is allowed before the transaction date of the security extension.

On extension of the security, YTM for all deals will be recomputed and the Discount/Premium accrual will be completed till the extension date (using the old redemption date). Discount/ Premium accrual for only the unaccrued part will be done using the new redemption date after extension. Additionally, you can also maintain a new interest revision schedule for an extended period.

18.2.10 Specify Price Details

Specify the following price details for a security:

- The Initial Face Value
- The Issue Price
- The Redemption Price

Table 18-3 Information table

Term	Description
Initial Face Value	This is the actual unit face value of the security you are maintaining, as of the Issue Date. This price is also referred to as the par value of the security.
Issuer price	An issuer can offer a security at a premium or at a discount with respect to the par value, on the Issue Date. You can capture the offer price (the purchase price), or the Issue Price for a security that you are maintaining. **Note:** You must capture the Issue Price of Zero Coupon Bonds
Current Face Value	This is a system-generated value, giving the current Face value of the security. This is the same as the Initial Face Value but may differ in case of split or reduction of face value by the issuer to increase the capital base. When viewing the details of bonds, defined with quantity redemption, you can view the face value as of the current system date.
Redemption	The price at which an issuer redeems a security is referred to, in Oracle Banking Treasury Management, as the Redemption Price. Enter the Redemption Price of the security, when defining it in this screen.

18.2.11 Specify Interest Details for a Bond

When maintaining a bond, you must define its interest details.

- Flat
- Plus Accrued

When the interest component is included in the market price of a security, the quotation method is referred to as Flat. A flat price of a security is also referred to as the Dirty Price. When the interest component is excluded from the market price of a security, the quotation method is referred to as Plus Accrued.

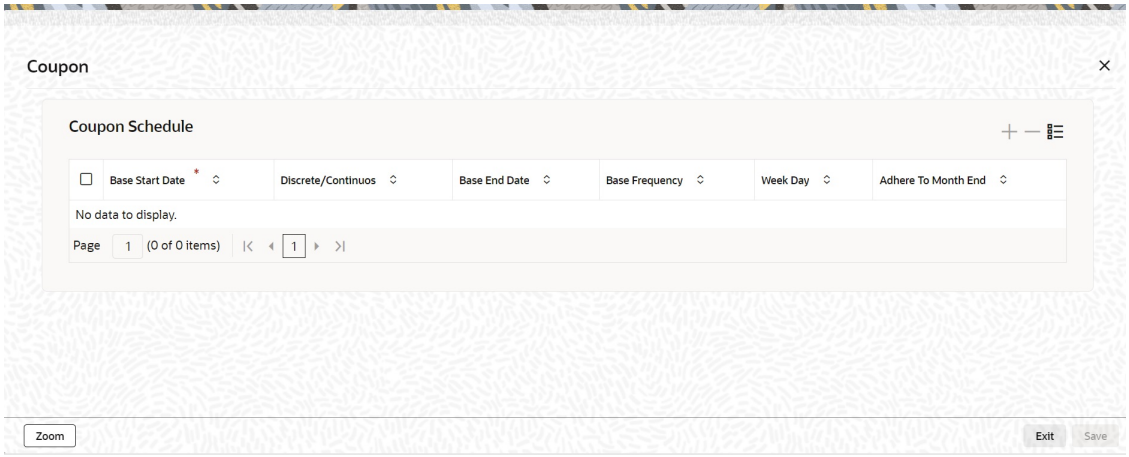
Specify Coupon Frequency

You can indicate if the coupons due for a bond are periodic. Choose the Periodic option, to indicate that the coupon is periodic. Coupons for a bond will be calculated according to the periodicity that you specify. For an interest-bearing bond, with a periodic coupon, you must indicate the Coupon Frequency. The coupon frequency can be:

- Weekly
- Monthly
- Once in two months
- Quarterly
- Once in four months

If you indicate that the coupon frequency is weekly, you should also indicate the day on which the coupon is due. For instance, you can have a bond with a weekly coupon that is due on Wednesdays. If the coupon frequency is in terms of a month, you can indicate that the coupon days should adhere to Month-Ends. You can define the actual coupon schedules in the Securities Definition – Coupon Schedules screen. You can process this screen by clicking Coupon.

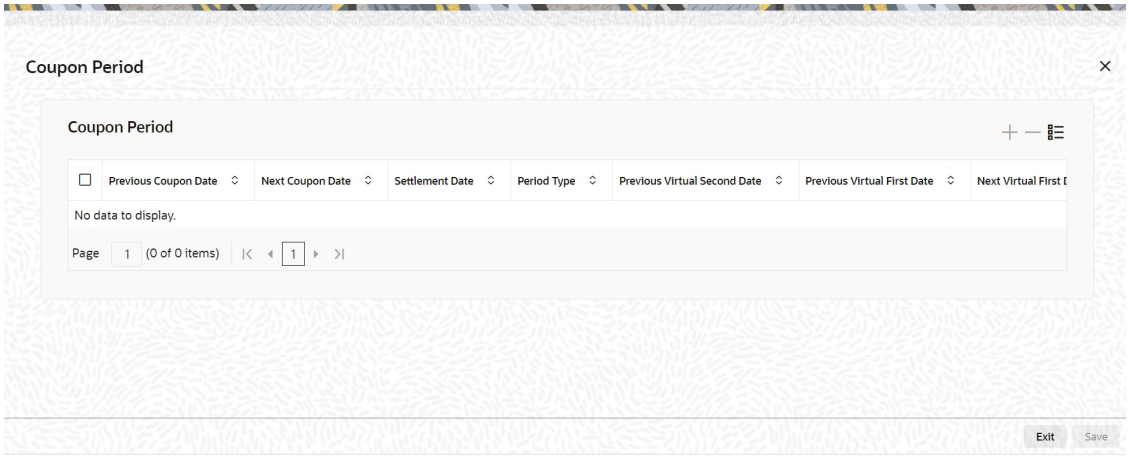
Figure 18-4 Coupon



In this screen, you can specify the first coupon due date (Base Start Date) and the last coupon due date (Base End Date). If you choose the Continuous option, the system calculates all intermediate coupon due dates, based on the frequency specified. If you specify a weekly frequency, you must also specify the Week Day. You can also choose to adhere to month ends. For the Discrete / Irregular coupon schedule definition, you will have to set the coupon dates. For continuous coupon schedules, to introduce an intermediate coupon date, click add icon. Enter the intermediary Coupon Date, in the Base Start Date field, and choose the Discrete option. Even if the coupon schedules are defined to be continuous, you have the flexibility to amend the coupon payment dates.

Click Zoom in the Coupon Schedule screen to invoke details of the coupon periods:

Figure 18-5 Coupon Period



You can enter your coupon date amendments on this screen, provided the amended dates do not violate the limit set at the product level. The system computes and displays the settlement date by adding next coupon date + payment delay. During coupon date amendment, if you change the NCD (next coupon date) of one schedule, then you should also change the PCD (previous coupon date) of the next schedule accordingly. If you do not, the system will prompt you with a warning, but will not automatically update the PCD of a schedule when the NCD of the previous schedule is changed. After authorization, coupon dates can only be amended under the following conditions:

- You can amend only the NCD for the current period, provided that there are no active deals after the record date;
- For future periods, you can amend both the NCD and the PCD, provided that there are no active deals in that period.

Any such amendment of PCD/NCD will be subject to the validations as mentioned above.

Interest Rate

Specify the Interest Rate.

Specifying Holiday Treatment for Coupon Payments

The holiday treatment that you have specified as part of Product Preferences is inherited by the security. You can change this treatment for the particular security that you are defining. You can also amend it at any point in time – the amended parameters will take effect for subsequent coupon events. Irrespective of the holiday treatment specified by you, the system will not perform any holiday adjustment if, in the Product Event Accounting Entries Maintenance, you select ‘No’ as the Holiday Treatment parameter. A more detailed explanation is available in the Products manual. For details of holiday treatment of coupon payments, refer to the chapter on Securities Products in this manual.

Using the Holiday Calendar Currency list

If the issuer currency and the security currency are not the same, then you might wish to have coupon events fall on days which are common working days for both currencies. For example, the bank (issuer currency = EUR) issues a USD-denominated bond (security currency = USD), for which one of the coupon payments falls due on a Saturday (a holiday for both EUR and USD). In addition, the following Monday is a holiday for USD.

You have chosen ‘Forward’ as the holiday treatment option for processing of coupon events. Then, subject to the holiday treatment preferences that you maintain the coupon payment is processed with a value date of the following Tuesday, which is the next common working day for both currencies. For any security, you can maintain a list of currencies whose holiday calendars are to be consulted by the system in determining common working days. Click ‘H’ button to invoke the following list:

Use the options list against each field to select a currency whose holiday calendar you wish to be included in the computation of common working days. If one of the currencies maintained in this list is the local currency of the branch, then the system will use the branch holiday calendar to determine the common working days. For example, suppose that the branch currency is GBP and the security issuer currency is USD. You have maintained both GBP and USD in the holiday calendar currency list. Oracle Banking Treasury Management will use the USD holiday calendar and the holiday calendar of the branch for determining the common working day.

Specify the Interest Rate Revision Frequency

Revise the interest rates for bonds with floating interest. This revision frequency can be different from the coupon frequency. This is referred to as Asynchronous (interest rate) Revision. Asynchronous revision can be:

- Periodic
- Non-Periodic

As part of interest specifications, you can indicate Interest Rate Revision details. By default, interest rates will be revised according to the coupon frequency, defined for a bond. To revise interest rates at a different frequency, choose the Allow Asynchronous Revision option. If the asynchronous revision of rates is periodic, click on the Periodic Revision option, and specify the Revision Frequency. For a frequency that is weekly, you should indicate the day on which the revision is due. (For instance, you could indicate that the interest rates for securities should be revised every Monday.) If the revision frequency is in terms of a month, you can indicate that the revision days should adhere to Month-Ends. The implication of this option is explained in the following example. Assume the Issue Date of the security (with floating interest and an asynchronous rate revision) is 01 January 2000 and the Maturity Date is 31 December 2000. You have specified that the interest rate revision frequency is quarterly. If you choose the Adhere to Month End option: The rate revisions for this security would be due on the following dates:

- 31 March 2000
- 30 June 2000
- 30 September 2000
- 31 December 2000

If you do not choose the Adhere to Month End option:

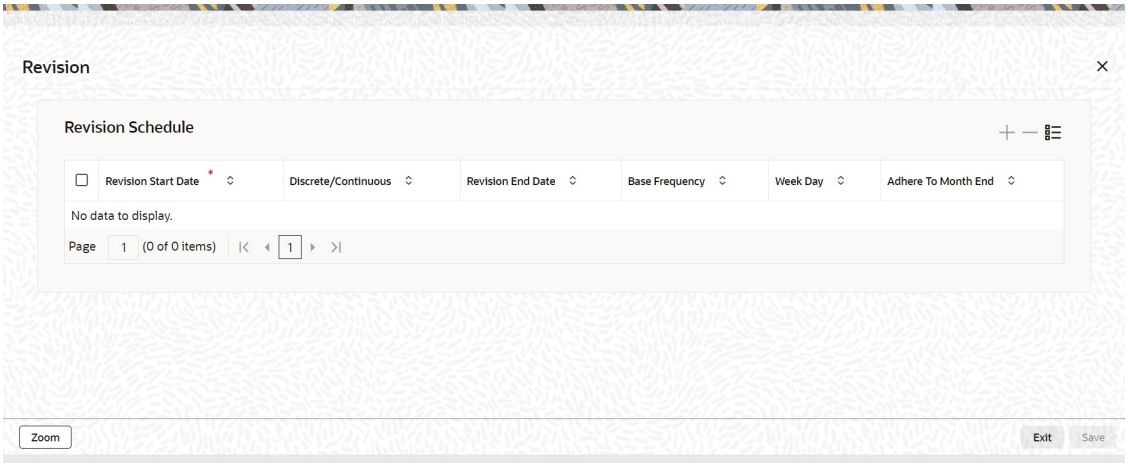
The rate revisions for this security would be due on the following dates:

- 31 March 2000
- 30 June 2000
- 30 September 2000
- 31 December 2000

If the interest rates for a security should be revised on a non-periodic basis, you should leavethe Periodic Revision option blank. You can capture the actual revision details for a security, with non-periodic rate revision, in the Security Definition – Revision Schedules screen.

Click **Revision**.

Figure 18-6 Revision



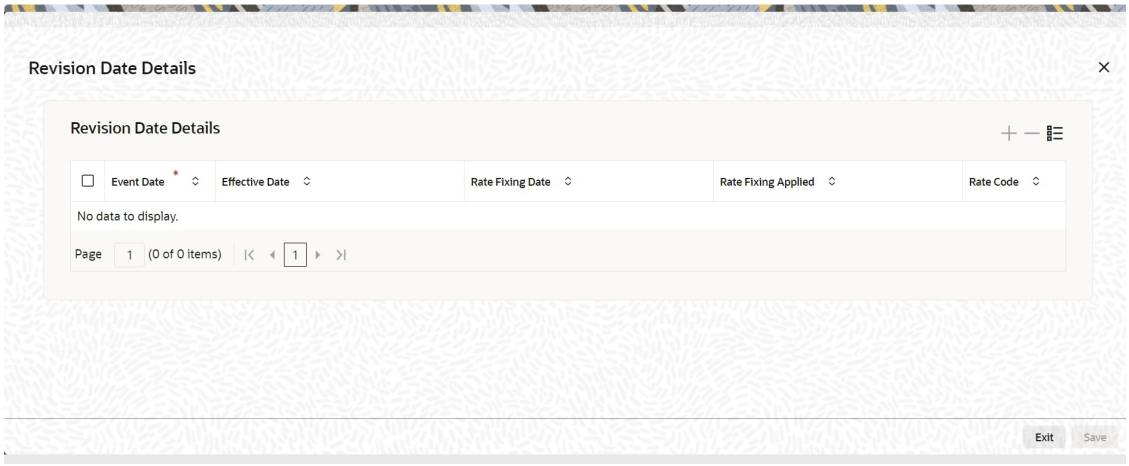
In this screen, specify the first revision due date (Base Start Date) and the last revision due date (Base End Date). If you choose the Continuous option, the system calculates all.

The base start date can be equal to or greater than the start of interest date, but not less than the start of interest date.

Intermediate revision due dates, based on the frequency specified. If you specify a weekly frequency, you must also specify the Week Day. You can also choose to adhere to month ends. To introduce an intermediate revision date, click the add icon. Enter the intermediary Revision Date in the Base Start Date field and choose the Discrete option.

Click **Zoom** button in the Revision screen and the system displays the revision date details for the coupons.

Figure 18-7 Revision Date Details



Build Rate Fixing Schedules

On saving the SE Instrument, 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 save of 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 via online screen or EOD processing, a new event rate fixing event RFIX will trigger and the rate fixing applied field will be updated automatically to Y. The effective rate will resolve after considering the spread and is displayed with other rate related details in the Revision date details screen of SEDTRONL.

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 the rate revision event will trigger.

Table 18-4 Rate Fix Forward Example - 2 days forward (Rate fixing is applied 2 days after the revision schedules and adjustment entries are posted)

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 18-5 Rate Fix Backward Example - 2 days Backward (Rate fixing is applied 2 days before the revision schedules)

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 18-6 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

Exempting interest for the ex-period

For Purchase Deals and Sell Deals booked in the Ex-Period, you can specify whether you want to calculate the interest. If you check this box, the system will not apply interest for such deals. In addition, the system accrues the holdings as of the ex date and will not pass any interest related accounting entries related to the deals booked in the Ex period. In case you do not opt for zero interest facility, the system accrues the actual holdings during the accrual period including the buy/sell deals booked in the Ex period. The system defaults the value maintained in the Market Definition screen. You can choose to change this value, if required. However, you will not be allowed to change this value if the security is already authorized.

18.2.12 Opting for Automatic Initiation of Corporate Actions

Check against the option Auto Initiation of Corporate Action, to indicate that corporate actions for a security should be automatically initiated. If you choose this option, corporate actions for a security will be initiated automatically on the due dates specified (as part of the corporate actions for a security). If you do not choose this option, you will have to manually initiate all corporate actions required for the security.

18.2.13 Indicate a Revaluation Price Code

Every security that you deal with must be associated with a Price Code. A Price Code identifies the price of security in a specific market. To ascertain the value of a security in a market, with reference to the prevailing rates, you need to constantly revalue the security. When defining security, specify the Price Code that you would like to use, to revalue the security. The value of a security in a market will be determined with respect to the current rates for the corresponding price code.

18.2.14 Indicate the Collateral Type

A customer can offer you securities as collateral against a liability. In the Central Liability module of Oracle Banking Treasury Management, you can categorize different types of securities into Collateral Types. For example, Government Bonds can be defined as one type of collateral, and Corporate Bonds as another type. When maintaining security, specify its Collateral Type.

18.2.15 Specify the Market for Revaluation

Indicate the market, which will determine the number of spot days to be used for arriving at the revaluation date while revaluing the security using the effective interest method.

18.3 Specify the Yield Calculation Parameters for a Security

This topic describes the yield calculation parameters for a security.

For each Security, the Yield Calculation Parameters are defaulted from the market of an issue depending on whether it is a Bond or a T-Bill. You will be allowed to modify these details for a specific Security. Click the **Yield** button in the Security Definition screen. The Yield Calculation Parameters screen is displayed.

Table 18-7 Yield Calculation Parameters - Field Description

Field	Description
Specifying YTM method for T-Bills	The basis for YTM calculation for T-Bills can either be: 1. Simple interest 2. Effective (Compound) interest If you enable the Use Bond Formula option, YTM is calculated using the effective interest formula (typically used for bonds). For Bonds and T-Bills with the effective interest method of YTM calculation, you need to specify the following details:
Reinvestment Period Days	The effective interest formula assumes that coupon payments are reinvested at the same rate as the yield of the T-Bill/Bond till the maturity of the security. You have to specify this period in terms of days.

Table 18-7 (Cont.) Yield Calculation Parameters - Field Description

Field	Description
Annualizing Method	For Bonds and for T-Bills with effective interest you need to specify the annualizing method. This is the method by which the System computes the periodic YTM from the deal YTM, which is annualized. The options available are: • **Simple** • **Compound** If the Annualizing method is Compound, the relationship between the periodic YTM and the deal YTM is computed as follows: $y_0 = \left[(1 + Y_0)^{\frac{P}{A}} - 1\right]$ If the Annualizing method is Simple, it is computed as follows: $Y_0 = \left[y_0\left(\frac{A}{P}\right)\right]$ Where • y0 is the Periodic YTM • Y0 is the Deal YTM • A is the Day Count Method – Denominator • P is the Period of Reinvestment. If Null, defaulted to A/ Apart from these details you need to specify the Day Count Denominator and Numerator methods for all Bonds and T-Bills.
Day Count Method Numerator	Indicate the day count numerator, which is to be used to arrive at the number of days for yield calculation. The options available are: • **30 Euro** • **30 US** • **Actual**
Day Count Method Denominator	Select the day count method to be used while calculating yield from the adjoining drop-down list. This list displays the following values: • **360** • **365** • **364** **Note:** Values of Day Count Method Denominator maintained in '**Yield Calculation Parameters**' screen is used in Yield calculation of T-Bills and Bonds.
Premium/Discount for Current Interest Period	Check this option to specify that the premium or discount should be accrued only for the current period. This option will be applicable only if the security is a Floating Rate Bond. **Note:** This option will be disabled if the bank level parameter COMMON_YLD_ACCR is set to 'Y'. Asynchronous revision cannot be enabled if the Premium/Discount for Current Interest Period is checked and vice versa.

- Process Bonds and T-bill based on the YTM parameters

18.3.1 Process Bonds and T-bill based on the YTM parameters

While processing a Bond, if the Price quote is not by 'Yield to Maturity', the YTM is computed based on the formula given below:

$$P_0 = \left[\sum_{i=1}^{N} \frac{C_i}{(1+\%y_0)^{(\frac{\Delta d_i}{P})}} + \frac{R.P.}{(1+\%y_0)^{(\frac{\Delta d_N}{P})}} - AI \right]$$

Where:

- P0 is the Purchase price of the Bond
- N is the Total number of coupons
- Ci is the Coupon payment for coupon i
- y0 is the Periodic YTM
- Y0 is the Annualized YTM
- A is the Day Count Method – Denominator
- n is the Coupons in a Year
- P is the Period of Reinvestment. If Null, defaulted to A/n
- R.P. is the Redemption Price
- AI is the Accrued Interest
- di is the Coupon Date ¡V Value Date
- d_N is the Redemption Date – Value Date

The formula used to calculate the yield given price – for T-Bills (provided you have enabled the Use Bond Formula option), will be

$$P_0 = \left[\frac{R.P.}{(1+\%Y_0 * (\frac{\Delta d}{A}))} \right]$$

Where

- P0 is the Purchase price of the T-Bill
- R.P. is the Redemption Price
- y0 is the Periodic YTM
- d is the Redemption Date ¡V Value Date
- A is the Day Count Method – Denominator

The following example explains the computation of YTM for T-Bills, using the formula mentioned above.

Table 18-8 Price Table

Purchase Price	USD 90
Redemption Price	USD 100
Day count method Numerator	Actual
Day count method Denominator	365
Reinvestment Period	183 days
Redemption Date	30-June-2003
Purchase Value Date	31-Jan-2003
Annualizing Method	Simple

Applying the formula the periodic YTM is calculated as follows:

90 = (100/((1+y0)^(((30-June-2003)-(31-Jan-2003))/183)))

y0 = ((100/90)^ (183/((30-June-2003)-(31-Jan-2003)))) – 1

y0 = 0.1372 or 13.72%

Annual YTM is computed using the relationship given above.

Y0 = 0.14*(365/183)

Y0 = 0.2736 or 27.36%

Refer to the *Batch Processing* Chapter of this manual for detailed information on End-of-Day processing for Securities with YTM as the as method of accruing Discount or Premium

18.4 Interest Method for Computing Coupon Interest

This topic describes the interest method for computing coupon interest.

Apart from the above-mentioned method for calculating the interest, you can also use the ACT/ ACT–ISMA Interest Method and ACT/ACT–FRF Interest Method

ACT/ACT–ISMA Interest Method

The ACT/ACT–FRF Interest Method is applied for periodic coupons using the following coupon: Coupon Interest = Nominal x (Coupon Rate/Number of Coupons) x (Number of elapsed Days/ Number of days in coupon period) For ACT/ACT–ISMA, you need to maintain the following parameters:

- Numerator Method – Any of the option in the list
- Denominator Method – Actual
- Denominator Basis – Per Annum
- Rate Denomination Basis – Per Coupon Period

Specify denominator method for calculating the accrual and liquidation amount as follows:

Denominator Method

Select the denominator method from the adjoining drop-down list. This list displays thefollowing values:

- 360

- 365
- 364

The values of Denominator Method maintained in 'Securities Instrument Definition' screen are used for accrual and liquidation Interest amount calculation for Bonds for a given security.

366 Basis

While maintaining the Interest related details in the Security Definition screen, you need to specify the whether the system should use leap year or leap date for calculating the interest.

- Leap Year (Y) – Indicates that the system will compute the interest based on the number of calendar days in the year.
- Leap Date (D) – Indicates that the system will use the ACT/ACT–FRF Interest Method to compute the interest.

> **Note:**
>
> This field is enabled only if the Denominator Basis value is Per Annum and the Denominator Method is ACTUAL.

ACT/ACT–FRF Interest Method

In ACT/ACT–FRF Interest Method, the Numerator will be the actual number of days betweentwo coupon dates and the denominator will be 366 under the following cases:

- If 29th February falls between the duration of two coupon dates (i.e. previous coupon date and next coupon date)
- If the previous coupon date and the next coupon date fall in different years (annual frequency, next coupon dates in immediate subsequent year of previous coupon date)
- If the coupon schedule is not periodic and spreads across multiple years. The system will apply 366 as the denominator for all the years for computing the day count even if one instance of 29th February falls in between the coupon dates.

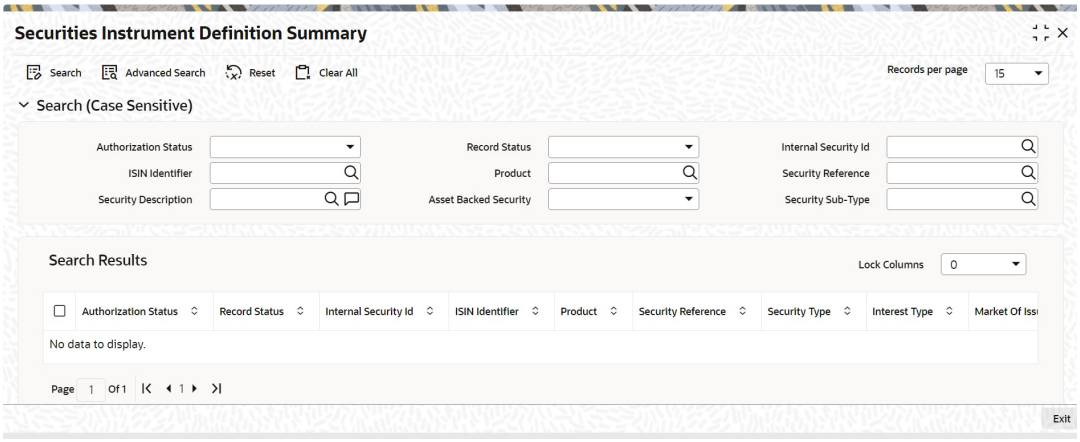
18.5 Process Security Instruments

This topic describes the systematic instruction to process security instruments.

1. On Home pae, specify **SESTRONL** in the text box, and click next arrow.

   Securities Instrument Definition Summary screen is displayed.

Figure 18-8 Securities Instruments Definition Summary



2. On the **Securities Instrument Definition Summary** screen, specify the fields.

   click the **Search** button to view all the pending functions. However, you can to filter your search based on any of the following criteria:

   - **Authorization Status**
   - **Record Status**
   - **Internal Security Id**
   - **ISIN Identifier**
   - **Product**
   - **Security Reference**
   - **Security Description**

   When you 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:

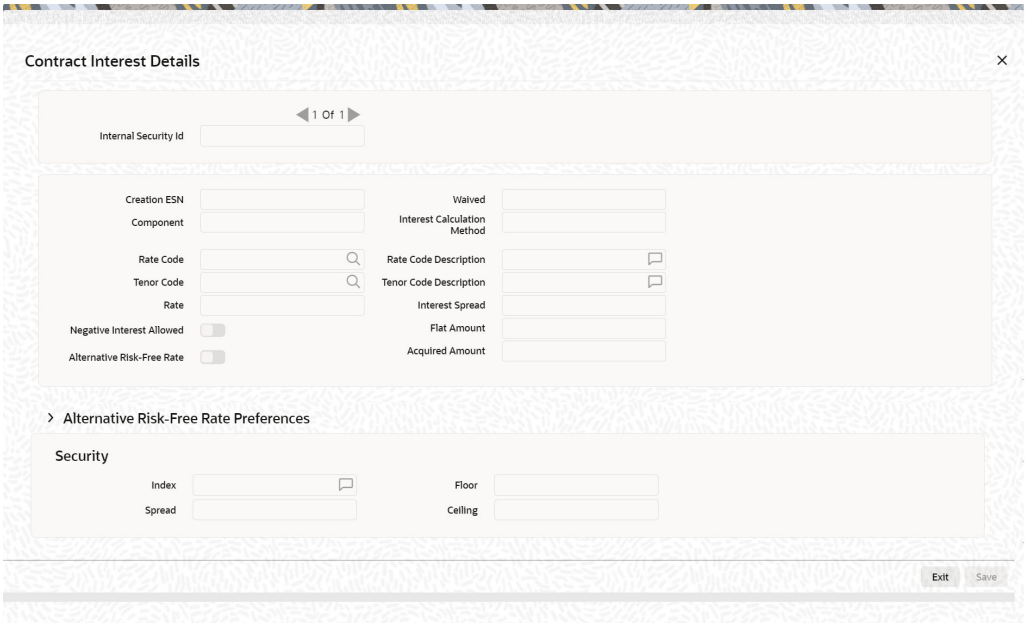
   - **Authorization Status**
   - **Record Status**
   - **Internal Security Id**
   - **ISIN Identifier**
   - **Product**
   - **Security Reference**
   - **Security Type**
   - **Interest Type**
   - **Market Of Issue**
   - **Issuer Code**
   - **Registered/Bearer**
   - **Form Type**
   - **Quantity Quotation**
   - **Price Quotation**
   - **Interest Quotation**

- **Renounce able**
- **Security Currency**
- **Payment Currency**
- **Security Description**
- **Issue Date**
- **Start of Trading Date**
- **Redemption Date**
- **Maker Id**
- **Checker Id**

3. On the **Securities Instruments Definition** Screen, click **Interest**.

Contract Interest Details screen is displayed.

Figure 18-9 Contract Interest Details



4. On **Contract Interest Details** screen, specify the fields.

For more information on fields, refer field description table.

Table 18-9 Contract Interest details - Field Description

Field	Description
Internal Security Id	Identify a security that you are maintaining, with a unique identifier. The identifier is referred to as the Security ID. Specify the security id.
Creation ESN	Event sequence number gets displayed by the system.
Component	Component gets displayed by the system.
Waiver	Check this box to indicate that interest on the contract should be waived.

Table 18-9 (Cont.) Contract Interest details - Field Description

Field	Description
Negative Interest Allowed	Check this box to allow negative interest for interest class. You can check this box only if interest class is maintained for Money Market, Corporate Deposit or Bills and Collections module and 'Main Component' flag is checked. If negative interest is allowed for an interest class, system will generate a negative interest component on saving the interest class. Negative Interest Class name is derived as Main Interest Class Code_N. If the length of main interest class code is more than 8, then the system truncates the interest class code to first eight characters and adds '_N".
Rate Code	While processing a contract, you need to indicate this code to make the rate applicable to the contract. Specify a valid rate code to identify the rate you are defining. The adjoining option list displays all the valid rate code maintained in the system. You can select the appropriateone.
Tenor Code	Specify a valid tenor code to identify the tenor for which this rate code should be applicable. The adjoining option list displays all the valid tenor code maintained in the system. You can select the appropriate one.
Interest Spread	Specify the Interest spread.
Rate	Specify the interest rate.
Flat Amount	Specify the Flat amount.
Acquired Amount	Specify the acquired amount.
Interest Calculation Method	The method in which the number of days is to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. However, you can change it. The following are the options available in the drop-down list: • **30(Euro)/360** • **30(US)/ 360** • **Actual/360** • **30(Euro)/365** • **30(US)/365** • **Actual/365** • **30(Euro)/Actual** • **30(US)/Actual** • **Actual/Actual** • **30(Euro)/364** • **30(US)/ 364** • **Actual/364**

Table 18-9 (Cont.) Contract Interest details - Field Description

Field	Description
Alternative Risk-Free Rate Preferences	Select any one of the RFR calculation method check box from the below options: • **Lookback** • **Payment Delay** • **Lockout** • **Interest Rollover** • **Last Reset** • **Last Recent** • **Plain** • **Weighted Average** The user can also select the combination of the below calculation method check box: • **Lookback and Lockout** • **Lookback and Payment Delay** • **Lockout and Payment Delay** • **Lookback, Lockout, and Payment Delay**
Lookback	The user can select **Lookback** as RFR preference if the Rate Method is **In-Arrears**. 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.
Look Back Days	This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lookback.
Lockout	The user can select Lockout as RFR preference if the Rate Method is In-Arrears. Lockout means that the RFR is frozen for a certain number of days prior to the end of an interest period (lockout period). 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.
Lockout Days	This field will only be relevant if 'Rate Method' is 'In-Arrears' or bearing and RFR method is Lockout.
Payment Delay	The user can select **Payment Delay** as RFR preference if the Rate Method is **In-Arrears**. 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.
Payment Delay Days	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.
Interest Rollover	Select this check box to enable interest rollover as RFR preference. Payments are set in advance and any missed interest relative to in arrears is rolled over into the next payment period. This option combines a first payment (installment payment) known at the beginning of the interest period with an adjustment payment known at the end.

Table 18-9 (Cont.) Contract Interest details - Field Description

Field	Description
Plain	The user can select Plain as RFR preference if Rate Method is In-Arrears or bearing. System uses averaged SOFR over current interest period, paid on first day of next interest period.
Index Value	Select the Index Value check box to use the RFR index rate. The RFR Index measures the cumulative impact of compounding RFR on a unit of investment over time. Index Value supports below RFR preferences. a. Arrear Method • Lookback • Lockout • Payment Delay • Plain b. Advance Method • Last Reset • Last Recent **Note:** For more information on RFR Index value calculation, refer to the RFR Index Value calculation worksheet.
Observation Shift	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. Observation Shift Currently supports below RFR Methods and combination. • Lookback • Lockout • Lookback and Lockout combination **Note:** For more information on RFR Index value calculation, refer to the RFR Observation Shift calculation worksheet.

Table 18-9 (Cont.) Contract Interest details - Field Description

Field	Description
Weighted Average	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. 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: $$AvgRate = \left[\sum_{i=1}^{d_b}\left(\frac{r_i \times n_i}{N}\right)\right] \times \frac{N}{d_c}$$ $$InterestAmt = Principal \times AvgRate \times \frac{d_c}{N}$$ Here, db: the number of business days for the interest calculation period dc: the number of calendar days for the interest calculation period ri: reference rate for the day number i within the interest calculation period 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 N: the number of calendar days in one year (360 to 365) For more information, refer to the RFR WAC sheet.
Spread Adjustment	Specify the Rate code spread adjustment.
Base Computation Method	Select the Base Computation Method from the drop-down list. The available options are: • **Simple** • **Compounded**
Spread/Margin Computation Method	Select the Spread\ Margin computation method from the drop-down list. The available options are: • **Simple** • **Compounded**
Spread Adj Computation Method	Select the Spread adjustment method is either as either Simple or compounded. • **Simple** • **Compounded**

Table 18-9 (Cont.) Contract Interest details - Field Description

Field	Description
Rate Compounding Method	Select the **Rate Compounding Method** from the drop-down list. The available options are: • **CCR** • **NCCR** 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 & SR modules.Rate Compounding supports two methods: 1. Cumulative Compounded Rate (CCR) 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. 2. Non-Cumulative Compounded Rate (NCCR) 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 methods: Arrear Method • Lookback • Lockout • Payment Delay • Plain
RFR Rounding Unit	Specify the Rounding Units value to round daily index value to the nearest whole number and use it for interest calculation. It is applicable only when RFR index value is used.
Index	Specify the index of the security.
Spread	Specify the spread component of the security.
Floor	Specify the lower limit of the security.
Ceiling	Specify the upper limit of the security.

During instrument creation and modification, user can change the RFR preferences in the interest call form.

During select and clear of the RFR flag, the respective Rate code mapping is done.

Existing Interest Spread field is used for RFR spread or margin value.

The Spread Adjustment is enabled for RFR component only.

Once an instrument is saved and authorized, the RFR preferences cannot be changed.

RFR instruments can be booked from non-RFR products and vice-versa.

Periodic revisions are not applied to RFR instruments.

RFR preferences defined at instrument level defaults to deal and cannot be modified.

To ensure that the rates are within the stipulated limits, Securities 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.

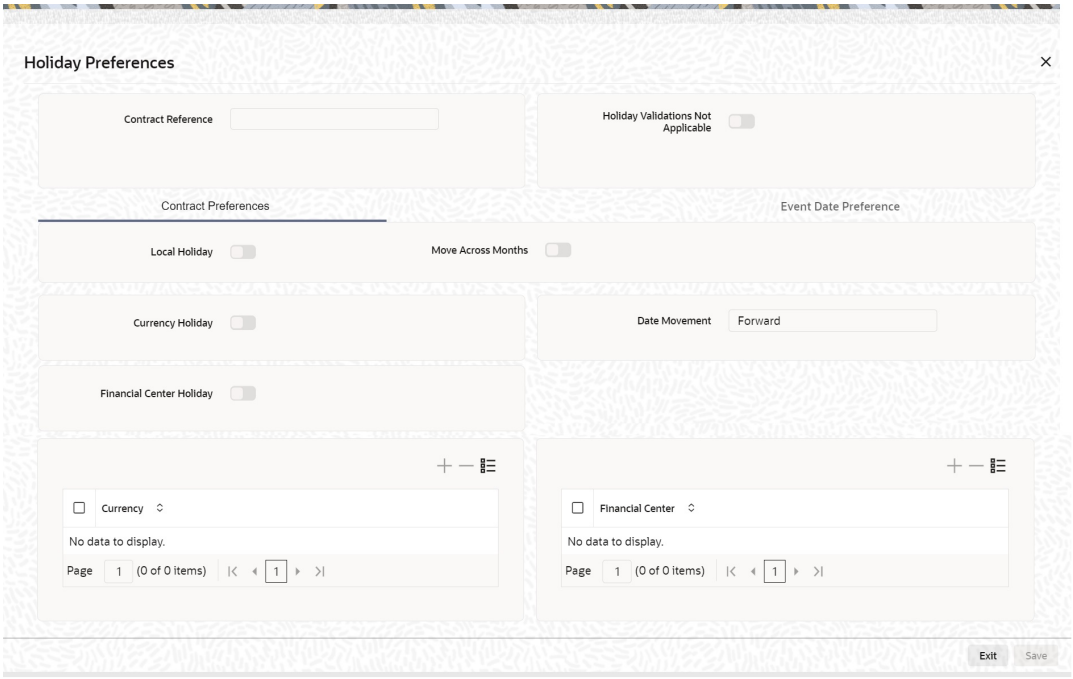
18.6 Holiday Preference

This topic describes the systematic instruction to capture in holiday preference and holiday validation assumptions.

1. On the **Securities Instrument Definition** screen, click **Holiday Preference**.

   Holiday Preference screen is displayed.

Figure 18-10 Holiday Preference



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

   See the below table for field descriptions:

Table 18-10 Field Description

Field	Description
Contract Reference	The Contract Reference number from the main screen is displayed here.
Holiday Validations Not Applicable	Check this box to indicate that the holiday calendar validation must not be performed.
Local Holiday	Select this check box, if the local holiday validation of dates and schedule movement is required, which is defaulted from product and amendable.

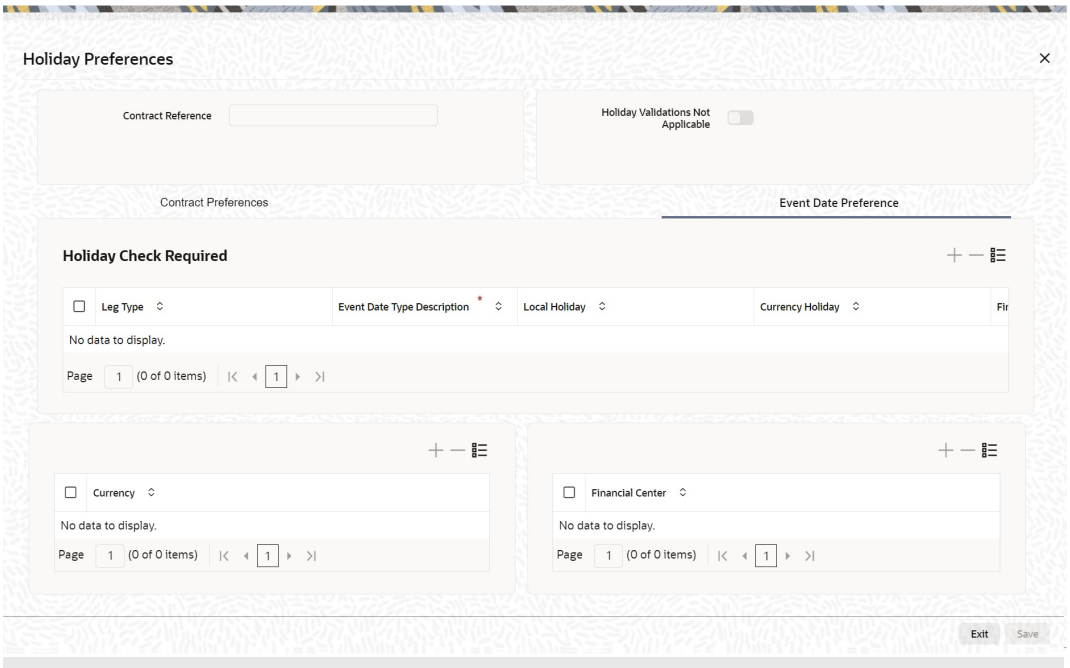
Table 18-10 (Cont.) Field Description

Field	Description
Currency Holiday	Select this check box, if the currency holiday calendar validation of dates and schedule movement is required, which is defaulted from product and amendable.
Financial Center Holiday	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.
Move Across Months	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.
Date Movement	Select the holiday date movement when the date falls on holiday. The adjoining drop-down list displays the following values: • **Forward** • **Backward**
Currency	Specify the currency details for which the holiday validation for dates and schedules movement is required, which is defaulted from product and amendable.
Financial Center	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.

3. On the **Holiday Preferences** screen, click **Event Date Preference**.

Holiday Preferences with Event Date tab details is displayed.

Figure 18-11 Holiday Preferences - Event Date Preferences



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

   The following are the field descriptions:

Table 18-11 Field Description

Field	Description
Leg Type	Select the leg type for the holiday preferences from the adjoining drop-down list. The list displays the following values: • **In Leg**
Event Date Type Description	Specify the description of event date type for which the holiday calendar validations must be performed. The adjoining option list displays all valid event description maintained in the system. You can choose the appropriate one.
Local Holiday	Select this check box if the local holiday validation of the dates and schedule movement has to be executed.
Currency Holiday	Select this check box, to execute the currency holiday calendar validation of the dates and movement of schedules.
Financial Center	Select this check box, to execute the financial center holiday calendar validation of the dates and movement of schedules.
Event Date Type	The event date type details is displayed in this field.
Move Across Months	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.
Date Movement	Select the holiday date movement when the date falls on holiday. The adjoining drop-down list displays the following values: • **Not Applicable** • **Forward** • **Backward**
Currency	Specify the currency from the adjoining option list. The list displays all valid currencies maintained in the system. You can choose the appropriate one. This field is mandatory if event date level currency holiday validation is required.
Financial Center	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. 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.

If the system validates the Safe Keeping Location (SKL) holiday, then you can create a Financial center corresponding to the SKL. Maintain a holiday calendar for the financial center corresponding to the SKL. Validations for this financial center are enforced by the system and thereby indirectly get the SKL holiday also validated. So multiple financial centers are linked and validated for a transaction.

The Issue Date or Tear Off Date, Redemption Date or Expiry Date, Start of Trading Date, Start of Interest Date, Coupon Base End Date, Coupon Base Start Date, Redemption Schedule date, Revision Start Date, Revision End Date, Rate Fixing Date, Trade Date, Spot Date, Deal Settlement Date and Money Settlement Date fields will be validated for Local, Currency and Financial Center holidays while Securities deal booking, and the system displays an appropriate override message.

When Rate Fixing 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 Rate Fixing 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’.

This topic has the following sub-topic:

- Holiday Validation Assumptions

18.6.1 Holiday Validation Assumptions

- Automatic schedule movement is applicable only for Payment and Rate Revision schedules across the modules.

Holiday Preference Example

If a SE contract is a comparing two currencies USD and GBP validations, as an addition, the user selects the Currency Holiday under Holiday Check Required section in Holiday Preferences screen and adds the INR as currency to validate, the system validates the same based on the INR holiday calender. As per the validation, if the currency date falls on a holiday the accounting entries or the transaction is done the next working day. If the INR holiday details is not present to validate, the INR validation is discarded by the system and the original validation of the USD and GBP is continued by the system.

> **Note:**
>
> When the Currency Holiday is checked and the currency details is specified, ensure the holiday calender of the specified currency is added.
>
> Also, the decision making is mainly in the contract level and the details on the contract level are defaulted to product level.
>
> If the schedule of a contract falls on a holiday/adhoc holiday the value date of the contract remains same as the holiday date but the transaction date is marked to the previous or the next working day based on the schedule movement set by the user in contract level.

18.7 Upload Security Instruments for Amendment

This topic describes the how to upload security instruments for amendment.

From an external system, you can upload Securities that require amendment in Oracle Banking Treasury Management. The system will distinguish between the new and the ones that require amendment based on the action code of the uploaded record. For an instrument requiring amendment, the action code will be ‘AMND’. If the action code is ‘AMND’, Oracle Banking Treasury Management will first check whether the instrument exists in the system or not. If it does not exist in the system, an error message will be displayed to notify that the instrument cannot be amended.

The Security ID provided by the external system has to same if it is a new instrument or if it is an amendment to an existing one. When you upload a new instrument, the external security Id number will be displayed in the ‘Security ID’ field for that instrument.

The Security ID will be the basis for checking whether the instrument exists or not. The upload for the security amendment will trigger the 'AMND' event. The same event is triggered even when you amend the 'Securities Definition' screen itself. The fields that can be amended for Security are as follows:

- ISIN Identifier
- Description
- Redemption/Expiry Date
- Outstanding Issue Size
- Payment Currency

At the time of uploading a securities instrument, if only the Security Id and Product is provided and the source preference has 'Put on Hold' on Exception then the instrument will be uploaded with status Hold. Subsequently, any user can modify the same. If the instrument is created from the front end and kept on hold only then can the same user modify the instrument. If the instrument is created having a market code whose country code is different, then the country code of the home branch in which the instrument is created will be treated as 'Foreign Market Instrument'. Otherwise, the instrument will be treated as 'Local Security Instrument'. In Oracle Banking Treasury Management the following batch functions will be created to handle triggering of notification:

- Notification for Local Instrument Changed
- Notification for Securities Coupon Revision Announcement
- Notification for Local Market Security Price

This batch function will log a notification into the Database queue. This will, in turn, be picked up by the Gateway and will be sent to the external system. During batch hand-off for security instruments, only the Local Security Instrument will be handed off and not the Foreign Market Instrument.

18.8 Bulk Upload- Security Instruments & Market Security-Price

This topic describes the bulk upload of security instruments and market security-price.

Using Bulk upload, more than one security instrument or market security price can be uploaded. If during upload if any one of the instruments or security price has an error then the whole upload will be rejected.

The instrument and security price cannot be uploaded through the same XML simultaneously. If the same instrument which has been uploaded successfully is uploaded again, an error will be thrown but in case of security price, the upload will go through. If for the same security price a different data is being sent, then it would amend the existing security price with the new information.

Once the upload is successful, all the records will be auto authorized irrespective of maintenance done at the source preference.

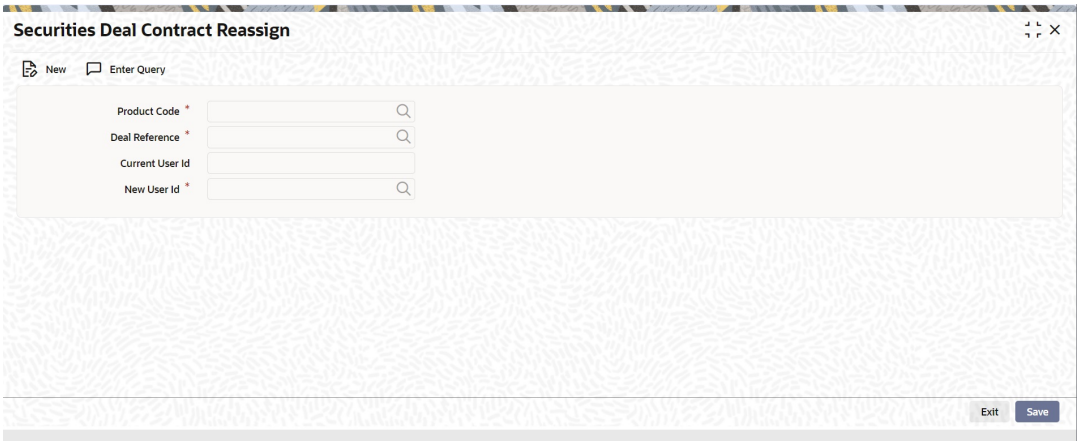
18.9 Process Securities Deal Contract

This topic describes the systematic instructions to process securities deal contract.

1. On the Home page, specify **SEDXREAS** in the text box, and click next arrow.

   Security Deal Contract Reassign screen is displayed.

Figure 18-12 Security Deal Contract Reassign



2. On the **Security Deal Contract Reassign** page, specify the fields.

   For more information on fields, refer to field description table.

Table 18-12 Security Deal Contract Reassign - Field Description

Field	Description
Product Code	Select the code of the product from the adjoining option list.
Deal Reference	Select the deal reference number from the adjoining option list.
Current User Id	Specify the identification of the current user.
New User Id	Select the user identification from the adjoining option list.

19

Maintain and Process Corporate Actions

In the Securities module of Oracle Banking Treasury Management, defining the corporate action is a part of the maintenance function. The processing of corporate action events is done as part of the End of Cycle process. The following are the corporate action events that can take place.

- Settlements (Money as well as Security settlements).
- Bonds
- Interest coupon payment
- Redemption (both series and quantity)
- Maturities
- Calls
- End of Trading
- Warrants (detachment, tradable)
- Equities
- Dividend payment (both cash and stock)
- Bonus
- Rights (Tear-Off, Exercise, Expiry)

This topic contains following sub-topics:

- Process Corporate Action Event Stages
  This topic describes the processing of corporate action event stages.
- Rights and Warrants
  This topic describes how to process rights and warrants, indicate rights ration and rounding fractions, and save rights/warrants record.
- Interest Coupon Details
  This topic describes the interest coupon details, processing of interest coupon details, and specify the event narrative.
- Process Interest Coupon
  This topic describes the processing of interest coupon and Rate Revision Details.
- Backdated/Current dated Rate Revision Processing
  This topic describes the processing of backdated/current dated rate revision.
- Auto Processing of Rate Fixing
  This topic describes the auto processing of rate fixing event.
- Maintain Stock Dividend Details
  This topic describes the systematic instruction to maintain stock dividend details.
- Process Cash Dividend
  This topic describes the systematic instruction to process dividend.
- Process Dividends
  This topic describes the process of dividends collections.

- Process Bonus to Cash Conversions
  This topic describes the overview to process bonus to cash conversion.
- Coupon Transfer
  This topics describes the coupon transfer process.

19.1 Process Corporate Action Event Stages

This topic describes the processing of corporate action event stages.

The three stages are:

- Corporate action initiation
- Corporate action collection
- Corporate action liquidation

Table 19-1 Corporate Action Events

Term	Definition
Corporate action Initiation	At the time of defining new security, you can indicate whether corporate actions have to be auto-initiated. A check box is available where you can make this specification. If you leave this box unchecked, then you will have to manually initiate the action.
Corporate action Collection	Corporate action collection can be manual or automatic. This specification is done for every security at the time of defining SK locations. When the corporate action collection, for a particular security, is indicated as automatic then, the Beginning of Day programs will pick up all the corporate actions due and trigger the event. You have to trigger the event manually if the automatic process is not indicated. It is important to note that the collection event is triggered only after the initiation event is complete.
Corporate action Liquidation	Securities can be liquidated automatically or manually. Deals specified, as having an automatic mode of liquidation, will be automatically liquidated on Event Date, during the Beginning of Day processing. Automatic or manual Liquidation of corporate actions is specified at the portfolio definition level. If you specify that corporate actions have to be liquidated automatically, then the appropriate liquidation event for the corporate action is triggered. In the case of manual liquidation of corporate actions, only those actions, which have undergone the tear-off event, will be eligible for liquidation. If more than one event is due for liquidation, for the same security, then you have to trigger each event one after the other.
Please remember	Liquidation for a corporate event is done automatically, only if you check the Auto liquidate Corporate Events field, in the Portfolio Definition screen. If for a portfolio you have unchecked the auto liquidate option, then the liquidation event is liquidated manually. If the automatic disbursement fails, then the event will be identified for processing in the next Event Selection program. The same program can, however, be forced liquidated through manual disbursement.

19.2 Rights and Warrants

This topic describes how to process rights and warrants, indicate rights ration and rounding fractions, and save rights/warrants record.

This topic contains the following sub-topics:

- Process Rights and Warrants
- Indicate Rights Ratio and Rounding Fractions
- Save Rights/Warrants Record
- Process Rights and Warrants
- Process Rights
- Process Rights and Warrants Expiry Details
- Process Security Redemption Details
- Security Redemption

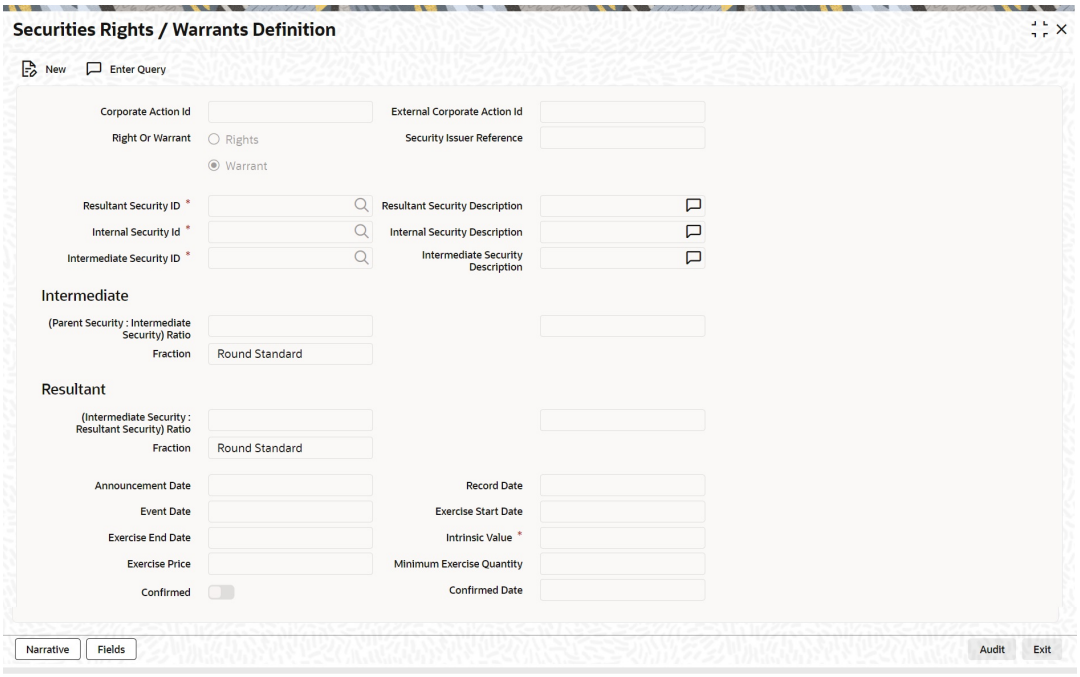
19.2.1 Process Rights and Warrants

As part of the maintenance function in Oracle Banking Treasury Management, you need to maintain basic details of Rights and Warrants, as and when they are issued. Rights and warrants can be defined through the Securities Rights and Warrants Corporate Action maintenance screen. The details that you maintain here relate to the ratio at which rights and warrants are issued, the resultant security id, the resultant ratio, the exercise start, and end date, etc.

1. On the Home page, specify **SEDXRWDF** in the text box, and click next arrow.

   Securities Rights/Warrants Definition screen is displayed.

Figure 19-1 Securities Rights/Warrants Definition



2. On the **Securities Rights/Warrants** screen, specify the fields.

   If you are defining details of a new right or warrant, click on a new icon from the toolbar. The Rights and Warrants Corporate Action maintenance detailed screen will be displayed without any details. If you are calling a record that has already been created, click on the

Summary view. The details of existing records will be displayed in a tabular form. Highlight the record you wish to view and double click on it. You can specify whether you are maintaining details for Rights or Warrants by clicking on the appropriate button.

3. On the **Security Rights/Warranty Definition** screen, click **Narrative**

   Security Rights/Narrative Definition screen is displayed.

Figure 19-2 Security Rights/Narrative Definition

You have the option of entering a free format narrative for the rights/warrants event or leaving this screen blank. If you choose to define a narrative, it will be associated with the security of rights/warrants type, for which you have defined the event. You can also choose to leave this field blank.

19.2.2 Indicate Rights Ratio and Rounding Fractions

Indicate the ratio at which rights are issued. Usually, rights are issued in proportion to the percentage of ownership. This is to ensure that current owners maintain their percentage of ownership if additional shares of the same class are issued. The simplest method to achieve this is to issue, one right per unit of security owned. For instance, an owner of 100 units of security will get 100 rights. This, however, might not be the case always; hence you need to specify the rounding fraction. The rounding fraction indicates how the fractional entitlements in the parent security is handled. The options that you can indicate are as follows:

Table 19-2 Options

Options	Description
Retain	If you choose this option, then the fractional units will be retained.
Round Up	The entitlement will be rounded up, to the next full unit.
Round Down	The entitlement will be rounded down, to the previous full unit.
Round standard	The entitlement will be rounded up to the next full unit if the fraction isgreater than 0.5, else it will be rounded down to the previous full unit.

For example, rights are declared in the ratio of 10: 1 for the parent security. Parent security has 125 units. This means that for every ten units of intermediate security owned one intermediary security right will be issued. The entitlement is computed as follows:

Ratio: 10: 1

Rights Shares of Intermediate Security

125 x 1/10=12.5

If you choose

Table 19-3 Options

Options	Description
Round Up	12.5 will be rounded up as 13
Round Down	12.5 will be rounded down as 12
Round Standard	In this case, since the fraction is greater than 0.5, the entitlementwill be rounded up to 13.

You can also choose to retain the fractional unit as 12.5. The ratio and rounding standard for the Resultant security is computed in the same manner as the Parent to Intermediate security ratio.

Note:

- The ratio and rounding fraction calculation basis is the same for rights as well as warrants. Click on the appropriate button, Rights or Warrants, before entering details to indicate whether you are maintaining details for rights or warrants.
- The Intermediate Security Id LOV fetches only those securities which are created with Security Type as ‘Right’/’Warrant’ and the Tear off / Issue date for such security is greater than the Current System.
- Exercise End Date must be less than the Expiry Date of Intermediate Security.

19.2.3 Save Rights/Warrants Record

After you have defined the mandatory attributes for a right/warrant, click Save in the toolbar or choose Save from the Actions menu to save the record. A message prompting you to confirm the saving of the record is displayed. The Event date defaults with the Issue/ Tear-off Date as maintained at the Instrument Definition of the respective Right/Warrant Security when you save the record.

Click ‘Exit’ to exit the Rights/Warrants Definition screen. You will be returned to the Application Browser

> **Note:**
>
> Entry to certain fields in the Rights/Warrants definition screen is mandatory. If you try to save the record without inputs to all mandatory fields, the record will not be saved. You will be prompted to give all the mandatory inputs before attempting to save it again.

19.2.4 Process Rights and Warrants

Remember that only those securities marked with auto initiation will be picked up for processing. Both with Rights as well as with Warrants the initiation, collection and liquidation happen together. The quantity of rights/warrants due for a portfolio is determined by the opening position/ holdings as of the record date. The rights/warrants events table is populated on the record date and is available for maintenance, as well as for viewing details of existing events. You are allowed to insert after the record date, those deals that were settled earlier to this date. As and when you insert back dated deals, the opening balance of rights/warrants due as of the record date is altered. This change will be reflected every day at EOD.

The record date is picked up and defaulted as the processing date. If required, you can change the processing date. Although the processing date can be changed, no change can be done to an existing record, as of the event date.

19.2.5 Process Rights

Processing for rights takes place for three events:

- Rights Tear–off
- Rights Exercise
- Rights Expiry

Each of the above is processed in stages. Initiation, Collection, and Liquidation, depending on the stage that is applicable to the event being processed. For instance, there is no collection involved in the case of tear-off events. If the automatic processing of events fails due to some then the same events can be force run manually.

This topic contains following sub-topics:

- Rights Tear-Off
- Rights Exercise
- Warrants Tear Off
- Warrants Exercise

19.2.5.1 Rights Tear-Off

The Events table is as of the record date and is updated when backdated deals are inserted. On the initiation processing date, a holding in the rights security is created for the portfolio. This process is automatically for all equities marked for auto initiation of corporate actions. For equities marked for manual corporate action the initiation event has to be invoked manually, for holdings to be created. Positions and holdings for Rights are updated to reflect the latest, once the event is completed.

19.2.5.2 Rights Exercise

If you associate security of rights type, with an exercise type of product in the deal input screen the exercise event is carried out for the security involving the product. You have to indicate the number of rights to be exercised along with the SK location and the SK account where the rights are lodged. You can view details of the quantity of the resultant security, along with other details such as the exercise price. In case there are charges, the charge details will also be displayed. Depending on the number of rights exercised, the holdings in the rights security will go down and the holdings in the resultant security will go up. For the event Rights Exercise Collection for a long position (RELC), only those events with the collection date less than or equal to today and for which collection has not already been made will be selected for processing.

Once the collection is complete the Rights Exercise Initiation for a long position (RELT), is triggered. The Rights Exercise event processes those events that have not yet been initiated, despite having the initiation date of today or less than today. After the rights initiation event is through the Rights Exercise Disbursement for long periods (RELL) event is triggered. In the case of auto liquidation, the system liquidates only those events which are yet to be disbursed with the disbursement date being less than or equal to today. Positions are updated once the disbursement event is complete.

19.2.5.3 Warrants Tear Off

On the initiation processing date, a holding in the warrant's security is created for the portfolio. This process is automatic for all equities, marked for auto initiation of corporate actions. In case of equities marked for manual corporate action, the initiation event has to be invoked manually, for the holdings to be created.

19.2.5.4 Warrants Exercise

Security of warrants type is associated with an exercise type of product then at the time of deal input, the exercise event is carried out for the security, involving the product. You have to indicate the number of warrants to be exercised along with the SK location and the SK account where the warrants are held. The details of the quantity of the resultant security can be viewed along with other details such as the exercise price. In case there are charges, the charge details will also be displayed. Depending on the quantity of warrants exercised, the holdings in the warrants security will go down and the holdings in the resultant security will go up. The Warrants Exercise Collection for long position (WELC) will pick up those events for which the collection is not yet done. This is however, done only for events with collection date less than or equal to today's date. After the collection, the Events table is updated to indicate that the collection is complete, for the event. After WELC, the Warrants Exercise Disbursement for long positions (WELL) is triggered. Those events with the disbursement date, less than or equal to today will be picked up for liquidation. Once the disbursement is complete, the Events table is updated to indicate that liquidation is complete for the event.

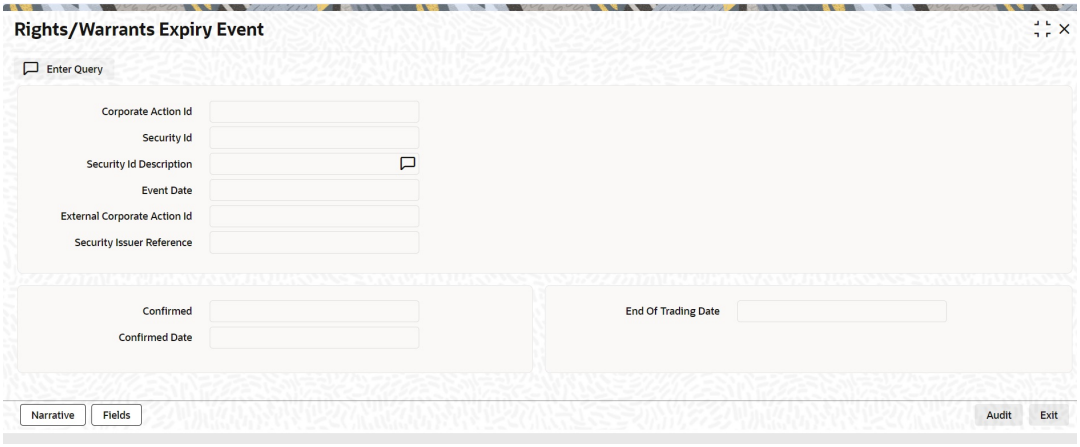
19.2.6 Process Rights and Warrants Expiry Details

The Rights and Warrants Expiry definition screen, allows the capture of some additional details of an expiry event, for a security of rights / warrants type.

1. On the Home page, specify **SEDXEXPD** in the text box, and click next arrow.

   screen is displayed.

Figure 19-3 Rights/Warrants Expiry Event



2. On the **Rights/Warrants Expiry Event** screen, specify the fields.

   If you are calling a record that has already been created, click on the Summary view. The details of existing records will be displayed in a tabular form. To open a record, double click on it.

   You can amend the details of an existing rights/warrants type of security by clicking on the unlock icon in the toolbar or by choosing Unlock from the Actions Menu.

> **Note:**
>
> Please remember that you can change the details of an existing rights/warrants type of security only if it is not yet authorized. Once a record is authorized and confirmed it will be processed as of the event date.

Table 19-4 Rights/Warrants Expiry Event - Field Description

Field	Description
Specifying End of Trading Date	The event date or the date on which holdings in the security would expire is picked up from the Security Definition screen. You are only allowed to indicate the date on which, the trading in the rights/ warrants security, is to be suspended. You can indicate that trading is to be suspended on the security, on either the event date or a few days before the event date. For instance, if the Event date is 31 March 2000, you can specify the same end of the trading date or specify 28 March 2000 as the date on which, trading in the security is to be suspended.
Event Narrative	To define an event narrative, to be used while generating SWIFT messages, click the 'Narrative' button. The event narrative screen is displayed. To exit from the screen without saving the text, click the 'Exit' button.

Table 19-4 (Cont.) Rights/Warrants Expiry Event - Field Description

Field	Description
Processing a Rights Expiry Event	For the rights expiry event, holdings in the rights security are depleted for the relevant portfolios, as of the event date. The event is triggered automatically if specified to do so. Otherwise, it will have to trigger manually. Only those events, with an expiry date less than or equal to today, are selected for processing. Rights expiry consists of two separate events: • Rights expiry initiation (selects the event to be processed) • Rights expiry disbursement (selects the event to be liquidated from The event, Rights Expiry Initiation for a long position (RXLT), is triggered for those events, which have an initiation date less than or equal to today but have not yet been initiated. After RXLT is through, the event Rights Expiry Disbursement for long position (RXLL) event is triggered. Only those events with the disbursement date less than or equal to today and for which liquidation has not already been done will be processed. Positions and holdings are updated for rights once the event is completed.
Processing a Warrants Expiry Event	n the event date, holdings in the warrant's security are depleted for the relevant portfolios. The event is triggered automatically if you have specified so otherwise, it will have to be triggered manually. The Events table is scanned when the Warrants Expiry Initiation for long position (WXLT) event is triggered. Only those events with initiation dates less than or equal to today's date are picked up The Events table is updated after the completion of the event. After WXLT, the Warrants Expiry disbursement or liquidation for a long position (WXLL) is triggered for those events, which are not yet liquidated but have disbursement dates less than or equal to today. After liquidation, the events table is updated to indicate that disbursement for the event is complete. Positions and holdings for warrants are updated.

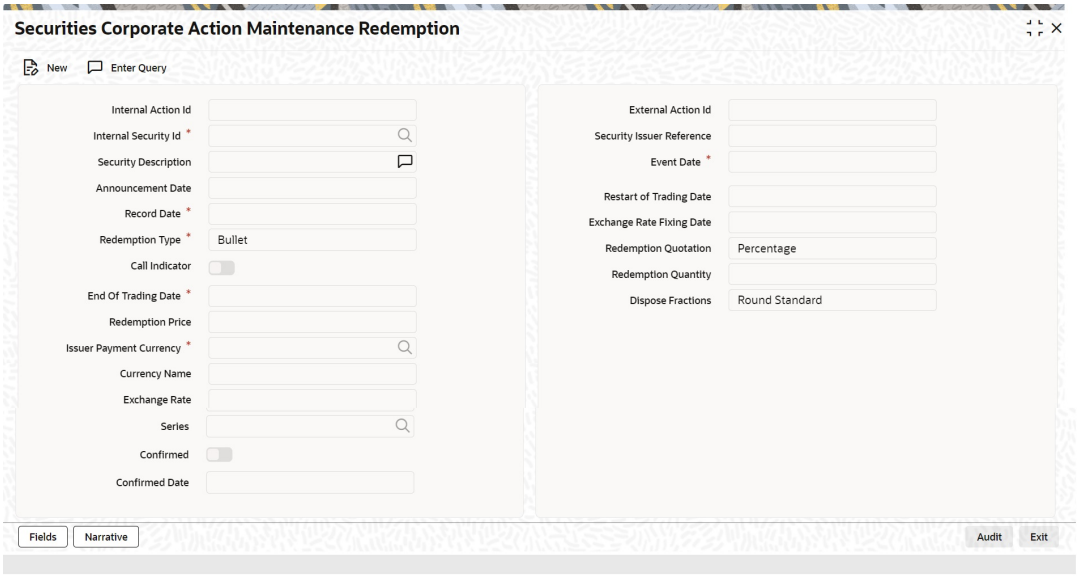
19.2.7 Process Security Redemption Details

One of the methods of retiring a bond is to redeem it. The Securities Corporate Action Event Maintenance - Redemption screen, allows us to define, and maintain details of redeemable securities.

1. On the Home page, specify **SEDXREDF** in the text box, and click next arrow.

   Securities Corporate Action Maintenance Redemption screen is displayed.

Figure 19-4 Securities Corporate Action Maintenance Redemption



2. On the **Securities Corporate Action Maintenance Redemption** screen, specify the fields.

   If you are defining details of new redeemable security, click new icon from the toolbar. The Corporate Action Maintenance Redemption detailed screen will be displayed, without any details. If you are calling a redeemable security record that has already been created, click on the Summary view. The details of existing records will be displayed in a tabular form. From the Summary, the screen chooses an existing record to open it.

Table 19-5 Securities Corporate Action Maintenance Redemption

Field	Description
Redemption Type	The Redemption type for security will default as defined at the Security Instrument. While defining redeemable securities you can specify the method in which the security is to be redeemed. You can indicate whether the redemption type is to be Bullet, Quantity or Series. In a bullet type of redemption, all the holdings in the security will be redeemed on maturity. For quantity redemption, the nominal held in the security is redeemed by a specific percentage on a date different from the maturity date. While redeeming the security either the face value of the security or the number of units held in the security will be reduced by the percentage you specify. In a series type of redemption, the holdings in the specified security pertaining to the specified list will be redeemed on a date other than the maturity date.

Table 19-5 (Cont.) Securities Corporate Action Maintenance Redemption

Field	Description
Specifying Redemption Schedules	For securities that are redeemable on call and with redemption type Quantity, you can choose to redeem a specific amount of the face value by entering the requisite percentage/ factor or cash flow amount in the 'Redemption Quantity' field. In the case of quantity redemption, the nominal value held in security is redeemed by a specific percentage on a date different from the maturity date. The face value of the security is reduced by the percentage you specify. The total number of units held in the security remains unchanged. For example, if you are holding 10 units of security of face value 1000 USD, then, after a quantity redemption of 30%, your holdings will become 10 units at a face value of 700 USD each. When you insert a redemption schedule, the redemption price of the last schedule is adjusted. For example, you have initially set up security for 100% redemption on maturity at a price of 1,200 USD. The face value of the security is 1,000 USD. Now, you specify a 30% redemption schedule at 360 USD. The system changes the redemption schedule: FROM the original 100% at 1,200 USD TO 30% at 360 USD and 70% at 700 USD. You will have to unlock the Securities Corporate Action Maintenance – Redemption screen and amend the redemption price for the last schedule – in this case, to 840 USD, if you wish to maintain the same total redemption premium. You can, however, change the redemption price of the last schedule to any value that you desire. When a new redemption schedule is maintained, discount/premium accruals are completed up to the event date using the old yield. The YTM re-computation is done as of the event date.

Table 19-5 (Cont.) Securities Corporate Action Maintenance Redemption

Field	Description
Specifying Back-dated Redemption Schedules	You can insert backdated redemptions for security, provided the back-dated redemption does not go beyond the previous coupon payment date. For specifying backdated redemptions, the quantity quotation for the security has to be 'Nominal'. Also, you should have maintained the security as a callable one is the Security Definition screen. However, the effective date cannot be before the last coupon date. Amendment is allowed only for unconfirmed schedules. Secondly, the back-dated amendment will not be allowed if the DSTL date falls on or after the event date of the redemption schedule. In the case of the back-dated amendment, corporate action for redemption is processed during End Of Day (EOD) processing. In the case of the insertion of the back-dated schedule, the redemption processing is done during the Beginning Of Day (BOD) processing of the next working day. A back-dated amendment or insertion of redemption schedules cannot be done beyond the last coupon date. For example, if the system date is January 18, 2003, and the last coupon payment happened on January 01, 2003, then a backdated redemption schedule can go only as far back as January 01, 2003. Also, an inserted redemption schedule date must correspond with a coupon payment date. If it does not, then a coupon schedule will automatically be inserted by the system. For example, suppose that a security has a coupon period from January 01, 2003, to July 01, 2003. The system date is June 15, 2003, and the redemption schedule was inserted on March 31, 2003. The system breaks the existing coupon period into two: • January 01, 2003 to March 31, 2003; and • March 31, 2003 to July 01, 2003 **Note:** Any deals booked after the Record Date of the inserted redemption schedule will have to be manually reversed and then re-booked by you after authorizing the inserted redemption schedule. This is because the status of these deals will change from 'Cum' to 'Ex' due to the insertion of the coupon/redemption schedule. Following the insertion of the redemption schedule, the system will automatically adjust the ALPL and DPRP events of all deals and rebook them.
End and Restart of trading period	Indicate the date on which trading in the security will be suspended and the date on which the trading will be resumed. This is done by way of specifying the End of Trading Date and the Restart of Trading Date.
Exchange Rate and the Exchange Rate Fixing Date	If the issuer payment currency is different from the security currency then specify the exchange rate between the security currency and the issuer payment currency can be specified. In addition you can also indicate the date on which the exchange rate between the security currency and the issuer payment currency will be announced.
Redemption Price	For securities having 'Factor' or 'Cash flow' redemption quotation, the redemption price is calculated automatically. For securities having 'Percentage' as the redemption quotation, you need to specify the price at which they can be redeemed.

Table 19-5 (Cont.) Securities Corporate Action Maintenance Redemption

Field	Description
Redemption Quotation	The system displays the redemption quotation selected in the 'Securities Instrument Definition' screen. You will not be able to change it.
Redemption Quantity	If the redemption quotation is 'Factor', specify the redemption factor. If the redemption quotation is 'Cash flow', specify the actual cash flow. Whenever you modify this value, the system calculates the redemption price upon saving. In the case of factor quotation, whenever the redemption factor is modified for the existing redemption schedules, the redemption price is recalculated on saving. The redemption factor and the price for future schedules are also adjusted. However, the factor for the last redemption is not adjusted. It remains 0. Similarly, whenever a call redemption schedule is maintained with redemption quotation as 'Factor' or 'Cash flow', the system calculates the redemption price upon saving. For factor-based redemption schedules, the factor and redemption price is adjusted for future redemption schedules. The factor for the last redemption is not adjusted.

19.2.8 Security Redemption

This topic contains the following sub-topics:

- Process for Security Redemptions
- Redemption Processing based on Quotation Type
- End of Trading Processing
- Process of Amendment on Redemption Schedules

19.2.8.1 Process for Security Redemptions

Only those events that have not yet been initiated will be selected. However, this is done only for events with initiation date less than or equal to today. The Events table is updated to indicate that initiation is complete. Specification of redemption collection to be automatic or manual is done at the time of defining the security. Only those securities for which the auto collect option is checked will be picked up for redemption collection. Other events would have to be triggered manually.

Those events with the collection date less than or equal to today and for which collection has not yet been done, are selected for processing. The Redemption Collection for short position (RDSC) or the Redemption Collection for a long position (RDLC), is triggered depending on whether the position is short or long respectively. The collection event collects the redemption amount from the safekeeping location and updates the Events table, to indicate that collection is complete for the event.

After the updation of the Events table, the events for which liquidation is due and the liquidation date is less than or equal to today, are picked up for liquidation. The Redemption Disbursement or liquidation for short position (RDSL) and Redemption Disbursement or liquidation for a long position is triggered depending on whether the position is short or long respectively. The Events table gets updated after liquidation is complete. In the case of accruals is due, then the accrual of interest, premium, discount and redemption premium are consolidated by running

the ACIN and ACPD events. The liquidation events (RDSL and RDLL) are run only after that. Once you run the accrual event the tax and ICCF details will also get updated.

> **Note:**
>
> The initiation collection and disbursement events are synonymous.

19.2.8.2 Redemption Processing based on Quotation Type

If the redemption quotation type is ‘Factor’, then the redemption amount due for the intermediate redemption schedules will be calculated as follows: Redemption Amt = Holdings * (Redemption factor of previous period – Redemption factor of the current period) If the redemption quotation type is ‘Cash flow’, then the redemption amount due for the intermediate redemption schedules will be calculated as follows: Redemption Amt = Holdings * (Redemption price/Initial FV) For final redemption, the remaining holdings are redeemed. On running the YTM recalculation batch, the system recalculates the price of the redemption schedules based on the current coupon rate in case of coupon rate revision.

> **Note:**
>
> Batch processing is applicable only for securities under ‘Cash flow’ type of redemption quotation. Recalculation is done only for the redemption schedules on or after the current coupon period.

19.2.8.3 End of Trading Processing

Securities, which are due to mature end of trading days before the maturity date, will be picked up for the End of Trading processing. Those securities with the end of trading date less than or equal to today, are picked up and the EOTR event is triggered.

19.2.8.4 Process of Amendment on Redemption Schedules

You can amend future-dated redemption schedules. In such a scenario, accruals linked to the DPRP event are completed based on the old yield an old cash flows till the application date. New cash flows are built on the application date. The YTM for all the existing deals is recalculated as of the application date based on new cash flows. Also, future accruals linked to the DPRP event are calculated based on the new YTM. During the amendment of back-dated redemption schedules, accruals linked to the DPRP event are completed based on the old yield an old cash flows till the event date of redemption.

New cash flows are built as of the event date. The YTM for all the existing deals is recalculated as of event date based on the new cash flows. For re-computation of YTM, the following formula is used for NPV calculation: NPV = Face value – Un-accrued Discount + Un-accrued premium. Future accruals linked to the DPRP event are computed based on the new YTM. coupon accruals are also adjusted based on the new face value. Back-dated redemption processing on the amendment is done at EOD.

19.3 Interest Coupon Details

This topic describes the interest coupon details, processing of interest coupon details, and specify the event narrative.

This topic contains the following sub-topics:

- Process Interest Coupon Details
- Link Interest Component to Tax Component
- Specify Event Narrative

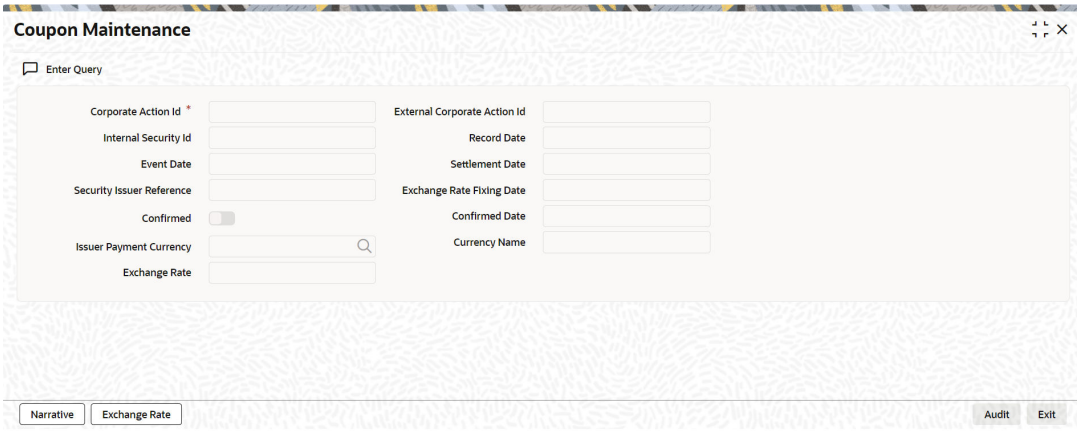
19.3.1 Process Interest Coupon Details

The securities coupon definition screen allows capture of additional details of a coupon event, for the security of bond type. The details that are displayed in this field (such as the Internal action ID, the Internal Security ID and description, the event date, etc.) are picked up from the Security Definition screen. You are only allowed to amend existing details, like the currency in which the issuer would make the cash payments, the exchange rate between the security currency and the issuer payment currency and the date on which the exchange rate will be announced.

1. On the Home page, specify **SEDXCPND** in the text box, and click next arrow.

   Coupon Maintenance screen is displayed.

Figure 19-5 Coupon Maintenance



2. On the **Coupon Maintenance** screen, specify the fields.

   If you are calling a coupon maintenance record that has already been created, click on **Summary view**. The details of existing records will be displayed in a tabular form. From the Summary highlight the record you wish to view details of and double click to open it. To amend the details of an existing coupon, click on unlock icon in the toolbar or choose Unlock from the Actions Menu.

> **Note:**
>
> You are allowed only to amend the details of future dated records that are not yet confirmed. Once a record is authorized and confirmed it will be processed as of the event date. You will not be allowed to make any changes to a confirmed record.

Exchange Rate and the Exchange Rate Fixing Date

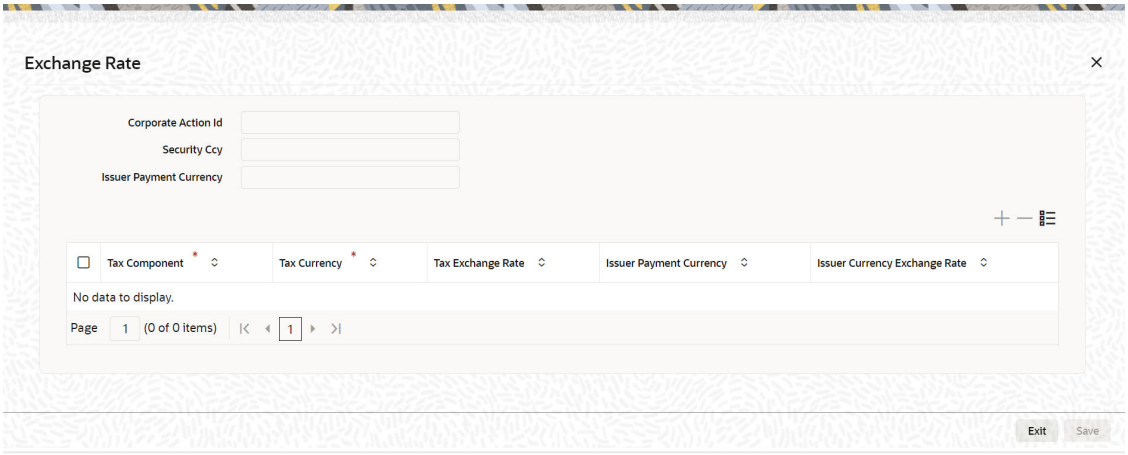
If the issuer payment currency is different from the security currency, then you can specify the exchange rate between the security currency and the issuer payment currency. In addition, you can also indicate the date on which the exchange rate between the security currency and the issuer payment currency will be announced. The exchange rate that you define in this screen will be used for conversion when the security is being processed. If no exchange rate has been maintained, then the mid-rate will be used for conversion.

19.3.2 Link Interest Component to Tax Component

An interest component can be the basis amount tag of one or more tax components. Since each coupon that is maintained can have several interest components you need to link each of these components to the tax components. The interest components can also be in a currency other than the tax currency.

Therefore, in addition to linking an interest component with the tax component, you need to specify the tax currency. If the currency of the interest component is different from the tax currency, then specify the tax exchange rate. To link an interest component with a tax component and to specify the tax currency for the exchange rate, click **Exchange Rate** in the **Coupon Maintenance** screen. The **Exchange Rate** for Tax Currencies screen is displayed.

Figure 19-6 Exchange Rate



You also need to specify the exchange rate between the issuer payment currency and the tax currency. You can add or delete a tax component from the list of tax components maintained. To add a new component, click add icon and select the new component from the pick list. To delete an existing tax component, highlight it and click the delete icon.

19.3.3 Specify Event Narrative

You can maintain a free format message, of the coupon event. This narrative or message will be used while generating SWIFT messages. Click the **Narrative** button, the Event narrative screen is displayed. In this screen, you can either enter a free format narrative for the coupon event or leave this screen blank. If a narrative is defined, it will be associated with the security of the bond type for which the coupon event has been defined.

19.4 Process Interest Coupon

This topic describes the processing of interest coupon and Rate Revision Details.

The Coupon Initiation event (CPIN) is triggered only for those interest coupons with initiation date less than or equal to today and for which initiation has not yet been done. After the initiation event is complete, the Events table is updated. The coupon collection event collects the coupon amount from the safekeeping location. The Coupon Collection event (CPCD) is triggered depending on whether the position is short or long.

The Events table is scanned and those events with a collection date less than or equal to today and for which collection has not been done are picked up for processing. Once the processing is through the events table is updated to indicate that collection is complete for this event. The Coupon Disbursement event (CPLQ) is triggered depending on whether the position is short or long. This function picks the event from the Events table and liquidates it after executing doing the necessary validations.

> **Note:**
>
> Triggering the event AICN completes the accrual of interest if accruals are due. The AICN event is triggered before the events for liquidation (CPSL or CPLL) are triggered. All details relating to Tax and ICCF are updated.

Once the event is complete, the Events table is updated to indicate that liquidation is complete for the event.

> **Note:**
>
> If the security currency is different from the issuer currency and you have maintained the exchange rate and the exchange rate effective date, then this rate will be used for conversion. Else the mid-rate will be used for conversion.

If the positions table has not been updated till the event date then positions and holdings are projected up to the event date. It is at depending on whether the interest calculation is position-based or holding based.

This topic has the following sub-topics:

- Process Interest Rate Revision Details
  This topic describes the systematic instruction to process Interest Rate Revision Details.

19.4.1 Process Interest Rate Revision Details

This topic describes the systematic instruction to process Interest Rate Revision Details.

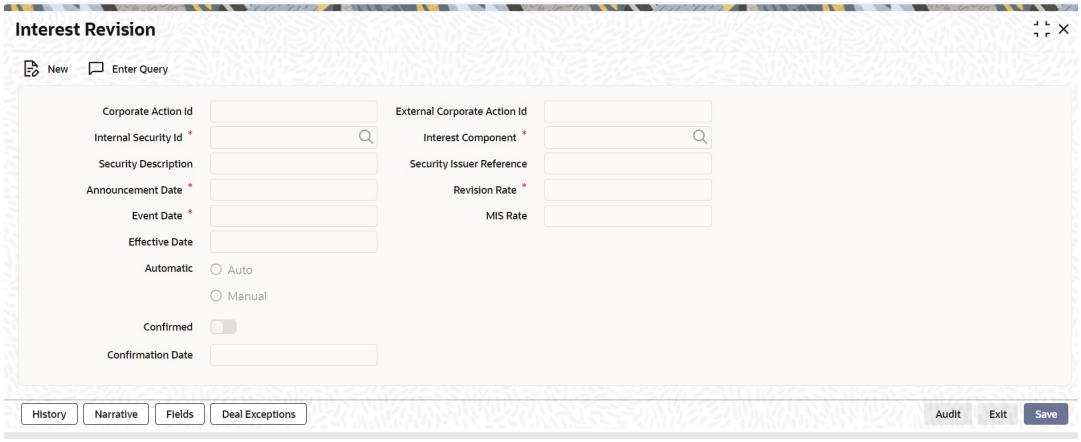
You can capture the interest rate revision details for a security that has already been defined, through the Interest Revision screen. You can capture details like the date on which the interest rate was announced, the date on which the interest rate revision would be processed and the value date of rate revision.

Apart from the interest revision schedules created as part of instrument definition, you can additionally create an Ad-hoc rate revision record.

1. On the Home page, specify **SEDXRVND** in the text box, and click next arrow.

   Interest Revision screen is displayed

Figure 19-7 Interest Revision



2. On the **Interest Revision** screen, specify the fields.

   To enter interest rate remission details, click new icon on the toolbar. If you are calling an interest revision record that has already been created, click on Summary view. From the summary screen you can choose to open an existing record. The details of the record that you have created will be displayed in a tabular form.

Note:

Interest revision screen for a security id and effective date will have two records one for positive and another for negative interest component

For a positive interest component corresponding to a corporate action id, the system to allow input of negative revision rate for a manual corporate action record.

All operations in revision screen such as new, open, close, unlock, copy, and reopen should be allowed only in the Positive Interest component record and the Negative interest component should be meant for query only.

The system supports the auto propagation of details and records the status of the positive component to negative components automatically.

Interest Revision screen does not support the manual rate revision, and hence the RFR Interest components are not fetched.

Table 19-6 Interest Revision -Field Description

Field	Description
Corporate Action Identification	This is the system generated ID to uniquely identify the interest revision.
External Corporate Identification	This is the Id assigned to the event at the time of event declaration. Enter the Id associated with the event to uniquely identify it.
Issuer Reference	Indicate the issuer reference for the interest rate revision event.
Announcement Date	Enter the date on which the issuer would have declared the interest revision event.
Event Date	Each Rate Revision defined is having a event date from when it will be applicable. From this date the interest revision rate will be effective. The system supports the back-dated/current-dated rate revisions by accepting the past date/current date in this field only for the current coupon period, which was earlier only for a future date
MIS Rate	For the Securities module you only have the option of maintaining a fixed rate for MIS refinancing.
Confirmed	Check this box to indicate if the occurrence of the event is confirmed.
Confirmation Date	When you select the check-box, and save the record the confirmation date will be defaulted with the current date.
Internal Security Id	You have to indicate the code or ID of the bond type for which you are defining the interest revision rate. The Security ID or Code is picked up from the Security Definition screen. This short description of the security is for information purposes only and will not be printed on any customer correspondence.
Interest Component	Specify the component of the security for which you are defining the interest revision rate. At the time of defining a security, you can maintain different interest components for the security. The interest component(s) maintained will be reflected in the pick list available for this field.

Table 19-6 (Cont.) Interest Revision -Field Description

Field	Description
Effective Date	Each rate that is defined for a Security ID and Interest Component combination should have an Effective Date associated with it. This is the date from which the interest revision rate will be effective. Once a rate comes into effect, it will be applicable till another Effective Date is defined for the same Security ID and interest component combination. When you save a record the effective date gets defaulted with the Event Date of Rate Revision and the confirmation date gets defaulted with the rate fixing date.
Automatic	While specifying the interest revision rate, you can indicate whether the interest revision for the particular security is to be automatic or manual. If an automatic revision is specified, then revised rates will be applied and liquidations made as part of the Beginning of Day process. Otherwise, revisions will have to be made manually by you.
Revision Rate	The revision rate that you enter here will be the effective rate as of the defined effective date. The system allows you to capture the back dated rate revision only for the coupons which are not collected manually/automatically.

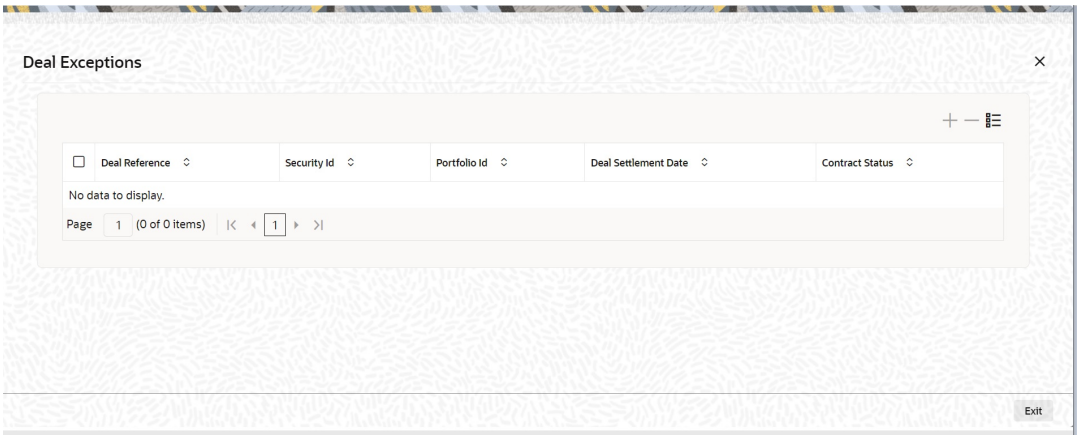
Note:

In the **Interest Revision** screen, changes are done not to fetch the RFR Interest components as no manual rate revision is supported.

3. On the **Interest Revision** screen, click **Deal Exceptions**.

Deal Exceptions screen is displayed.

Figure 19-8 Deal Exceptions



4. On the **Deal Exceptions** screen, view the following details:

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

Table 19-7 Deal Exceptions - Field Description

Field	Field Description
Deal Reference	The system displays the deal reference number which are affected by the rate revision.
Security ID	The system displays the security id.
Portfolio Id	The system displays the portfolio Id.
Deal Settlement Date	The system displays the deal settlement date.
Contract Status	The system displays the contract status.

This topic has the following sub-topics:

- Specify Event Narrative
- Holiday Preference
- History

19.4.1.1 Specify Event Narrative

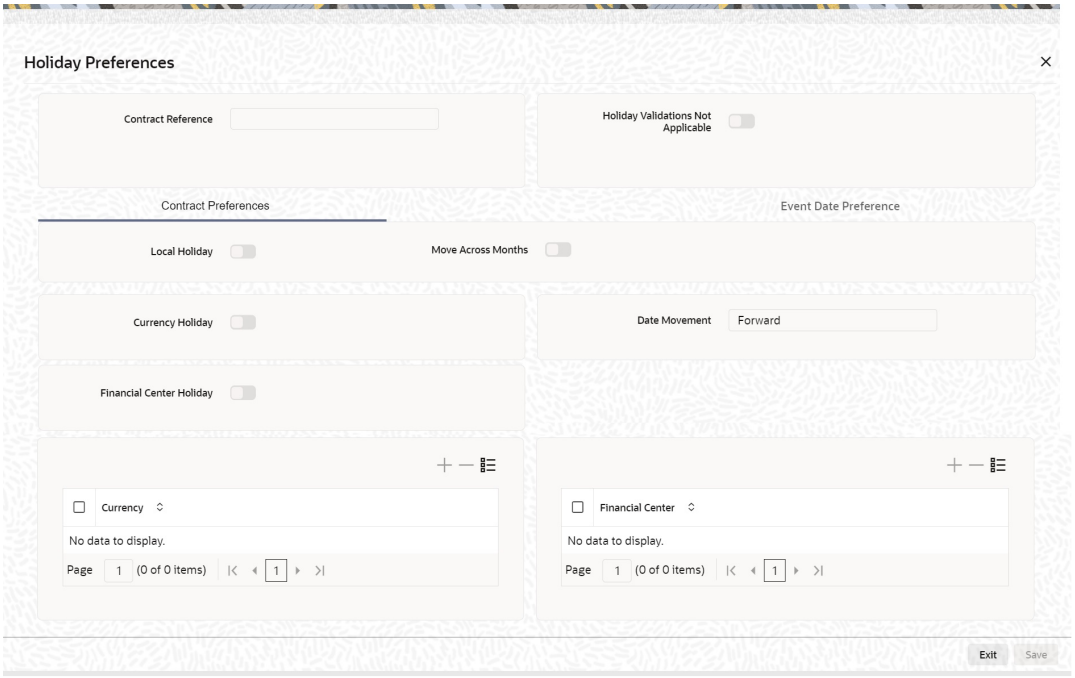
You can also enter a free format narrative, of the interest rate revision event. This narrative or message will be used while generating SWIFT messages. Click the ‘Narrative’ button, the Event Narrative screen is displayed. The message entered will be associated with the interest revision event. This field can be left blank if necessary.

19.4.1.2 Holiday Preference

1. On the **Interest Revision** screen, click **Holiday Preferences**.

   Holiday Preference screen is displayed.

Figure 19-9 Holiday Preference



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

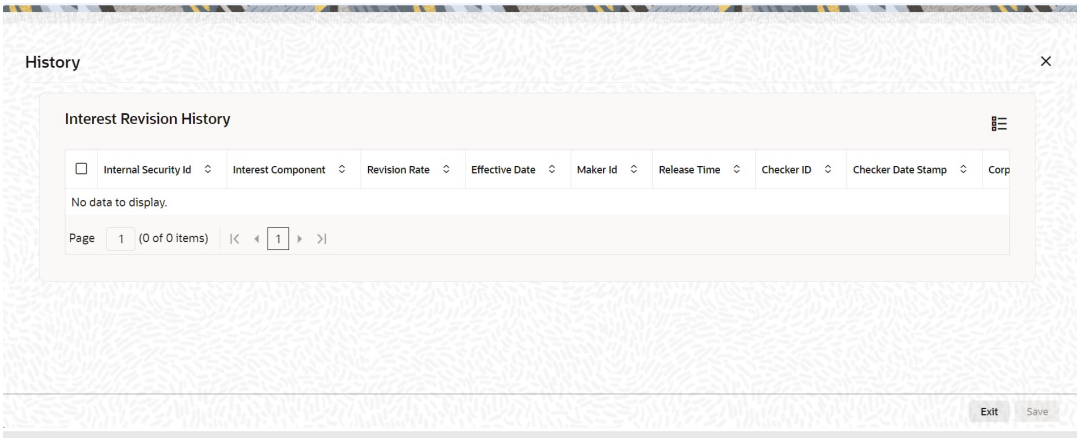
   For more information on holiday preference, see the section *Holiday Preference*.

19.4.1.3 History

1. On the **Interest Revision** screen, click **History**.

   History screen is displayed

Figure 19-10 History



2. View the interest revision history details.

19.5 Backdated/Current dated Rate Revision Processing

This topic describes the processing of backdated/current dated rate revision.

During EOD, the SE batch picks up all the coupon rate revision records having release date same as the EOD processing date. The system uses the latest revision rate available during End of day processing for coupon accrual processing.

As part of EOD processing, the rate revision values are applied and accrual amount recalculated on revised rate from the applicable effective date. Catch up accrual is done and posted as separate IACR event with the interest adjustment amount till EOD processing date and the daily accrual based on revised rate is posted as separate IACR event. The correction adjustment entries (Catch up accrual) will be posted in EOD with period code of current processing date when the revision is processed.

Below is an example of a portfolio level interest accrual where in current coupon was revised on 20-Jun-2021 with an event date of 15-Jun-2021 (i.e. effective date). As part of processing, catch up accrual is done and posted as part of accrual event of 20-Jun-2021.

Table 19-8 Portfolio level interest accrual

Instrument Details	Value
Cumulative Quantity in Portfolio for the instrument	1000000.000
Coupon Rate since 01-Jan-2021	6.1%
Interest Calc Method	Actual/365
Coupon Start Date	1-Jan-21
Coupon End Date	31-Jan-21
Coupon Revision Date	15-Jan-21
Coupon Revision Confirmation Date	20-Jan-21
Coupon Revised Rate with effective from 15-Jan-2021	7.00%
Daily Accrual till 19-Jan-2021	3175.34
Coupon Accrual Days till 19-Jan-2021	19.00
Revised Coupon Accrual Amount posted on 20-Jan-2021	191.78
Catchup Accrual for Interest Rate Adjustment for 19 days	468.49

As per the above example, the interest accrual on 20-Jun-2021 will have 2 IACR entries. One will carry adjustment amount of 6 days as catch-up accrual and another with Accrual amount for revised coupon rate of 3.0%.The catch-up accrual will post a consolidated amount which will be summation of daily interest accrual adjustments with new rate as a result of back dated rate revision.

For current dated rate revision, as part of EOD processing, the rate revision values are applied and accrual amount calculated on revised rate. Only One IACR event with accrual amount based on the revised rate will be posted.

19.6 Auto Processing of Rate Fixing

This topic describes the auto processing of rate fixing event.

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

At Treasury branch parameter maintenance screen, 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 will check 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 will skip the Rate fixing and revision event on respective instruments in case when the rate for that effective date is not available.

Auto processing of rate fixing below the start of interest date or issue date for the first interest period is supported.

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 will happen after the revision effective date and interest catch up entries is posted during EOD processing.

> **Note:**
>
> For the Manual processing, refer to the *Interest User Manual, Section 2.12 Treasury Manual Rate Fixing*.

19.7 Maintain Stock Dividend Details

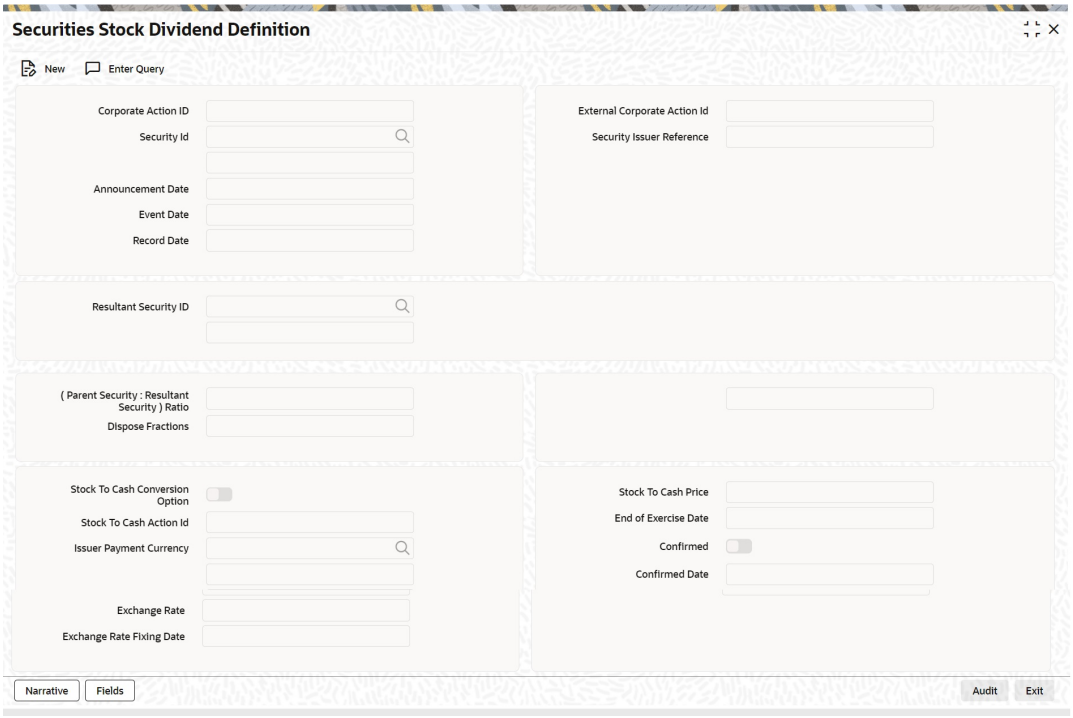
This topic describes the systematic instruction to maintain stock dividend details.

In the Stock Dividend or Bonus Definition screen, you can maintain details of the stock dividend declaration event, for security. The essential details that you need to capture for security include the resultant Security ID and the dispose fraction. Details like the stock to the cash price, the issuer pay currency and the end of exercise date can be captured only if you specify that stock is to be converted to cash.

1. On the Home page, specify **SEDXDVDF** in the text box, and click next arrow.

   Securities Stock Dividend Definition is displayed.

Figure 19-11 Securities Stock Dividend Definition



When you click on the new icon the system automatically assigns a unique internal action ID to the corporate event. The system date is defaulted as the date on which the dividend event was announced. However the Announcement Date or the date on which the event was declared can be changed to a previous date.

2. Click **New** on the tool bar to maintain deals of new declaration.

If you are calling an event record that has already been created, click on Summary view. The details of the existing event records will be displayed in a tabular form. Specify the fields.

Table 19-9 Cash Dividend Definition

Field	Description
Corporate Action Identification	This is the system generated ID to uniquely identify the declaration of Stock Dividend.
External Corporate Action Identification	This is the Id assigned to the event at the time of event declaration. Enter the Id associated with the event to uniquely identify it.
Security Identification	Specify the code or ID of the equity-type security for which the dividend declaration is being defined. The codes displayed, in the pick list available for this field are picked up from the Security Definition screen.
Security Issuer Reference	Indicate the issuer reference number for the stock dividend event.
Announcement Date	This is the date on which the issuer would have declared the stock dividend event. Enter the announcement date of the event.
Event Date	Enter the date on which the cash payment will be made by the issuer.

Table 19-9 (Cont.) Cash Dividend Definition

Field	Description
Record Date	Enter the date on which the issuer determines the beneficiary eligible for the dividend based on the registered owner of the securities. The Record Date is computed from the ex days set up defined for the local market of issue.
Resultant Security Identification	Indicate the security of the equity type in which shares would be awarded.
Resultant Ratio and Dispose Fractions	Select the equity type of security in which shares should be awarded. After this, you are required to specify the ratio of, the quantity of the new security awarded to the number of current holdings, in the existing security. Also indicate how the fractional elements in the parent security should be handled. You can choose the following options:
Stock to Cash Conversion	Check this option to convert the stock dividend declared to cash. In such a case you are required to specify, the date by which the stock to cash conversion option, is to be exercised. Also, specify the price per unit. This is the price at which the stock dividend would be converted into cash.
Stock to Cash Price	Enter the price at which the stock dividend would be converted into cash.
End of Exercise Date	Enter the date before which the stock to cash conversion option is to be exercised.
Stock to Cash Action Identification	This is a unique event ID which is generated by the system on saving the Stock Dividend Definition record.
Issuer Pay Currency	In case of stock to cash conversion, you can indicate the currency in which the issuer should make the cash payments. From the pick list available select the payment currency.
Confirmed	Check this box to indicate that the occurrence of the event is confirmed.
Confirmed Date	When you select the check-box, and save the record the confirmed date will be defaulted with the current date.
Exchange Rate	When the issuer payment currency is different from the security currency, the exchange rate between the security currency and the payment currency has to be indicated. Specify the exchange rate.
Exchange Rate Fixing Date	This is the date on which the exchange rate will be announced. Indicate the exchange rate announcement date. **Note:** You can enter a free format event narrative for the event being defined or leave this field blank. If you enter a free format text it will be associated with the event while generating SWIFT messages. After entering the relevant details click save icon in the toolbar or Save from the Actions Menu, to save the event record.

Table 19-10 Options Table

Options	Description
Retain	The fractional units would be retained
Round Up	Entitlements will be rounded up to the next full unit
Round Down	Entitlements will be rounded down to the previous full unit

Table 19-10 (Cont.) Options Table

Options	Description
Round standard	If the fractional unit is above 0.5, entitlements will be rounded up to the next full unit, otherwise the entitlements will be rounded down to the previous full unit.

19.8 Process Cash Dividend

This topic describes the systematic instruction to process dividend.

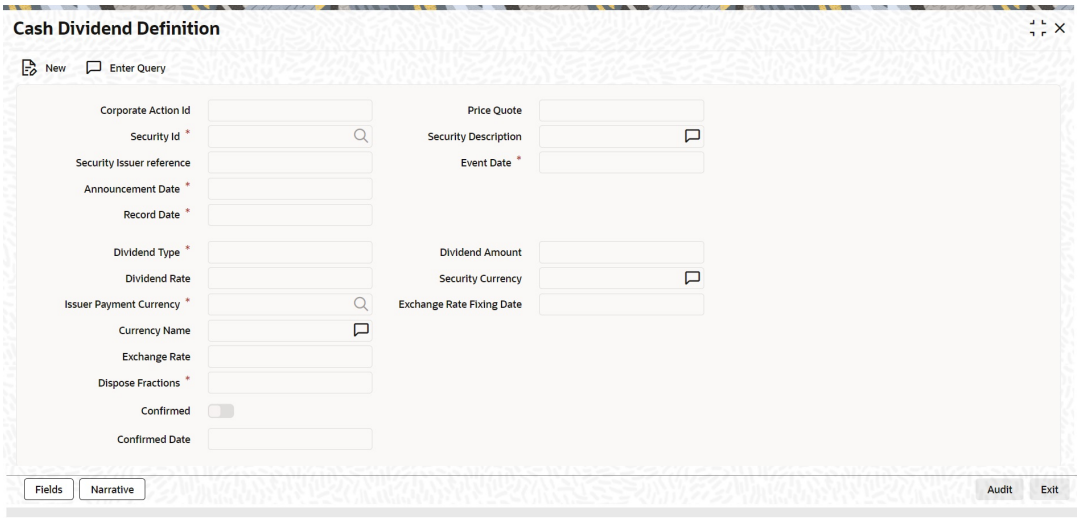
The details of a cash dividend declaration can be captured through the **Cash Dividend Definition** screen. Through this screen, you can capture relevant details such as the dividend type (rate or amount), the issuer payment currency, the exchange rate, and the rate-fixing date.

1. On the Home page, specify **SEDXCDVD** in the text box, and click next arrow.

   Click the new icon on the tool bar to create the icon.

   Cash Dividend Definition screen is displayed.

Figure 19-12 Cash Dividend Definition



2. On the **Cash Dividend** screen, specify the fields.

   The details of a cash dividend declaration can be captured through the Cash Dividend Definition screen. Through this screen, you can capture relevant details such as the dividend type (rate or amount), the issuer payment currency, the exchange rate, and the rate-fixing date.

Table 19-11 Cash Dividend Definition - Field Description

Field	Description
Corporate Action Identification	This is the system generated ID to uniquely identify the declaration of Cash Dividend.

Table 19-11 (Cont.) Cash Dividend Definition - Field Description

Field	Description
External Corporate Action Identification	This is the Id assigned to the event at the time of the event declaration. Enter the Id associated with the event to uniquely identify it.
Security Identification	Specify the security Id of the equity type for which the cash dividend event is to be defined. The description associated with the specified code will be displayed in the adjacent field.
Security Issuer Reference	Indicate the issuer reference for the cash dividend event.
Announcement Date	This is the date on which the issuer would have declared the cash dividend event. Enter the announcement date of the event.
Event Date	Enter the date on which the cash payment will be made by the issuer.
Record Date	Enter the date on which the issuer determines the beneficiary eligible for the dividend based on the registered owner of the securities. The Record Date is computed from the ex days set up defined for the local market of issue.
Dividend Type	Indicate the type in which the dividend amount should be declared. It could be a percentage of the face value of the security, or it could be the amount per unit of the security.
Dividend Amount	Indicates amount per unit. Specify the amount per unit to be used in calculating the cash dividend.
Dividend Rate	This field indicates the rate as a percentage of the face value. Enter a percentage of the face value to be used in calculating the cash dividend.
Issuer Payment Currency	Indicate the currency in which the issuer will make the cash payment. Click the adjoining option list for a list of valid currency codes. Select the appropriate.
Dispose Fractions	Indicate how fractions should be handled. Refer Dispose Fractions Available Options for available options.
Confirmed	Check this box to indicate that the occurrence of the event is confirmed.
Confirmed Date	Select the check-box, and save the record the confirmed date will default with the current date.
Exchange Rate and Exchange Rate Fixing Date	When the issuer payment currency is different from the security currency, the exchange rate between the security currency and the payment currency has to be indicated. Along with this, the date on which the exchange rate will be announced should also be entered.

Table 19-12 Dispose Fractions Available Options

Term	Definition
Retain	Fractions will be retained as they are
Round Up	Entitlement will be rounded up to the next full integer
Round Down	Entitlement will be rounded down to the previous full integer

Table 19-12 (Cont.) Dispose Fractions Available Options

Term	Definition
Round Standard	Entitlement will be rounded up to the next full integer if the fraction is greater than 0.5. Else it will be rounded down to the previous full integer

19.9 Process Dividends

This topic describes the process of dividends collections.

Only those records, which have been authorized and confirmed, will be picked up for processing. The Dividend Initiation or tear off for long position (DVIN) event is triggered for those dividends with initiation date less than or equal to today's date. Based on the initiation date only those events for which initiation has not been done are selected. The Events table is updated once the event is complete. After DVIN event, the cash and stock dividends with collection date less than or equal to today will be picked up.

Thus, the Dividend Collection for a long position event (DVCD) is triggered. The collection event collects the stock/cash amount and the cash instead of stock (for those securities with the stock to cash option on) from the SK location. Once the collection event is done the Events table is updated. The Dividend Disbursement for a long position (DVLQ) picks up those events with disbursement dates less than or equal to today. When the disbursement is through the Events table is updated.

This topic has the following sub-topics:

- Process Bonus to Cash Conversion Details

19.9.1 Process Bonus to Cash Conversion Details

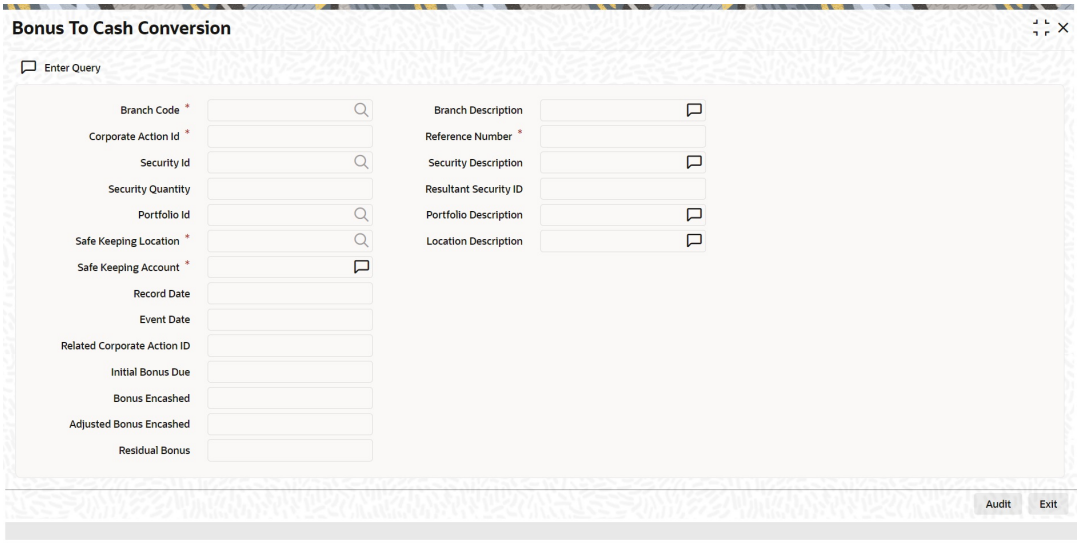
When you specify that stock is to be converted to cash, in the Stock Dividend definition screen, details of that event will be picked up and stored as, a Bonus to Cash conversion record. You are only allowed to maintain some additional stock to cash conversion details, such as the bonus to be en cashed, the total bonus en cashed, the residue bonus due. This is maintained so on in the Bonus to Cash conversion screen. Invoke this screen by clicking on Bonus to Cash and then on the Detail option, under Securities CA Maintenance.

This is invoked from the Application Browser. To view the details of a previously created record, go to the Summary View screen. The details of existing records are displayed in a tabular form. Highlight the record you want to view and double click it.

1. On the Home page, specify **SEDXBNCS** in the text box, and click next arrow.

   Bonus to Cash Conversion screen is displayed.

Figure 19-13 Bonus to Cash Conversion



2. On the **Bonus to Conversion** screen, specify the fields.

   In the **Bonus to Cash conversion**, the main screen enters the security ID, the portfolio ID, and the SK location Id from where bonus due, is to be received.

Table 19-13 Bonus to Cash Conversion - Field Description

Field	Description
Branch Code	Specify the Branch Code
Corporate Action ID	This is the system generated ID to uniquely identify the declaration of Stock Dividend. This value is defaulted.
Reference Number	This is the system generated ID to uniquely identify the Corporate action of Stock to cash conversion.
Security Id	This is the security Id of the equity for which the bonus to cash details are being maintained. The description associated with the specified code is displayed in the adjacent field.
Security Quantity	This is the quantity of security for which the bonus was declared.
Resultant Security Id	The resultant security Identification to which shares have been awarded is defaulted here.
Portfolio Id	This is the portfolio ID of the equity for which the bonus to cash conversion details are being defined.
Stock Keeping Location	This is the SK location where the security is lodged and for which cash payment is to be received.
Stock Keeping Account	This is the account number which is to be credited when the payment due is received.
Record Date	The record date is defaulted from the Stock Dividend definition screen.
Event Date	The event date is defaulted from the Stock Dividend definition screen.
Stock to Cash Action Id	The stock to cash action Id assigned in the Stock Dividend screen is defaulted in this screen.

Table 19-13 (Cont.) Bonus to Cash Conversion - Field Description

Field	Description
Initial Bonus Due	This field indicates the bonus amount that is due to be paid.
Bonus Encashed	You can choose to convert either a part of or the entire bonus that is due. Specify the amount to be encashed, in the Bonus to be Encashed field. If you choose to encash only a part of the amount due, then the residue bonus will be automatically calculated and displayed, in the Residue Bonus Due field. Assume that you have a holding of 500 units in a particular security. Bonus is declared in the ratio of 2:1. Therefore, you are liable to get 250 units of shares free. If you indicate that bonus is to be encashed for 125 units only then the remaining 125 units, which need to be encashed, will be reflected in the Residual Bonus field. You can choose to encash them at a later date.
Adjusted Bonus Encashed	The adjusted bonus is calculated by the system and displayed in this field. The calculations are such that, the net bonus encashed minus the adjusted bonus will be equal to the initial bonus.
Residual Bonus	If the bonus is encashed in parts then the residual amount due is displayed here.

19.10 Process Bonus to Cash Conversions

This topic describes the overview to process bonus to cash conversion.

The events table is scanned. Those events with an initiation date less than or equal to today and for which initiation has not been done will be picked up. The BOST (Bonus Initiation for short position) or BOLT (Bonus initiation for a long position) depending on whether the position in short or long. After the initiation event is complete, the Events table is updated. Positions and holdings are also updated. For disbursing the events due, only those events with the disbursement date less than or equal to today's date will be picked up. The Bonus disbursement for short positions (BOSL) or Bonus Disbursement for long positions (BOLL) will be triggered depending on whether the position in short or long. After liquidation, the events table is updated to indicate that liquidation is complete for the event.

> **Note:**
>
> Please remember that automatic liquidation is carried out only if you have specified so at the portfolio definition level. Otherwise, events due will have to be liquidated manually.

This topics has the following sub-topics:

- Process Corporate Action Events

19.10.1 Process Corporate Action Events

You can manually process these events marked for manual processing, through the Corporate Actions Manual Processing screen. The details of all these events, which are to be manually initiated, collected and liquidated, are displayed in this screen.

Also the details of those events which have already been processed (either automatically or manually) will be displayed. You can change the date on which a particular event is to be processed. You are also allowed to manually process an event which was earlier marked for auto processing.

1. On the Home page, specify **SEDXCAMN** to the text box, and click next arrow.

   Corporate Action Manual Processing screen is displayed.

Figure 19-14 Corporate Action Manual Processing

2. On the **Corporate Action Manual Processing** screen, specify the fields.

   The **Corporate Action Manual Processing** screen allows you to amend existing details such as the processing date. You can also change the processing from automatic to manual or vice versa. To amend the details of an existing event, click on unlock in the toolbar or Unlock from the Actions Menu.

   Counterparty Id will fetch the coupon from Repo counterparty. The Counterparty for Collateral portfolio is for repo counterparty and for bank portfolio will be issuer/External SK CIF.

   To the right of the Corporate Action Manual Processing, the screen are displayed a vertical array of six icons. By invoking these icons, you will be able to view and in case of charges and tax modify the attributes, of the event you are processing. To select a screen, click on an icon from the group of icons displayed at the right-hand side of the screen. A brief description of the functions icons represent, the given below:

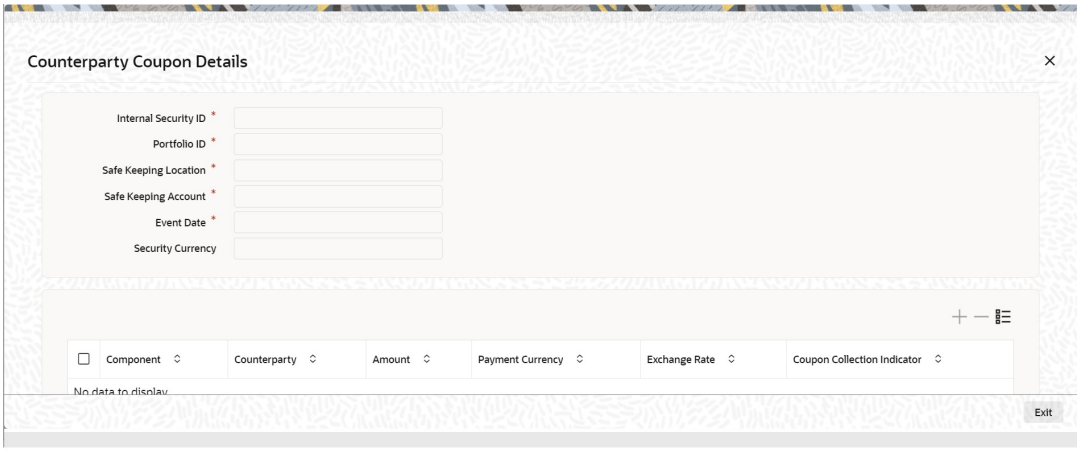
Table 19-14 Icons

Icons	Description
Events	Click on this button to view the leg events accounting entries and overrides.
Settlement	Click on this button to enter the settlement message details. You can specify the following details: The accounts to be debited for charges The method in which the event is to be settled whether it is an instrument (as in a check or a demand draft) or a message (as in SWIFT or mail message). Details about the parties involved in the event.
Charge	Click on this button to view the charge details associated with the product. You are allowed to amend the charge amount and if necessary waive the application. You are allowed to make these changes, only at the time of processing the event.
Tax	Click on this button to view the transaction tax details. In addition to changing the charge amount, you can also waive the application. You are allowed to make these changes, only at the time of processing the event.
Issuer Tax	Click on this button to view the issuer tax details. This is only a view screen, you are not allowed to modify the details displayed in this screen. You can view the issuer tax details only in case of coupon dividend or bonus to cash conversion events.
Coupon	Click on this icon to view the coupon details. This is a view-only screen, you are not allowed to modify any details displayed here. The coupon events are displayed only for a corporate action event coupon.
Counterparty Coupon Details	Click this icon to view the Counterparty Coupon Details. This screen displays the counterparty wise coupon details. Bank claims the coupon from Repo counterparty for the pledged security. The same details are shown in this screen to view Counterparty wise coupon details for a Corporate action ID

3. On the **Corporate Action Manual Processing** screen, click **Counterparty Coupon Details**.

   Counterparty Coupon Details screen is displayed.

Figure 19-15 Counterparty Coupon Details



4. On the **Counterparty Coupon Details** screen, specify the details as required.

   For more information on fields, see the below table

Table 19-15 Counterparty Coupon Details

Field	Description
Component	System will default the Interest Component for the coupon.
Counterparty	System defaults Repo Counterparty to whom security is pledged and bank will claim the coupon.
Amount	System shows the Coupon amount to be claimed from the Repo Counterparty.
Payment currency	Currency in which coupon is paid.
Exchange rate	System defaults Currency exchange rate.
Coupon Collection Indicator	Indicates whether bank has collected the coupon from the counterparty or not. System updates the field as processed after the coupon is collected

19.11 Coupon Transfer

This topics describes the coupon transfer process.

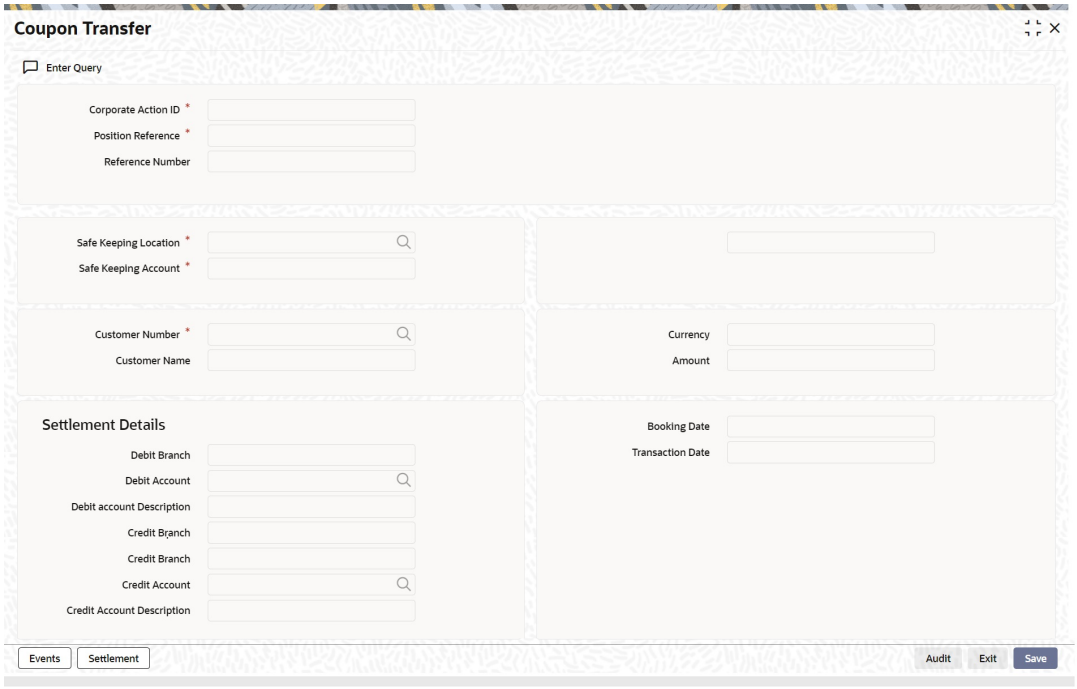
Coupon collected on the securities received as part of reverse repo deal is transferred back to the reverse repo counterparty. This screen allows the user to transfer coupon to the counterparty when claimed.

On selecting Corporate action ID, Position Reference number and counterparty, the coupon amount collected in the collateral portfolio for the coupon schedule is defaulted in the amount field.

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

   Coupon Transfer screen is displayed.

Figure 19-16 Coupon Transfer



2. On the **Coupon Transfer** screen, refer to the details as required.

   On selecting Corporate action ID, Position Reference number and Counterparty Coupon amount collected in collateral portfolio for the coupon schedule is default in amount field.

Table 19-16 Coupon Transfer - Field Description

Field	Description
Corporate Action ID	Corporate Action ID of the security code
Position Reference	Collateral portfolio Position reference number
Reference Number	Generated by system on a successful save of record
Safe Keeping Location	ID of the safekeeping location
Safe Keeping Account	Default Safekeeping Account that the holder of the collateral portfolio maintained.
Customer Number	Lists Reverse Repo Counterparty number
Customer Name	Defaults Reverse Repo Counterparty name
Currency	Defaults Coupon Currency
Amount	System defaults Coupon amount that bank transfers to the counterparty
Debit Branch	Defaults Debit account branch
Debit Account	Defaults Debit account from which coupon amount is paid
Debit account Description	Default account description
Credit Branch	Defaults Credit account branch
Credit Account	Defaults Counterparty account where coupon amount is transferred
Credit Account Description	Default Account Description is displayed in this field

Table 19-16 (Cont.) Coupon Transfer - Field Description

Field	Description
Booking Date	Date when Coupon transfer is booked
Transaction Date	Date when the settlement happens

For more information on coupon transfer functionality calculation, refer to the Coupon Transfer Functionality calculation sheet.

20

Define Portfolio

After creating Portfolio Products, you can proceed to set up a securities portfolio. In Oracle Banking Treasury Management securities portfolios can be defined for the following:

- The Bank
- The Bank Customers
- An Issuer of securities

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

While setting up a portfolio, you can indicate details such as:

- The currency of the portfolio
- The revaluation method and frequency
- Inventory management preferences (valuation) method (LIFO, FIFO, deal matching, WAC)
- The basis for asset accounting (in case of a bank portfolio)

Specify restrictions on the securities that the portfolio can trade-in. The preferences (that involve accounting entries) specified for a product default. These preferences cannot be changed.

> **Note:**
>
> In Oracle Banking Treasury Management, portfolio products and securities portfolios are defined at the bank level. They will be available to the branches of your bank, based on the restrictions that you set up.

This topic contains the following sub-topics:

- Process Portfolio Definition Details
  This topic describes the systematic instruction to process Portfolio Definition Details.
- Process Details of a Portfolio
  This topic describes the systematic instruction to process details of a portfolio.
- Define Preference for a Portfolio
  This topic describes preference definition for a portfolio product.
- Specify Advice to be Generated
  This topic describes the systematic procedure to specify advice to be generated.
- Map Accounts to a Safe Keeping Location
  This topic describes the map accounts to a safe keeping location.
- Specify Accounting Role to Head Mapping Preferences
  This topic describes the how to specify the accounting role to head mapping preferences.

- Process Security Revaluation Prices for a Portfolio
  This topic describes the systematic instruction to process Security Revaluation Prices for a Portfolio
- Process Risk Profile
  This topic describes the systematic instruction to process risk profile.
- View Safe keeping Location Portfolio Balances
  This topic describes the systematic instruction to process safe keeping location portfolio balances.

20.1 Process Portfolio Definition Details

This topic describes the systematic instruction to process Portfolio Definition Details.

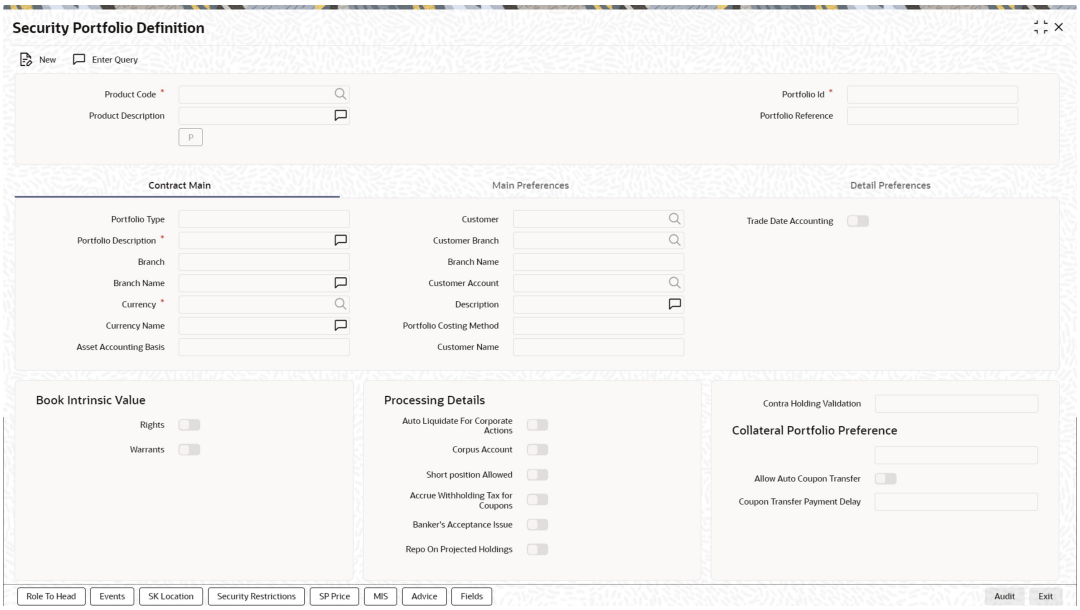
You can invoke the Portfolio Maintenance screen, from the Application Browser. If you are setting up a new portfolio, click new icon on the toolbar. The Portfolio Definition screen is displayed without any details.

1. On the Home page, specify **SEDXPFNL** in the text box, and click next arrow.

   If you are calling a Portfolio Definition record that has already been defined, choose the**x** screen. From the Summary screen, double-click a portfolio to open it.

   Security Portfolio Definition screen is displayed.

Figure 20-1 Security Portfolio Definition



2. On the **Security Portfolio** screen, specify the fields.

   The **Securities Portfolio Definition** screen consists of a header, a footer containing fields that are specific to the portfolio you are defining and three tabs (Contract main, Main preferences and the Detail preference). Also displayed is a vertical array of six icons, along the lines of which you can enter details of a portfolio. Portfolio details are grouped into screens according to the similarities they share.

3. On the **Security Portfolio Definition** screen, click **Detail Preference**.

   Detail Preference screen is displayed.

Figure 20-2 Detail Preference

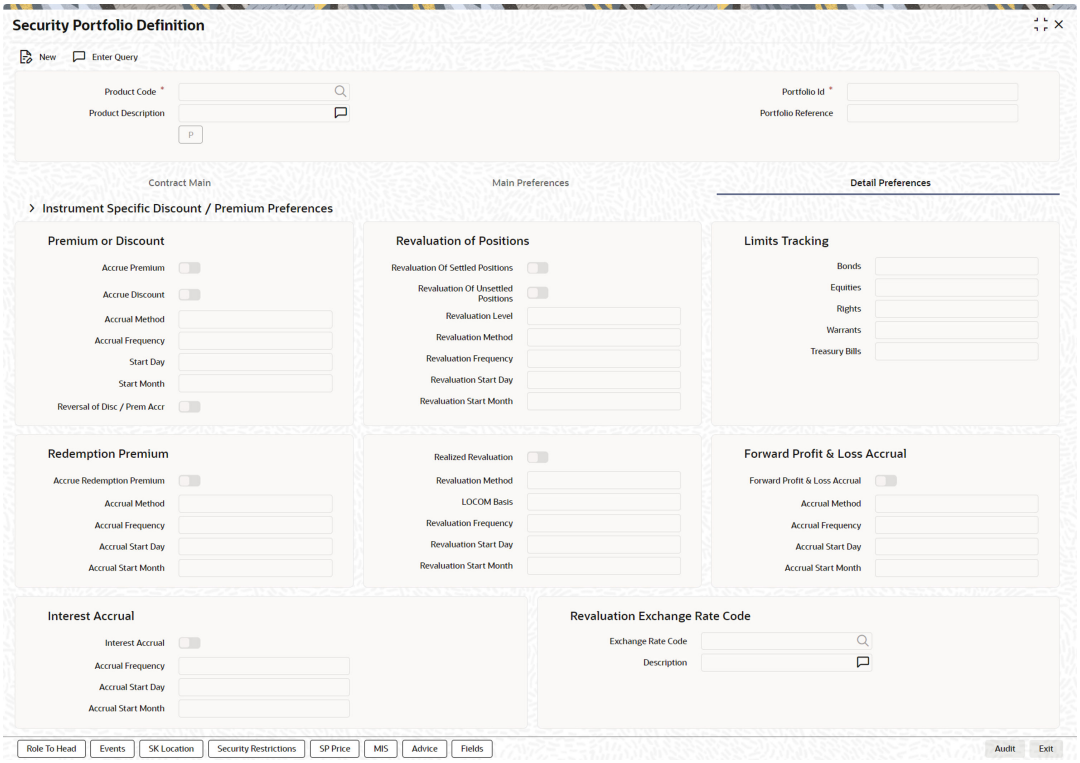


Table 20-1 Detail Preference - Field Description

Field	Description
Accrue Discount Method	Specify the accrue discount method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield.
Accrue Premium Method	Specify the accrue premium method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield.
Reversal of Disc/Prem Accr	Check this box to indicate that the premium or discount that has been accrued using the 'Weighted Moving Average' method should be reversed. If this is checked, the amortization accrual done using the 'Weighted Moving Average' method is reversed on the following BOD. During EOY, discount/premium accrual will be realized, that is, accrual will not be reversed as part of the same EOD/BOD batch (SEAUTDLY). This value is defaulted from the portfolio class level to the portfolio product level, where you can amend it. From the portfolio product level, it is defaulted to the portfolio definition level. Here too, you can amend it. The value at the portfolio definition level is considered as the final value and the reversal is determined by it.

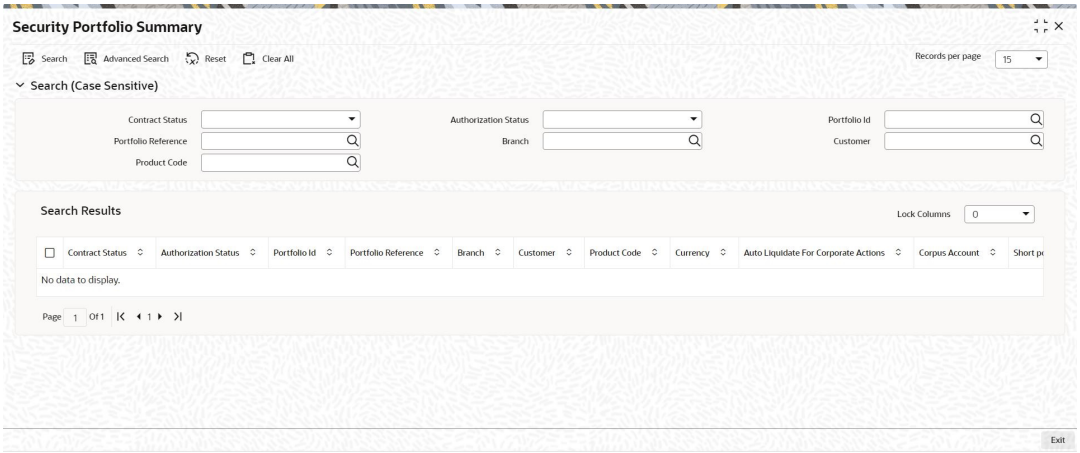
20.2 Process Details of a Portfolio

This topic describes the systematic instruction to process details of a portfolio.

1. On the Home page, specify **SESXPFNL** in the text box, and click next arrow.

   Security Portfolio Summary screen is displayed.

Figure 20-3 Security Portfolio Summary



2. On the **Security Portfolio Summary** screen, specify the fields.

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

   - **Contract Status**
   - **Authorization Status**
   - **Portfolio Id**
   - **Portfolio Reference**
   - **Branch**
   - **Customer**
   - **Product Code**
   - **Maker Id**
   - **Checker ID**
   - **Portfolio Description**

   Click **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:

   - **Contract Status**
   - **Authorization Status**
   - **Portfolio Id**
   - **Portfolio Reference**
   - **Branch**

- **Customer**
- **Product Code**
- **Maker Id**
- **Checker ID**
- **Portfolio Description**

Table 20-2 Portfolio - Field Description

Field	Description
Product Code	Use a product that has already been created, to enter the details of a portfolio. Depending on the type of portfolio you are creating, you can select an appropriate product code from the pick list available. A portfolio will inherit all the attributes, defined for the product associated with it. You can also add details that are specific to the portfolio, like the deal amount and details of the buyer and the seller. Some of the defaulted attributes if necessary can be changed. This feature simplified the procedure of setting up a portfolio.
Portfolio Reference Number	In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the portfolio being defined. The system generates a unique number for each portfolio. A three-digit branch number, a four-character product code, a five-digit Julian Date, and a four-digit serial number make up the Reference Number. The Julian Date has the following format: YYDDD Here, YY stands for the last two digits of the year and DDD for the number of day(s) that have elapsed in the year. For example, January 31, 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. 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).
Portfolio Identification	Enter a unique reference number to identify the portfolio. The portfolio will be identified by this reference in addition to the portfolio reference generated by Oracle Banking Treasury Management. The portfolio reference generated by Oracle Banking Treasury Management is defaulted to this field. You can choose to change it and indicate a reference of your own. You can query information on the portfolio by using any of the reference IDs.
Portfolio Type	Indicate as to which fund the aggregate account balance of all the customers under this account class will report for the depositor contribution from the option list. • **Bank (B)** • **Customer (C)** • **Issuer (I)** • **Collateral Portfolio (P)** **Note: Collateral Portfolio** is not allowed for trading.

Table 20-2 (Cont.) Portfolio - Field Description

Field	Description
Portfolio Description	Enter a brief description of the portfolio you are defining. This description will be associated with the portfolio for information retrieval purposes. You can change or modify the description of a class. All subsequent retrieval of information on the portfolio will contain the modified description.
Branch	In this field when the new button is clicked, the current branch is displayed.
Branch Name	This field is automatically generated. This gives a brief description of the branch.
Currency and Currency Name	Here you can choose the currency applicable for the portfolio from the available options. The currency name will default based on this selection, and it is as per the description given in the Core Module.
Asset Accounting Basis	This indicates how the assets of the portfolio should be accounted for and is applicable only for Bank Portfolios. **Note:** This field is defaulted based on the portfolio product selected and cannot be changed during portfolio definition. Accrual basis:If you select the accrual basis for asset accounting, then on 1 January you would:Dr. Premium to be accrued USD 5Dr. Asset USD 10Cr. Customer USD 15On 30 January the amount to be accrued is USD 1. The following entries will need to be passed:Cr. Premium to be accrued USD 1Dr. Expense USD 1When you sell the bond at $20Dr. Customer USD 20Cr. Asset USD 10Cr. Premium to be accrued USD 4Cr. Profit and Loss USD 6
Customer	If you are setting up a Customer portfolio, you should indicate the customer for whom you are setting it up. Select a customer code from the list of options available. For a customer portfolio, indicate the default branch of the customer. Also, indicate a default account that should be either debited or credited when an accounting entry involving the portfolio is passed. **Note:** User can set up several portfolios for a customer of the bank, or setting up several portfolios for a customer of the bank is allowed
Customer Name	The customer name is automatically generated based on the customer code selected.
Trade Date Accounting	Check this box to indicate that accounting events for Securities position movement (SPLP, SSLP , SPSP or SSSP) should be triggered on the trade date itself.
Customer Branch	Indicate the default branch in which the customer or issuer maintains accounts with your bank. Select a branch code from the option list. This field is applicable only for customer portfolios.
Customer Account	Indicate the default account that should be used for deals involving the portfolio. This field is applicable only for customer portfolios. Select an account from the option list. The options list will contain a list of all the valid accounts that the customer maintains with your bank.
Description	A brief description about the customer account is displayed.
Portfolio Costing Method	Indicate the method in which the Holding cost of the portfolio should be calculated. These preferences are defaulted from the Portfolio product and cannot be changed during Portfolio definition.

Table 20-2 (Cont.) Portfolio - Field Description

Field	Description
Currency	For all types of portfolios indicate the currency of the portfolio. You can select a currency code from the available option list. The securities that constitute a portfolio can be in currencies other than the portfolio currency. When entering a deal involving the securities of the portfolio, the currency conversion would be done using the standard rate maintained in the Exchange Rate screen. The same will be done when income is earned by the securities that are part of a portfolio.
Book Intrinsic Value	A warrant or right attached to security entitles the holder to convert it into common stock at a set price during a specified period. Thus rights and warrants have a hidden or intrinsic value. The intrinsic value of a right or warrant is the difference between the exercise price of the unit and the market price of the resulting security. For asset accounting purposes, you can choose to book or ignore the intrinsic value of rights and warrants. Check against the field Rights to indicate that the intrinsic value of the rights attached to securities in the portfolio should be included for asset accounting. Check against the field Warrants to indicate that the intrinsic value of the warrants attached to securities in the portfolio should be included for asset accounting. Leave the fields unchecked to indicate that intrinsic value should be ignored.
Auto Liquidate for Corporate Actions	The corporate actions that are applicable for securities in the portfolio can be automatically liquidated on the Event date (the date on which the corporate action is due). Check against this option to indicate the corporate actions applicable to securities in the portfolio should be automatically liquidated on the due date. Leave it unchecked to indicate that it should be manually liquidated. If you select the automatic option, the corporate action will be automatically liquidated on the liquidation date as part of the automatic processes run as part of the beginning of the day (BOD) or End of day (EOD).
Corpus Account	This field is meant for future use.
Short Positions Allowed	If you check this box, you can select whether the system should do contra holdings validation during save (Online) or at the end of the day (EOTI). If you do not want any validation on contra holdings, then you can select ‘No Check - Unlimited’. If you do not check this box, then contra holding validation has to be null. If you check this box and ‘Contra Holding Validation’ is set to 'No Check - Unlimited' or 'EOTI', then the system will display an override message when you save/modify the contract and the sell quantity is greater than the value dated holdings for a particular security code. If there is an active Repo deal in the portfolio, the system will not allow you to check this box. You can create portfolio by checking or unchecking 'Short Positions Allowed’ and ‘Repo on Projected Holdings’ boxes.
Accrue Withholding Tax	The withholding tax levied on transactions involving a portfolio can be accrued over the tenure of the security that is traded. Check against this field to indicate that withholding tax should be accrued. Leave it unchecked to indicate otherwise.
Bankers Acceptance	Check this box if you intend the portfolio to be used for a Banker’s Acceptance deal. The value for this field defaults based on your specification in the Portfolio Product Preference screen. If the default value is ‘Yes’, you can change it to ‘No’, but not the other way round. Only those SK locations can be chosen for this portfolio, which has the Banker’s Acceptance option enabled.

Table 20-2 (Cont.) Portfolio - Field Description

Field	Description
Repo on Projected Holdings	Check this box to enable Repo on projected holdings. If you check this, the system will allow you to create a Repo deal based on the projected holdings. The system allows you to create a future value dated Repo deal if this box is checked for the bank portfolio and there is available holdings. The contract status of the Repo and the linked deal will be in 'Yet to be Initiated' status. If this box is checked and there is no available holdings, the system displays an appropriate override message when you book a future value dated Repo. You can accept the override and proceed to book the Repo. You can create a portfolio by checking or unchecking 'Short Positions Allowed' and 'Repo on Projected Holdings' boxes.
Collateral Portfolio Preference	Select one of the Portfolio preference from the drop-down list. • **Repo** • **Reverse Repo**
Allow Auto Coupon Transfer	Check this box to indicate that the coupon transfer should be allowed on the collateral portfolio. If this check box is toggled-on, then the system triggers the coupon transfer on the transaction date..
Coupon Transfer Payment Delay	Specify the number of days before which coupon transfer should not be done. Based on the values specified here, the system derives the date for CPTR processing. If you have not specified any value, then the system will trigger the coupon transfer on the coupon (collection) event date. If the value is provided, the system will derive the transaction date for coupon transfer by adding that many number of working days (local holiday and currency holiday considered) to the coupon collection event.

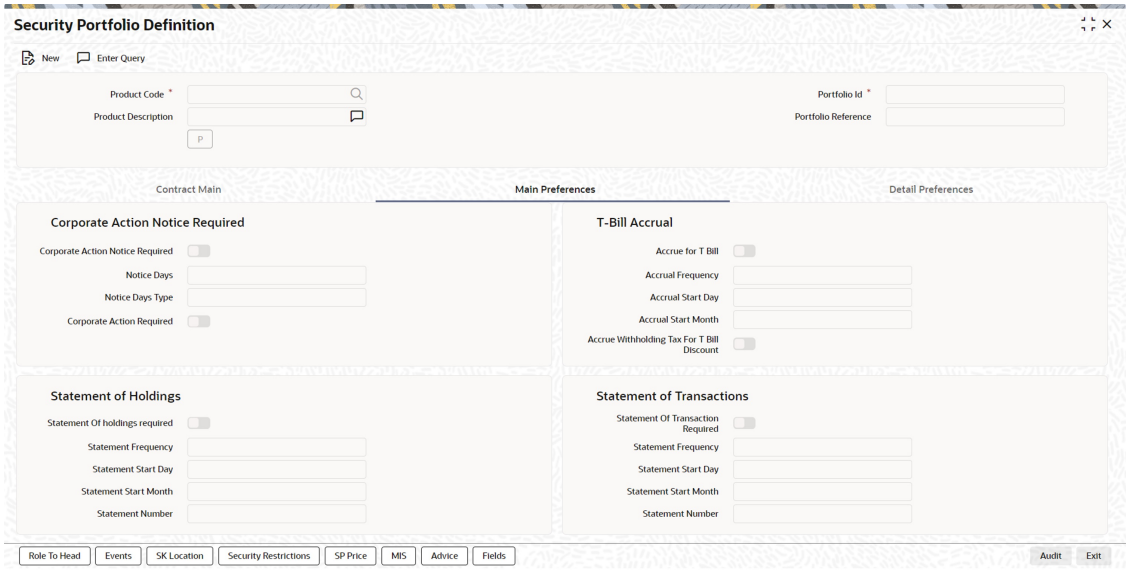
20.3 Define Preference for a Portfolio

This topic describes preference definition for a portfolio product.

While defining a portfolio, you can indicate preferences for the portfolio. The preferences defined for the portfolio product to which the portfolio is associated defaults. You have the option to change some of the defaults, but certain details that are characteristic of the product type to which the portfolio belongs cannot be changed. The preferences that you can specify are spread over two screens:

- The **Main Preference** screen
- The **Detail Preferences** screen

Figure 20-4 Portfolio Main Preferences



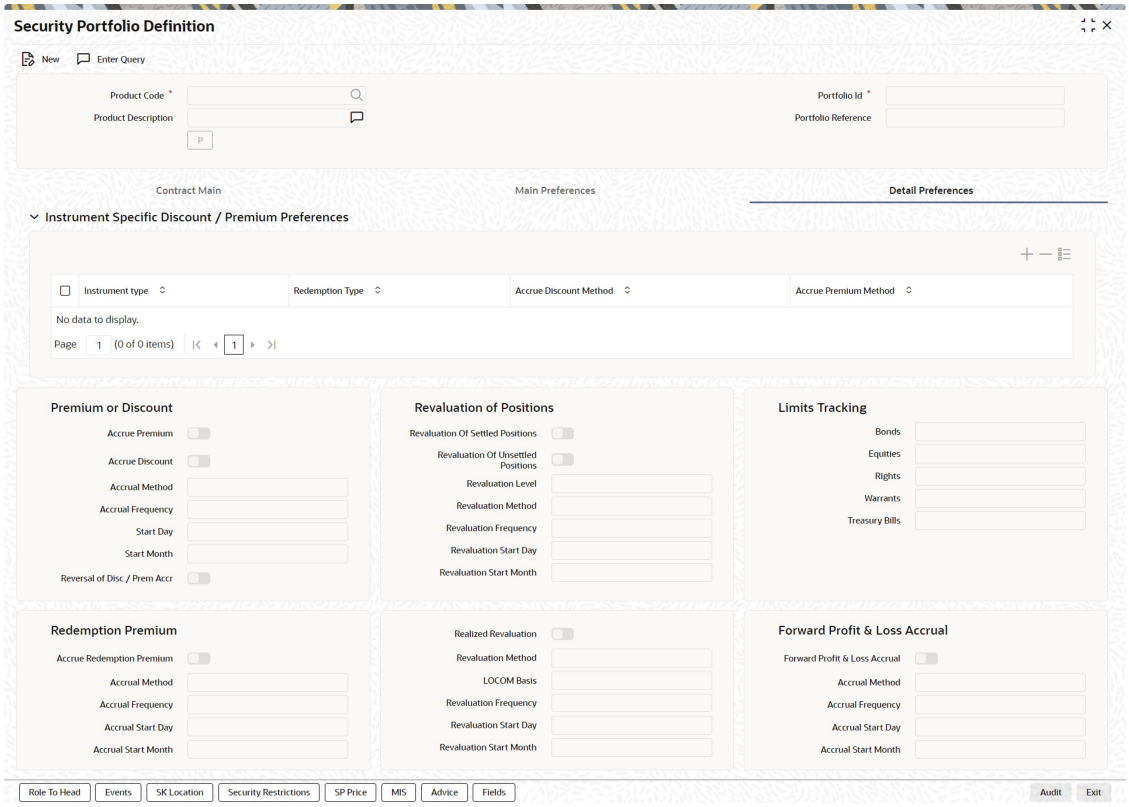
Preferences (that involve accounting entries) defined for the product cannot be changed while creating a Securities Portfolio that involves it. These include:

- The asset accounting basis
- The portfolio costing method
- Whether the intrinsic value of rights and warrants needs to be booked
- Accrual preferences like
- Whether withholding tax should be accrued
- Whether the discount for T-Bills should be accrued
- Whether withholding tax for discounted T-Bills should be accrued
- Whether premium or discount should be accrued
- Whether redemption premium should be accrued
- Whether interest should be accrued
- Whether forward profit or loss should be accrued
- Revaluation preferences, such as the revaluation basis, LOCOM basis, method, frequency, and start date)

The LOCOM basis is defaulted from the Portfolio Product and can be changed. Subsequently, an amendment of the LOCOM basis specified in the Portfolio Definition screen is not possible. For details about the LOCOM basis, refer to the chapter Maintaining a Portfolio Preference Class' of this User Manual. Further, you can specify the following preferences, for the components that can be accrued:

- The accrual method
- **Accrual frequency**
- **Start days**
- **Start month**

Figure 20-5 Portfolio Detail Preferences



Instrument Specific Discount / Premium Preferences

This topic describes about the overview of instrument specific discount/premium preference.

Instrument Type

Select the instrument type from the adjoining drop-down list. The list displays the following options:

- **Bonds**
- **Treasury Bills**
- **All**

Redemption Type

Select the redemption type from the adjoining drop-down list. The list displays the following options:

- **Bullet**
- **Quantity**
- **Series**
- **All**

Accrue Discount Method

Specify the accrue discount method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield,

Accrue Premium Method

Specify the accrue premium method. If you select the redemption type as bullet, then the system will allow you to select the discount method as constant yield /exponential / straight line/ weighted moving average. However, for any other type of redemption, you can select only the type as constant yield,

Accrual Method

The accrual method refers to the method to be used to calculate the amount of premium or discount to be accrued. You can select one of the following options from the drop-down list:

- **30 (Euro) / 360**
- **30 (US) / 360**
- **Actual / 360**
- **30 (Euro) / 365**
- **30 (US) / 365**
- **Actual / 365**
- **30 (Euro) / Actual**
- **30 (US) / Actual**
- **Actual / Actual**
- **30 (Euro) / 364**
- **30 (US) / 364**
- **Actual / 364**

If the ‘Accrue Premium Method’ or the ‘Accrue Discount Method’ selected is ‘Weighted Moving Average’, then the ‘Accrual Frequency’ cannot be ‘Daily’.

Reversal of Disc/Prem Accr

Check this box to indicate that the premium or discount that has been accrued using the ‘Weighted Moving Average’ method should be reversed.

f this is checked, the amortization accrual done using he ‘Weighted Moving Average’ method will be reversed on the following BOD. During EOY, discount/premium accrual will be realized, that is, accrual will not be reversed as part of the same EOD/BOD batch (SEAUTDLY).

This value is defaulted from the portfolio class level to the portfolio product level, where you can amend it. From the portfolio product level, it is defaulted to the portfolio definition level. Here too, you can amend it. The value at the portfolio definition level is considered as the final value and the reversal is determined by it.

Forward PL Accrual

Specify the following details:

Accrual Method

The accrual method refers to the method to be used to calculate the amount of forward profit or loss that is to be accrued. Select one of the following options from the drop-down list:

- **30 (Euro) / 360**
- **30 (US) / 360**
- **Actual / 360**
- **30 (Euro) / 365**
- **30 (US) / 365**
- **Actual / 365**
- **30 (Euro) / Actual**
- **30 (US) / Actual**
- **Actual / Actual**
- **30 (Euro) / 364**
- **30 (US) / 364**
- **Actual / 364**

Redemption Premium

Specify the following details:

Accrual Method

The accrual method refers to the method to be used to calculate the amount of premium that is due to you for holding the bond. You can select one of the following options from the drop-down list:

- **30 (Euro) / 360**
- **30 (US) / 360**
- **Actual / 360**
- **30 (Euro) / 365**
- **30 (US) / 365**
- **Actual / 365**
- **30 (Euro) / Actual**
- **30 (US) / Actual**
- **Actual / Actual**
- **30 (Euro) / 364**
- **30 (US) / 364**
- **Actual / 364**

> **Note:**
>
> The value of the accrual method maintained in the 'Security Portfolio Definition' screen is used for calculating the accrual interest for a given portfolio.

Indicating the Revaluation Level

As a branch parameter, if you have indicated that revaluation should be performed at the Holdings level, you have the option of selecting between Deal level revaluation and Position level revaluation for a specific portfolio. This option will not be made available if, as a branch parameter, you have indicated that the revaluation should be performed at the Portfolio level. You will not be allowed to revalue a portfolio at the deal level if the Costing Method for the portfolio is WAC. The default level positions and that cannot be changed. The entries passed for deal level revaluation at the event BRVL (Securities Revaluation of Positions/Deals) are:

Table 20-3 Accounting table

Debit/Credit	Accounting Role and Description	Amount Tag and Description
Debit	MTM_EXP - Expense GL for Revaluation (MTM Method)	MTM_EXP - Revaluation Expense(MTM Method)
Credit	MTM_LBY - Liability GL for Revaluation (MTM Method).	MTM_EXP - Revaluation Expense(MTM Method)
Debit	MTM_ASS - Asset GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income(MTM Method)
Credit	MTM_INC - Income GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income(MTM Method)
Debit	LOCOM_REVAL_EXP - Expense GLfor Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - RevaluationExpense (LOCOM Method)
Credit	LOCOM_REVAL_LBY - Liability GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - RevaluationExpense (LOCOM Method)

A note on Processing Bonds and T-bill based on the YTM parameters

While processing a Bond or a T-Bills, if the Price quote is not by 'Yield to Maturity', the YTM is computed based on the formula given below:

$$P_0 = \left[\sum_{i=1}^{N} \frac{C_i}{(1+\%y_0)^{(\frac{\Delta d_i}{P})}} + \frac{R.P.}{(1+\%y_0)^{(\frac{\Delta d_n}{P})}} - AI \right]$$

P0 is the Purchase price of the Bond

- P0 is the Purchase price of the Bond
- P is the Price of the Bond.
- N is the Total number of coupons

- C_i is the Coupon payment for coupon i
- y_0 is the Deal YTM (Periodic)
- Y0 is the Deal YTM
- A is the Day Count Method – Denominator
- n is the Coupons in a Year
- P is the Period of Reinvestment. If Null, defaulted to A/n
- R.P. is the Redemption Price
- AI is the Accrued Interest
- Δd_i is the Coupon Date ¡V Value Date
- Δd_N is the Redemption Date – Value Date

The formula used to calculate the yield given price – for T-Bills, will be

$$P_0 = \left[\frac{R.P.}{(1+\%y_0)^{(\frac{\Delta d}{P})}} \right]$$

- P_0 is the Purchase price of the Bond
- R.P. is the Redemption Price
- Y_0 is the Deal YTM
- Δ_d is the Redemption Date – Value Date
- A is the Day Count Method - Denominator

End-of-Day processing – accrual by the straight line method

During EOD processing on each day, the system picks up all deals in Bonds and T-Bills marked for DPRP accrual – based on Constant Yield Basis. ‘DPRP’ stands for Discount, Premium and Redemption Premium. In the case of Bonds, from the formula mentioned below, the YTM computed and stored at the time of saving the deal, is used to arrive at the price of the deal for the current working day (P2).

$$P_0 = \left[\sum_{i=1}^{N} \frac{C_i}{(1+\%y_0)^{(\frac{\Delta d_i}{P})}} + \frac{R.P.}{(1+\%y_0)^{(\frac{\Delta d_N}{P})}} - AI \right]$$

If the Annualizing method is Compound, the deal YTM is computed as follows:

$$Y_0 = \left[(1+y_0)^{\frac{A}{P}} - 1 \right]$$

If the Annualizing method is Simple, the deal YTM is computed as follows:

$$Y_0 = \left[y_0 \left(\frac{A}{P} \right) \right]$$

If case of EX Deal, first coupon amount will be 0 (C1 = 0).

Where

- P is the Price of the Bond.
- N is the Total number of coupons.
- Ci is the Coupon payment for coupon i
- y0 is the Deal YTM (Periodic).
- Y0 is the Deal YTM.
- A is the Day Count Method – Denominator.
- n is the Coupons in a Year.
- P is the Period of Reinvestment. If Null, defaulted to A/n.
- R.P. is the Redemption Price
- AI is the Accrued Interest
- di is the Coupon Date – Application Date
- dN is the Redemption Date – Application Date

The price obtained for the current working day is then compared with the price obtained during the previous day's EOD processing (P1). The difference between the price of the deal on the current working day and the previous day (P2 – P1) is the amount for which accrual entries will be passed, on the current working day. In the case of T-Bills, from the formula mentioned below, the YTM computed and stored at the time of saving the deal, is used to arrive at the price of the deal for the current working day (P2).

$$P_0 = \left[\frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d}{P}\right)}} \right]$$

Where

- P is the Price of the T-Bill
- R.P. is the Redemption Price
- AI is the Accrued Interest
- di is the Coupon Date – Value Date
- dN is the Redemption Date – Value Date

The formula used to calculate the yield given price – for T-Bills, will be

$$P_0 = \left[\frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d}{P}\right)}} \right]$$

- P0 is the Purchase price of the T-Bill
- R.P. is the Redemption Price
- Y0 is the Deal YTM
- d is the Redemption Date – Value Date
- A is the Day Count Method - Denominator

The price obtained for the current day is compared with the price obtained during the previous day's EOD processing (P1). The difference between the price of the deal on the current day and the previous day (P2 – P1) is the amount for which accrual entries will be passed, on the current working day. For example, let us assume, in your country all Securities (Bonds, T-bills, Cps) are quoted in the market on a yield basis. Additionally, no tax is levied on any capital gains (to encourage trading) but 35% tax is charged on the Discount Amount. Accrual in a straight-line method would divide the discount amount equal to the number of days to mature. But your bank would like to calculate the present value on the Security on a daily basis and the difference will be booked as Discount Earned. In this method, the present holding cost will be always lesser than the straight line revaluation (if it is bought in discount) and hence capital gain will be higher during the sell. A T Bill worth 50,000,000.00 (FV) is Bought on 1-Sep-2002 Maturing on 08-Aug-2003 at Annual Yield rate of 13%.

Table 20-4 Buy

Buy Date	01-SEP-2002	Description
Redemption Date	08-Aug-2003	
YTM Price	13%	B3
Quantity (Nominal)	50,000,000.00	B4
Days to Mature	341	B5
Price	89.1701	B6 = ROUND(100/(1+(B3*B5)/365),4))
Net Consideration	44,585,050.00	
Discount	5,414,950.00	B14

On A later date (10-Sep-02)

Table 20-5 Table

Yield	13%	D3
Holding Quantity	50,000,000.00	
Days to Mature	332	D5
Present Cost	89.4257	D6 = ROUND(100/(1+(D3*D5)/365),4)
Present Value	44,712,85000 D7=D4*D6/100	

Table 20-5 (Cont.) Table

Yield	13%	D3
Present Discount	5,287,150.00 D14	
Discount to Be Amortized	127,800	D15 = B14- D14

DPRP Accrual for Bonds with quantity redemption schedules

For securities which are redeemable on call and with redemption type Quantity, you can choose to redeem a specific amount of the face value by entering the requisite percentage in the Redemption Percent field in the Securities Corporate Action Maintenance – Redemption screen. Refer to the chapter on Maintaining and Processing Corporate Actions in this manual. For such securities, the DPRP accrual takes into account the weighted average of the days to redemption.

Accrual by the exponential method

In the exponential method of DPRP accrual, the amount accrued is not the same each day, but rises exponentially with each passing day of the accrual period. The amount accrued at the end of each day is given by the following formula:

W = PP * (FV/PP)(n1/n2)

Where

W = Value of the Bond on accrual date;

PP = Purchase Price of the Bond;

FV = Face Value of the Bond;

n1 = Number of days from purchase till the date of accrual;

n2 = Number of days from purchase till maturity.

For example, consider a Bond with the following basic details:

Purchase Price = PP = 80 USD

Face Value (Nominal) = FV = 100 USD

n2 = 10

The value of the bond and the amount accrued each day till maturity is given in the table below. For comparison, the accrued amount each day, as obtained by the straight line method of accrual, is given in the last column. All figures are in USD:

Table 20-6 Bond

n1	Value of Bond	Value of Bond in excess of Purchase Price	Discount Accrual by exponential method	Discount Accrual by straight line method
1	81.805	81.805	81.805	2.000
2	83.651	3.651	1.846	2.000
3	85.539	5.539	1.888	2.000

Table 20-6 (Cont.) Bond

n1	Value of Bond	Value of Bond in excess of Purchase Price	Discount Accrual by exponential method	Discount Accrual by straight line method
n1	Value of Bond	Value of Bond in excess of PurchasePrice	Discount Accrual by exponential method	Discount Accrual by straight line method
4	87.469	7.469	1.930	2.000
5	89.443	9.443	1.974	2.000
6	91.461	11.461	2.018	2.000
7	93.525	13.525	2.064	2.000
8	95.635	15.635	2.110	2.000
9	97.793	17.793	2.158	2.000
10	100.000	20.000	2.207	2.000
-			20.000	20.000

In case the redemption date is extended, the system recomputes the DPRP amounts irrespective of the accrual method maintained for DPRP. Discount/Premium accrual will be completed till the extension date (using the old redemption date). However, all the unaccrued Discount/Premium will be accrued from the transaction date of the redemption date extension. Subsequently, YTM for all the deals will also be recomputed.

20.4 Specify Advice to be Generated

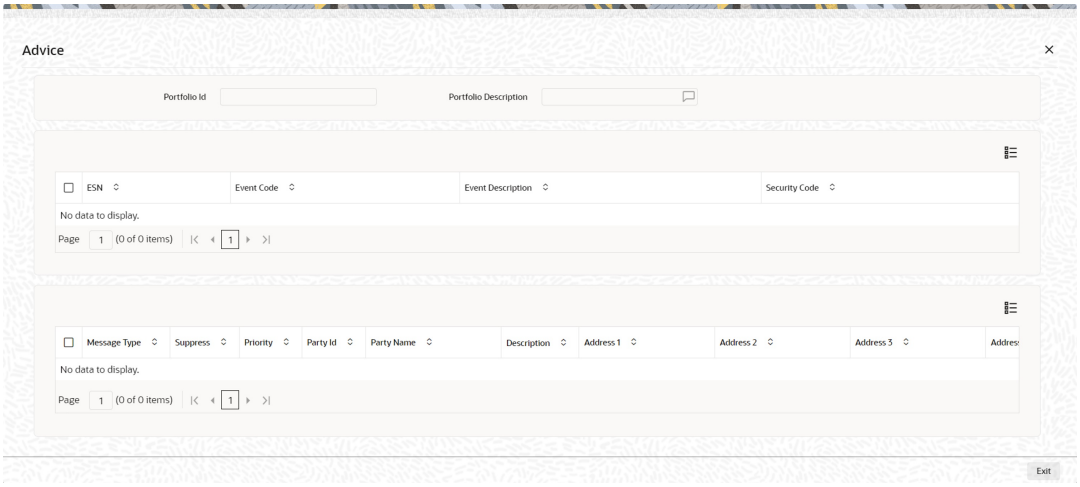
This topic describes the systematic procedure to specify advice to be generated.

The advices that can be generated, for the events that occur during the life cycle of securities in a portfolio, are defined for the product to which the portfolio is associated.

1. On the **Portfolio Definition** screen, click **Advices**.

   Advices screen is displayed.

Figure 20-6 Advices



Highlight an event, to view the advices associated with it. The address, to which an advice should be delivered, is picked up by default, based on the media and address maintained for the party. The party type to whom an advice should be sent is also picked up automatically, based on the type of portfolio you are entering and the parties involved.

Suppressing the generation of an advice

By default, all advices defined for a product will be generated for the portfolios to which it is associated. If any of the advices are not applicable to the portfolio being created you can suppress its generation.

Priority

For a payment message by SWIFT, you have the option to change the priority with which a message should be delivered. By default, the priority of an advice is marked as Normal. You have the option to priorities a payment message to one of the following options:

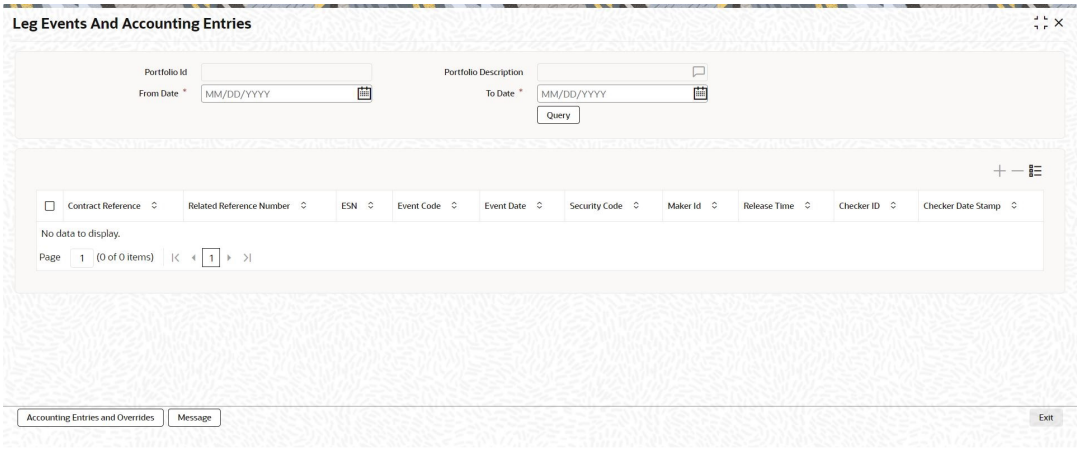
- **Normal**
- **Medium**
- **High**

After selecting the advices to be generated for the portfolio, click add icon to save the entries that you made. Click delete icon to reject the entries that you have made. In either case, you will be returned to the Portfolio Definition screen.

2. On the **Portfolio Definition** screen, click **Events**.

Leg Events, Accounting Entries & Overrides screen is displayed.

Figure 20-7 Leg Events Accounting Entries Overrides



Accounting entry details

Highlight the event to view its accounting entries. All the accounting entries that were passed and the overrides that were encountered for the event will be displayed. The following information is displayed for each accounting entry:

- Branch
- Account
- Dr/Cr indicator
- The amount tag

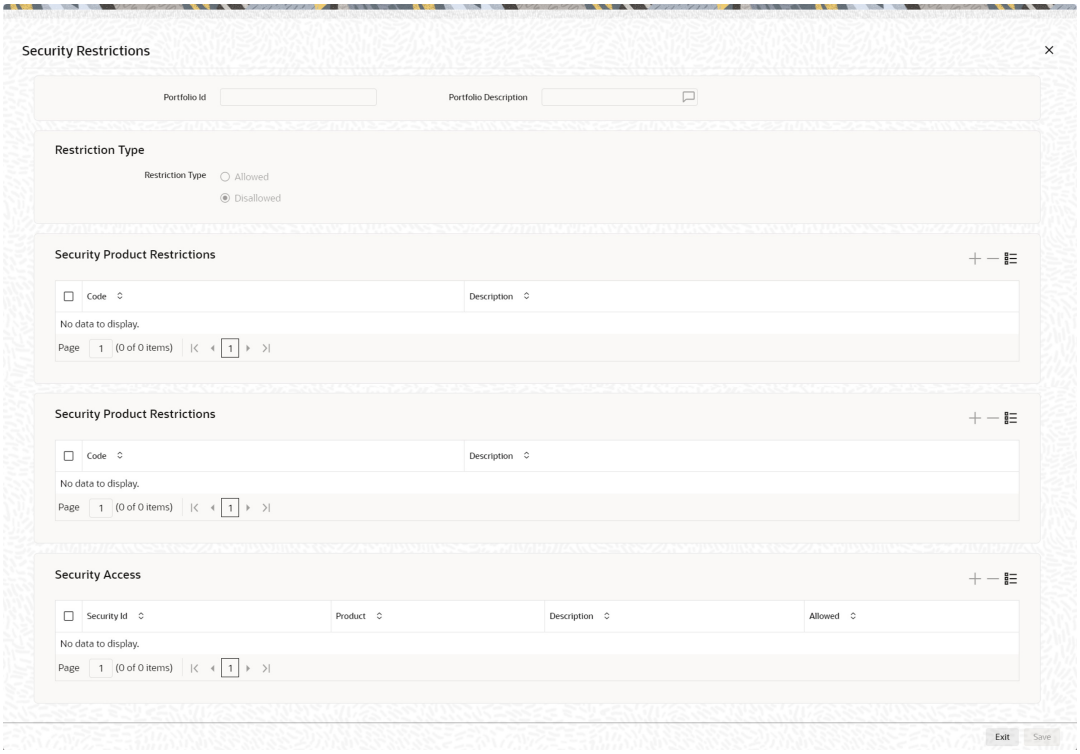
- The date on which the entry was booked
- Value Date
- The deal currency
- Amount in deal currency
- The foreign currency equivalent (if applicable)
- The exchange rate that was used for the conversion
- Amount in local currency
- All the overrides that were encountered for the event will also be displayed

Click the **Exit** button to exit the screen. You will be returned to the Application Browser.

3. On the **Portfolio Definition** screen, click **Security Restriction**.

   Security Restrictions screen is displayed.

Figure 20-8 Security Restriction



4. On the **Security Restriction** screen, specify the fields.

   From the head office of your bank, you can establish certain controls over the securities that a portfolio can trade in. These controls are achieved by specifying restrictions. The security restrictions maintained for the portfolio product associated with a portfolio will by default apply. You can use the defaulted restrictions or define security restrictions for a portfolio.

Table 20-7 Security Restriction - Field Description

Field	Description
Restriction Type	Specify security restrictions in the form of an allowed or disallowed list. You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option under the field Restriction type. When you set up security restrictions, the securities that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, securities that do not figure in it can be involved in deals linked to the product.
Allowed/Disallowed	Under Security Restriction, you will see a column displayed. • An Allowed or Disallowed list (depending on the restriction type you are maintaining).
Exempting specific securities from an allowed or disallowed list	You can exempt specific securities, from the restriction specified for the product to which they belong. Click the add icon and select a security code from the pick-list. You can choose to Allow or Disallow the security that you have selected by choosing the appropriate option under Restriction Type. Click the delete icon to remove security from the list. For example, suppose that you have maintained the following security products in Oracle Banking Treasury Management: Table 21.7: Product You are maintaining security restrictions for a portfolio. You have indicated the restriction type as Allowed. For this portfolio, you have moved the Security product SECA to the allowed list. This in effect means that you have, Allowed SECA for the portfolio. Disallowed SECB for the portfolio. You want to disallow security EQ 3 and allow security BD 1. In Oracle Banking Treasury Management this is achieved thus: Follow the same procedure for the security ID, BD1 and indicate that it is allowed for the portfolio. Thus you have allowed the securities EQ 1, EQ 2, and BD 1 for the portfolio.
Confirming your specifications	After you have defined restrictions, click **Exit** to delete your specifications. You will be returned to the Portfolio Definition screen.

Table 20-8 Product

Product Code	Products linked to it
SECA	EQ 1 EQ 2 EQ 3
SECB	BD1 BD2 BD3

You are maintaining security restrictions for a portfolio. You have indicated the restriction type as Allowed. For this portfolio, you have moved the Security product SECA to the allowed list. This in effect means that you have, Allowed SECA for the portfolio. Disallowed SECB for the portfolio. You want to disallow security EQ 3 and allow security BD 1. In Oracle Banking Treasury Management this is achieved thus: Follow the same procedure for the security ID, BD1 and indicate that it is allowed for the portfolio. Thus you have allowed the securities EQ 1, EQ 2, and BD 1 for the portfolio.

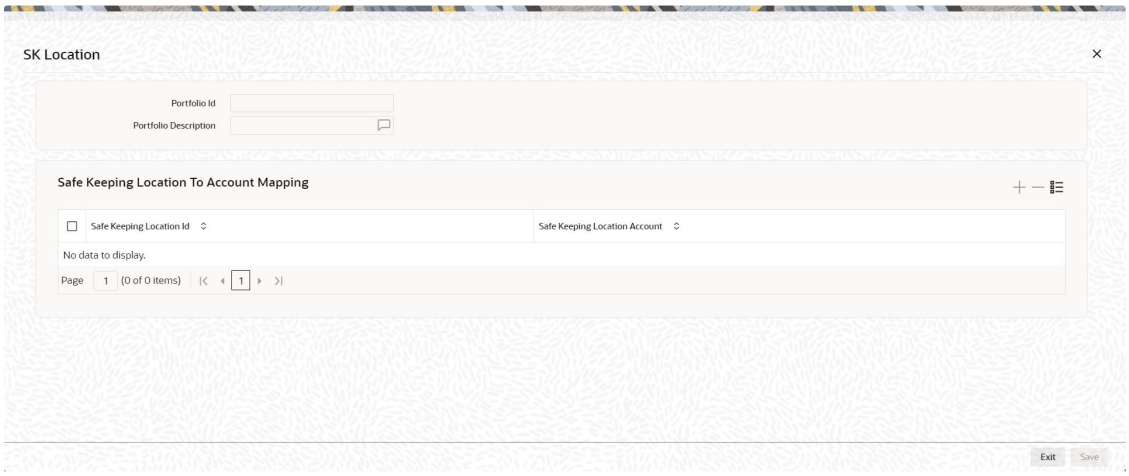
20.5 Map Accounts to a Safe Keeping Location

This topic describes the map accounts to a safe keeping location.

While setting up a portfolio, you can indicate the default account at a safe keeping location (SKL) that should be used when deals involving securities lodged at the SKL are traded.

Click **SK Location** from the **Portfolio Definition** screen to invoke the **SK Location** screen. In this screen you can indicate the default account to be used for each SK location.

Figure 20-9 SK Location



The procedure for mapping accounts

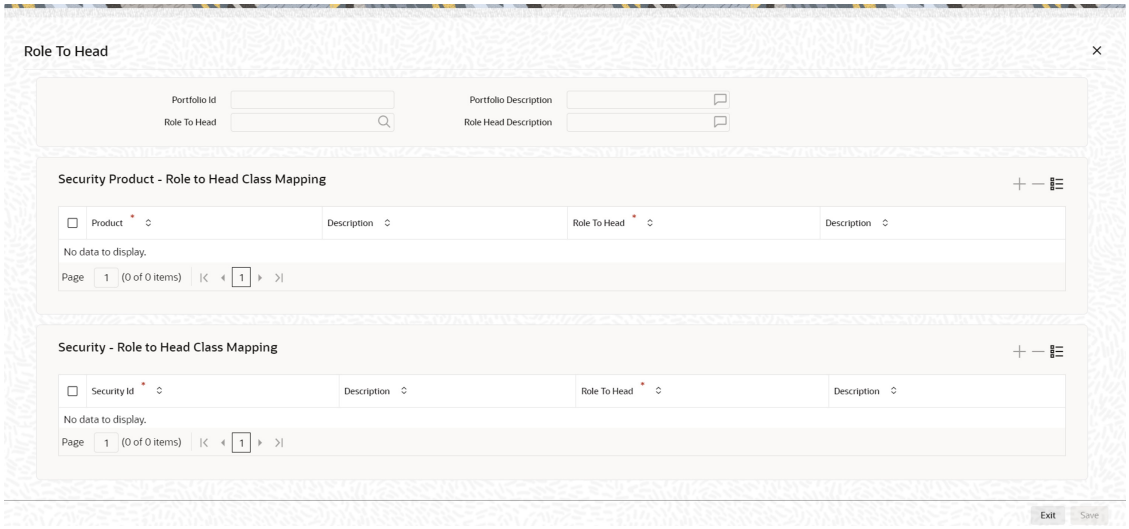
Indicate the ID of the safekeeping location at the Safe Keeping Location field. Alternatively, select a safekeeping location from the pick-list. The pick-list will contain details of all valid safe keeping locations, maintained in the SKL Maintenance screen. Thereafter, indicate the default account at the SKL account field. Select an account from the pick-list. The pick-list will contain the accounts that the holder of the portfolio maintains, with the SK location. To add another SK location and account combination for a portfolio, click add icon and follow the procedure list above. To delete a mapping that you have made, highlight the mapping and click the delete icon. Click ‘Exit’ to cancel the entries. You will return to the Portfolio Definition screen.

20.6 Specify Accounting Role to Head Mapping Preferences

This topic describes the how to specify the accounting role to head mapping preferences.

While creating a product, you have specified Role to Head Mapping preferences. The preferences specified for the product associated with the portfolio is defaulted. Click **Role to Head** from the **Securities Portfolio Definition** screen.

Figure 20-10 Role to Head



Level one

You accept the role to head mapping class defaulted from the product associated with the portfolio. In this case, the role to head mapping class will be made applicable across all securities in the portfolio.

Level two:

The Role to Head Mapping Class that is defaulted from the product is not applicable to the portfolio being defined. You can specify another role to head mapping class and make it applicable to the portfolio. In this case, the new class that you specified will become applicable to all securities in the portfolio.

Level Three

You have either accepted the default role to head mapping from the product or have associated a new role to head mapping class for the portfolio.

However, for a specific security product you want to use a different role to head mapping class. Indicate the role to head mapping that is applicable to the portfolio and specify a Role to Head Mapping Class that is to be applied to specific securities products.

Level Four

Besides the Accounting Role To Head Mapping class defined for the portfolio, you can also define an accounting role to head mapping class for a particular security, within a security product.

20.7 Process Security Revaluation Prices for a Portfolio

This topic describes the systematic instruction to process Security Revaluation Prices for a Portfolio

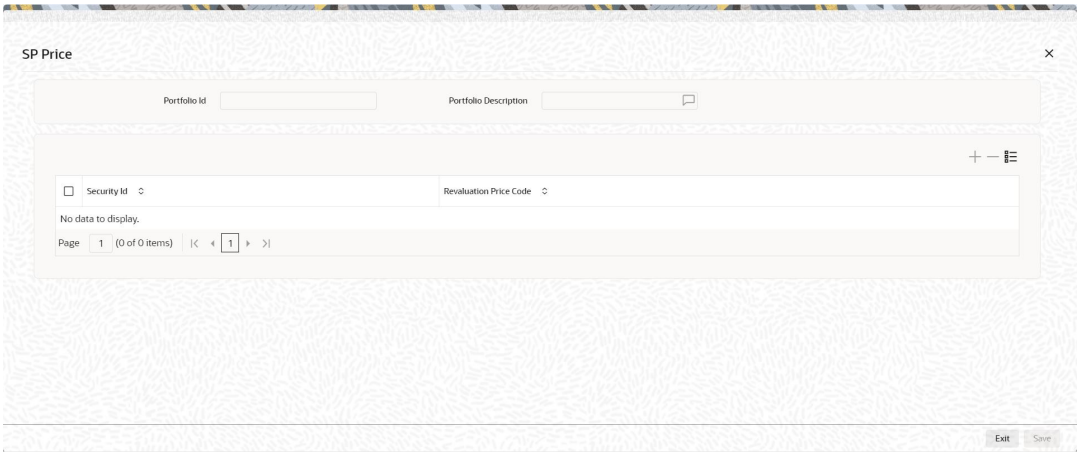
You can choose to maintain different price codes for each security within the portfolio. The prices associated with these price codes will be used to revalue the portfolio. Thus for the same security, you could specify different revaluation price codes in different portfolios.

To maintain price codes for each security within the portfolio, perform the following procedure:

1. On the **Security Definition Portfolio** screen, click **SP price**.

   SP price screen is displayed.

Figure 20-11 SP Price



2. On the **SP Price** screen, specify thee fields.

   In this screen, you can maintain a set of securities and associate appropriate price codes with each of them. While revaluing the portfolio, the system first checks for the price code associated with the security at the portfolio level. Else, the default price code maintained for the security will be used for revaluation.

> **Note:**
>
> You can link only one price code for a given security in a given portfolio.

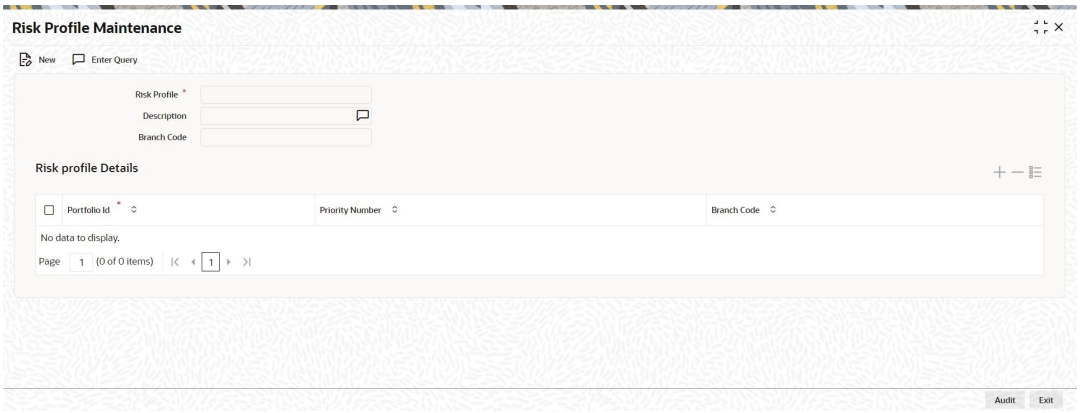
20.8 Process Risk Profile

This topic describes the systematic instruction to process risk profile.

1. On the Home page, specify **SEDXRMNT** in the text box, and click next arrow.

   Risk Profile Maintenance screen is displayed.

Figure 20-12 Risk Profile Maintenance



2. On the **Risk Portfolio Maintenance** screen, specify the fields.

   For more information on fields, refer to field description table.

Table 20-9 Risk Portfolio Maintenance - Field Description

Field	Description
Risk Profile	Specify the risk profile.
Description	Enter a description for the risk profile.
Branch Code	Specify the branch code.
Portfolio Id	Select the portfolio ID from the adjoining list of values provided.
Priority Number	Specify the priority number to be associated with the benefit plan for the selected module. **Note:** The priority number specified should be unique across all benefit plans for a given module.
Branch Code	Specify the branch code.

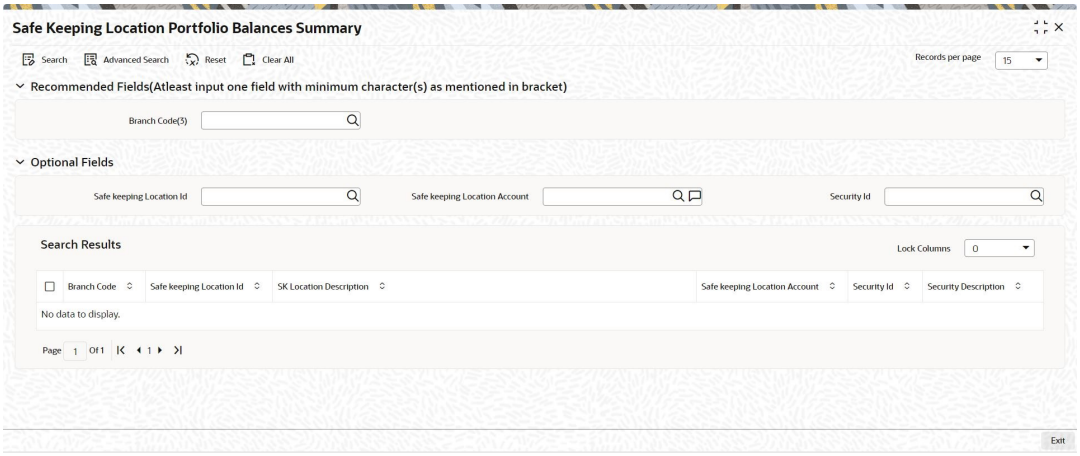
20.9 View Safe keeping Location Portfolio Balances

This topic describes the systematic instruction to process safe keeping location portfolio balances.

1. On the Home page, specify **SESXSKPB** in the text box, and click next arrow.

   Safe Keeping Location Portfolio Balances Summary screen is displayed.

Figure 20-13 Safe Keeping Location Portfolio Balances Summary



2. On the **Safe Keeping Location Portfolio Balances** screen, specify the fields.

   On the **Safe Keeping Location Portfolio Balances** screen, specify the fields.

   In the above screen, you can base your queries on any or all of the following parameters and fetch records:

   - **Branch Code**
   - **Safe Keeping Location Id**
   - **Safe Keeping Location Account**
   - **Security Id**

   Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

- **Branch Code**
- **Safe Keeping Location Id**
- **SK Location Description**
- **Safe Keeping Location Account**
- **Security Id**
- **Security Description**
- **Security Currency**
- **Portfolio Id**
- **Portfolio Description**
- **Portfolio Type**
- **Portfolio Reference**
- **Security Form**
- **Current Position**
- **Current Holdings**
- **Opening Position**
- **Opening Holdings**

21

Process Security Deal

Using the securities module of Oracle Banking Treasury Management, process the following deal types:

- Bank portfolio buys and sells
- Customer buys and sells
- Standalone lodge and withdraw
- Accompany lodge and withdraw
- Safe keeping location (SKL) to SKL transfer
- Block securities

These could be spot, forward or back value dated deals. Moreover, these deals could be directly captured in Oracle Banking Treasury Management or uploaded from an external system. You can nevertheless amend an uploaded deal in Oracle Banking Treasury Management. Each deal that you enter in Oracle Banking Treasury Management should necessarily be associated with a deal product or combination product. To recall, you have already defined deal products to group together or categorize deals that share broad similarities. Deal products provide a general framework and services to classify or categorize deals. Under each Product that you have defined, you can enter specific deals based on your requirements. By default, a deal inherits all the attributes of the product or combination product, which is associated with it. This means that you will not have to define these general attributes each time you enter a deal, rendering the entry of a deal in Oracle Banking Treasury Management quick and simple.

> **Note:**
>
> While defining a combination product you have indicated the 'preferred leg' of the combination. The preferences specified for the preferred leg will default to a deal involving a product combination.

The sequence of events involved in processing a securities deal, right from the trade date to the settlement date can be entered in Oracle Banking Treasury Management. A deal would, therefore, require information on:

- The securities that are traded
- The number of securities that are traded
- The counter-parties involved in the deal
- The price at which the securities are traded
- The portfolio to which the securities belong
- The dealer involved in the deal
- Details of the broker involved in the deal (if applicable)

These details, and several others, required to process a deal in Oracle Banking Treasury Management have been discussed in the course of this chapter.

This topic contains following sub-topics:

- Securities Deal Input Screen
  This topic describes the processing of securities data and securities deals.

21.1 Securities Deal Input Screen

This topic describes the processing of securities data and securities deals.

This topic contains the following sub-topics:

- Process Securities Data Input Screen
  This topic describes the systematic instruction to process security data input screen.
- Deal Net Consideration
  This topic describes the systematic procedure to deal net consideration.
- View the forward profit or Loss in a Deal
  This topic describes hoe to view the view the forward profit or loss in a deal.
- Specify Details of Parties Involved in Block Security
  This topic describes the systematic instruction to specify details of parties involved in block security.
- Settlement Instructions for a Deal Leg
  This topic describes the settlement instructions for a deal leg maintenance, capture settlement instruction, capture amount details, capture details of the deal output, and capture party details.
- Process Levy Tax on a Deal
  This topic describes the systematic instruction to process Levy tax on a deal.
- Process Brokerage on a Deal
  This topic describes brokerage processing on a deal.
- Upload the Deals for Amendment
  This topic describes the deals upload for amendment.
- Liquidating a Deal
  This topic describes the deal liquidation along with money settlement and security settlement.
- SGEN Message Generation
  This topic describes the SGEN message generation and enabling RFR for SGEN.

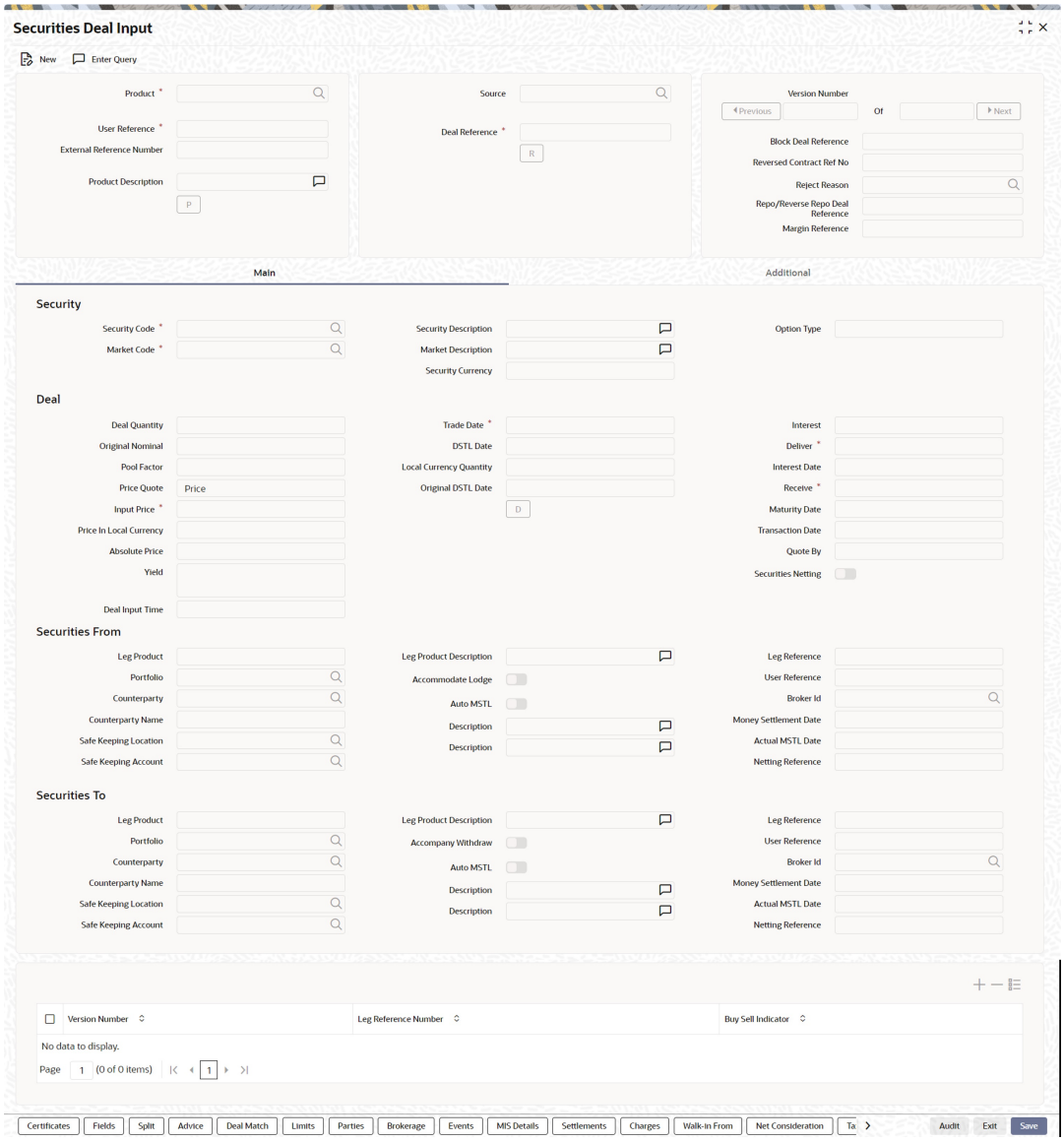
21.1.1 Process Securities Data Input Screen

This topic describes the systematic instruction to process security data input screen.

1. On the Home page, specify **SEDXDLNL** in the text box, and click next arrow.

   Securities Deal Input screen is displayed.

Figure 21-1 Securities Deal Input



If you are calling a deal that has already been created, choose the Deal Input Summary option. The details of all the deals that you entered earlier will be displayed in a tabular form. From the summary screen, you can open an existing deal by double clicking it.

2. On the **Security Deal Input** screen, specify the fields.

   The securities deal input screen, as it appears contains a header and a footer containing fields that are specific to the deal you are entering. Besides these, you will also notice two tabs and an array of icons, along the lines of which you can enter details of a securities deal.

Table 21-1 Field Description

Field	Description
Main	Click this tab to enter the essential terms of a deal. This screen, along with its fields have been detailed under the head ‘Entering the details of a deal’.
Additional	In the screen that corresponds to this tab, you can enter additional details that are required to process the deal. The screen also displays price-related details, calculated on the basis of the amounts that you specified in the Main screen. The features of this screen have been detailed under the head ‘Entering additional details of a deal’. On the Securities Deal Input screen, you will also notice a toolbar with icons. The same set of icons is available for each leg of a deal. The buttons on this toolbar enable you to invoke several functions that are vital to processing a deal. These buttons have been briefly described below:
Advices	Click this icon to invoke the advices screen. In the screen corresponding to this icon you can view, suppress and prioritize the advices that are to be generated for each leg of the deal. This screen along with its fields has been detailed under the head ‘Specifying Advices for a deal'.
Brokerage	Click this icon to indicate brokerage details applicable to the deal leg.
Charges	This button process the Charge service of Oracle Banking Treasury Management. On invoking this function you will be presented with a screen where the charge rate, amount, currency, and the waive charge parameter can be specified. The procedure for making charge components applicable to a deal leg is discussed under the head 'Levying charges on a deal'.
Deal Match	If you are trading in a portfolio that involves deal matching, you can indicate deal-matching preferences. Click this button to match earlier buys in a portfolio, to the deal you are processing.
Events	Click this icon to view details of the events and accounting entries that the deal involves. The screen also displays the overrides that were encountered for the deal.
Limits	Click this icon to view the forward profit that you have made or the loss that you have incurred on account of the deal.
WalkIn	In the screen that corresponds to this button, you can indicate the credit lines under which your liability to the deal should be tracked. The details of this screen are discussed under the head ‘Specifying credit administration details’.
MIS Details	Click this icon to define MIS details for the deal.
Netcons	Click this icon to view your net consideration in the deal.
Parties	In the screen that corresponds to this button, you can indicate the parties involved in the deal.
Settlements	Click this icon to invoke the settlement screens. Based on the details that you enter in the settlement screens, the deal will be settled. The details of these screens have been discussed in the section titled ‘Maintaining Settlement Instructions.
Tax	This screen process tax. The application of tax on a deal is discussed under the head 'Levying tax on a deal'.

Table 21-1 (Cont.) Field Description

Field	Description
Product	You should necessarily use a product or a product combination that has already been created to enter the details of a deal. Based on the type of deal you are entering, you can select a product or a product combination from the list of values available at the 'Product' field. You must use a product combination to process the following deal types that involve two legs (a buy and a sell): • Bank portfolio buys and sells • Customer buys and sells • Accompany lodge and withdraw You can use a deal product to process a: • Deal that involves only one leg (either a buy or sell) • Safe keeping location (SKL) to SKL transfer and • To Block securities A deal will inherit all the attributes defined for the product to which it is associated. For deals that are associated with a product combination, the preferences specified for the preferred leg of the product combination will be applied. You can further add details that are specific to the deal like the deal amount, details of the buyer, the seller, etc. and process the deal.
Block Deal Reference	This is a system generated deal reference for the sub-deals, created by way of a block deal product.
Reversed Contract Reference Number	The reference number of the contract that is being reversed and rebooked is displayed here.
User Reference	You can enter a reference number for the deal. A deal will be identified by this number in addition to the 'Deal Reference No' generated by the system. This number should be unique and cannot be used to identify any other deal. By default, the Deal Reference Number generated by the system will be taken as the User Reference No. While reversing a deal the tag 23Gis populated as CANC. In this case tag 20C:: INGENL should be populated with the value DCN. For the subsequent A1 (Linkages) block, the value for the tag 20 C will be populated as '20C::PREV//' followed by the reference number.
Deal Reference	In Oracle Banking Treasury Management, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the deal you are entering, it is also used in all the accounting entries and transactions related to this deal. Hence the system generates a unique number for each deal. 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. The Julian Date has the following format:"YYDDD"Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/ have elapsed in the year. For example, January 31, 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. 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).

Table 21-1 (Cont.) Field Description

Field	Description
External Reference	If the transaction is being uploaded from an external source, you can specify the identification for the transaction in the external source, as the external reference number.
Source	Indicate the source from which contracts have to be uploaded.
Security Code	While entering the details of a deal, you should indicate the security that the deal involves and the market in which it is traded. You can select a security code from the pick-list. The pick-list contains a list of all the securities that you maintained in the Securities Definition screen. The trading in the security should be allowed for the portfolios involved in the deal. As you have already maintained details of the security, all the features of the security like its price, the quotation method, the corporate actions that it involves and several other details of the security will be processed based on these details. After you indicate the securities that are being traded in the deal, you can indicate the market in which they are traded. The market in which the security is traded is defaulted from the Security Definition screen. You can change the default and select a market code from the pick-list available. The pick-list contains valid market codes maintained in the Market Definition screen.
Market Code	Indicate the market in which the security involved in the deal is traded. Select a market code from the option list. The option list contains valid market codes maintained in the Market Definition screen. The market in which the security is traded is defaulted from the Security Definition screen. You can change the default.
Rules for amendment	The entries made in this field can be amended before the deal is authorized. However, if amendment is required after authorization, you should reverse the deal and enter it again.
Deal Type	Indicate the type of deal you are processing. Using the Securities module of Oracle Banking Treasury Management, you can enter spot or forward deals. You can choose the appropriate option from the option list. A spot deal is one that settles on or before the spot date of the deal. A forward deal is one that settles on a date after the spot date of the deal.
Deal Quantity	Securities that are traded can be quoted in terms of: • Units (100 units of a security), or • As a Nominal (securities worth USD 5000). The system will automatically compute the Deal Quantity for instruments with ‘Asset Backed Security’ checkbox checked. Deal Quantity = Original Nominal * Pool Factor The system will validate whether ‘Deal Quantity’ is the product of ‘Original Nominal’ and ‘ Pool Factor’. Otherwise, it will display an error message. The price quotation method defined for the security in the security definition screen is defaulted. You can change the quotation method that is defaulted. The deal quantity that you specify should be expressed in the security quotation method.
Original Nominal	Specify the Original Nominal value. It indicates the basis for deal quantity or nominal for deals involving Asset Backed Security instruments.

Table 21-1 (Cont.) Field Description

Field	Description
Pool Factor	Specify the pool factor. It should be less or equal to one and should be lesser than the previous redemption factor and greater than the following redemption factor. If the 'Pool Factor' is not provided, then the system will default the 'Redemption Quantity' as the 'Pool Factor' in the deal. If either of 'Deal Quantity' or 'Original Nominal' is not provided, then the system will derive the same using the 'Pool Factor'.
Reject Reason	Specify the reject reason code for payment reversal message. The option list displays all valid codes maintained in the system. Choose the appropriate one.
Repo/Reverse repo reference number	This field captures the Repo/Revere repo booking or liquidation. **Note:** When a deal is linked to a repo/reverse repo or margin, system does not allow you to reverse, manually liquidate, delete, amend, close, cancel, or hold the deal.
Margin Reference	Margin Reference number is displayed as required.

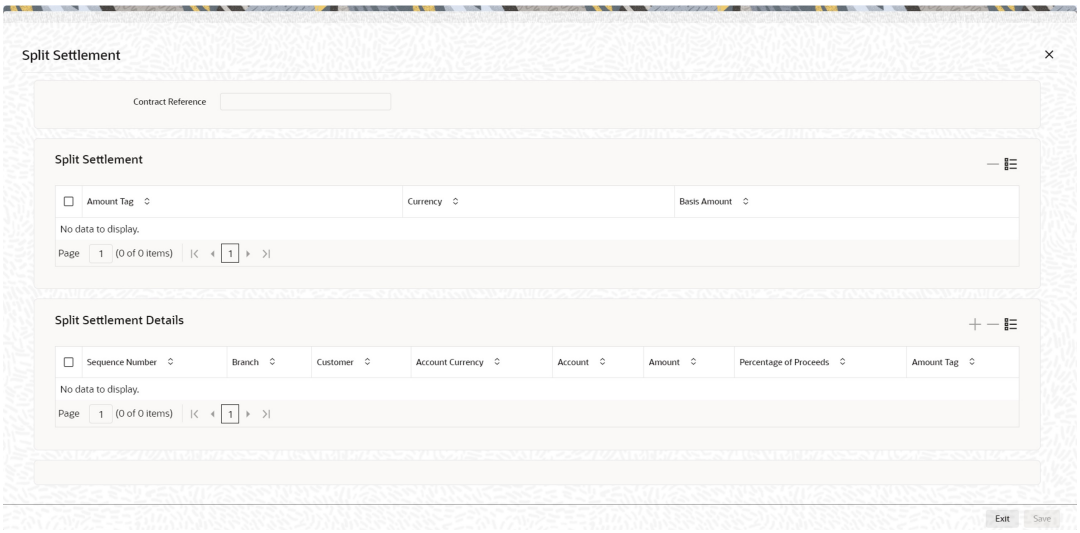
3. On the **Security Deal Input** screen, click **Holiday Preferences**.

   For more information on Holiday Preferences, see the section *Holiday Preference*.

4. On the **Security Deal Input** screen, click **Split**.

   Split Settlement screen is displayed.

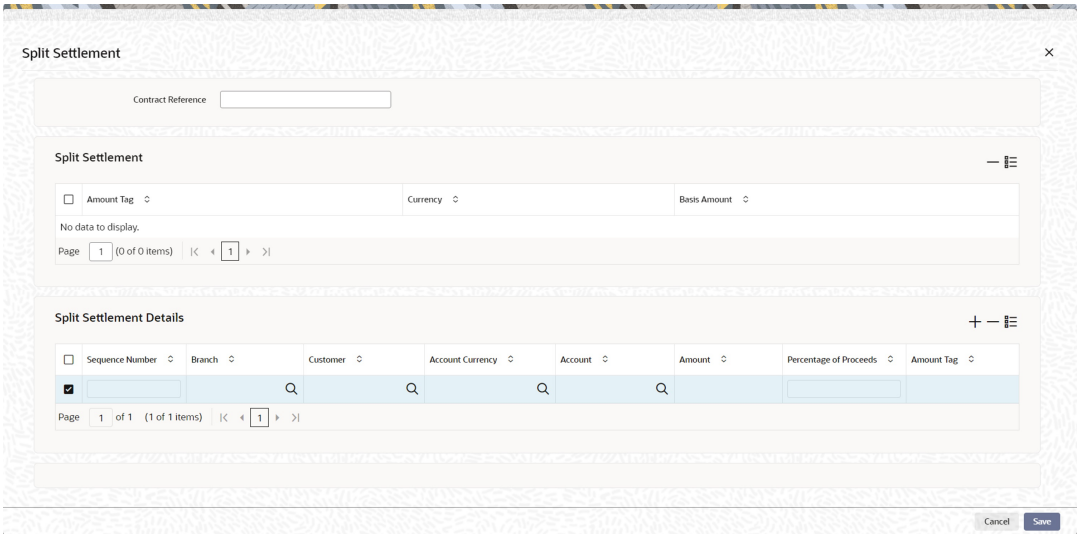
Figure 21-2 Split Settlement



5. On the **Split Settlement** screen, select a contract.
6. On the **Split Settlement** screen, under the Split Settlement Details, click the + Icon.

   Split Settlement screen with New Row added is displayed.

Figure 21-3 Split Settlement with a New Row



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

7. On the **Split Settlement** screen, Select the Account Currency, Account, and, other necessary details as required to create a split.

   - For every settlement contract the system allows a maximum of twelve splits.
   - In case of auto-liquidation, you must unlock the contract and register the split, upfront, that is prior to auto-liquidation. You can update the split settlement for interest component after you save and authorize. SGEN is generated for each split amount. System will suffix the reference number in field 72 of MT202 and MT202COV 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 you 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, you 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.

   This topic has the following sub-topics:

- Process Securities Deals

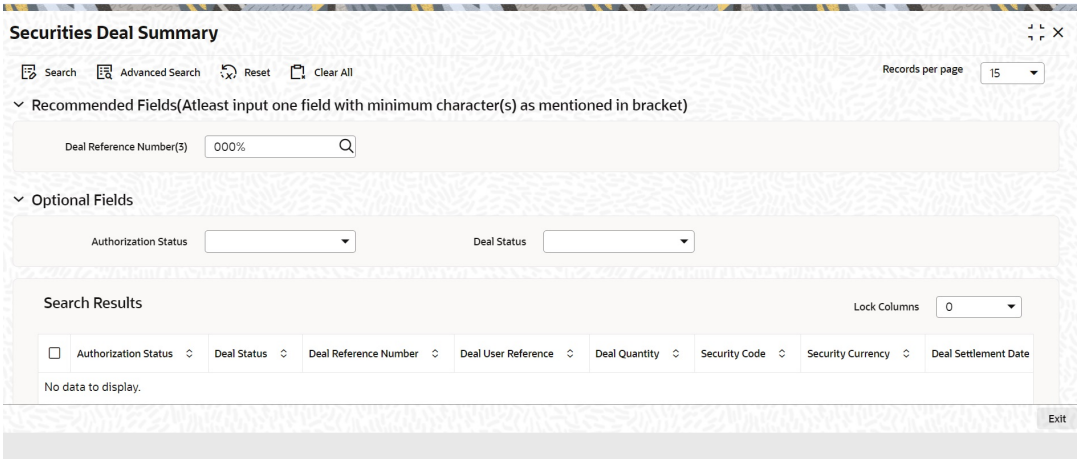
- Additional Details
- Process Safe Keeping Location Balances

21.1.1.1 Process Securities Deals

1. On Home page, specify **SESXDLNL** in the text box and click next.

   Securities Deal Summary screen is displayed.

Figure 21-4 Securities Deal Summary



2. On the **Securities Deal Summary** screen, specify the fields.

Table 21-2 Securities Deal Summary - Field Description

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

3. Click **Search** to fetch the records.

   This topic has the following sub-topics:

- Specify details for the buy and sell leg of a deal
- Specify Details of Sell Leg
- Specify Details of the Buy Leg of a Deal
- Trading in securities that do not belong to a portfolio

21.1.1.1.1 Specify details for the buy and sell leg of a deal

In this section we will discuss the details that you should specify for the buy and sell legs of a deal. The preferences specified for the buy and sell products defined for the product combination will be made applicable to the respective legs of the deal. For each leg of the deal, you have been provided a toolbar using which you can capture details specific to the deal leg.

These icons together with the functions they invoke have been dealt with in the subsequent paragraphs.

Table 21-3 Fields

Fields	Description
Identifying each leg of a deal	Oracle Banking Treasury Management assigns a unique reference number to identify both the buy and sell legs of a deal. Besides helping to identify the leg of the deal, this number tag is used in all the accounting entries and transactions related to the leg that it represents. A three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number make up the deal leg Reference Number. The Julian Date has the following format: “YYDDD”Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/ have elapsed in the year. 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).
User Reference	You can enter a unique reference number for the sell and the buy legs of a deal. The leg will be identified by this number in addition to the ‘Leg Reference’ generated by the system. By default, the Leg Reference generated by the system will be taken as the User Reference.
Indicating the broker	If you are processing a bank buy or bank sell deal that involves brokerage, you can indicate the ID of the broker through whom the deal was brokered. You can select a Broker ID from the pick list available. The pickl ist will contain a list of valid brokers with whom you can enter deals. On indicating the broker code, the name of the broker is also displayed. You will be allowed to enter details of a broker only if brokerage was allowed for the product to which the deal is associated.
Indicating whether your liability to the deal should be tracked	indicate whether your liability to the deal should be tracked. If you indicate positively you can indicate the credit lines against which the buy and sell leg of the deal should be tracked. Click the **WalkIn** button from the relevant leg of the deal to specify the credit line against which the deal should be tracked. The screen that corresponds to this button is discussed under the head 'Specifying credit administration details'.

21.1.1.1.2 Specify Details of Sell Leg

You can specify the following details for the sell leg of a deal:

- The Portfolio from which you are selling securities
- The counterparty (the holder of the portfolio from which you are selling securities)

- The safe keeping location from which securities need to be collected
- The account at the sake keeping location, from which the traded securities need to be transferred
- Details of the securities dealer at your bank who sold securities from the portfolio
- The money settlement date

Table 21-4 Field Description

Field	Description
A note on the settlement date	The money settlement indicates the date by which the buyer should pay for the securities bought. The settlement date should be later than or the same as the Trade date and earlier than the maturity date of the security. For forward deals, the settlement date should be later than the default Spot date. For spot deals in the primary or secondary market, the settlement date should not be a holiday in any of the payment currencies. An override will be sought if the money settlement date is a holiday in any of the currencies involved in the deal.

21.1.1.1.3 Specify Details of the Buy Leg of a Deal

In this section we will discuss the details that you should specify for the buy leg of the deal. You can specify the following details for the buy leg of a deal:

- The Portfolio into which you are buying securities
- The counterparty (the holder of the portfolio into which you are buying securities)
- The safe keeping location to which securities need to be delivered
- The account at the sake keeping location, to which the traded securities are being transferred
- Details of the securities dealer at your bank who bought securities into the portfolio
- The date by which the seller should receive the amount for which securities were sold

Besides these, you can specify details for the buy leg by invoking the buttons on the Securities Deal details 'Main' screen.

21.1.1.1.4 Trading in securities that do not belong to a portfolio

You may encounter a situation where your customer requests you to sell securities that are not held in any of the portfolios that the customer maintains with the bank When entering the details of this deal in Oracle Banking Treasury Management, you can indicate this situation by checking against the option 'Accompany Lodge'. By checking this option, you indicate that the holding of the customer in any of the portfolios maintained with the bank should not be reduced on account of the deal. For example, your customer requests you to sell 100 units of a security. But these securities do not belong to any portfolio that the customer maintains with the bank. Another such situation is when a customer requests you to buy securities but does not want them to be held in any portfolio that the customer maintains with the bank. When entering the details of such a deal, check against the option 'Accompany Withdraw'. By checking this option you indicate that the holding of the customer in any of the portfolios maintained with the bank should not increase on account of the deal.

> **Note:**
>
> This situation will arise only when the bank is trading securities on behalf of a customer or while processing a deal for a walk-in-customer.

21.1.1.2 Additional Details

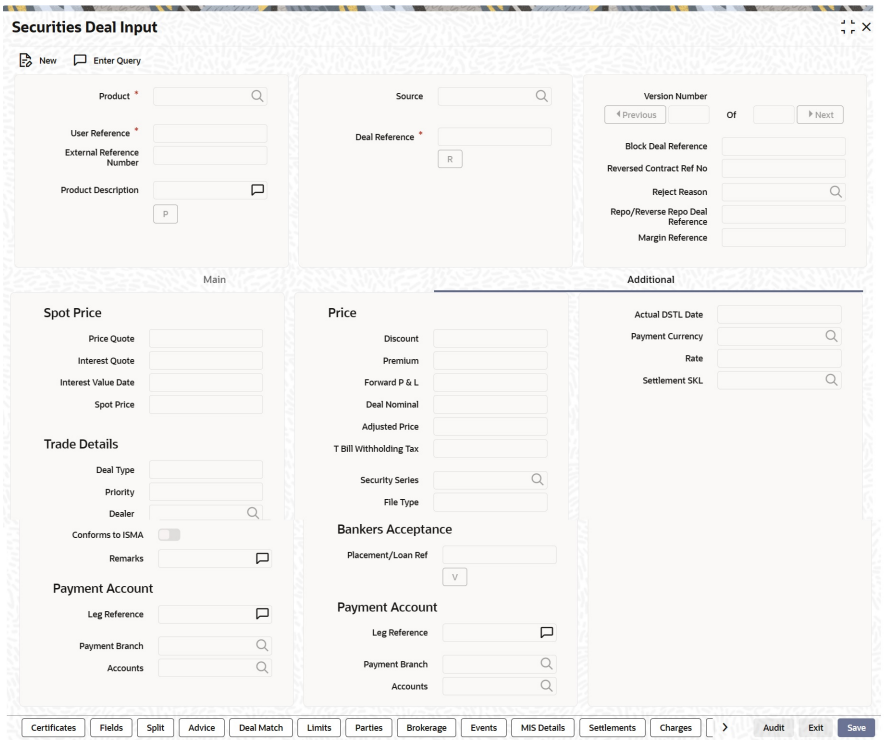
To recall in the Main details screen you have captured details regarding the deal. In the Additional Details screen you can define details like the spot price details, the settlement 22-16 currency, the settlement SKL, exchange rates for deals in a foreign currency and other such details.

For forward deals you should also indicate spot price details. The spot price details that you specify will determine the calculation of forward profit that you have made or the loss that you have incurred in a forward deal.

1. On the **Securities Deal Input** screen, click **Additional**.

   Security Deal Input- Additional screen is displayed.

Figure 21-5 Additional



2. On **Additional**, specify the details as required.

   For information on fields, see the below table:

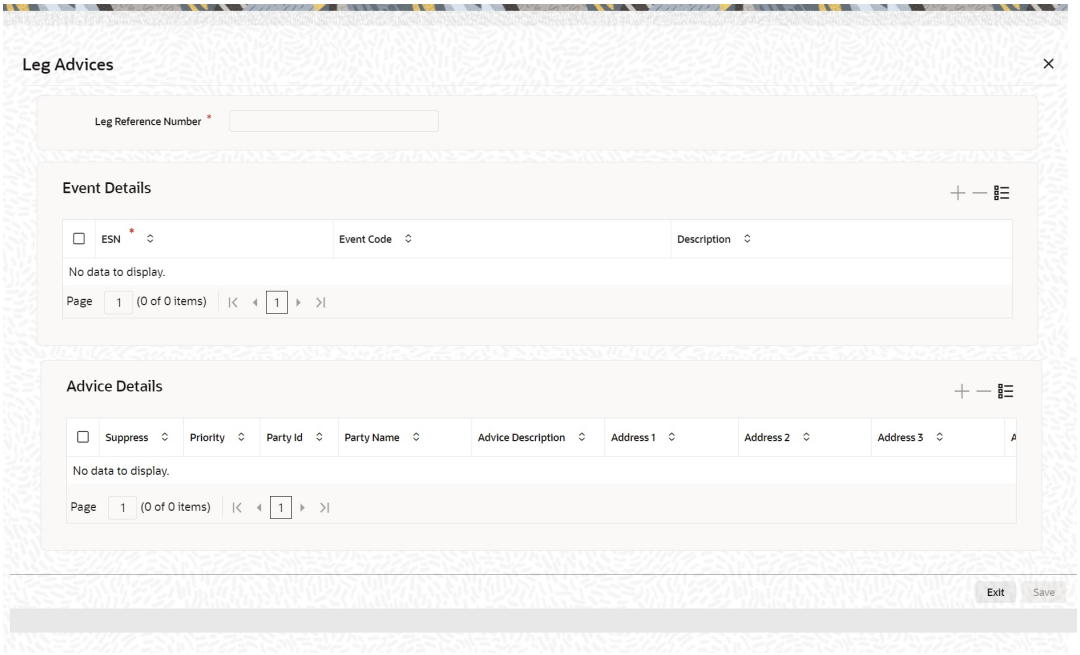
Table 21-5 Field Description

Field	Description
Spot Price and Spot Date	The spot price refers to the price at which the security is currently quoted in the market. This price is compared with the deal price to determine the forward profit or loss. The market price of the security as maintained in the price code maintenance screen is defaulted. You have an option to change the default. The forward profit or loss is the difference between the deal price and the spot price and is calculated from the spot date of the deal to its settlement date. The spot date is calculated by adding the spot days specified for the market in which the security is traded to the trade date.
Spot date = Trade date + spot days	The forward profit or loss would be accrued from the spot date to the settlement date of the deal. The accrual of the forward profit and loss will be done based on the accrual preferences specified for the portfolio to which the security belongs. Even if you have indicated that no accrual should be done, on the settlement of the deal the accrual will be done automatically. **Note:** In case of forward deals Spot Price is defaulted from the market price maintenance and the spot price cannot be changed.
Payment Currency	If the currency of the security is different from the settlement currency, you should indicate the currency in which payment is made. All the components of the deal like the deal amount, the charges and tax that is levied will be settled in this currency. By default the security currency is taken to be the payment currency. If you indicate the settlement currency to be different from the security currency you should also indicate the exchange rate to be used for the conversion.
Price Details of the Deal	The following information of the price of the deal is displayed:
Interest Value Date	This is the number of days for which accrued interest has been calculated. The interest value date that you specified earlier is used in the calculation. For cum-coupon deals, this is the difference between the last coupon date and the interest date. For ex-coupon deals, the interest days is the difference between the settlement date and the ex-coupon date.
Discount	This is the amount of rebate in the purchase or sale price of the deal, as compared to the nominal price of the security.
Premium	This is the price or amount paid by the buyer in addition to the nominal amount.
Forward P & L	The forward profit or loss is the amount of profit made or the loss incurred in the deal. It is the variance between the deal price and the spot price of the security.
Deal Nominal	The deal nominal refers to the net consideration of the deal. The sum of all the components of a deal is the net value of the deal.
Adjusted Price	This is the price of interest-bearing instruments exclusive of the interest component. Interest bearing instruments can be quoted as flat or plus accrued. The adjusted price is applicable only for flat quoted instruments. The price of such instruments tends to increase during the period nearing the interest payment date and subsequently falls after the interest payment date. The adjusted price is thus the deal price stripped of the interest component.
Deal Type	Select the Deal type from the drop down list. The Deal Type can be • **Primary** • **Secondary**

3. On the **Securities Deal Input** screen, click **Advices**.

Leg Advices screen is displayed.

Figure 21-6 Leg Advices



4. On **Advice**, specify the fields.

   To recall, the advices that can be generated for the events that occur during the life-cycle of a deal are defined for the product to which the deal is associated.

   The details of the advices applicable for an event are displayed in the Advices screen. The party type to whom a specific advice should be sent is picked up automatically based on the type of deal you are entering and the parties involved in the deal.

   Choose the event for which you want to view advice details. The address of the party who is the recipient of the message will be picked up by default, based on the media and address maintenance for the party. You can change either of them. For a payment message by SWIFT, you also have the option to change the priority of the message.

Table 21-6 Field Description

Field	Description
Suppressing the generation of an advice	By default, all the advices defined for a product will be generated for the deals involving it. If any of the advices are not applicable to the deal you are processing, you can suppress its generation.
Indicating the generation priority	For a payment message by SWIFT, you also have the option to change the priority with which the message should be generated. By default, the priority of all advices is marked as 'Normal'. You have the option to priorities a payment message to one of the following options: • **Normal** • **Medium** • **High**

Table 21-6 (Cont.) Field Description

Field	Description
Indicating the medium of generation	The medium through which advice is transmitted and the corresponding address will be picked up based on the address and media maintained for the customer who is the recipient of the message. You can, however, change either of these while processing a deal. Typically, if changed, both of them will be changed. Click **Exit** to reject the entries you have made or to exit from the screen. In either case, you will be taken back to the Securities Deal Input screen.

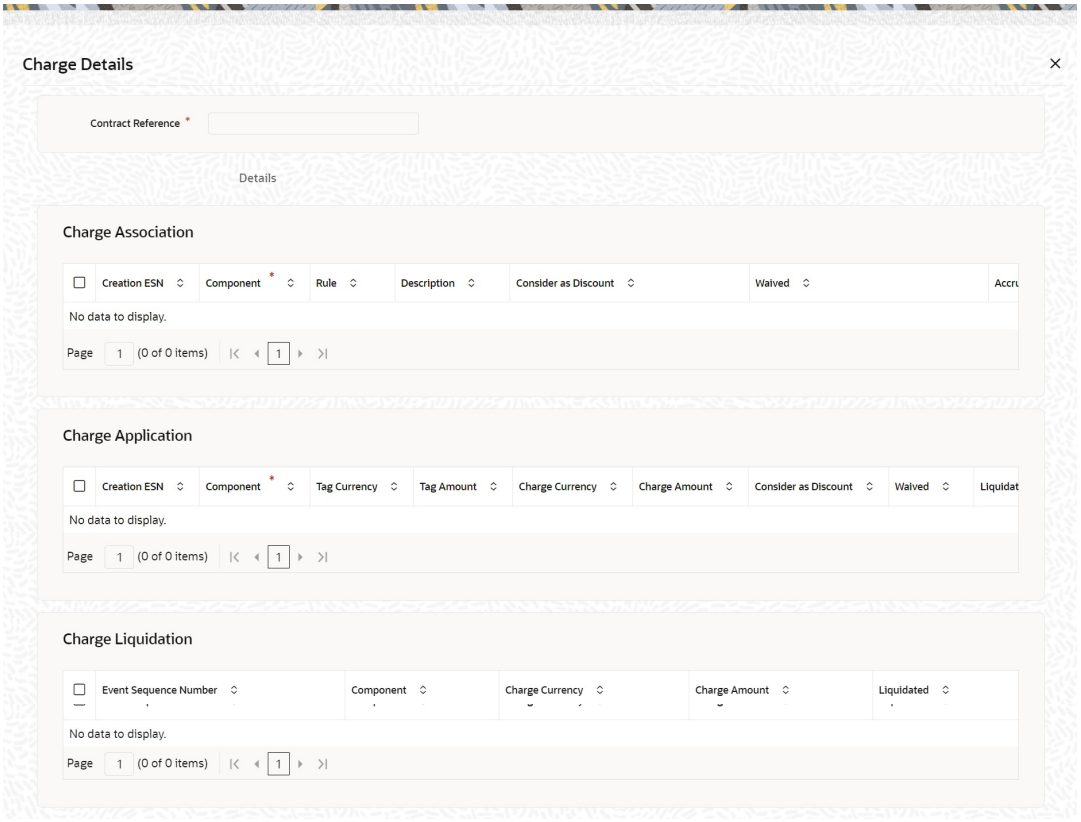
Levying Transaction Charges on a Deal

For each leg of the deal, you can specify the charges that you levy. Charges are applicable only for customer legs of a deal (customer buys, the customer sells, lodge, withdraw and block securities). The characteristic feature of a charge is that it is always booked in advance and is not accrued, as a charge is collected only when it is due. To recall, you have defined the attributes of a charge by defining a 'Rule'. A rule identifies the basic nature of the charge. You have further defined a Charge class where you have enriched the attributes of a rule. We shall refer to these classes as components'. Each charge component, in turn, is linked to a deal product. All the charge components linked to a product default to the deals associated with it. Thus each time you enter a deal, you need not specify when and how charges should be collected. However, while capturing the details of a deal, you can choose to associate a component to the deal. Further, you can modify some of the attributes defined for the applicable component.

5. On the **Securities Deal Input** screen, click **Charges**.

   Charge Detail screen is displayed.

Figure 21-7 Charge Detail



6. On the **Charge Detail** screen, specify the fields.

   The reference number of the deal leg for which you are defining charge details is displayed. The screen will contain a list of all the charge components applicable to the deal leg.

Table 21-7 Field Description - Charge Detail

Field	Description
Associating a charge component to a deal leg	All the charge components applicable to the deal leg you are processing will be displayed together with the rule that is linked to the component. In this section of the screen you can: • Change the charge rule linked to the component • Disassociate a charge component from the deal leg
Changing the charge rule linked to a component	The rule that is linked to a charge component is displayed next to the component. To link a new rule to the component. A list of all the charge rules maintained will be displayed. Select the appropriate rule from the pick list. The new rule will be made applicable to the charge component.
Disassociating a charge component from the deal leg	You can disassociate a charge component from the deal leg. In the 'Association' section of the Contract Charge screen, click against the waive option positioned next to the component. In this case, the charge component is attached to the deal leg but is not calculated.

Table 21-7 (Cont.) Field Description - Charge Detail

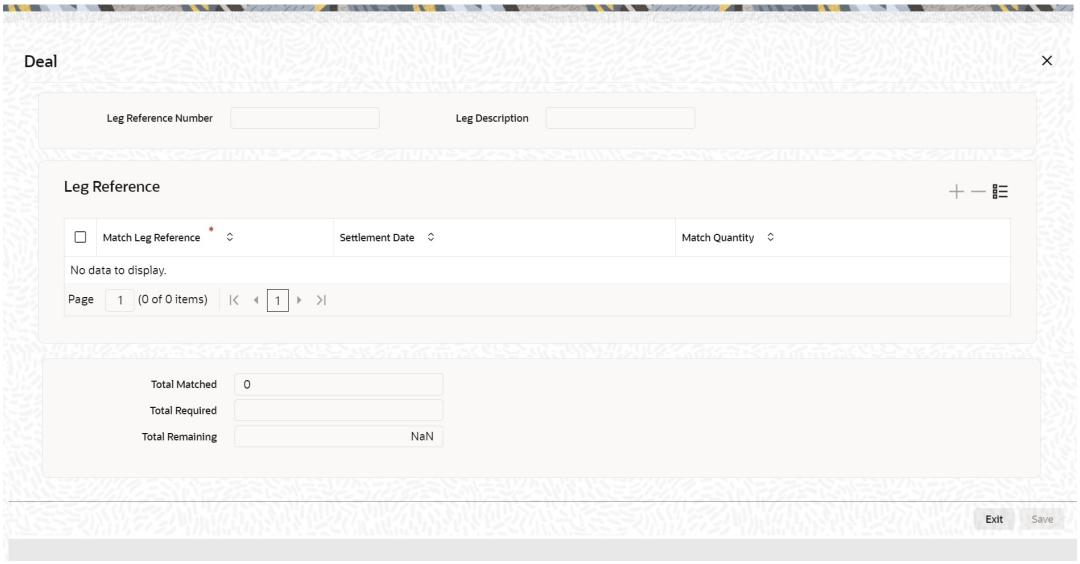
Field	Description
Indicating the charge components to be applied to a deal leg	In the application section of the screen, you can indicate the charge components that should be applied to the deal leg. The list of components that is displayed depends on the charge components that you have associated to the deal leg. The following details of the component are also displayed: • The basis component on which the charge is levied • The currency of the basis amount • The basis amount • The charge amount and the • The currency in which the charge amount is defined. You can change the charge amount that is calculated using the class applicable to the component.
Waiving a charge on a deal leg	You also have the option to waive the component for the deal leg that you are processing. If, for some reason you want to waive the charge on the deal you are processing, you can do so by checking against the 'waiver' option in the application section of the screen. The charge will be calculated but not applied. You can waive a charge only if it is yet to be liquidated.
Consider as Discount	If the charge component is to be considered for discount accrual on a constant yield basis, 'Consider as Discount' option will be checked. You cannot modify this value. In case the charge currency is not equal to the contract currency and the contract currency is equal to the settlement account currency, the exchange rate as specified in the Settlements Screen will be used to convert Charge Amount to Contract Currency.
Charge liquidation	When a charge component that is applied to a deal is liquidated, the relevant accounting entries are passed. The contract charge screen displays: • The charge components that have already been liquidated • The amount that was liquidated • The currency in which it was liquidated

7. On the **Security Deal Input** screen, click **Deal**.

   If the portfolio from which you are buying or selling involves deal matching, you should indicate against which of the earlier buy deals the selling dealer is to be matched. Click the **Deal Match** button from the **Securities Deal Input** screen to match the sell leg of a deal to the buy leg. Click this button from the buy leg section of the screen to indicate the matching preferences and from the sell leg section to view the matched details.

   Deal screen is displayed.

Figure 21-8 Deal



8. On the **Deal** screen, specify the details as required.

   For information on field, see the below table:

Table 21-8 Deal - Field Description

Field	Description
For the sell leg	If you are processing the sell leg of securities deal, and if the portfolio from which you are selling involves the deal matching costing method, you should also match the sell leg to previous buys in the portfolio.
Procedure	Indicate the reference number of the bought deal, which you have selected for deal matching. In other words, indicate the buy deals done in the same security and portfolio to be matched with the sell leg of the deal. You can select a leg reference number from the pick list available. On indicating the match leg reference, you should also indicate the number of units or nominal that should be matched. Click add an icon to add the details of another buy leg to which you want to match the sell leg. Click the delete icon to cancel a buy leg that you have mapped to the sell leg. The summation displayed at the bottom of the screen contains the following information: • The total quantity of securities that have been matched • The number required to be matched • The number yet to be to be matched
For the sell leg	While processing the sell leg of the deal, you can view details of the buy deals that have been matched to the sell leg. The reference number of the buy deal from which securities have been matched is displayed together with the number of units or nominal for which matching is done.

9. On the **Securities Deal Input** Screen, click **Events**.

   Events screen is displayed.

Figure 21-9 Leg Events, Account Entries and Overrides

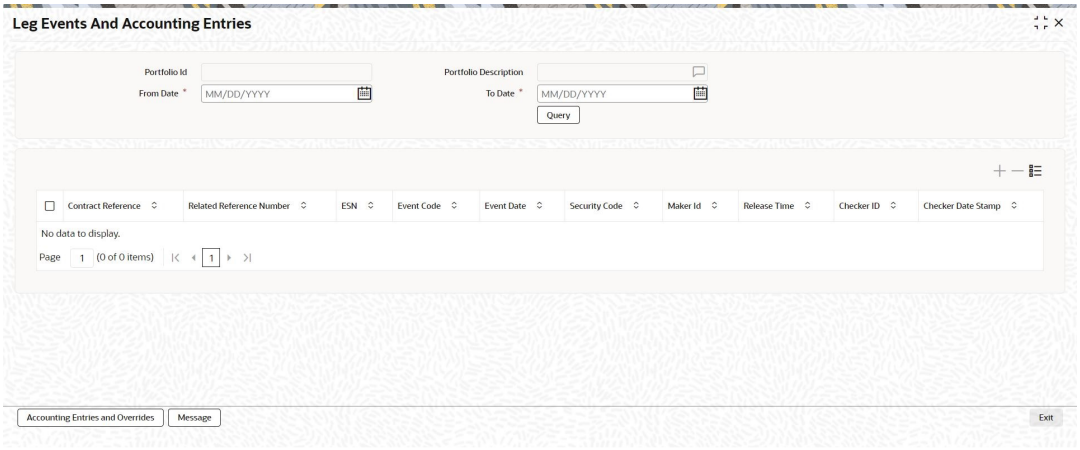
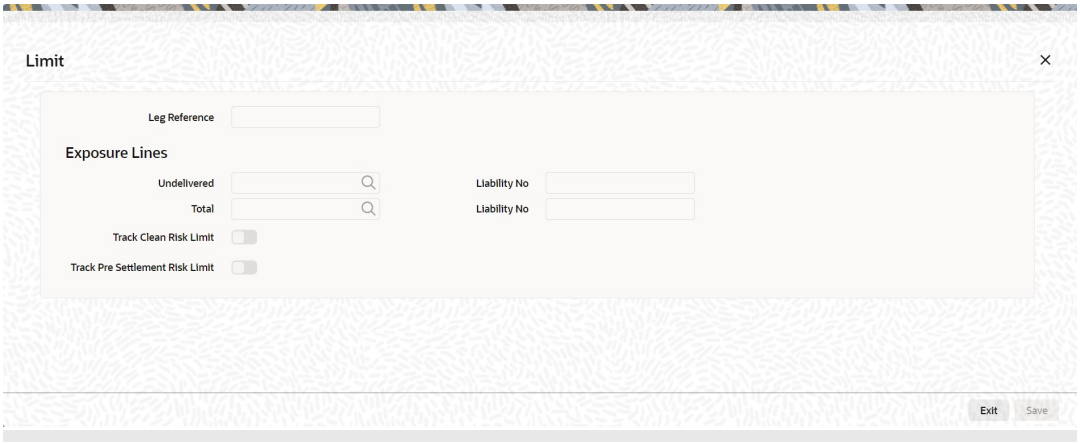


Table 21-9 Event Details - Field Description

Field	Description
Accounting Entry Details	Highlight the event for which you want to view accounting entries. All the accounting entries that were passed and the overrides that were encountered for the event will be displayed. The following information is provided for each event: • Branch • Account • Dr/Cr indicator • Code • The date on which the entry was booked • Value Date • The deal currency • Amount in deal CCY • The foreign currency equivalent (if applicable) • The exchange rate that was used for the conversion • Amount in local currency • All the overrides that were encountered for the event will also be displayed. Click **Exit** to exit this screen.

10. On the **Securities Deal Input** screen, click **Limits**.

    Limits screen is displayed.



11. On the **Limits** screen specify the fields.

    In this screen you can indicate the credit lines under which you want to track your:

    - Undelivered risk exposure
    - Total exposure to the deal leg

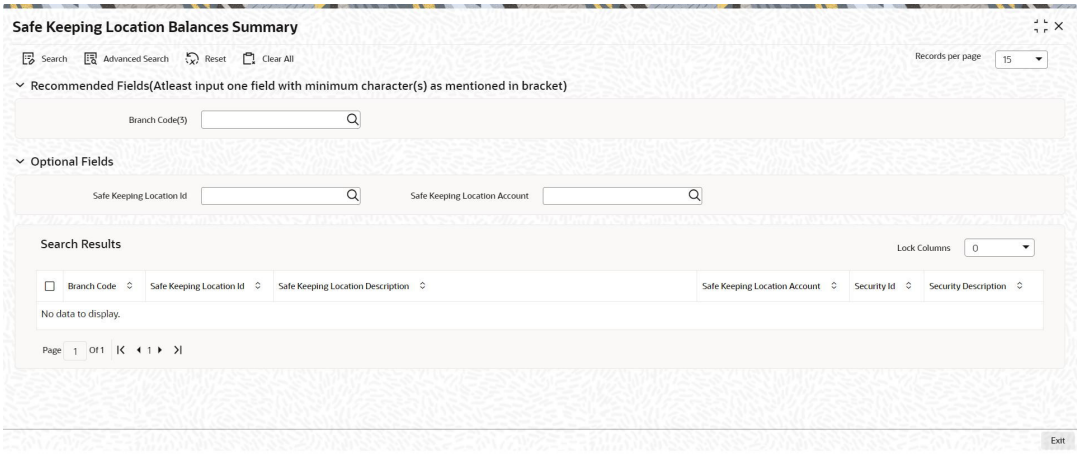
    Your undelivered risk arises only if you specified that the mode of security settlement for the deal is 'deliver free'. You can choose a credit line from the picklist available in this screen. Click ‘Exit’ button to delete the entries. In either case you will be returned to the Securities Deal Input screen.

21.1.1.3 Process Safe Keeping Location Balances

1. On the Home page, specify **SESXSKBL** in the text box, and click next arrow.

   Safe Keeping Location Balances Summary screen is displayed.

Figure 21-10 Safe Keeping Location Balances Summary



2. On the **Safe Keeping Location Balances Summary** screen, specify the fields.

   In the above screen, you can base your queries on any or all of the following parameters and fetch records:

   - **Branch Code**

- **Safe Keeping Location Id**
- **Safe Keeping Location Account**

3. Select any or all of the above parameters for a query and click **Search** button. The records meeting the selected criteria are displayed. If you are allowed to query, then system displays the following details pertaining to the fetched records:
   - **Branch Code**
   - **Safe Keeping Location Id**
   - **Safe Keeping Location Description**
   - **Safe Keeping Location Account**
   - **Security Id**
   - **Security Description**
   - **Security Currency**
   - **Current Position**
   - **Current Holding**
   - **Opening Position**
   - **Opening Holding**

21.1.2 Deal Net Consideration

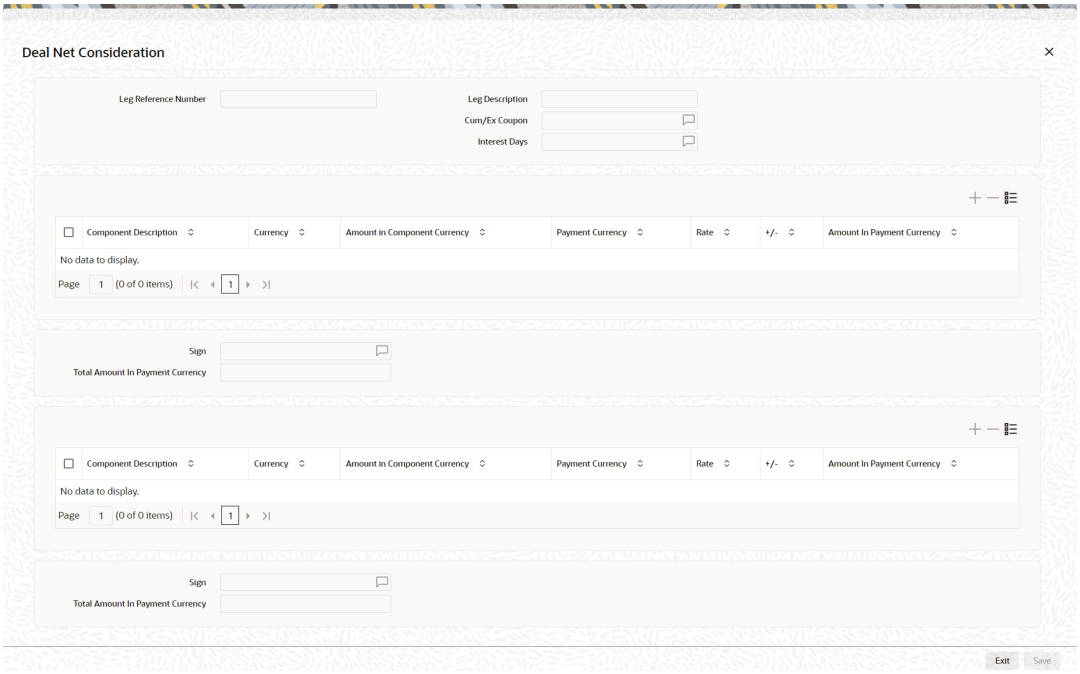
This topic describes the systematic procedure to deal net consideration.

The sum of all the components of a deal is the net value of the deal. While processing a leg of a securities deal, you can view the net consideration of the deal.

1. From the **Securities Deal Input** screen, click **Netcons**.

   Deal Net Consideration screen is displayed.

Figure 21-11 Deal Net Consideration



2. On the **Deal Net Consideration** screen, specify the fields.

   From this screen, you can choose to view either the:

   - Interest
   - Net consideration of the deal

   Viewing the Net Consideration

   The sum of the different components of a deal determines the net value of the deal. To recall while defining a charge or tax (transaction and issuer) component, you can indicate whether the charge or tax component should be taken into account, when determining the net value of a deal.

   All other components of the deal like the interest, premium, discount, forward profit or loss etc will be included in the net consideration of the deal.

   - The component in consideration
   - The currency in which the component is defined
   - The component amount (in the component currency)
   - The payment currency of the component
   - The payment amount derived using the exchange rate that you specify
   - The direction in which money flows. A (+) sign next to a component indicates that the buyer pays the component amount to the seller and a (-) sign indicates that the seller pays the component amount to the buyer.

   If the component and payment currencies are different, the default exchange rate used for the conversion is displayed. You have the option to change the exchange rate to be used in the conversion. However, the rate that you specify should be within the exchange rate variance specified for the product to which the deal is associated. The net consideration for the deal expressed in the payment currency is displayed at the bottom of the screen.

   Viewing details of the bought or sold interest

Along with other interest details, the interest amount is displayed. This is the amount of accrued interest to be paid or received on the settlement date. The interest is calculated by the system depending on whether the deal is an ex coupon or cum-coupon deal. You have the option to change the amount calculated for the interest and issuer tax components.

Interest is applicable only if:

- It is an interest bearing security
- It is a secondary deal
- Buy or sell type of deal
- Deal type is spot or forward

21.1.3 View the forward profit or Loss in a Deal

This topic describes hoe to view the view the forward profit or loss in a deal.

If you are processing a forward deal, you can view the forward profit that you have made or the loss that you have incurred in the deal. The following forward profit or loss details are displayed:

- The deal price
- The spot price
- The deal spot date

The Forward profit or loss amount and the frequency in which it is accrued is determined by the forward profit or loss preferences specified for the portfolio for which the deal is done. Click Exit button to exit the screen, you will be returned to the Securities Deal Input screen

21.1.4 Specify Details of Parties Involved in Block Security

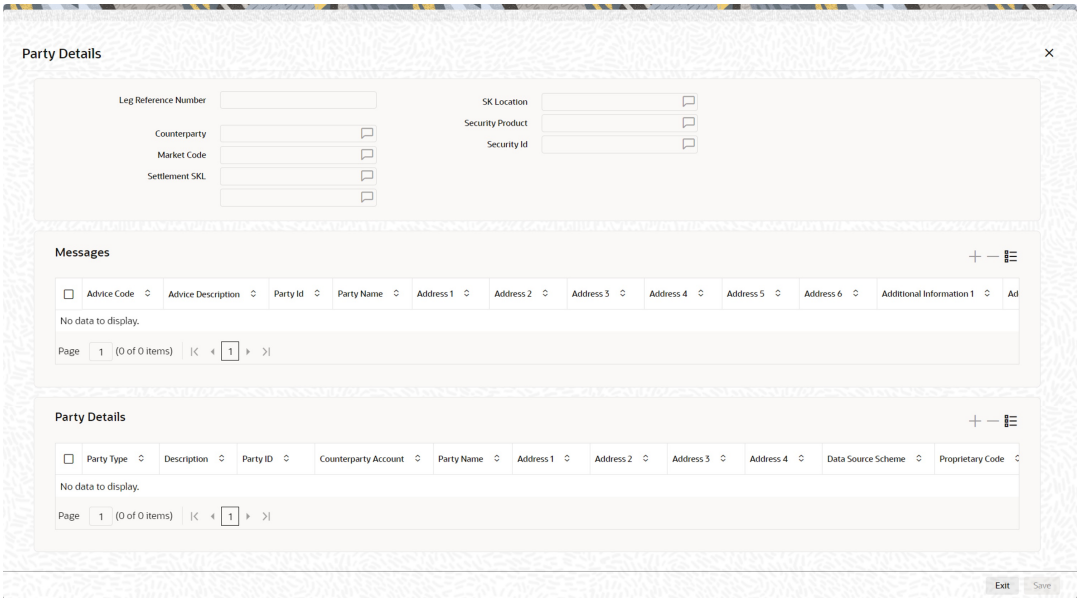
This topic describes the systematic instruction to specify details of parties involved in block security.

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

1. On the **Securities Block or Release Block Input** screen, click **Parties**.

   Party Details screen is displayed.

Figure 21-12 Party Details



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

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

Table 21-10 Party Details - Field Description

Field	Field Description
Leg Reference Number	The system displays the leg reference number
Description	The system displays the description for the leg reference number
Counterparty	The system displays the counterparty
SK Location	The system displays the SK location
Portfolio ID	The system displays the Portfolio ID
Settlement SKL	The system displays the place of settlement
Security ID	The system displays the Security ID
Messages	The system displays the messages
Advice Code	The system displays the advice code
Advice Description	The system displays the description for the advice
Party ID	The system displays the party ID
Description	The system displays the description of the party
Address 1 – 6	Specify the address lines 1 to 6 for the selected Party ID.
Additional Information 1 – 3	Specify the additional information, if any.
Party Type	Specify the party type. The adjoining option list displays the party types maintained in the system. You can choose the appropriate one.
Description	The system will display the description of the party type
Party ID	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.

Table 21-10 (Cont.) Party Details - Field Description

Field	Field Description
Counterparty Account	Specify the counterparty account
Address 1-4	Specify the address lines 1 to 4 for the selected Party ID.

Settlement Parties information default happens for the multiple portfolio maintained during creation.

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.

You can liquidate or release the security block deal from the 'Securities Block/Release Block Input' screen, RBLK event gets triggered generating MT54x message. Linked Block deal gets reversed with event REVR triggered. MT54x message gets generated as part of reversal event, the field 23G in message displays 'CANC' tag.

The system will perform 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.

21.1.5 Settlement Instructions for a Deal Leg

This topic describes the settlement instructions for a deal leg maintenance, capture settlement instruction, capture amount details, capture details of the deal output, and capture party details.

This topic contains the following sub-topics:

- Maintain Settlement Instructions for a Deal Leg
- Capture Settlement Instructions
- Capture Account Details
- Capture Details of the Deal Output
- Capture Party Details

21.1.5.1 Maintain Settlement Instructions for a Deal Leg

So far, we have discussed the basic information that is captured through the Securities Deal Input screen. To recall, along with other details of a deal, you have also specified the buy or sell amounts and the accounts to be debited or credited. The Debit and Credit amounts (and accounts) indicate the accounting entry that has to be passed at your bank to affect the deal. This entry is for the deal amount only. Apart from the details of these two accounts, you may have to capture the following details to effect a deal successfully:

- The accounts to be debited for charges, if there are any
- The accounts to be debited for interest that the deal involves
- The method in which the deal is to be settled -- whether it is an instrument or a Message (as in a SWIFT or TELEX message) and
- Details about the rout through which the money settlement should take place

The information that is related to the settlement method and route applicable for a transfer is referred to as “Settlement Instructions”.

21.1.5.2 Capture Settlement Instructions

The Settlement Instructions are captured through four different screens. Click ‘Settlements’ button on the Deal Input screen, to invoke the Settlement Instructions screen. Through the four screens you can capture the following information:

- Account details about the accounts involved in the deal that have to be either debited or credited in your branch)
- Message details
- Party details about the various parties involved in the deal)

Fund Asset Management

The settlements processing is enabled only if ‘Allow Corporate Access’ has been checked while defining branch parameters in the Branch Parameters – Detail View screen. If ‘Allow Corporate Access’ is checked for a fund branch and the fund is Portfolio type, then during settlement processing, the settlement account is chosen based on the settlement instructions maintained for the counterparty. If ‘Allow Corporate Access’ is not checked for a fund branch, then the settlement processing is disabled and the settlement account remains as a fund branch account maintained for the fund. If the corporate account exists in different branch then the Inter branch account/GL maintenance is used for resolving the bridge account.

21.1.5.3 Capture Account Details

As mentioned earlier, you have specified the accounts to be debited and credited for the deal amount in the Securities Deal Input screen. For deals that settle in a currency other than the security currency, the local currency equivalent of the Deal Amount is called the ‘Amount Equivalent’. Amount Equivalent is also the term used for the amount involved in the second leg of the accounting entry for the deal.

The accounts and amount involved in the Debit and Credit legs of the accounting entry for the deal amount will be displayed, as you have already entered them in the Securities Deal Input screen. These details cannot be changed here. If a change is necessary, you have to go back to the Deal Input screen and specify the change. For the other components involved in a deal, like charges, etc, you have to specify the account details in this screen.

These details include the component, the currency in which it is paid, the payment account and its currency, the branch of your bank to which the account belongs, the exchange rate (in the case of the component currency being different from the account currency). Depending on the component, the system will also display whether the account involved in an entry has to be debited or credited:

- P indicates you credit (Pay to) the account involved
- R indicates you debit (Receive from) the account involved

21.1.5.4 Capture Details of the Deal Output

A deal can be settled either in the form of an instrument (a Demand Draft, a Manager’s Check or a Check) or a Message (a S.W.I.F.T, TELEX or Mail message to be sent to the receiver). The details regarding the instrument or message have to be specified in the Message Details screen. The message details that you specify here are applicable only for S.W.I.F.T. The type of S.W.I.F.T. Message that is generated depends on the parties involved in the deal.

Depending on the method in which you want to settle the deal, you should input either Instrument or Message details.

Table 21-11 Settlement Details - Field Description

Field	Description
Specifying instrument details	For a deal that is being settled through an instrument, you should specify the type of instrument being used. It could be Manager's Check, Check or a Demand Draft. You should also specify the number that will identify the instrument. This number will be printed on the instrument. If the settlement is through an instrument, you cannot specify party details for the deal.
Specify message details	For a SWIFT message, you have to specify: • Whether a Cover has to be sent to the Reimbursement Bank, along with the payment message to the receiver • Bank to bank payment details, (these can be in the form of instructions or additional information to any of the parties involved in the deal) • Information from the sender to the receiver

21.1.5.5 Capture Party Details

To effect a securities deal, you may have to pass on funds through a series of banks before it actually reaches the ultimate beneficiary. Through the two 'Parties' screens you can capture details of all the parties that will be involved in settlement of the deal.

These screens contain fields that explore the possible routes in which the deal components can be transferred.

Table 21-12 Field Description

Field	Description
Intermediary Reimbursement Institution	An 'Intermediary Reimbursement Institution' is the financial institution between the Sender's Correspondent and the Receiver's Correspondent, through which the reimbursement of the deal will take place.
Intermediary	The 'Intermediary' in a deal, refers to the financial institution, between the 'Receiver' and the 'Account With Institution', through which the deal component must pass. The Intermediary may be a branch or affiliate of the Receiver or the account with Institution, or an entirely different financial institution. This field corresponds to field 56a of S.W.I.F.T. Here you can enter either the: • ISO Bank Identifier Code of the bank or the • Name and address of the Bank.
Receiver's Correspondent	The 'Receiver's Correspondent' is the branch of the Receiver or another financial institution at which the funds will be made available to the Receiver. This field corresponds to field 54a of S.W.I.F.T. You can enter one of the following: • ISO Bank Identifier Code of the bank • The branch of the Receiver's Correspondent • Name and address of the Receiver's Correspondent.

Table 21-12 (Cont.) Field Description

Field	Description
Account With Institution	An 'Account With Institution' refers to the financial institution, at which the ordering party requests the Beneficiary to be paid. The Account With Institution may be a branch or affiliate of the Receiver, or of the Intermediary, or of the Beneficiary Institution, or an entirely different financial institution. This field corresponds to field 57a of S.W.I.F.T. You can enter one of the following: • ISO Bank Identifier Code of the bank • The branch of the Receiver's Correspondent • Name and address of the Receiver's Correspondent • Other identification codes (for example, account number)I
Ordering Institution	The 'Ordering Institution' is the financial institution, which is acting on behalf of itself, or a customer, to initiate the transaction. This field corresponds to 52a of S.W.I.F.T. In this field you can enter one of the following: • The ISO Bank Identifier Code of the Ordering Institution • The branch or city of the Ordering Institution • The Name and address of the Bank
Ordering Customer	The 'Ordering Customer' refers to the ordering customer of the deal. Here you can enter the name and address or the account number of the Customer, ordering the transaction. This field corresponds to field 50 of S.W.I.F.T. You will be allowed to enter details in this field only if you have initiated a customer transfer (MT 100 and MT 202).
Beneficiary Institution	Here, you can enter details of the institution in favor of which the payment is made. It is in reality the bank that services the account of the Ultimate Beneficiary. This field corresponds to field 58a of S.W.I.F.T. You will be allowed to make entries into this field only for Bank Transfers (when the remitter and beneficiary of the transfer are financial institutions -- MT 100 or MT 202). Here you can enter either: • The ISO Bank Identifier Code of the Beneficiary Institution • The Name and Address of the Beneficiary Institution
Ultimate Beneficiary	The Ultimate Beneficiary refers to the Customer to whom the deal amount is to be paid. This field refers to field 59 of S.W.I.F.T. You can make entries into this field only for a customer transfer (MT 100 and MT 202). The number of banks involved in the transfer would depend on the: • Relationships and arrangements between the sending and receiving banks • Customer instructions • Location of parties • The banking regulations of a country

21.1.6 Process Levy Tax on a Deal

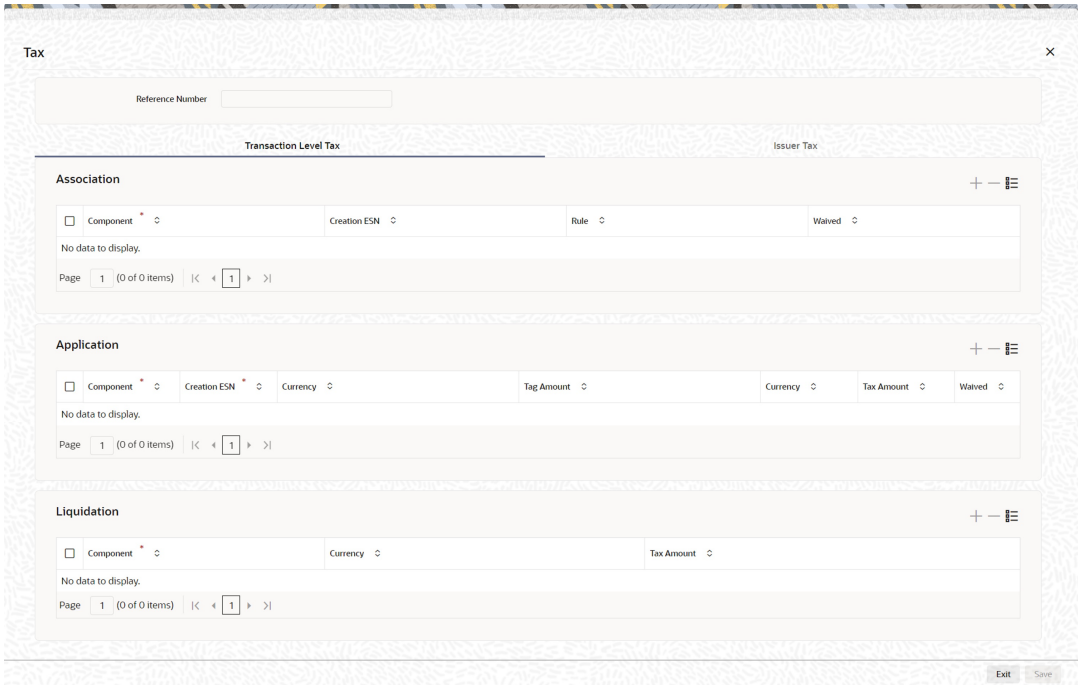
This topic describes the systematic instruction to process Levy tax on a deal.

The tax details specified for the product to which the deal is associated will be automatically applied to the deal. However, while processing a deal, you can waive the application of tax.

- From the **leg of Deal** screen, click **Tax**

  Tax screen is displayed.

Figure 21-13 Tax



- Features of Tax Details Screen

21.1.6.1 Features of Tax Details Screen

The reference number of the deal leg for which you are defining transaction tax details are displayed. The screen will contain a list of all the tax components applicable to the deal leg.

Associating a tax component to a deal leg

All the transaction tax components applicable to the deal leg you are processing will be displayed together with the rule that was linked to the component. In this section of the screen you can:

- Change the tax rule linked to the component
- Disassociate a tax component from the deal leg

Changing the tax rule linked to a component

The rule that is linked to a tax component is displayed next to the component. To link a new rule to the component. A list of all the tax rules maintained will be displayed. Select the appropriate rule from the pick list. The new rule will be made applicable to the component.

Disassociating a tax component from the deal leg

Disassociate a tax component from the deal leg. In the 'Association' section of the Transaction tax screen, click against the waive option positioned next to the component. In this case, the tax component is attached to the deal leg but is not calculated.

Indicate the tax components to be applied to a deal leg

In the application section of the screen, you can indicate the tax components that should be applied to the deal leg. The list of components that is displayed depends on the tax components that you have associated with the deal leg. The following details of the component are also displayed:

- The basis component on which the tax is levied
- The currency of the basis amount
- The basis amount
- The tax amount and the
- The currency in which the tax amount is defined.

Change the tax amount that is calculated using the class applicable to the component.

Waiving tax on a deal leg

You also have the option to waive the component for the deal leg that you are processing. If for some reason you want to waive tax on the deal you are processing, you can do so by checking against the 'waiver' option in the application section of the screen. The tax will be calculated but not applied.

> **Note:**
>
> You can waive tax only if it is yet to be liquidated.

Tax liquidation

When a tax component that is applied to a deal is liquidated, the relevant accounting entries are passed. The contract tax screen displays:

- The tax components that have already been liquidated
- The amount that was liquidated
- The currency in which it was liquidated

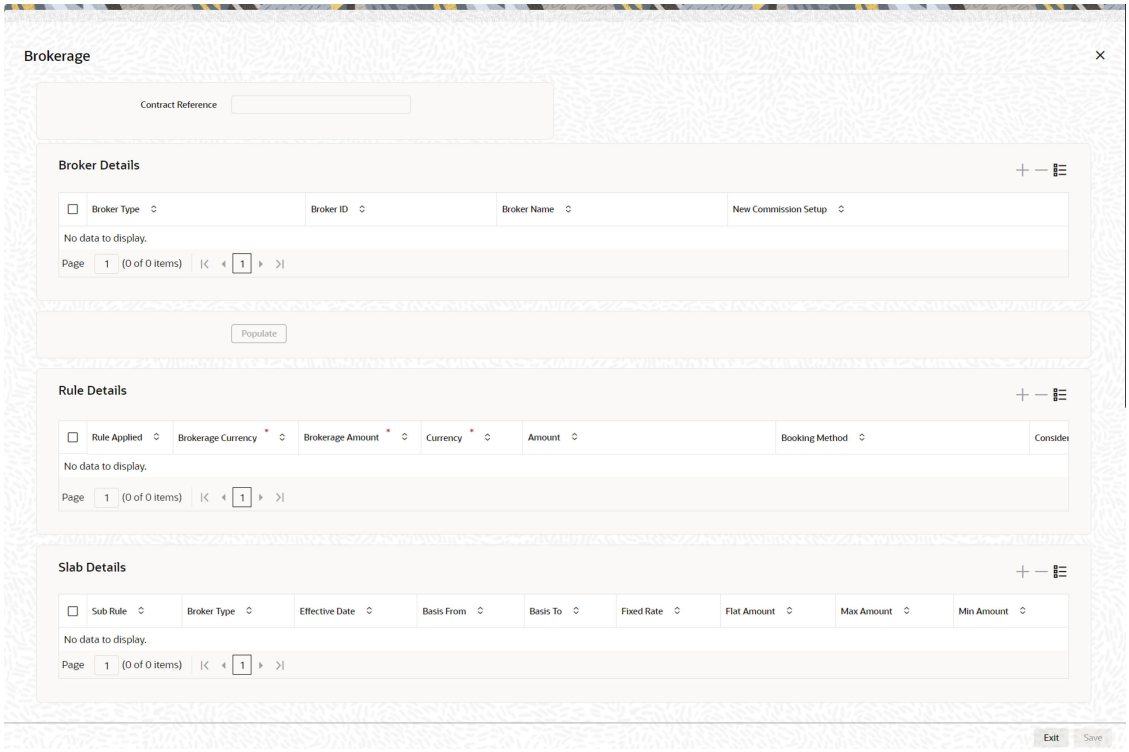
21.1.7 Process Brokerage on a Deal

This topic describes brokerage processing on a deal.

When capturing the details of a deal that involves brokerage, you will have to specify the brokerage details applicable to the deal. To recall, you have already specified the name of the broker through whom the deal was brokered in the Securities Deal screen. The details specified for the broker including the brokerage rule linked to the broker, is defaulted. However, you can change some details, like — whether brokerage should be booked in advance, in arrears or whether it should be waived altogether.

Click **Brokerage** to define the brokerage details that are applicable to the bank leg you are processing. You will be allowed to enter details of a broker only if brokerage was allowed for the product to which the deal is associated.

Figure 21-14 Brokerage



The Broker ID assigned to the broker through whom the deal was brokered is displayed along with the broker's name. If the brokerage payable currency is the same as the brokerage currency, then the same amounts (brokerage paid and brokerage payable) are displayed against the currencies. You have the option to change these currencies. While you cannot input the brokerage payable amount, the brokerage amount can be changed.

The following brokerage details are displayed:

- The brokerage liquidation status. If it has been liquidated, the liquidation reference number is also displayed.
- The rule applied and description that has been linked to the broker

Table 21-13 Field Description

Field	Description
Booking	Indicate preferences as to when the brokerage applicable to the deal should be linked. The options available are: • **Advance** • **Arrears** The preference specified for the broker will be displayed. You can change it in this screen, say from advance to arrears or vice-versa. You have a third option. That is, of waiving brokerage. If you opt for no booking, no accounting entries will be passed for brokerage for this deal.

Table 21-13 (Cont.) Field Description

Field	Description
Consider As Discount	This option is defaulted from the deal product level. However, the following validations are carried out: • The checkbox is unchecked if the booking method is other than 'Advance'. • If the 'Capitalize' option is not checked for the broker, deal, product and currency combination in the 'Charge Class Maintenance' screen, then this option will be left unchecked. **Note:** If you invoke the Contract Brokerage Details screen for operations like delete, change, authorize, liquidate and detailed view, this screen will only display brokerage details. You can change brokerage details for a deal only if you have clicked the Modify option from the Actions Menu. Click **Cancel** to delete the details and return to the Securities Deal details screen.

For more information on Broker commission calculation, refer to the attached Broker commission calculation sheet.

21.1.8 Upload the Deals for Amendment

This topic describes the deals upload for amendment.

From an external system, you can upload Securities Deals that require amendment 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 will be '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 will be 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 you upload a new deal, the Reference Number will be displayed in the User Reference Number field for that deal. The User Reference Number will be the basis for checking whether the deal exists or not.

The upload for the contract amendment will trigger the 'AMND' event. The same event is triggered even when the amendment is done in the 'Securities Deal Input' screen. The fields that can be amended for a Securities Deal are as follows:

- Deliver Free Pay
- Original DSTL Date
- Receive Free Pay

Upload a securities deal using Gateway. A Module upload procedure is introduced to validate the following data at the time of creating a deal:

- Product Code
- Security Code
- Deal Quantity

It is mandatory to specify a value for the above fields. If the value for any of the above fields is missing, the system will stop any further processing of the message. Subsequently, the system

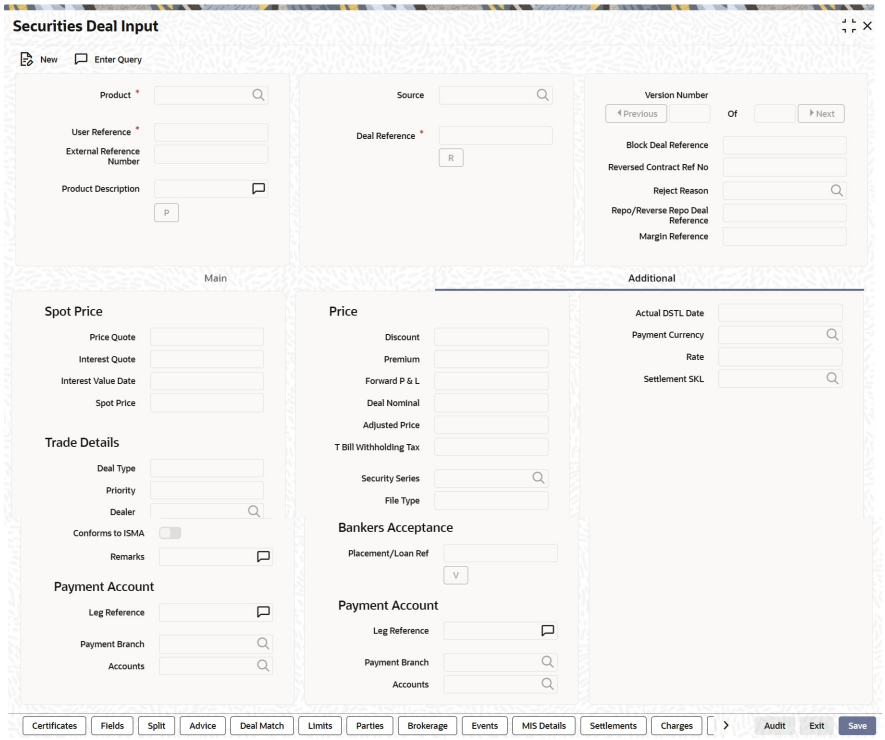
will send an appropriate error message. Once the validation is complete for all fields, the errors/overrides generated will be scanned to identify the type of error. Using the Module upload process, you can also amend financial details for a Securities deal. This upload process will accept 2 sets of upload record type variables. They are:

Set 1 – Combination of base data and request message data

Set 2 – Base data of the deal to be modified

Each field value that needs to be changed will be compared to Set 1 and Set2. Any difference in the field value will trigger a business logic validation. If the validation fails, the system will return a fault message. When a financial amendment is done, the existing contract is reversed and a new contract with the modified value is created. The new contract will contain the reference number of the reversed contract against the field ‘Reversed Contract ref no’.

Figure 21-15 Additional



For cancellations of securities deal on existing transactions, a new upload process is created in Oracle Banking Treasury Management. This upload process will trigger reversal of an existing deal.

21.1.9 Liquidating a Deal

This topic describes the deal liquidation along with money settlement and security settlement.

Details about liquidating a deal are explained below.

- Money Settlement
- Security Settlement

21.1.9.1 Money Settlement

Money settlement for security deals can be either automatic or manual. While processing a deal you can indicate the manner in which the deal should be settled. Check against the option 'automatic money settlement' from the Securities Deal Main screen to indicate the automatic mode of settlement. Leave it unchecked to indicate a manual settlement. If you specify the automatic mode of money settlement, the deal will be automatically settled on the settlement date that you specify when the beginning of day operations are run. If you specify a manual money settlement, you will need to give specific instructions for a money settlement. You can liquidate a deal by choosing 'Liquidate' from the Processing submenu of the Actions Menu, on the day you want to settle a deal.

21.1.9.2 Security Settlement

The settlement of securities in Oracle Banking Treasury Management is automatic. While processing a deal, you can indicate the date on which the traded securities should settle. On the security settlement date that you specify for the deal, the settlement will take place automatically. If the settlement date falls on a holiday If the money or security settlement date of a deal falls on a holiday, the settlement will take place based on your specifications in the Branch Parameters screen.

21.1.10 SGEN Message Generation

This topic describes the SGEN message generation and enabling RFR for SGEN.

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. This generation is done for the following events:

- MSTL - Deal Settlement
- CPCD - Coupon Settlement for Bonds
- DVCD - Securities Dividend Collection for Equity Shares
- CPTR - Coupon Transfer

In the case of future-dated events for SE deal or Portfolio, 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 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). However, the CPCD (Coupon Settlement), DVCD (Securities Dividend Collection) and CPTR (Coupon Transfer) reversal is not applicable. Whenever there is manual coupon transfer done, SGEN event will be triggered online with CPTR. If CPCD is manual and coupon transfer is automatic, SGEN will be triggered on BOD based on the number of message settlement days before CPTR date. If the coupon collection and coupon transfer is both automatic, then SGEN will be triggered on BOD based on the number of message settlement days before CPTR date.

For more information of CPTR processing, considering the SGEN and payment delay days, refer to the attached - Coupon Transfer Functionality. This attachment is best viewed in Adobe Acrobat.

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 respective events.

Final redemption is similar to sell deal and also has cash flows. This is taken care of by the MSTL event.

- RFR Enabling for SGEN
- Reassigning a Deal to another User
- Contract Level Message Generation

21.1.10.1 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

21.1.10.1.1 Look back without Payment delay SGEN Generation

Table 21-14 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	SE

Table 21-15 SGEN Payment Message Generation for Lookback without payment delay

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	-	$0.23
30-May-19	29-May-19	05-Jun-19	0.069	1	-	$0.19

Table 21-15 (Cont.) SGEN Payment Message Generation for Lookback without payment delay

Rate published	Rate For	Contract Calculation Date	SOFR	No. days	Notional Principal	Interest
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	SGEN (Payment Message)	$0.55
11-Jun-19	10_Jun-19	17-Jun-19	0.071	1	-	$0.20
-	-	18-Jun-19	-	-	-	-
-	-	-	-	-	Total	$3.03

21.1.10.1.2 Look back/Lockout with Payment delay SGEN Generation

Table 21-16 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	SE

Table 21-17 SGEN Payment Message for Look back/Lockout with Payment delay

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

Table 21-17 (Cont.) SGEN Payment Message for Look back/Lockout with Payment delay

Rate published(T - 4)	Rate For (T - 5)	Contract Calculation Date (System Date - T)	SOFR	No. days	Notional Principal	Interest
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
-	-	18-Jun-19	-	-	SGEN (Payment Message)	-
-	-	19-Jun-19	-	-	-	-
-	-	20-Jun-19	-	-	$100,000.00	-
-	-	-	-	Total	Amount	$3.03

21.1.10.2 Reassigning a Deal to another User

Only the user who entered a deal can delete it. If a deal has to be deleted and the user who entered it is not around to do it, you can reassign the deal to another user so that the other user can delete it. Typically, this situation may arise during end-of-day operations when a deal that is not authorized has to be deleted and the user who entered the deal has left the office for the day. You can reassign a deal through the Reassign User screen. You can invoke this screen from the Application Browser.

Procedure:

To reassign a deal to another user, you need to:

- Step 1 -- You first need to indicate the product associated with the deal. You can select a product code from the picklist, which contains a list of the products that you have created.
- Step 2 -- After you have selected the product, indicate the contract reference number of the bill you wish to reassign to another user. You can select a reference number from the picklist, which contains a list of all the unauthorized active deals.
- Step 3 -- Select the User Id of the user to whom you are assigning the deal.

> **Note:**
>
> This user to whom you reassign a deal should have access rights to enter securities deals in Oracle Banking Treasury Management.

Your User Id will be defaulted from the login screen. Click ‘Exit’ button if you do not want to save the details that you entered. In either case you will be returned to the Application Browser.

21.1.10.3 Contract Level Message Generation

System supports generation of Credit/Debit advice for:

- Money Settlement of Securities Deal when CUST_PMT_ADV advice is configured at MSTL event.
- Coupon Transfer when CUST_PMT_ADV advice is configured at CPTR event.
- Coupon Collection when CUST_PMT_ADV advice is configured at CPCD event.
- Securities Dividend Collection when CUST_PMT_ADV advice is configured at DVCD event.
- For corporate customer with settlement account as normal or nostro, system generates Credit/Debit advice when CUST_PMT_ADV is configured in specific events at product level.
- System generates the Payment Message MT210/MT202 for customer type as Bank and settlement account as Nostro, when PAYMENT_MESSAGE advice is configured to specific events at product level. If SGEN is configured at product level, Payment message will be generated as part of SGEN event based on currency settlement days.
- System allows user to maintain both CUST_PMT_ADV and PAYMENT_MESSAGE advice to specific events at product level.
- The system does not allow to maintain CUST_PMT_ADV to SGEN event. Only PAYMENT_MESSAGE can be configured to SGEN event.
- PAYMENT_MESSAGE advice can be configured either in SGEN event or to specific event only (not at both simultaneously).
- CUST_PMT_ADV message can be configured to specific events only at product level.
- When CUST_PMT_ADV advice is maintained at specific events, the system will restrict you to maintain CREDIT_ ADVICE / DEBIT_ADVICE and displays an appropriate error message.
- Both PAYMENT_MESSAGE and CUST_PMT_ADV can be mapped to same event. The system generates the messages at contract level based on the product. You need the maintain the following details for the contract level message generation:
- Treasury message type for SE module and message type 'CUST_PMT_ADV' using the 'Treasury Message Type Maintenance' screen.
- Maintain advice 'CUST_PMT_ADV' for MSTL event using the 'Securities Deal Product Definition' screen.
- Maintain advice 'CUST_PMT_ADV' for CPTR, CPCD and DVCD Event using the 'Securities Portfolio Product Definition' screen.

22

Process A Block Securities Deal

A block deal is one in which either the buy or the sell legs of the deal are associated with more than one portfolio. For example, in a block securities deal, securities can be bought from portfolios PF01, PF02, PF03 and sold to Portfolio PF04. To recall, in the Securities Deal Details screen you can enter deals that involve only two parties, the selling, and the buying party. The Block Securities Deal screen allows you to execute a securities deal in the market and allocate the same to several portfolios. Block deals are processed differently for the fund and non-fund branches. In the case of a fund branch, you can trade only with bank portfolios. For non-fund branches, block deals can involve customer portfolios.

This topic contains following sub-topics:

- Features of a Block Deal in Oracle Banking Treasury Management
  This topic describes the overview of block deal features in oracle Banking Treasury Management.
- Process Block Securities Deal Screen
  This topic describes the systematic instructions to process block securities deal screen.

22.1 Features of a Block Deal in Oracle Banking Treasury Management

This topic describes the overview of block deal features in oracle Banking Treasury Management.

The following are the features of a Block deal:

- A block deal can have multiple parties associated with either the buy or sell leg
- Portfolios of different costing methods can be involved in the multi-leg of the block deal
- Details that you specify for a Block Deal will need to be uploaded. The Upload process will automatically create individual sub deals for each of the portfolios involved in the multiple leg of the deal.
- Specify details like the certificate numbers, details of the brokerage, tax, charge etc, applicable to the sub deals in the Securities Deal Online screen.
- You will not be allowed to perform any operation on a sub deal directly. It will have to be done only through the Block deal. Should you need to amend the main details of a sub deal (details that affect accounting entries), you will have to delete the block deal, which eventually deletes all the sub deals. To amend other details of a sub deal like the certificate numbers, you should:
- Unlock the block deal
- Go to the relevant sub deal
- Unlock the sub deal
- Make the required changes
- Save both the sub deal and the block deal

22.2 Process Block Securities Deal Screen

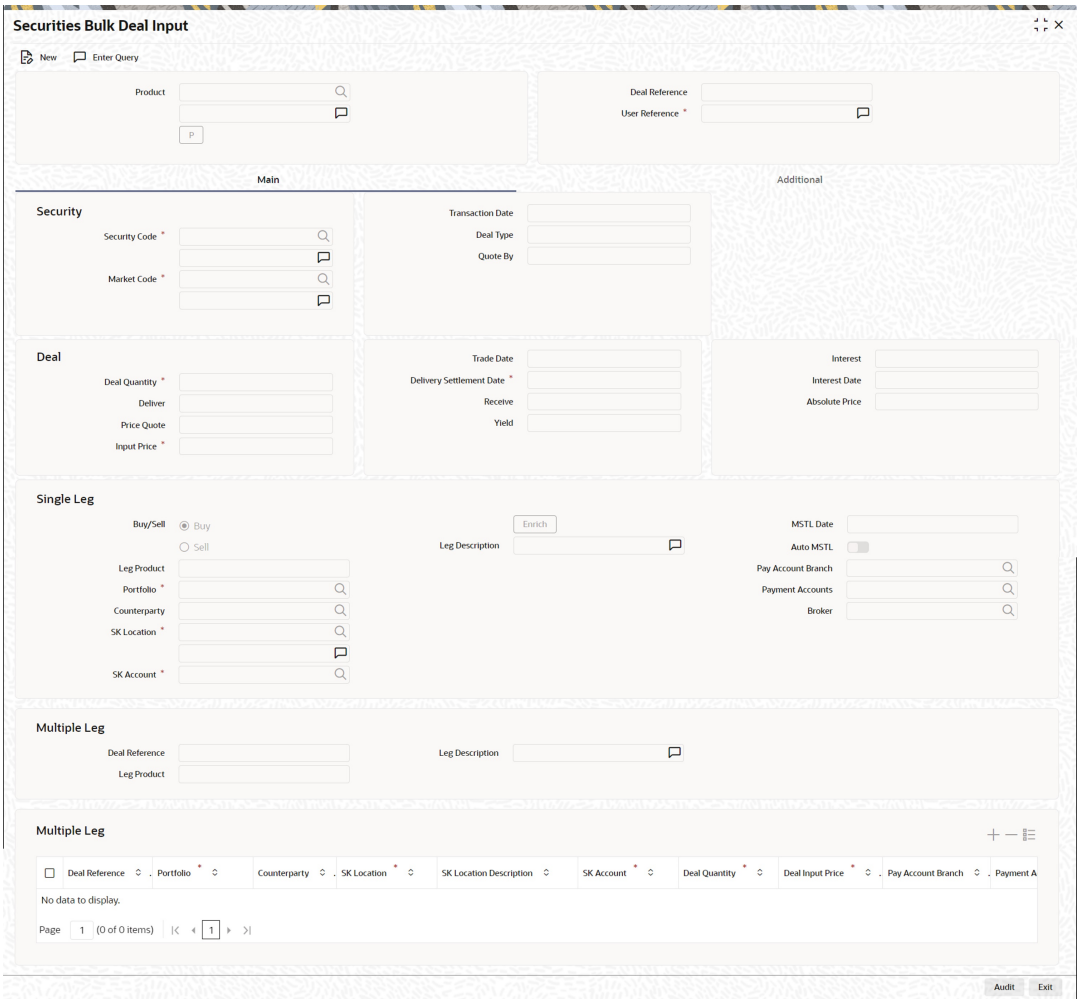
This topic describes the systematic instructions to process block securities deal screen.

You can invoke the Block Securities Deal Input screen from the Application Browser. To enter the details of a new deal, click the new icon from the toolbar. If you are calling a block deal that has already been created, choose the Block Deal Summary option. The details of all the block deals that you entered earlier will be displayed in a tabular form. From the summary screen, you can open an existing deal by double-clicking it.

1. On the Home page, specify **SEDXBLDL** in the text box, and click next arrow.

   Security Bulk Deal Input screen is displayed.

Figure 22-1 Security Bulk Deal Input



2. On the **Security Bulk Deal** screen, specify the fields.

   In the **Securities Block Deal** screen, you can enter details of the multiple parties (portfolios or customers) involved in a deal. Oracle Banking Treasury Management will automatically create separate deals for each portfolio involved in the deal. These individual deals are in turn linked to the Block deal. You can view or edit the details of a sub deal by double-clicking the party concerned in the Securities Block Deal Detail screen.

Through the Securities Block Deal input screen, you can process deals that involve multiple parties either in the buy or sell legs. You should compulsorily use a securities combination product to process a block deal. After you have specified all the details of the buy and sell legs; you should upload the block deal. The upload function will automatically create sub deals for each of the parties involved in the multi-party leg of the transaction. Refer to the title ‘Uploading the details of a block deal’ in this chapter for more details.

The securities deal input screen as it appears contains a header and a footer containing fields that are specific to the deal you are entering. Besides these, you will also notice two tabs along the lines of which you can enter the details of a block securities deal. The two tabs are:

Table 22-1 Security Bulk Deal Input- Tabs

Term	Definition
Main	Click this tab to enter the essential terms of a block deal. This screen,along with its fields has been detailed under the head ‘Entering the details of a block deal’.
Additional	In the screen that corresponds to this tab, you can specify price, currency, and trade details that are required to process the deal. The features of this screen have been detailed under the head ‘Entering additional details of a block deal’.

Table 22-2 Securities Bulk Deal Input - Field Description

Field	Description
Product	You should necessarily use a product or a product combination that has already been created to enter the details of a block deal. Based on the nature of the deal you are entering, you can select a product combination from the picklist available at the ‘Product’ field. A block deal will inherit all the attributes defined for the preferred leg of the product combination to which it is associated. You can further add to or change the details that are defaulted from the product to suit the deal you are processing.
Deal Reference No	In Oracle Banking Treasury Management, identification references are generated automatically and sequentially. This unique number tag is used to identify the block deal you are entering, it is also used in all the accounting entries, and transactions related to the deal. A three-digit branch code, a four-character product code, a five-character Julian Date, and a seven-digit serial number make up the deal Reference Number. The Julian Date has the following format:“YYDDD”Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/ have elapsed in the year. For example, January 31, 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. 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).

Table 22-2 (Cont.) Securities Bulk Deal Input - Field Description

Field	Description
User Reference	You can enter an identification reference number for the deal. A deal will be identified by this reference in addition to the 'Deal Reference' generated by Oracle Banking Treasury Management. This reference should be unique and cannot be used to identify any other deal. By default, the Deal Reference generated by Oracle Banking Treasury Management is taken as the User Reference No.
Indicating the security that is traded	While entering the details of a deal, you should indicate the securities that are traded in the deal and the market in which it is traded.
Security Code	Select a security code from the picklist. The picklist will contain a list of all the securities that you maintained in the Securities Definition screen. As you have already maintained details of the security, all the features of the security like its price, the quotation method, the corporate actions that it involves and several other details of the security will be processed based on these details. **Note:** Trading in the security should be allowed for the portfolios involved in the block deal.
Market Code	After you indicate the securities that are being traded in the deal, you should indicate the market in which they are traded. The market in which a security is traded is defaulted from the Security Definition screen. You can change the default and select a market code from the picklist available. The list will contain valid market codes maintained in the Market Definition screen.
Transaction Date	The transaction date is the date on which you entered the deal into Oracle Banking Treasury Management. The system defaults the transaction date to today's date. Normally, the transaction date would be the same as the trade date of the deal. It would differ from the trade date if you enter a backvalued deal.
Deal Type	Securities that are traded can be quoted in terms of: • Units (100 units of a security) • As a Nominal (securities worth USD 5000) **Note:** The block deal quantity that you specify should be expressed in the security quotation method.
Quote By	The Interest Quotation Method for interest bearing instruments can be: • **Flat** • **Plus Accrued** Indicate whether the deal price that you specified includes the purchased interest or the same has to be accrued separately. Indicate flat if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'. Indicate plus accrued to indicate that the price at which the security is quoted excludes accrued interest. This price is also referred to as the 'Clean Price'. **Note:** Specify an interest quotation method only if the deal involves the buying or selling of interest bearing bonds.
Indicating Deal Details	After you have indicated the securities that are traded and the market in which they are traded, you can indicate details of the security that are specific to the deal you are processing.

Table 22-2 (Cont.) Securities Bulk Deal Input - Field Description

Field	Description
Indicating the deal type	Using the Securities module of Oracle Banking Treasury Management, you can enter spot or forward deals. A spot deal is one that settles on the spot date of the market. A forward deal is one that settles on a date after the spot date of the deal. You have the option to change the settlement date even for spot deals. It is mandatory for you to specify the spot price for forward deals. The deal will settle at spot price and the difference between the deal price and the spot price is take to be the forward profit or loss.
Deal Quantity	Indicate the quantity of the security that is traded. The quantity that you specify depends on the method in which the security is quoted (units or nominal). If the security is quoted in units, you should indicate the number of units of the security that was traded. If it is quoted as Nominal, indicate the sum of the face value for which it is purchased. For example, suppose that you have bought 100 units of a security of face value USD 100. If the security quotation method is units, then, while indicating the deal quantity you should indicate 100. If the quotation method is nominal, you should indicate USD 10000 (USD 100 x 100 Units) at the deal quantity prompt.
Trade Date	The trade date is the date on which the deal is transacted. It is also referred to as the deal date. The date that you enter can be either today's date or a date earlier than today. The trade date should be earlier than the maturity date of the security as specified in the Securities Definition screen. For a series with a redemption record, the trade date should be earlier than the redemption date.
Price Quote	The method in which price is quoted is a feature of the market where the security is traded. Each market may use a particular price quotation method. The price of a security can be quoted as:
Price	in this case the security is quoted on the basis of the price at which it is traded. You have already maintained the face value of the security in the Security Definition screen. The premium that you paid or discount at which you purchased the security is calculated against the face value of the traded security. The price can be expressed as: (Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is ‘Flat’)% Price — the price is quoted on the basis of the percentage of the price.% Price = (Market price / Face value) x 100% Discount - in this case, the price is quoted based on the discount percentage at which the deal was bought or sold.% Premium - in this case, the price is quoted based on the premium percentage at which the deal was bought or sold.
Premium	Here the price is quoted based on the premium at which the security was bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.
Discount	The price is quoted based on the discount at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

Table 22-2 (Cont.) Securities Bulk Deal Input - Field Description

Field	Description
YTM	the price is quoted based on its yield to maturity. This price quotation method is applicable only for Zero coupon bonds. The yield on discounted instruments is measured by the yield to maturity (YTM), which is the return on a security bought at current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price increases above the straight discounted price YTM would decrease and vice versa. The price using this quotation method is calculated thus: $YTM = \frac{(Face\ Value - Purchase\ price) * Days\ in\ a\ Year}{Price * Days\ to\ maturity}$ Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same.
Absolute Price	This is the price at which the block deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method specified for the security that is traded. You can enter “T” or “M” to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million. The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued. For a spot deal, if the deal price varies from the market price by more that the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal. **Note:** The price that you enter is taken to be in the currency of the security that is traded.
Delivery Settlement date (DSTL date)	The delivery settlement date is the date on which settlement of the traded securities should take place. Depending on the type of deal (spot or forward) you are processing, you can indicate the security settlement date. In the subsequent fields you can indicate the locations from which and to which the security should be delivered.
Indicating the Mode of Settlement	Specify instructions to the safe keeping location as to when the traded securities should be delivered or released.
Delivery	The options available for the delivery of the traded securities: • Deliver against payment • Deliver free The deliver against payment option has no risk involved, as securities will be handed to the buyer only on payment. Choose the deliver free option to indicate that the delivery of securities is to be independent of payment. As there is a risk involved in choosing the deliver free option, while specifying limit details for the deal, you can also indicate the undelivered credit line under which your liability to the deal should be tracked.
Receive	The receive instructions that you can specify to the SKL are: • Receive against payment • Receive free
Int Date	If you are entering the details of a buy or sell deal, you can indicate the date from which purchased or sold interest for interest bearing bonds should be calculated. For securities whose issue market has trade based accounting:

Table 22-2 (Cont.) Securities Bulk Deal Input - Field Description

Field	Description
Interest value date = Trade date	For securities whose issue market has settlement date based accounting, the settlement date is defaulted to the settlement date. You have the option to change the defaulted date. However, the interest value date that you enter in this case should be in the same coupon period as the settlement date. Interest computations will be performed on-line from the last coupon date (including) to interest value date (excluding) in the case of deals where settlement date is before ex-date. In case the settlement date is past the ex-date the computation will be from interest value date (including) to the next coupon date (excluding). The interest might need to be received or paid depending on whether the deal is a buy or a sell.
Yield	Enter the equivalent yield of the bond for the price that you input. It is important to note that no processing is done based on the yield that you enter. It is only for reporting purposes.
Input Price	Enter the price at which the deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method that you specified earlier. You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million. The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued. For a spot deal, if the deal price varies from the market price by more that the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal. **Note:** The price that you enter is taken to be in the currency of the security that is traded. • The entries made in this field can be amended before the deal is authorized. However, if amendment is required after authorization, you should reverse the deal and enter it again.
Interest	Indicate whether the price at which the security is quoted includes accrued interest. You can specify an interest quotation method only if the deal you are processing involves the buying or selling of interest bearing bonds. Select an interest quotation method from the option list. It could be: • Flat • Plus accrued Indicate 'flat' if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'. Indicate 'plus accrued' to indicate that the price at which the security is quoted excludes accrued interest. This price is also referred to as the 'Clean Price'.
Specifying Details of the Single and Multiple Legs of a Deal	While entering the details of a block deal, you can indicate which leg (buy or sell) of the deal involves multiple parties. Depending on this, products associated with the combination product will be made applicable to the appropriate legs of the deal. If your branch is a fund branch, then customer portfolios cannot be involved in either the buy or sell legs of the Block deal.

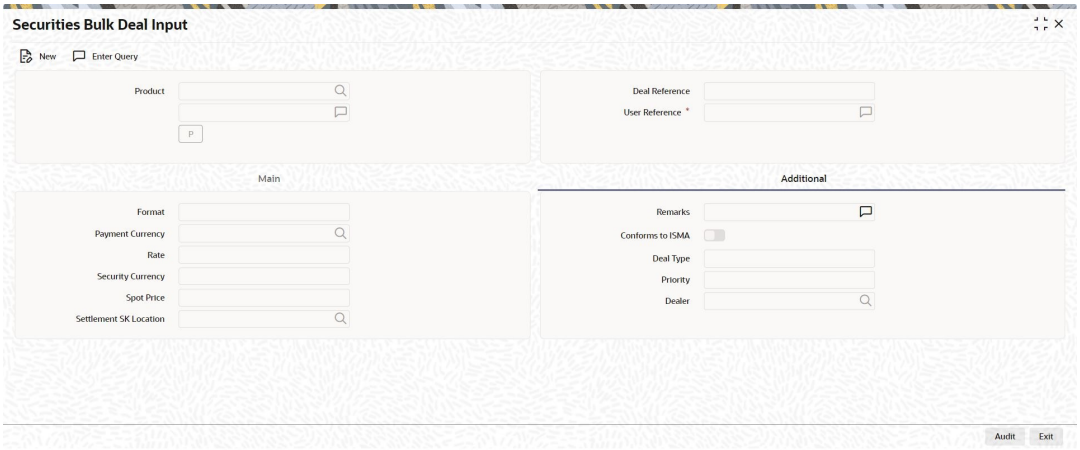
Table 22-2 (Cont.) Securities Bulk Deal Input - Field Description

Field	Description
Specifying Details of the Single Leg of the Deal	Specify the following details for the single leg of the deal: • The Portfolio involved with the leg of the transaction • The counterparty (the holder of the portfolio from which you are buying/selling securities) • The safe keeping location and account from or to which securities need to be collected or lodged • The broker that brokered the deal • The money settlement date
A note on the settlement date	The money settlement indicates the date by which the buyer should pay for the securities bought. The settlement date should be later than or the same as the Trade date and earlier than the maturity date of the security. For forward deals, the settlement date should be later than the default Spot date. For spot deals in the primary or secondary market, the settlement date should not be a holiday in any of the payment currencies. An override will be sought if the money settlement date is a holiday in any of the currencies involved in the deal.
Specifying Details of the Multiple Leg of the Deal	In this section we will discuss the details that you should specify for the leg that involves multiple parties. For each portfolio involved in the multiple leg of the deal, you can specify the following details: • The Portfolio from which you are buying/selling securities • The counterparty (the holder of the portfolios into which you are buying/selling securities) • The safe keeping location to which securities need to be delivered • The account at the sake keeping location, to which the traded securities are to be transferred • The quantity of securities that has been bought or sold from the portfolio • Pay account branch • Pay account • The Broker involved in the deal • Yield • MSTL Date

3. On the **Security Bulk Detail** screen, click **Additional**.

   Additional screen is displayed.

Figure 22-2 Securities Bulk Deal Input screen



4. On the **Additional** screen, specify the fields.

   For forward deals you should also indicate spot price details. The spot price details that you specify will determine the calculation of forward profit that you have made or the loss that you have incurred in a forward deal.

Table 22-3 Additional Tab- Field Description

Field	Description
Spot Price	The spot price refers to the price at which the security is currently quoted in the market. This price is compared with the deal price to determine the forward profit or loss. The market price of the security as maintained in the price code maintenance screen is defaulted. You have an option to change the default. The forward profit or loss is the difference between the deal price and the spot price and is calculated from the spot date of the deal to its settlement date. **Note:** In case of forward deals, the spot price is defaulted from the market price maintenance and the price cannot be changed.
Payment CCY	If the currency of the security is different from the settlement currency, you should indicate the currency in which payment is made. All the components of the deal like the deal amount, the charges and tax that is levied will be settled in this currency. By default the security currency is taken to be the payment currency. If you indicate the settlement currency to be different from the security currency you should also indicate the exchange rate to be used for the conversion. SCY You can indicate the format of the securities that are traded. It could be:
Rate	This is the exchange rate applicable in case the Payment Currency and Security Currency are different. This rate is defaulted from the deal product type.
Settlement SKL	Indicate the SK location in which the deal settlement takes place.
Format	You can select whether the security format is • Scrip Based- Issued in a paper format • Dematerialized- In an electric format • Immobilized- Securities in lieu of which proxies are traded • Combination- Issued in one or more of the above formats

Table 22-3 (Cont.) Additional Tab- Field Description

Field	Description
Deal Type	Select the Deal type from the drop down list. The Deal Type can be • **Primary** • **Secondary**
Priority	Indicate the priority of the deal you are processing. You can select a value from the drop down list: • **High** • **Normal** • **Low**
Conforms to ISMA	This is an indicator to denote whether the deal has been made as per ISMA (International Securities Market Association) requirements. This indicator is displayed during deal confirmation.
Dealer	Capture details of the dealer at your bank that handled the leg of the deal.
Remarks	Enter additional information about the product.

23
Securities Transfer Across Locations

Depending on customer specification you may need to withdraw a specified quantity of securities, from one particular safe keeping location and lodge them in another location. To transfer securities from one SK location to another you need to specify certain essential details. They can include details such as the quantity of securities to be transferred, the date on which the settlement is to take place, the codes assigned to the SK locations involved in the transfer and SK account numbers. In addition to transferring securities from one SK location to another, you can also transfer securities from one account to another, within the same SK location.

This topic has the following sub-topics:

- Transfer Securities Across Locations
  This topic describes the systematic instruction to transfer securities across locations.
- Specify the SK locations and accounts
  This topic describes how to specify the SK location and accounts.

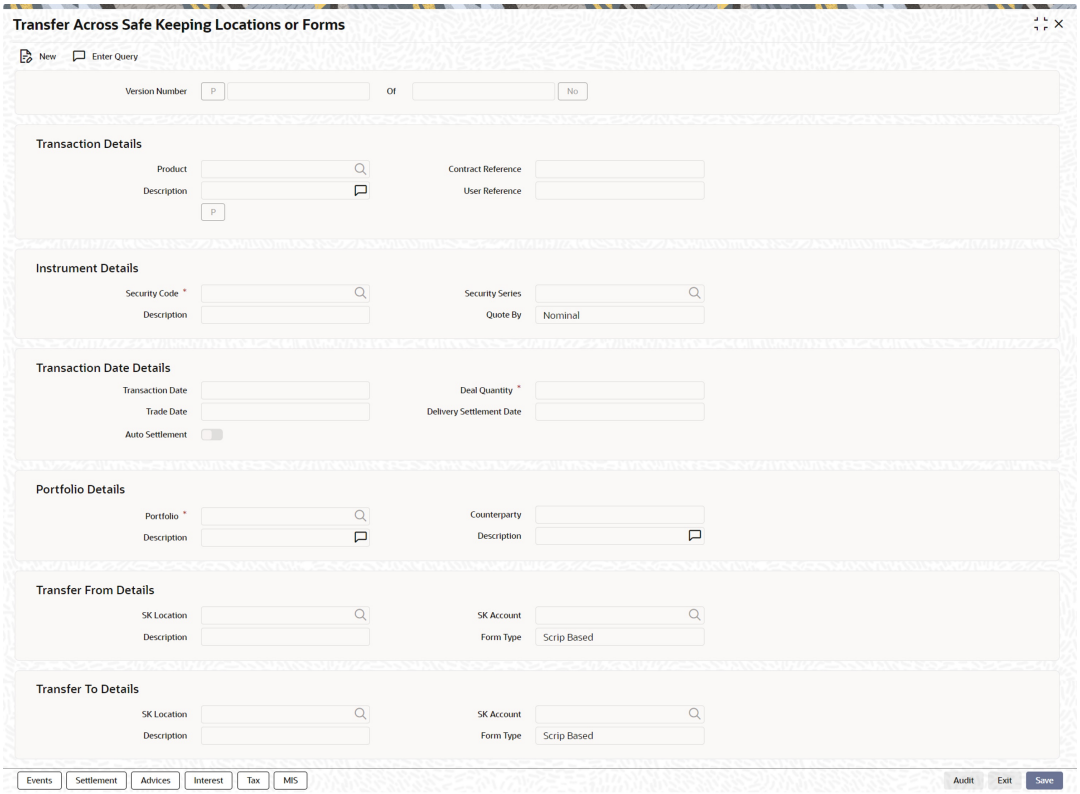
23.1 Transfer Securities Across Locations

This topic describes the systematic instruction to transfer securities across locations.

1. On the Home page, specify **SEDXSKNL** in the text box, and click next arrow.

   Transfer Across Safe keeping Location or Forums screen is displayed.

Figure 23-1 Transfer Across Safe keeping Location



2. On the **Transfer Across Safe keeping Location** screen, specify the fields.

   For more information on fields, refer to field description table.

Table 23-1 Transfer Across Safe keeping Location - Field Description

Field	Description
Product Code	In Oracle Banking Treasury Management each product created is identified by a unique four-character code called a product code. You can follow your own convention for devising this code, however one of the characters of the code should necessarily be a letter of the English alphabet. The product codes maintained in the Deal Product Definition screen are picked up anddisplayed in the picklist available.
Deal Reference	This is a system generated deal reference number. This number is generated using the Branch Code, Product Code, Julian date and running serial number combination. The number cannot be changed. 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).
User Reference	You can enter a reference number for the securities transfer. The securities transfer will be identified by this number, in addition to the Deal Reference No., generated by the system. This number should be unique. By default, the Deal Reference Number generated by the system, will be taken as the User Reference Number.

Table 23-1 (Cont.) Transfer Across Safe keeping Location - Field Description

Field	Description
Security Code	Indicate the code of the security involving the product, for which SK location change details are being defined. If it is security of bond type with series, you are required to indicate the series for which the transfer is being initiated. Once you specify the security code, the description of the code will be picked up and displayed in the adjacent field
Security Series	If it is security of bond type with series you are required to indicate the series for which the transfer is being initiated. Click the adjoining option list and select the series for which the transfer is being initiated.
Quote By	After the security code is specified, the manner in which the security is quoted (whether Units or Nominal) is picked up and displayed in the Quote By field. Depending on the quotation method used, you can specify the quantity of securities to be transferred. If the manner in which the security is quoted is units, enter the number of units to be transferred. If the quotation method used is Nominal enter the amount of securities to be transferred.
Transaction Date	This by default is the System Date / Current date on which the transaction is being entered and cannot be changed. By default action date and the trade date will be the same.
Quantity	If the manner in which the security is quoted is Units enter the number of units to be transferred. If the quotation method used is Nominal enter the amount of securities to be transferred.
Trade Date	This by default is the System Date / Current Date but can be changed as applicable. This will be the date on which the trade is input.
Settlement Date	Enter the date on which the securities transfer is to take place. This date can either be today's date or a date in the future.
Portfolio	Every portfolio that you define in the Portfolio Definition screen would involve a product that you have already defined. You can specify the portfolio associated with the particular product. Once you specify the product portfolio, the counterparty details are picked up by the system and displayed in the adjacent fields.
Counter Party	The counterparty name or details is displayed based on the Portfolio Id selected.

23.2 Specify the SK locations and accounts

This topic describes how to specify the SK location and accounts.

As part of the general maintenance for the Securities module of Oracle Banking Treasury Management, you can define various SK locations. The securities can be lodged or withdrawn or bought into or sold from the SK locations as and when they are traded with. In addition to maintaining SK locations, you need to define SK accounts for each of the locations maintained. 24-4 The codes assigned to SK locations and SK account in the SK Location Maintenance screen, are picked up and displayed in this screen.

Therefore while transferring a specified quantity of securities from one SK location to another, you have to indicate the SK location code from which securities are to be withdrawn and the location where they are to be lodged. In addition, you are also required to indicate the accounts from and to which securities are to be transferred.

You can do this by entering details in the Transfer From and Transfer To fields. You can transfer a specified quantity of securities from one account to another within an SK location. Indicate the SK location code in the Transfer From field and specify the account from and to which the securities are to be transferred.

Form Type

When you change the form type of a security, from Immobilized to Dematerialized, you can initiate a securities transfer. The transfer of securities can either be across SK locations, it can be from one account to another in the same SK location, or it can be from one form to another.

Move on to the Other Screens

In the Transfer across SK, locations screen are displayed a vertical array of icons. By invoking these icons you will be able to define the other attributes of the Securities transfer you are initiating. To select a screen, click on an icon from the group of icons displayed. For instance, if you want to define leg events accounting entries and overrides, click Events. The corresponding screen will be displayed. The icons together with a brief description of the functions they perform are detailed below:

Table 23-2 Sub-systems

Sub-systems	Description
Settlement	Enter the settlement message details. You can specify details such as: The accounts to be debited for charges. The method in which the transfer is to be settled whether it is an instrument (as in a check or a demand draft) or a message (as in SWIFT or mail message). Details about the parties involved in the transfer.
MIS	Enter the transaction MIS details.
Advices	Enter the leg advices. You can view, suppress and priorities the advices that are to be generated for each leg of the deal.
ICCF	View the charge details associated with the product. You are allowed to amend the charge amount and if necessary waive the application.
Tax	View the transaction tax details. In addition to changing the tax amount you can also waive the application.
Parties	Enter details of parties and party narratives.

24

Maintain Block Security Details

A specified quantity of securities can be stopped from being traded in the market. This is done by specifying details of the securities to be blocked, in the Securities Deal Input – Block Securities screen.

This topic has the following sub-topics:

- Process Securities Block/Release Block Input
  This topic describes the systematic instructions to process securities block and release block input
- Specify Details of Parties Involved in Block Security
  This topic describes the systematic instruction to specify details of parties involved in block security.

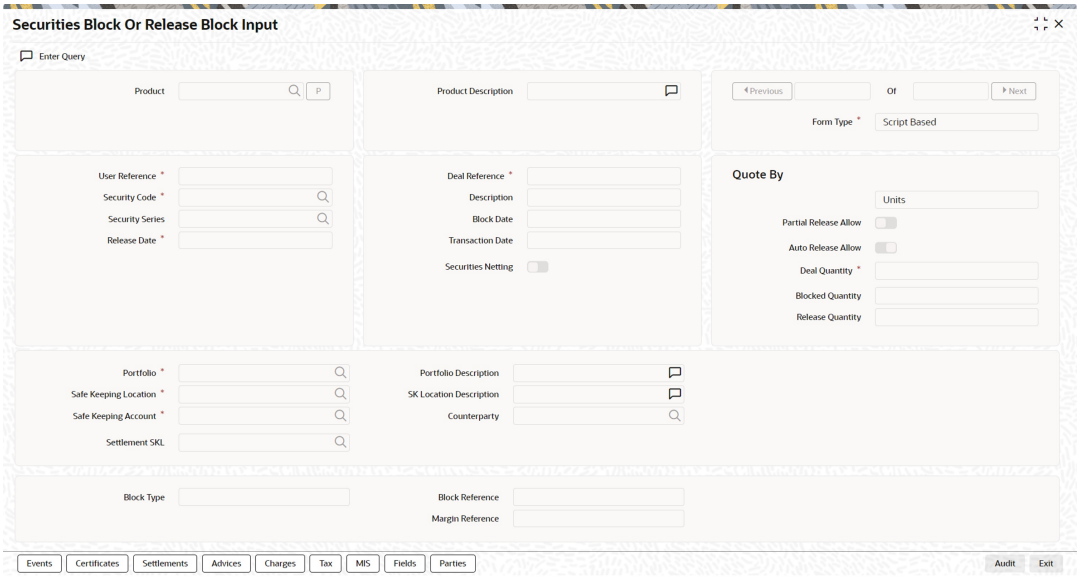
24.1 Process Securities Block/Release Block Input

This topic describes the systematic instructions to process securities block and release block input

1. On Home page, specify **SEDXBLNL** in the text-box, and click next arrow.

   Securities Block/Release Block Input screen is displayed.

Figure 24-1 Securities Block/Release Block Input



2. On the screen, specify the fields.

   Click a new icon from the toolbar. The screen will be displayed with no value in the fields. To view details of records previously maintained, call on the Summary View screen. The details of all the records maintained will be displayed in a tabular format. Highlight the record of your choice and double click it.

On specifying the security code of the product for which securities are being blocked, the manner in which the security is quoted, is displayed in the Quote By field. Based on the manner in which the security is quoted, you can indicate the quantity of (whether units or amount) securities to be blocked.

Table 24-1 Securities Block/Release Block Input

Field	Description
Product Code	This is the generic product which has been defined as a Deal product in the Securities Products menu. It is selected from the pick list and used for blocking the securities.
Deal Reference No	This is a system generated number. This number is generated using the Branch Code, Product Code, Julian date and running serial number combination. The number cannot be changed. 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).
User Reference	Enter a unique reference number to identify the deal. The deal will be identified by this reference in addition to the reference number generated by Oracle Banking Treasury Management. By default, the Deal Reference Number generated by the system will be taken as the User Reference No. You can choose to change it and indicate a reference of your own. You can query information on the portfolio by using any of the reference IDs.
Security Code	Indicate the code of the security involving the product which you want to stop from trading. Click the adjoining option list for a list of valid security codes.The security codes maintained in the Security Definition screen are picked up and displayed in the picklist available for this screen. Once you specify the security code the description of the code will be picked up and displayed in the adjacent field.
Description	This is the description of the security code selected. This is defaulted from the instrument definition.
Form Type	Securities that have to be stopped from being traded can be either of the following: • Script based • Immobilized • Dematerialized Indicate the form type of the security, for which trading has to be stopped for a specified period.
Security Series	If it is security of bond type with series you are required to indicate the series for which trading is to be stopped for a specified period. Click the adjoining option list and select the series for which trading is to be stopped.
Block Date	This is the date, with effect from which securities should be blocked. The system defaults the Block date and the Trade Date and the dates cannot be changed.

Table 24-1 (Cont.) Securities Block/Release Block Input

Field	Description
Release Date	This is the date, on which the blocked securities will be released and will be available for further trading or transfer. On entering the product code, the System date will be defaulted as the Transaction and Block dates respectively. You cannot change these dates. However you can indicate the date on which the blocked securities can be re-traded in the market. Specifying the release date does this In addition, you can also indicate whether the entire quantity of securities is to be released, as of the release date or whether securities have to be released in parts. If you allow partial release, then the quantity to be released partially can be indicated through the Release Securities screen. Highlight Processing and Liquidate option in the Actions Menu or click liquidate icon from the toolbar. The Release Securities screen is displayed.
Partial Release Allow	Indicate whether the entire quantity of securities is to be released as of the release date or only a part of the quantity has to be released for re-trading. Check this box to indicate that only a part of the specified quantity is to be released as of the release date.
Auto Release Allow	Specify that securities have to be auto liquidated then the system will automatically liquidate the specified quantity as of the release date. If auto liquidation is not specified, you have to manually liquidate the securities through the Release Securities screen.
Portfolio	Indicate the portfolio from which you are blocking securities. Click the adjoining option list and select the portfolio code from the picklist. Once you specify the portfolio Id the counterparty details are defaulted in the adjacent fields.
Description	View the description of the Portfolio, which is automatically updated once the Portfolio Id is selected.
SK Location and the SK Account	Indicate the code assigned to the SK location, where the securities have been lodged and the account to which they belong.
Description	view the description of SK Location based on the SK Location Id selected.
Quantity	If the manner in which the security is quoted is Units enter the number of units to be blocked. If the quotation method used is Nominal enter the amount of securities to be blocked.
Counter Party	Based on the Portfolio Id selected, the counterparty details will be automatically updated.
Description	You can view a brief description of the counter party based on the Portfolio Id selected.

Table 24-1 (Cont.) Securities Block/Release Block Input

Field	Description
Block Reference and Block Type	Securities can be blocked when they are used as collateral for other transactions processed in Oracle Banking Treasury Management. You can track the securities that are blocked as collateral for Money Market Placements. In the Blocked Securities Deal screen, the reference number of the MM placement for which securities are blocked is displayed. Securities blocked for other reasons will not bear any such details. **Note:** Block created as part of Repo will default repo counterparty in counterparty field and supports the existing validations.
Margin Reference	When a margin call is initiated for a repo deal to block/release the security system generates a margin reference number which is captured in block screen.

24.2 Specify Details of Parties Involved in Block Security

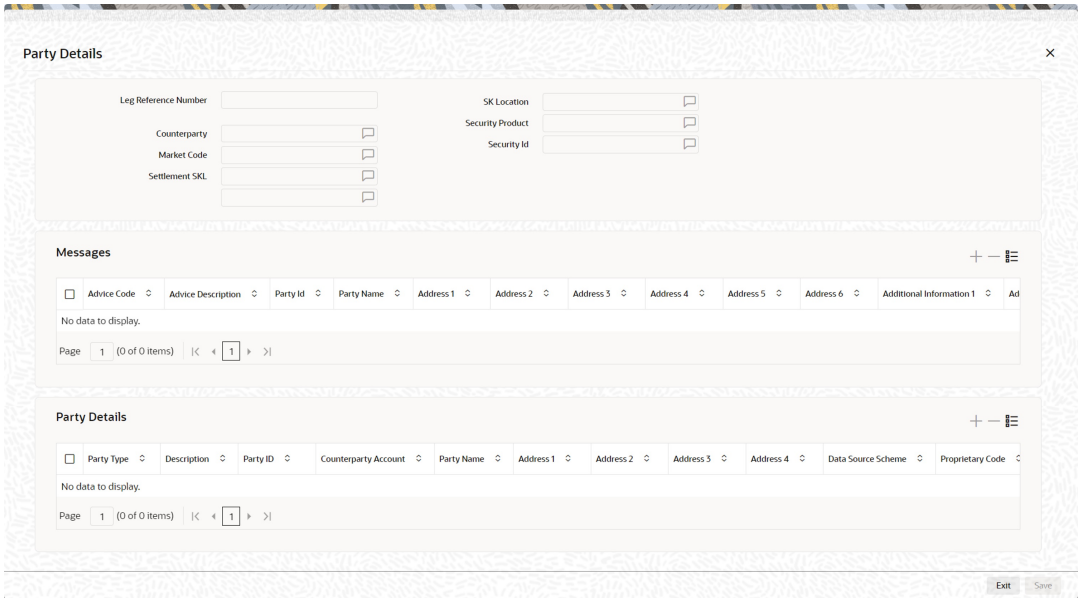
This topic describes the systematic instruction to specify details of parties involved in block security.

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

1. On the **Securities Block or Release Block Input** screen, click **Parties**.

   Party Details screen is displayed.

Figure 24-2 Party Details



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

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

Table 24-2 Party Details - Field Description

Field	Field Description
Leg Reference Number	The system displays the leg reference number
Description	The system displays the description for the leg reference number
Counterparty	The system displays the counterparty
SK Location	The system displays the SK location
Portfolio ID	The system displays the Portfolio ID
Settlement SKL	The system displays the place of settlement
Security ID	The system displays the Security ID
Messages	The system displays the messages
Advice Code	The system displays the advice code
Advice Description	The system displays the description for the advice
Party ID	The system displays the party ID
Description	The system displays the description of the party
Address 1 – 6	Specify the address lines 1 to 6 for the selected Party ID.
Additional Information 1 – 3	Specify the additional information, if any.
Party Type	Specify the party type. The adjoining option list displays the party types maintained in the system. You can choose the appropriate one.
Description	The system will display the description of the party type
Party ID	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.
Counterparty Account	Specify the counterparty account
Address 1-4	Specify the address lines 1 to 4 for the selected Party ID.

Settlement Parties information default happens for the multiple portfolio maintained during creation.

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.

You can liquidate or release the security block deal from the ‘Securities Block/Release Block Input’ screen, RBLK event gets triggered generating MT54x message. Linked Block deal gets reversed with event REVR triggered. MT54x message gets generated as part of reversal event, the field 23G in message displays ‘CANC’ tag.

The system will perform 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.

25
Maintain Manual Revaluation Details

You can perform ad-hoc back dated revaluation for the previous period code in the Manual Revaluation.

This topic has the following sub-topics:

- Process Manual Revaluation
  This topic describes the systematic instructions to process manual revaluation.
- View Manual Revaluations
  This topic describes the systematic instruction to view the manual revaluation.

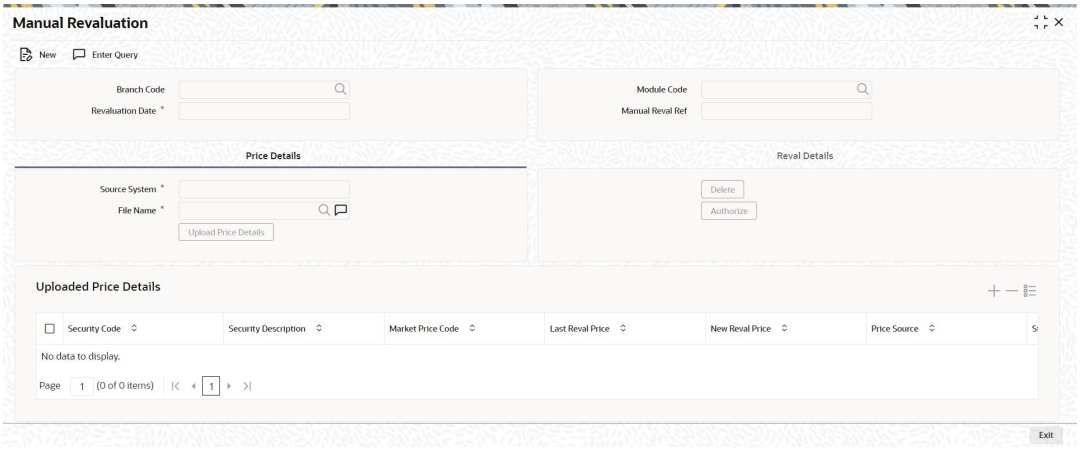
25.1 Process Manual Revaluation

This topic describes the systematic instructions to process manual revaluation.

1. On Home page, specify **SEDXMRTU** in the text-box, and click next arrow.

   Manual Revaluation screen is displayed.

Figure 25-1 Manual Revaluation



2. On the **Manual Revaluation** screen, specify the details as required.

   Click a new icon from the toolbar. The screen is displayed with no value in the fields. To view details of records previously maintained, call on the Summary View screen. The details of all the records maintained is displayed in a tabular format. Highlight the record of your choice and double click it.

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

Table 25-1 Manual Revaluation- Field Description

Field	Description
Branch Code	The system displays the branch code for which you need to perform the adhoc back dated revaluation MTM processing.
Module code	The system displays the module that supports the back dated revaluation MTM processing.
Revaluation Date	Specify the revaluation date as a past date. If the date specified is beyond the number of days allowed at the branch parameter level, then there will be no records displayed in the Uploaded Price Details section
Manual Reval Ref	The system displays a unique reference number generated for each price upload.
Source System	Specify the source from which the system gets the price details.
File Name	Specify the name of the file which is to be uploaded.
Security code	The system displays the security code or instrument for which the back dated revaluation is to be processed.
Market Price Code	The system displays the market price code maintained at the instrument definition level.
Last Reval Price	The system displays the old market price or price maintained at the price maintenance level.
New Reval Price	The system displays the price updated in the upload market price file.
Price source	The system displays the source from where the price is published/ uploaded.
Status Description	The system displays the status of the file that is uploaded.

3. Click the **Upload Price Details** button. The system displays the details.

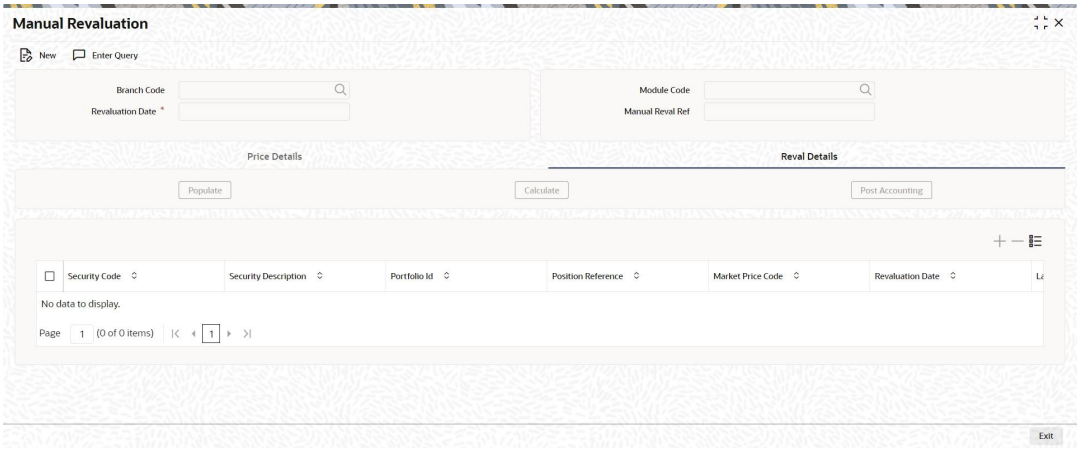
   If the back dated revaluation is not required, then you can delete a specific security price details record by clicking ‘Delete’ button. You can also select the multiple records at a time and delete it.

   If you are ready to update the new reval price to perform the back dated revaluation, then click on the Authorize button to authorize.

4. On the **Manual Revaluation** screen, click **Reval Details**.

   Manual revaluation- Reval details is displayed.

Figure 25-2 Manual revaluation- Reval details



5. On the **Reval Details** tab, click the **Populate** button. The system displays the details required.

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

Table 25-2 Reval Tab - Field Descriptions

Field	Description
Security code	The system displays the security code or instrument for which the back dated revaluation is to be processed.
Portfolio Code	Bank Portfolio where the position level revaluation entries are passed.
Position Reference	Bank Leg Reference number in SE Deal Screen.
Market Price Code	The system displays the market price code maintained at the instrument definition level.
Revaluation Date	The system displays the revaluation date.
Last Reval Price	The system displays the old market price or price maintained at the price maintenance level.
New Reval Price	The system displays the price updated in the upload market price file.
Price Quotation	The system displays the absolute price citation.
Interest Quotation	The system displays the interest quoted.
Revaluation Level	The system displays the revaluation level which was configured at the branch parameter and portfolio level.
Unsettled Revaluation	The system displays the revaluation option setup at the portfolio preference, which level of position the back dated revaluation to be processed. This field will display Y when Settled and Unsettled Position Revaluation options are enabled at the portfolio preference. This field will display N when Settled Position option is enabled only at the portfolio preference.
Face Value	The system displays the price at which the bond is issued at the security definition level.

Table 25-2 (Cont.) Reval Tab - Field Descriptions

Field	Description
Quantity	The system displays the number of bonds purchased at SE deal.
Book Value	The system displays the value/price at which the deal is purchased.
Market value	The system displays the new price/value for which the deal quantity is calculated. On clicking the 'Calculate' button, the system calculates and updates the revaluation details for the new market price
Last Revaluation PL	The system displays the revaluation (per unit) posted for the old market price value. Negative sign will be indicated if the Revaluation is in loss.
Revaluation PL	The system displays the new Revaluation (per unit) value calculated with the new market price.
Reval Profit	If the back dated revaluation processing is on profit side, then the profit amount/value is displayed in this field. The old Profit value calculated for old price is overwritten.
Reval Loss	If the back dated revaluation processing is on loss side, then the loss amount/value is displayed in this field. The old Profit value calculated for old price is overwritten.
Reval Change	The system displays the difference of book value and the new market value.
MTM Income	If the revaluation is in profit side, the income GL is credited.
MTM Expense	If the revaluation is in Loss side, the expense GL is debited

This topic has the following sub-topic:

- Manual Revaluation Processing

25.1.1 Manual Revaluation Processing

The back dated revaluation for the previous period code is allowed based on the number of days allowed in the Back Dated Revaluation section in the Securities Branch Parameters screen.

The Back-dated MTM revaluation is supported at Portfolio or Holdings level for unrealized type of revaluation and Bank Portfolios only. It is also supported for revaluation methods as MTM-BV, MTM-EIM & LOCOM and revaluation frequency maintained at the portfolio preferences level,

Manual revaluation cannot be initiated for a back-value date for which the prior revaluation was not done. The price file name and format is defined in the Generic Interface Definition screen

On clicking the Post Accounting button, the system triggers the BRVL and RRVL event for Deal level or Portfolio level based on the Unrealized revaluation setup at the portfolio preferences.

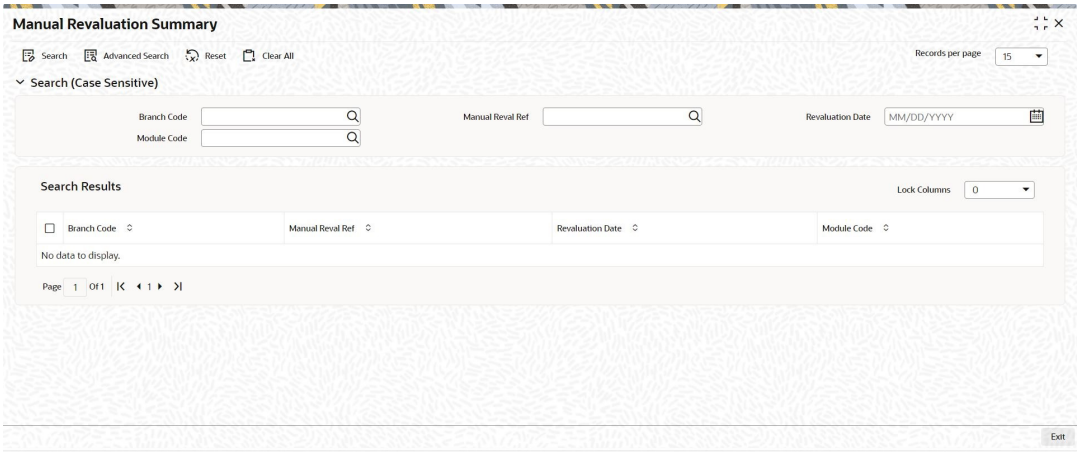
25.2 View Manual Revaluations

This topic describes the systematic instruction to view the manual revaluation.

1. On Home page, specify **SESXMRTU** in the text box, and click next arrow.

   Manual Revaluation Summary screen is displayed.

Figure 25-3 Manual Revaluation Summary



2. On the **Manual Revaluation Summary** screen, specify the fields.

   In the above screen, you can base your queries on any or all of the following parameters and fetch records:

   - **Branch Code**
   - **Manual Reval Ref**
   - **Revaluation Date**
   - **Module Code**

   Select any or all of the above parameters for a query and click the Search button. The records meeting the selected criteria are displayed. If you are allowed to query, then system displays the following details pertaining to the fetched records:

   - **Branch Code**
   - **Manual Reval Ref**
   - **Revaluation Date**
   - **Module Code**

26
Bonds Provisioning

Under provisioning, banks have to set aside funds to a prescribed percentage of their non-performing or bad assets. The amounts set aside are based on estimates of anticipated future losses.

Securities module supports provisioning of debt instruments and other fixed-income exposures for a combination of security Id and portfolio Id through the manual provision processing.

Dedicated separate GLs are used to pass entries of provisioning at the portfolio level. Only liquidated deals having deal nominal balance amount are taken into consideration for provisioning.

The system can perform Reverse Provisioning once the debt security is reclassified as performing. The full provision made will be reversed if the action Reverse Provisioning is performed.

This topic contains the following subtopics:

- Securities Security Product Definition
  This topic describes the systematic instruction of Securities Security Product Definition.
- Securities Manual Provision
  This topic describes the systematic instruction to perform securities manual provision.
- Securities Provisioning Summary
  This topic describes the provision summary details.
- Securities Instrument Definition
  This topic describes the systematic instruction to capture the others tab details in securities instrument definition screen.

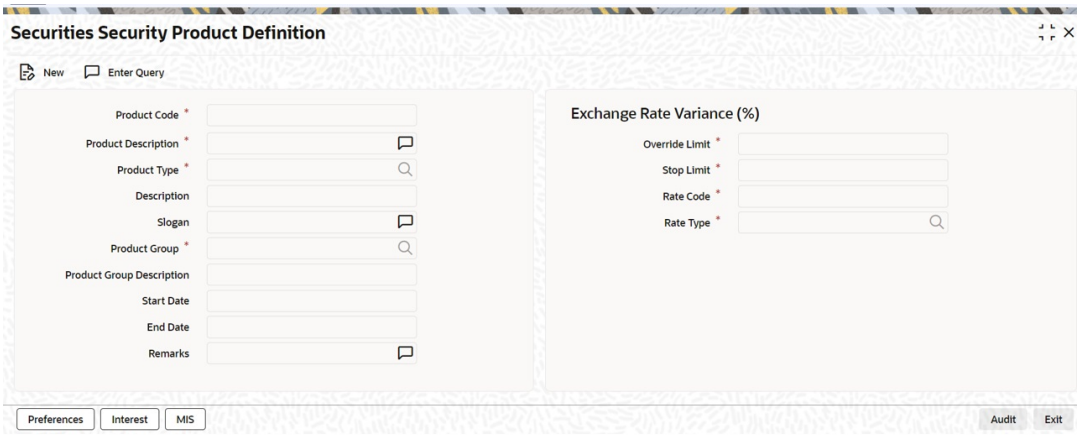
26.1 Securities Security Product Definition

This topic describes the systematic instruction of Securities Security Product Definition.

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

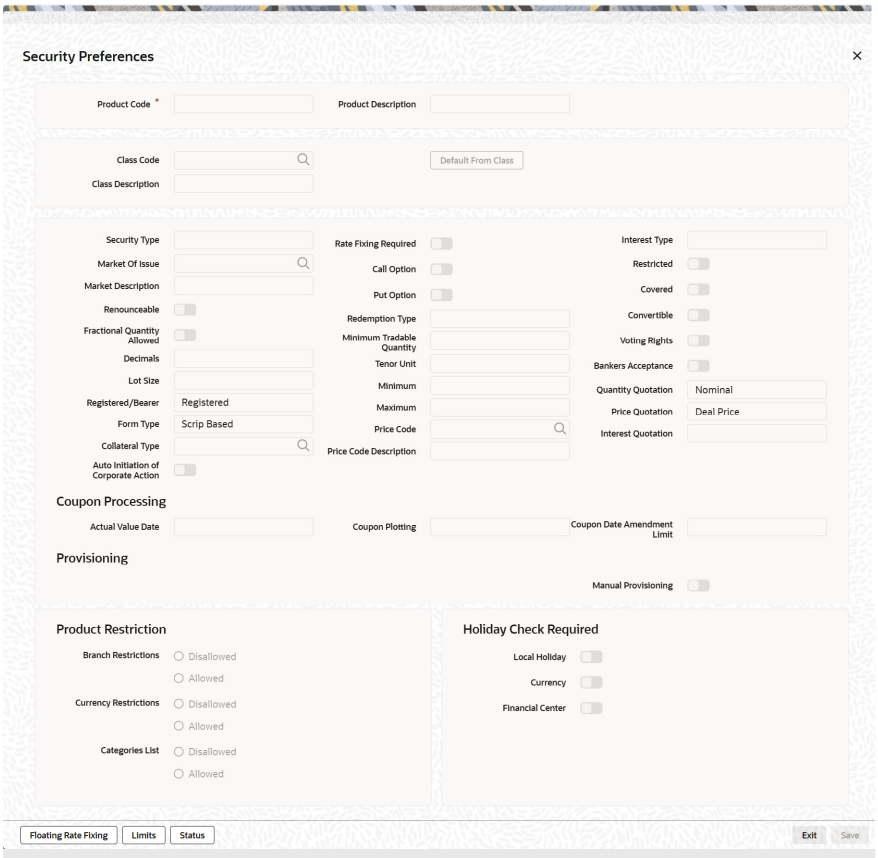
   Securities Security Product Definition screen is displayed.

Figure 26-1 Securities Security Product Definition



2. On the **Securities Security Product Definition** screen, click **Preference**. **Security Preferences** screen is displayed.

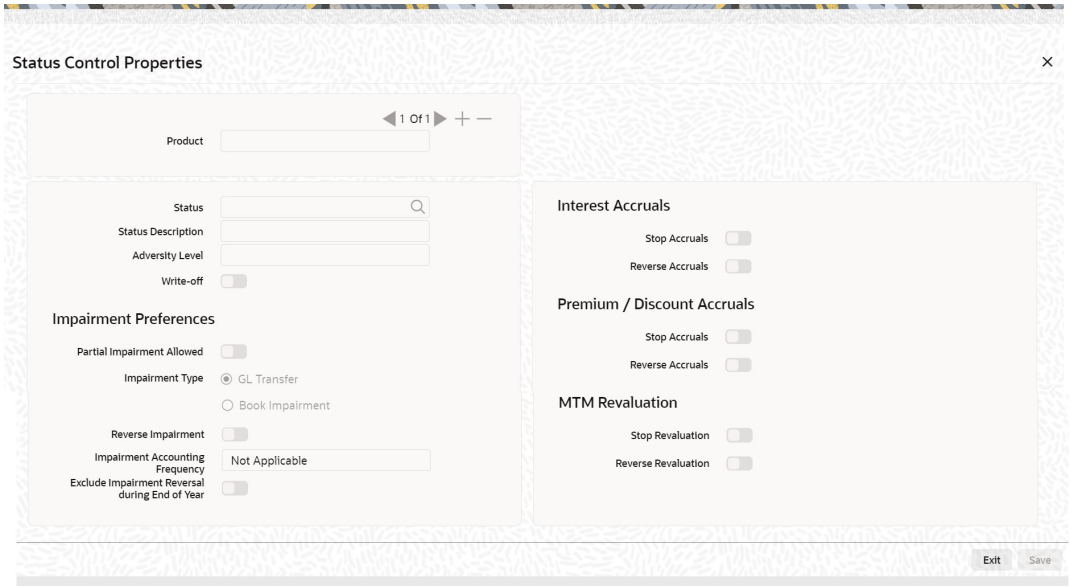
Figure 26-2 Security Preferences



3. On the **Security Preference** screen, click Status

Status Control Properties screen is displayed.

Figure 26-3 Status Control Properties



Select **Manual Provisioning** flag to denote that the provisioning must be allowed and processed during the lifecycle of portfolios having a holding in this instrument.

4. On the **Status Control Properties** screen specify the details as required.

   For information on fields, see the below table:

Table 26-1 Status Control Properties - Field Description

Fields	Description
Status	Denotes the user defined status code that is used in the life cycle of the instrument.
Status Description	Full description of the status code used above.
Write-Off	Field to indicate that the user defined status is equivalent of write-off. Status change into this status is treated as write-off. The status in **SEDTRONL** is updated with this status by default.
Adversity Level	This is display only field which shows the adversity level of a contract.
Partial Impairment Allowed	Check this box to indicate that status is meant for impairment.
Impairment Type	Select the Impairment Type from the adjoining drop-down list. The valid values are: • GL Transfer - Deal Nominal, Coupon Accruals, Discount/ Premium Accruals would be moved to GLs as per maintenance in SEDSTPRP. • Book Impairment - An Impairment deal would be booked. Impairment Type Should be same for all status.
Reverse Impairment	Check this box to indicate that reverse impairment is allowed during end of impairment accounting frequency. Reverse Impairment can be enabled only when partial impairment is allowed.

Table 26-1 (Cont.) Status Control Properties - Field Description

Fields	Description
Impairment Accounting Frequency	Select the Impairment Accounting Frequency from the adjoining drop-down list. The valid values available are: • **Monthly** • **Quarterly** • **Yearly** If reverse impairment is enabled, Impairment Accounting Frequency should be provided; otherwise, it is not applicable.
Exclude Impairment Reversal during End of the year	Check this box to indicate that bank is realizing the impairment loss in previous financial year. Exclude Impairment Reversal during end of year is not applicable if reverse impairment is not enabled.
Stop Accrual	Indicates that accruals (interest/premium/discount) are discontinued for portfolios having position in this instrument (under this product).
Reverse Accrual	Check this box to indicate that accruals are reversed portfolios having position in this instrument.
Stop Revaluation	Check this box to indicate the discontinued Realized amount before impairment for the affected position.
Reverse Revaluation	Check this box to indicate the reversal realized amount before impairment for the affected position. Reverse revaluation can be enabled only when Stop Revaluation is enabled.
'+', ' - ', '<', '>'	Navigation fields to add/remove/view additional status and their properties

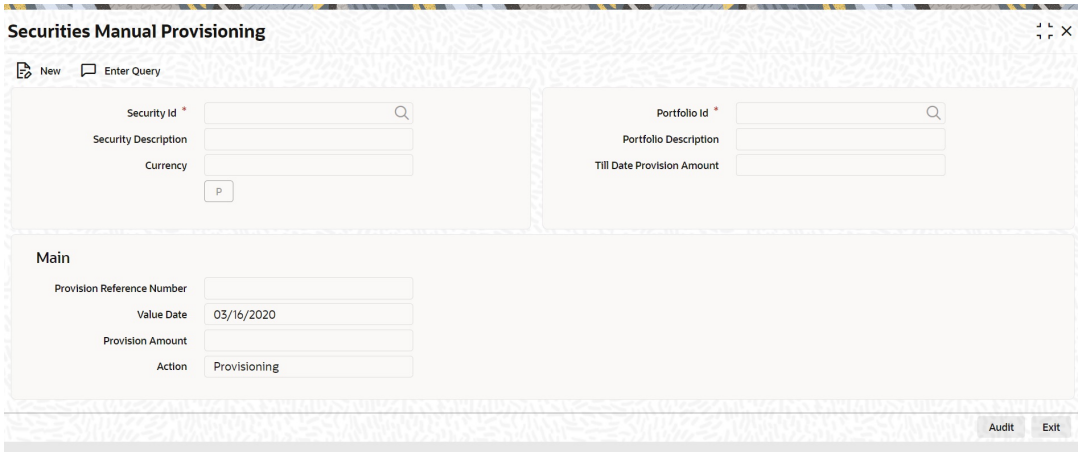
26.2 Securities Manual Provision

This topic describes the systematic instruction to perform securities manual provision.

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

   Securities Manual Provisioning screen is displayed.

Figure 26-4 Securities Manual Provisioning



2. On the **Securities Manual Provisioning** screen, specify the details as required.

   For information on fields, see the below table:

Table 26-2 Securities Manual Provisioning

Field	Description
Securities ID	Select the ID of the instrument from the list of values for which the manual provisioning is done.
Securities Description	Description of the security ID is displayed.
Portfolio ID	Select the ID of the portfolio for which status manual provisioning is done.
Portfolio Description	Description of the portfolio is displayed.
Total Provision Amount	Displays the net amount
'P' (Populate button)	Click this button to generate the provision reference number and display the total provision amount.
Provision Currency	Displays the currency of the provision.
Provision Amount	Specify the amount as required which is (received through webservice)
Value Date	Displays the system date on which provision was done.
Action	Select the details from the list of values provided. The options are: • **Provisioning** • **Reverse Provisioning**

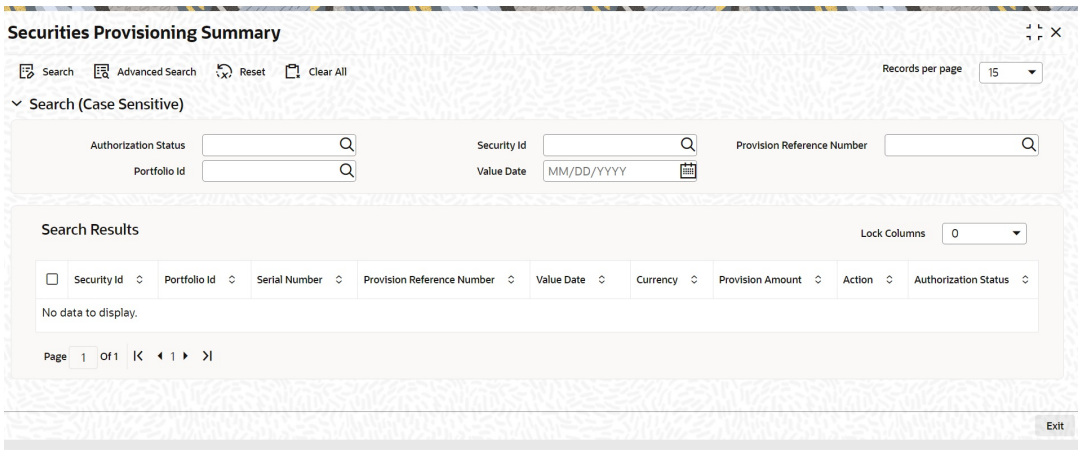
26.3 Securities Provisioning Summary

This topic describes the provision summary details.

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

   Securities Provisioning Summary screen is displayed.

Figure 26-5 Securities Provisioning Summary



2. On the **Securities Provisioning Summary** screen, specify the details as required.

   The Following details are displayed:

   - **Securities ID**
   - **Portfolio ID**

- **Provision Reference**
- **Authorization Status**
- **Value Date**

26.4 Securities Instrument Definition

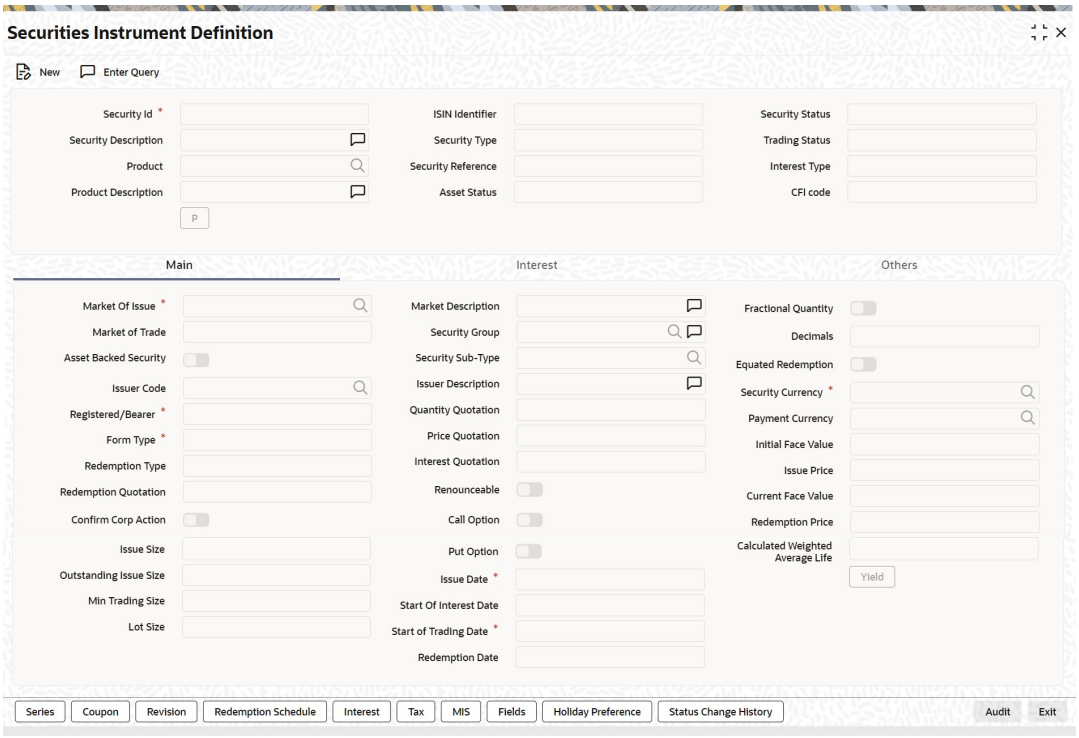
This topic describes the systematic instruction to capture the others tab details in securities instrument definition screen.

Manual Provisioning check box is defaulted from the instrument product definition to indicate that provisioning is applied in portfolios having a holding in this instrument. This field is editable in the instrument definition level.

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

   Securities Instrument Definition screen is displayed.

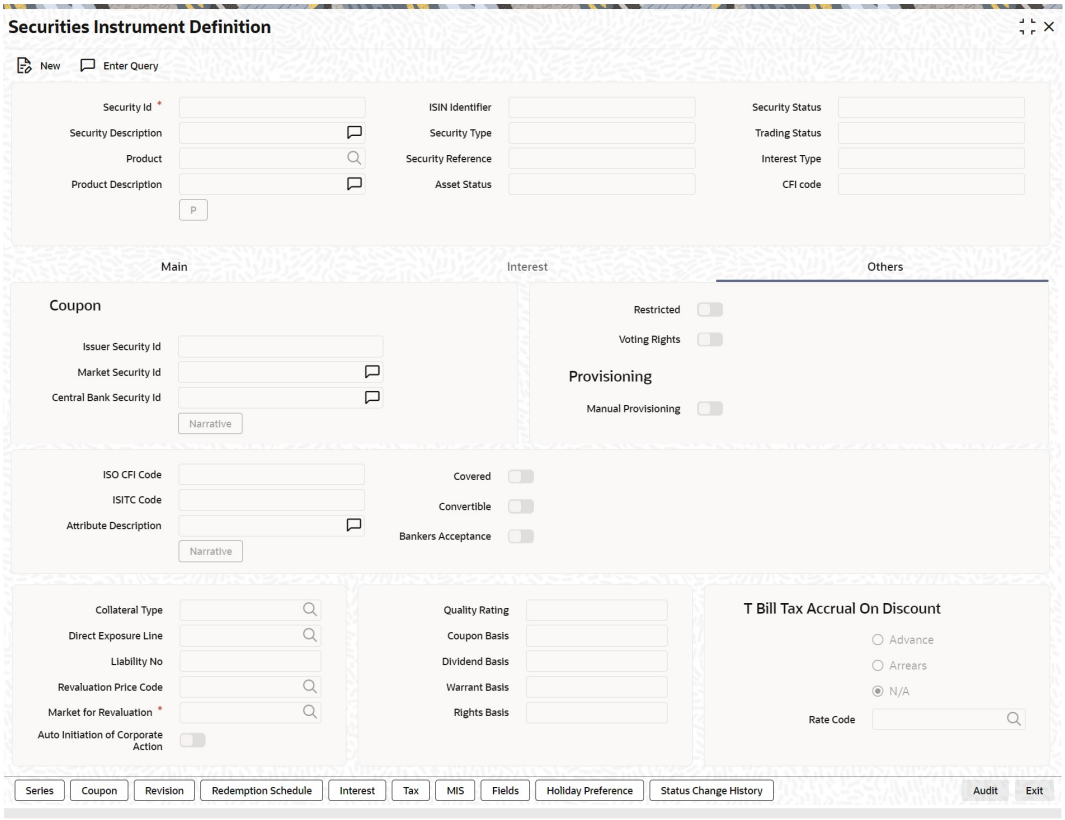
Figure 26-6 Securities Instrument Definition



2. On the **Securities Instrument Definition** screen, click **Others**.

   Securities Instrument Definition screen with **Others** tab details is displayed.

Figure 26-7 Securities Instrument Definition



3. On the **Others** Tab, specify the details as required.

   For information on fields, see the below table:

Table 26-3 Securities Instrument Definition - Other Tab- Field Description

Field	Description
Manual Provisioning	Select this checkbox to allow the Manual provision during the instrument - life-cycle.
Direct Exposure Line	Select the direct exposure line code from the valid available list.
Liability No	Displays the liability number linked to the Direct Exposure Line.

27

Bonds Status Change

System supports the write off accounting entries, for a securities Id through manual status change. The system allows you to stop accruals, write off amount and stop amortization of premium or discount.

This topic contains the following subtopics:

- Securities Security Product Definition
  This topic describes the systematic instruction of Securities Security Product Definition.
- Securities Instrument Definition
  This topic describes the systematic instruction to define securities instrument.
- Securities Status Properties
  This topic describes the systematic instruction to capture the Securities Status Properties Details.
- Securities Status Properties Summary
  This topic describes the systematic instruction to view the summary of the securities status properties.
- Securities Manual Status Change
  This topic describes the manual status change process.
- Securities Status Change Summary
  This topic describes the systematic instruction to view the securities status change.

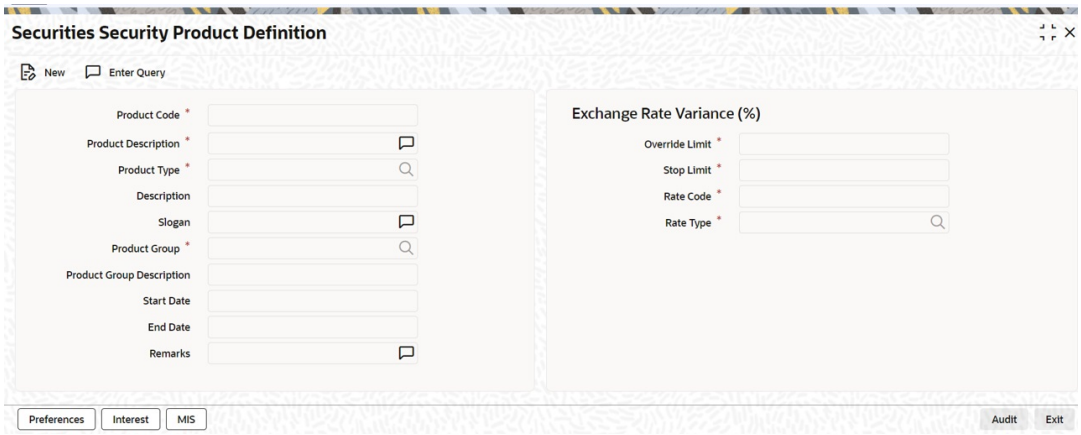
27.1 Securities Security Product Definition

This topic describes the systematic instruction of Securities Security Product Definition.

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

   Securities Security Product Definition screen is displayed.

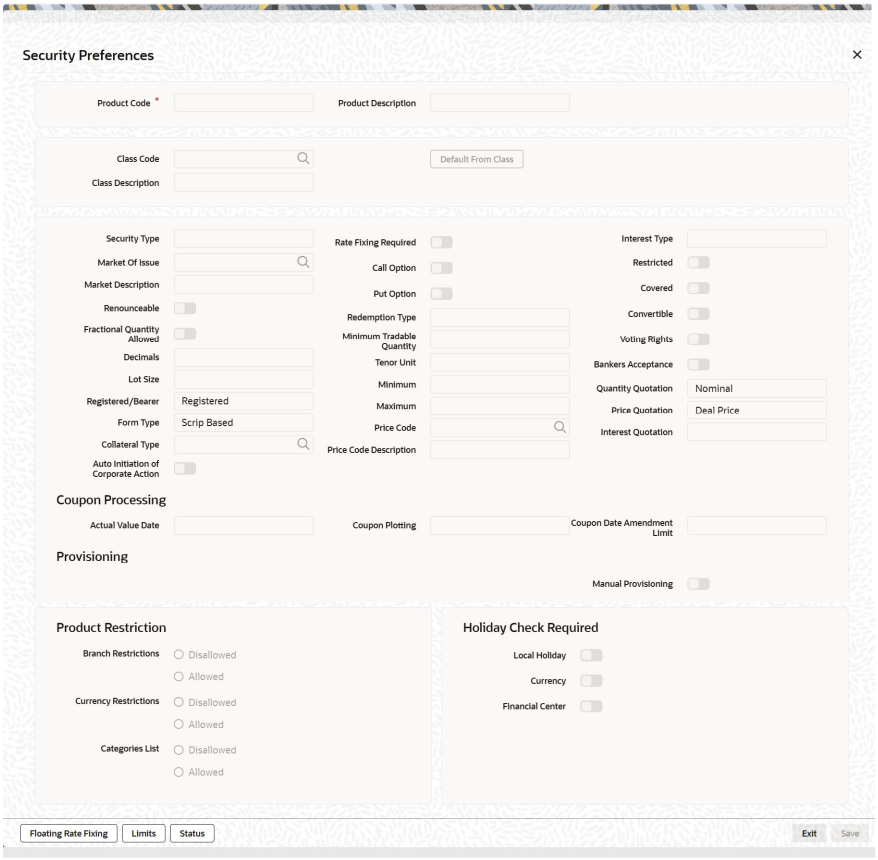
Figure 27-1 Securities Security Product Definition



2. On the **Securities Security Product Definition** screen, click **Preference**.

   Security Preferences screen is displayed.

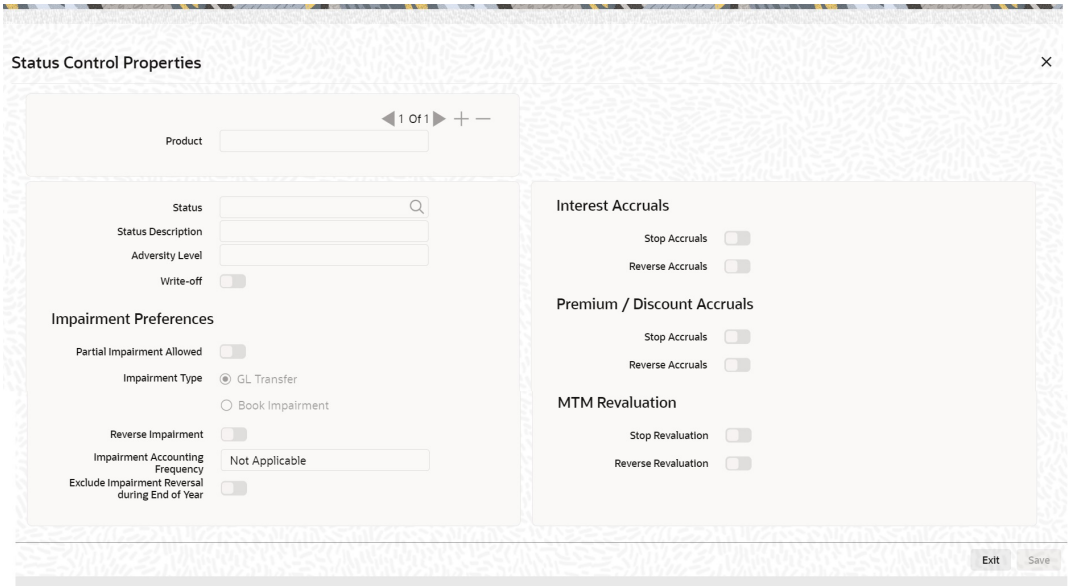
Figure 27-2 Security Preferences



3. On the **Security Preference** screen, click Status

   Status Control Properties screen is displayed.

Figure 27-3 Status Control Properties



Select **Manual Provisioning** flag to denote that the provisioning must be allowed and processed during the lifecycle of portfolios having a holding in this instrument.

4. On the **Status Control Properties** screen specify the details as required.

For information on fields, see the below table:

Table 27-1 Status Control Properties - Field Description

Fields	Description
Status	Denotes the user defined status code that is used in the life cycle of the instrument.
Status Description	Full description of the status code used above.
Write-Off	Field to indicate that the user defined status is equivalent of write-off. Status change into this status is treated as write-off. The status in **SEDTRONL** is updated with this status by default.
Adversity Level	This is display only field which shows the adversity level of a contract.
Partial Impairment Allowed	Check this box to indicate that status is meant for impairment.
Impairment Type	Select the Impairment Type from the adjoining drop-down list. The valid values are: • GL Transfer - Deal Nominal, Coupon Accruals, Discount/ Premium Accruals would be moved to GLs as per maintenance in SEDSTPRP. • Book Impairment - An Impairment deal would be booked. Impairment Type Should be same for all status.
Reverse Impairment	Check this box to indicate that reverse impairment is allowed during end of impairment accounting frequency. Reverse Impairment can be enabled only when partial impairment is allowed.

Table 27-1 (Cont.) Status Control Properties - Field Description

Fields	Description
Impairment Accounting Frequency	Select the Impairment Accounting Frequency from the adjoining drop-down list. The valid values available are: • **Monthly** • **Quarterly** • **Yearly** If reverse impairment is enabled, Impairment Accounting Frequency should be provided; otherwise, it is not applicable.
Exclude Impairment Reversal during End of the year	Check this box to indicate that bank is realizing the impairment loss in previous financial year. Exclude Impairment Reversal during end of year is not applicable if reverse impairment is not enabled.
Stop Accrual	Indicates that accruals (interest/premium/discount) are discontinued for portfolios having position in this instrument (under this product).
Reverse Accrual	Check this box to indicate that accruals are reversed portfolios having position in this instrument.
Stop Revaluation	Check this box to indicate the discontinued Realized amount before impairment for the affected position.
Reverse Revaluation	Check this box to indicate the reversal realized amount before impairment for the affected position. Reverse revaluation can be enabled only when Stop Revaluation is enabled.
'+', ' - ', '<', '>'	Navigation fields to add/remove/view additional status and their properties

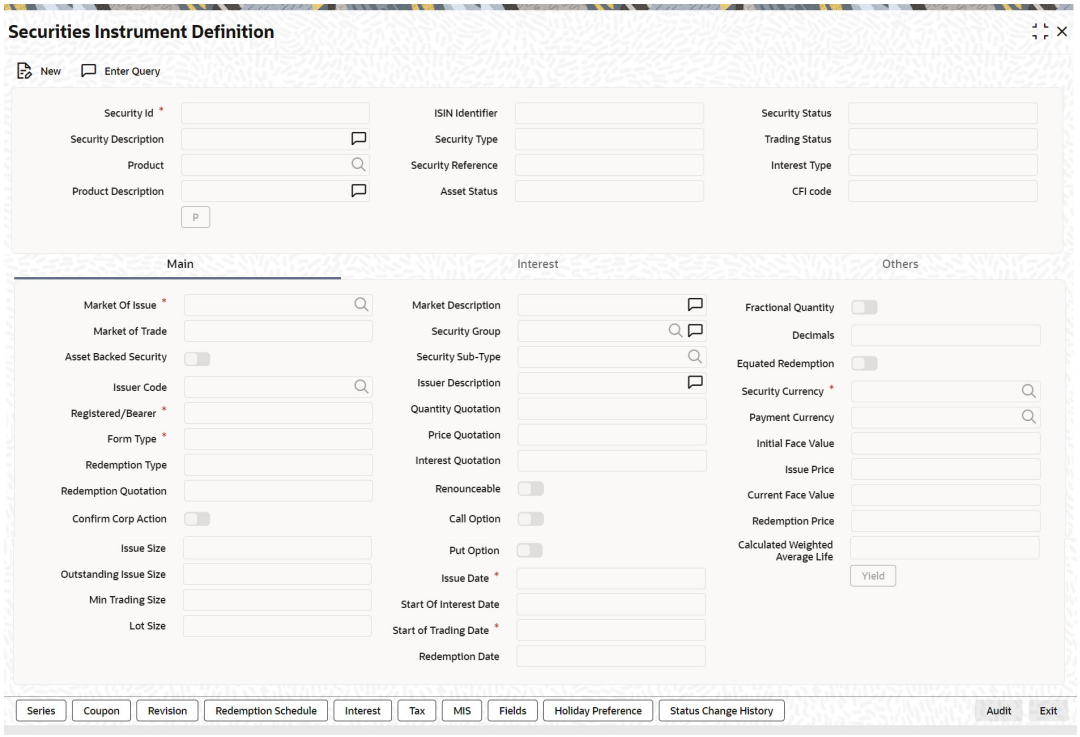
27.2 Securities Instrument Definition

This topic describes the systematic instruction to define securities instrument.

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

   Securities Instrument Definition screen is displayed.

Figure 27-4 Securities Instrument Definition



2. On the **Securities Instrument Definition** screen, Specify the details as required.

   For information on fields, see the below table:

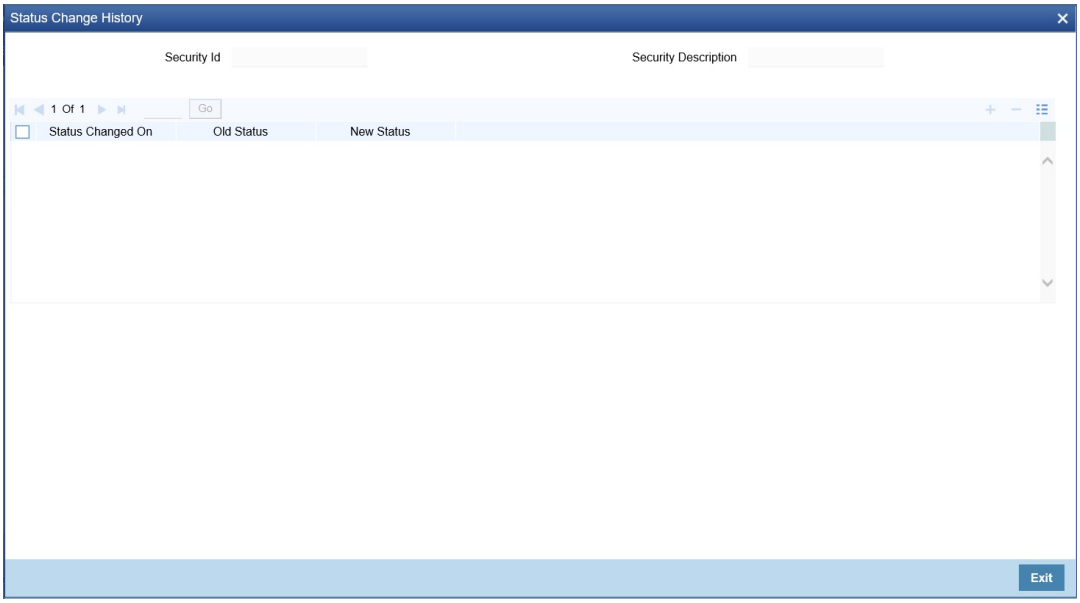
Table 27-2 Securities Instrument Definition - Other Tab- Field Description

Field	Description
Asset Status	This field displays the default status as NORM when the instrument is defined. During the subsequent life cycle processing this field will fetch the status from the Manual Status screen and displays the status.

3. On the **Securities Instrument Definition** screen, click **Status Change History**.

   Status Change History screen is displayed.

Figure 27-5 Status Change History



> **Note:**
>
> This is a display-only screen, which lists the status changes done till date.

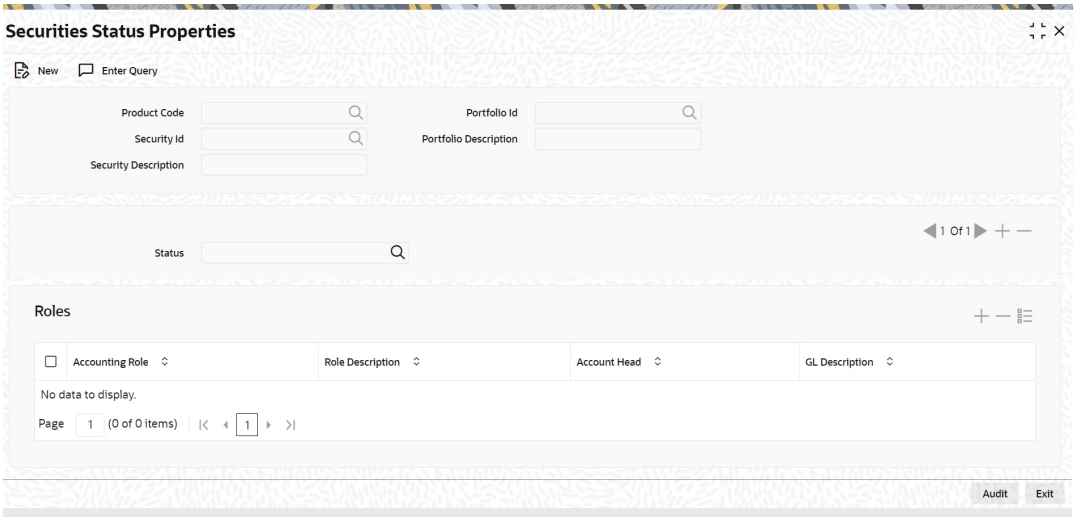
27.3 Securities Status Properties

This topic describes the systematic instruction to capture the Securities Status Properties Details.

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

   Securities Status Properties screen is displayed.

Figure 27-6 Securities Status Properties



2. On the **Securities Status Properties** screen, specify the details as required.

   For information on fields, see the below table:

Table 27-3 Securities Status Properties - Field Description

Field	Description
Product Code	Select the Product code from the list displayed.
Security ID	Select the Id of the instrument for which status change properties must be maintained.
Security Description	The security id description details is displayed.
Portfolio ID	Select the Portfolio Id from the list of values displayed, for which status properties are maintained.
Portfolio Description	The portfolio Id description is displayed.
Status	Select the associated status of the bond displayed from the list of values as required.
Account Role	Select the accounting role from the list of values displayed.
Role Description	The description of the selected account role is displayed.
Account Head	Select the details from the list of values displayed.
General Ledger Description	The description of the selected account head is displayed.

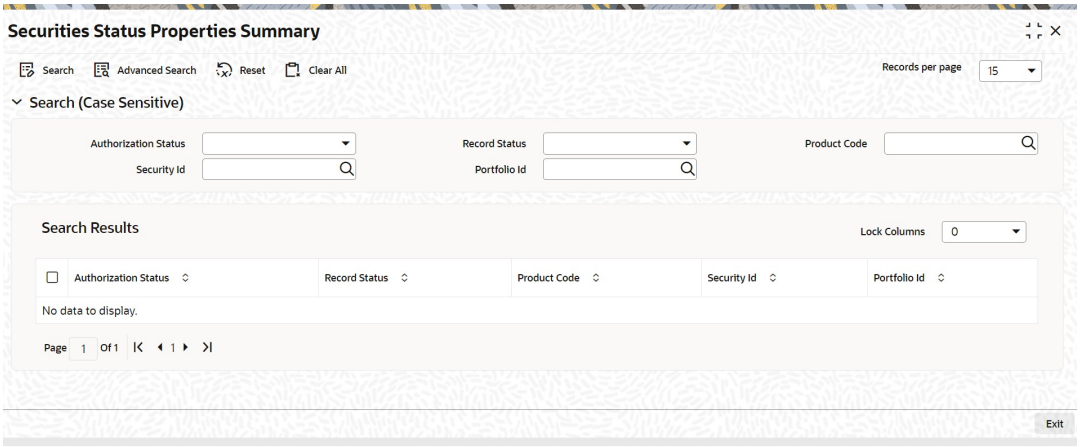
27.4 Securities Status Properties Summary

This topic describes the systematic instruction to view the summary of the securities status properties.

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

   Securities Status Properties Summary screen is displayed.

Figure 27-7 Securities Status Properties Summary



2. On the **Securities Status Properties Summary** screen, specify the details as required.

   The following fields are displayed in this screen:

- **Securities ID**
- **Portfolio ID**
- **Status**
- **Authorization Status**
- **Search Results**

This screen provides the status of every General ledger entry maintained.

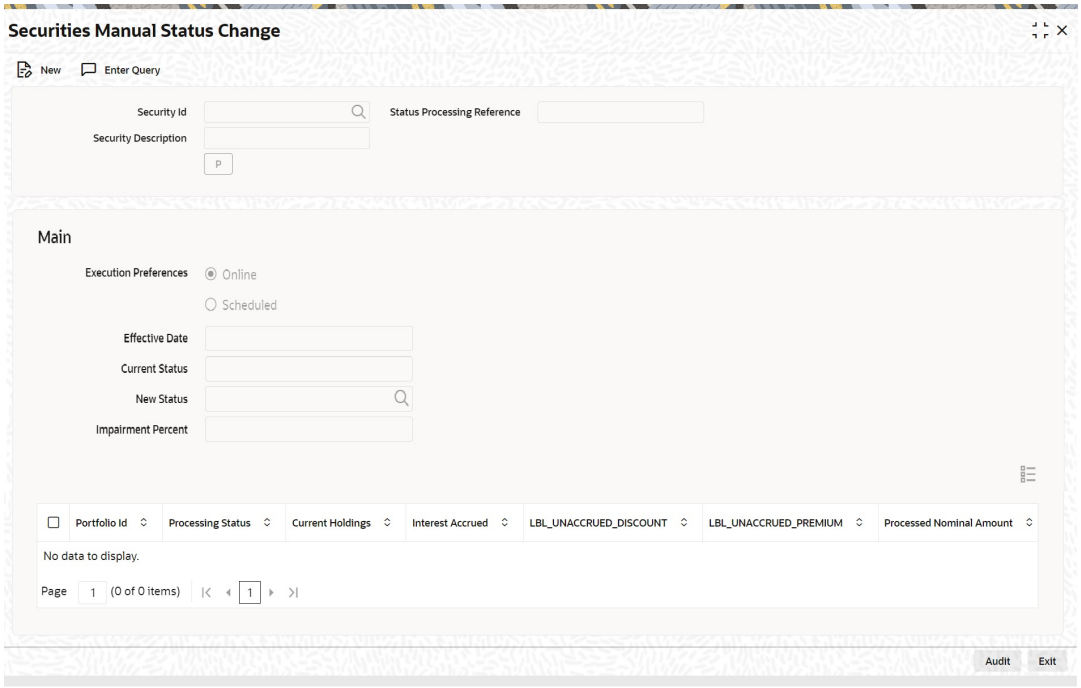
27.5 Securities Manual Status Change

This topic describes the manual status change process.

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

   Securities Manual Status Change screen is displayed.

Figure 27-8 Securities Manual Status Change



2. On the **Securities Manual Status change** screen, Specify the details as required.

   For information on fields, see the below table:

Table 27-4 Securities Manual Status change- Field Description

Field	Description
Security Id	Select the Id of the instrument for which status change properties must be maintained.
Security Description	The security id description details is displayed.

Table 27-4 (Cont.) Securities Manual Status change- Field Description

Field	Description
Status Processing Reference	The status processing reference details is displayed.
P (Populate)	Click this button, to generate the status processing reference number and displays the following: • Portfolio ids and their current holdings • Processing Status • Effective Date
Execution Preferences	Indicate the execution preference that you wish to maintain. You can select one of the following options: • Online • Scheduled If 'Online' option is selected, then the event STCH and accounting entry will be posted immediately post save. If 'Scheduled' option is selected, then the status change can be scheduled to current or future date, accounting entries posted on that effective date.
Effective Date	Specify the Effective date of status change. It can be branch date or future date.
Current Status	The system displays the current status.
Impairment Percent	Specify the impairment percentage. The value ranges from one to 99 This field is mandatory, when partial impairment is allowed.
Portfolio ID	The system displays the impacted portfolio details.
Processing Status	The system displays the processing status.
Interest Accrued	The system displays the Amount accrued in the current coupon period.
Discount Accrued	The system displays the Discount amount accrued.
Premium Accrued	The system displays the Premium amount accrued.
New Status	Specify the new status from the list of values displayed.

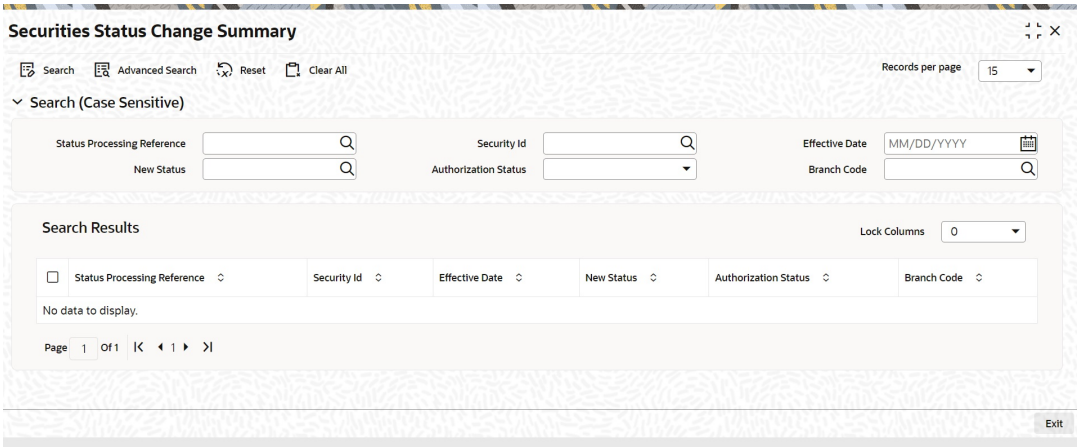
27.6 Securities Status Change Summary

This topic describes the systematic instruction to view the securities status change.

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

   Securities Status Change Summary screen is displayed.

Figure 27-9 Securities Status Change



2. On the **Securities Manual Status change** screen, Specify the details as required.

   Following fields are displayed:

   - **Security Id**
   - **Security Description**
   - **Status Processing Reference**
   - **P (Populate)**
   - **Current Status**
   - **New Status**

28
Batch Process

The End of Cycle process constitutes a set of programs that mark the logical beginning or end of a cycle of events. You are required to execute many routine functions everyday as part of the End of Cycle process. These functions can be classified as:

The various BOD and EOD functions that are processed by the system are documented in this chapter.

This topic contains the following sub-topics:

- Beginning of Day Processing
  This topic describes the processing of beginning of day.
- Process Daily Events
  This topic describes the processing of daily events.
- Process Triggering Securities MSTL Batch
  This topic describes the systematic instructions to process triggering securities MSTL batch.
- Unrealized Revaluation for Unsettled Buy and Sell Deals
  This topic describes revaluation method for the unsettled buy and sell deals.
- Unsettled EX Sell Deal – Revaluation Date after Deal Settlement Date
  This topic describes the Unsettled EX Sell Deal and Revaluation Date after Deal Settlement Date

28.1 Beginning of Day Processing

This topic describes the processing of beginning of day.

Before you start entering deals in the system, you must perform the Beginning of Day operations. The Beginning of Day operations that you must perform include daily processing of events for:

- Settlements (Money as well as Security settlements)
- Bonds
  - Coupon payment
  - Redemption (both series and quantity)
  - Maturities
  - Calls
  - End of Trading
- Equities
  - Dividend payment (both cash and stock)
  - Bonus
  - Rights (Tear-Off, Expiry)
  - Warrants (Detachment, Expiry)

28.2 Process Daily Events

This topic describes the processing of daily events.

The daily events processing program is run as a mandatory program at the beginning of each working day and can be run only once during the day. This program selects the events that have to be processed at BOD for all the branches. As part of daily events, the following will be selected and processed:

- All coupons, which have the next coupon, date within ex-days from today
- All confirmed calls, final maturities, series or quantity redemption activities, which are within, spot days from today
- Primary to secondary conversions for securities with primary date less than or equal to today
- Primary to secondary conversions for securities with primary date less than or equal to today
- Bonus/rights tear-off for securities for which the bonus tear-off date is less than or equal to today
- Warrants detachment for securities, for which the warrants detachment date is less than or equal to today
- Cash dividends for securities with dividend detachment date less than or equal to today
- End of trading is defined for securities, which are due for redemption or maturity

Deals, which were posted on the previous day with today's date as the settlement date, will also be processes and settled. For all such deals the contingent entries are reversed and the money settlement, asset and liability, profit and loss booking is done.

28.3 Process Triggering Securities MSTL Batch

This topic describes the systematic instructions to process triggering securities MSTL batch.

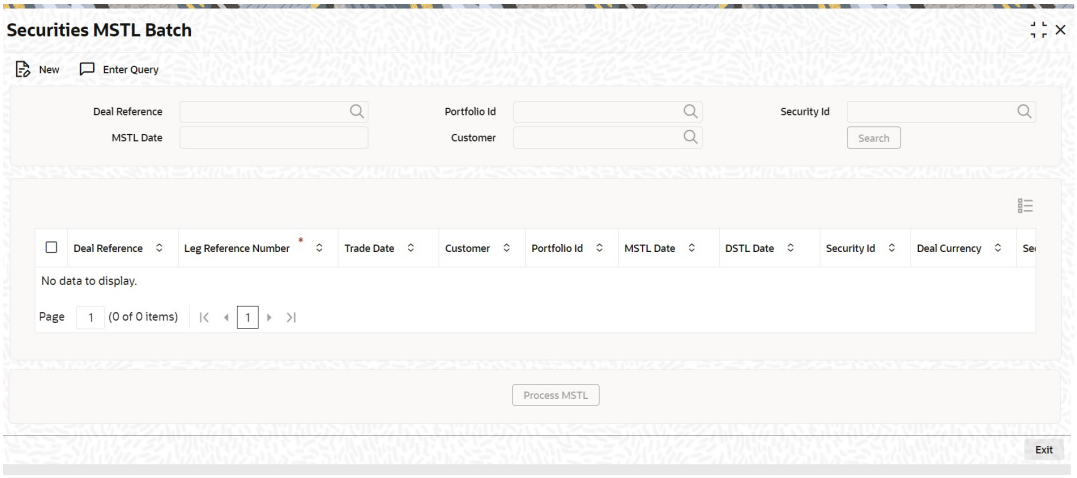
In the case of authorized security deals, Oracle Banking Treasury Management automatically initiates MSTL (money settlement of securities deal) during BOD operation. If the MSTL event fails during BOD, you can manually process the event during the day using the **Securities MSTL Batch** screen. For example, if the customer bank account does not have sufficient balance for settlement on the MSTL date and the bank account does not offer an overdraft facility, the MSTL event fails during BOD operations.

In that case, the system will again attempt it during EOD operations. If sufficient balance is available in the account during EOD operations, the MSTL event will be triggered, thus debiting the settlement amount against the buy transaction. If the account has sufficient balance during the day, you can manually process MSTL using the **Securities MSTL Batch** screen.

1. On the Home page, Specify **SEDINTBT** in the text box, and click next arrow.

   Securities MSTL Batch screen is displayed.

Figure 28-1 Securities MSTL Batch



2. On the **Securities MSTL Batch** screen, specify the fields.

   For more information on fields, refer ti field description table.

Table 28-1 Securities MSTL Batch - Field Description

Field	Description
MSTL Date	Filter the search results based on the MSTL date, specify the date here. The system will show all the transactions which are not processed till this date.
Customer	Filter the search results based on the customers, specify customer number whose details will be displayed. The system will show all the transactions of a respective customer for those MTSL that failed.
Portfolio	Choose to search the deals of a particular portfolio. Specify the portfolio ID.
Security ID	Choose to search the deals of a security code and process the code of MSTL based on this.
Deal Reference	Choose to search the deals based on deal reference number and process the MSTL for a single deal. Once you click the **Search** button, the system displays the list of deals that match the selection criteria. Click the **Process MSTL** button to manually process MSTL for the selected deals. You can process the records based on the filter criteria. However you cannot process selective records.

28.4 Unrealized Revaluation for Unsettled Buy and Sell Deals

This topic describes revaluation method for the unsettled buy and sell deals.

If the revaluation method for unrealized revaluation is set to ‘MTM-EIM’, the unrealized revaluation for the unsettled buy and sell deals will be done as of the revaluation date. The revaluation date is actually the Processing Date + Spot Days (this is arrived on the basis of the market for revaluation defined in the Security Online screen).

Revaluation profit/loss is found out per unit of security and scaled up to find out the profit/loss for the deal quantity. The coupon cash flows and the forward price between the revaluation date and the deal settlement date is discounted to the revaluation date. The YTM with effective date of the deal settlement date is used to compute the net present value.

The interest accrued for the period between the coupon date or the security start date and the revaluation date is excluded from the NPV obtained and the clean price is obtained. The NPV is computed on the basis of the following formula:

Case 1 – Revaluation Date <= Deal Settlement Date

$$NPV = \left[\sum_{i=1}^{N} \frac{C_i}{(1+\%y_0)^{\left(\frac{\nabla d}{P}\right)}}\right] + \left[\frac{P_0}{(1+\%y_0)^{\left(\frac{\nabla d_n}{P}\right)}}\right] - AI$$

Where,

Table 28-2 Values

Term	Definition
N	Total number of Coupon cash flows between the deal settlement date and the revaluation date.
C_i	i_{th} coupon
y_0	Periodic Deal YTM
„¤d	Coupon Date – Revaluation Date
p_i	Reinvestment Period
C_i	Forward Flat Purchase Price
C_i	Deal Settlement Date – Revaluation Date
C_i	Accrued Interest as of the revaluation date

Case 2 – CUM Deal or Revaluation date and settlement date are in different coupon periods

Table 28-3 Case 2 tables

NPV	Net Present Value of the deal
N	Total number of Coupons between the revaluation date and the Redemption date excluding the first cash flow from the deal settlement date.
Ci	with coupon
y0	Periodic Deal YTM
Ñd	Coupon Date – Revaluation Date
P	Reinvestment Period
RP	Redemption Price
Ñdn	Redemption Date – Revaluation Date
AI	Accrued Interest as of the revaluation date

The Periodic Deal YTM is computed from the annual deal YTM based on the annualizing method specified in the security definition screen.

If the Annualizing method selected is Simple, the formula used for computing the periodic YTM for the deal is:

$$y_0 = \left[Y_0 \left(\frac{P}{A} \right) \right]$$

If you select Compound as the annualizing method the formula used for computing the annualYTM for the deal will be:

$$y_0 = \left[(1 + Y_0)^{\frac{P}{A}} - 1 \right]$$

Table 28-4 Annualizing Compound

Term	Description
y0	Periodic Deal YTM
Y0	Annual Deal YTM
P	Reinvestment Period
A	Day count Denominator Method specified at the security definition

The computed NPV is marked against the market price and the revaluation profit / revaluationloss is also booked. The revaluation profit /loss is computed using the formula mentioned below.

Settled Deals

If Quantity Quotation Method is ‘Units’ the formula used for computing the Revaluation profit/ loss is:

$$R_n = (MP_n * N) - NPV_n$$

If Quantity Quotation Method is ‘Nominal’ the formula used to compute the Revaluation profit/ loss is:

$$R_n = (MP_n * \frac{N}{FV}) - NPV_n$$

Where

Table 28-5 Annualizing Compound

Term	Description
Rn	Revaluation Profit or Loss on the revaluation date
MPn	Market Price (Clean) on the revaluation date
N	Deal Quantity
NPVn	Net Present Value of the deal on the revaluation date

The following examples illustrates the computation of revaluation profit / loss using the formula mentioned above.

- Illustrations

28.4.1 Illustrations

The following set of parameters will be considered in the examples given below:

Table 28-6 Annualizing Compound

Term	Description
Security Code	XXXX-BOND-01
Face Value	USD 100
Quantity Quotation Method	Unit
Redemption Date	01-July-2003
Redemption Price	USD 105
Numerator Day count method	Actual
Denominator Day count method	365 Days
Annualizing Method	Simple
Coupon Rate	5%
Coupon frequency	Monthly

The coupon cash flows for a single bond are:

Table 28-7 Cash Flow table

Coupon Event Date	Coupon
01-Jan-2003	USD 0.42
01-Feb-2003	USD 0.42
01-Mar-2003	USD 0.38
01-Apr-2003	USD 0.42
01-May-2003	USD 0.41
01-Jun-2003	USD 0.42
01-Jul-2003	USD 0.41

28.5 Unsettled EX Sell Deal – Revaluation Date after Deal Settlement Date

This topic describes the Unsettled EX Sell Deal and Revaluation Date after Deal Settlement Date

Table 28-8 Field Description table

Field	Description
Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003

Table 28-8 (Cont.) Field Description table

Field	Description
Revaluation Date	20-Mar-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Accrued Interest as of Revaluation date from previous coupon date (01-Mar-2003 to 20-Mar-2003)	USD 26.03
Market Price as of Revaluation Date	USD 102

During revaluation of past unsettled cum deals all the coupons between the deal settlement date and the revaluation date (first coupon from settlement date are ignored while constructing the cash flows) are discounted to the revaluation date.

Therefore, the effective coupon cash flow, considered during revaluation for the deal are:

Table 28-9 Cash Flow

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36
NA	NA

The computation of the net present value for the deal is done as shown in the table below:

Table 28-10 Computation Value

Date	Ci	Ñd	1+ y0	Ñd/P	(1+ y0) ^(Ñd/P)	Disc. Ci
01-Mar-03	-38.36	-19	1.19729	-0.052055 0	.990671	-38.72
27-Jan-03	9930	-52	1.19729	-0.142466	0.974673	10188.03

The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of the revaluation date is derived.

Flat NPV = NPV – AI = 10149.31 – 26.03 = 10123.29

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

Revaluation Profit / Loss = 10123.29 - (102 * 100) = 76.71

Revaluation Loss = USD – 76.71

Table 28-11 Settled CUM Deal – Revaluation Date in the same Coupon Period as of the Settlement Date

Field	Description
Deal Settlement Date	15-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	26-Jan-2003
Deal Quantity	100
Deal Price	USD 100.25
Annual YTM	15.54504%
Periodic YTM	15.54504%
Accrued Interest as of Revaluation date from previous coupon date (01-Jan-2003 to 26-Jan-2003)	USD 34.25
Market Price as of Revaluation Date	USD 102

During revaluation of settled cum deals all the coupons between the revaluation date and the redemption date are discounted to the revaluation date.

Therefore, the effective coupon cash flow considered during revaluation for the deal is

Table 28-12 Coupon table

Coupon Event Date	Coupon
01-Feb-2003	USD 42.47
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of net present value for the deal is done as shown in the table below:

Table 28-13 Present Value Computation

Date	Ci	Ñd	1+ y0	Ñd/P	(1+ y0) ^(Ñd/P)	Disc. Ci
01-Feb-03	42.47	6	1.15545	0.016438	1.002378	42.37
01-Mar-03	38.36	34	1.15545	0.093151	1.013550	37.84
01-Apr-03	42.47	65	1.15545	0.178082	1.026065	41.39
01-May-03	41.10	95	1.15545	0.260274	1.038323	39.58

Table 28-13 (Cont.) Present Value Computation

Date	Ci	Ñd	1+ y0	Ñd/P	(1+ y0) ^(Ñd/P)	Disc. Ci
01-Jun-03	42.47	126	1.15545	0.688525	1.051144	40.40
01-Jul-03	41.10	156	1.15545	0.852459	1.063701	38.63
01-Jul-03	10500	156	1.15545	0.852459	1.063701	9871.19
-	-	-	-	-	-	10111.40

The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of revaluation date is derived.

Flat NPV = NPV – AI = 10111.40– 34.25 = 10077.15

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

Revaluation Profit / Loss = (102 * 100) - 10077.15 = 122.85

Revaluation Profit = USD 122.85

Settled EX Deal – Revaluation Date and Settlement Date are in Different Periods

Table 28-14 Field Description

Field	Description
Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	10-Feb-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Accrued Interest as of Revaluation date from previous coupon date (01-Feb-2003 to 10-Feb-2003)	USD 12.33
Market Price as of Revaluation Date	USD 102

During revaluation of settled ex deals (revaluation date and settlement date are from different coupon periods) all the coupons between the revaluation date and the redemption date are discounted to the revaluation date. Therefore, the effective coupon cash flow that considered during revaluation for the deal is as follows:

Table 28-15 Coupon

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of the NPV for the deal is done as shown in the table below:

Table 28-16 NPV Computation

Date	Ci	Ñd	1+ y0	Ñd/P	(1+ y0) ^(Ñd/P)	Disc. Ci
01-Mar-03	38.36	19	1.19729	0.052055	1.009417	38.00
01-Apr-03	42.47	50	1.19729	0.136986	1.024973	41.43
01-May-03	41.10	80	1.19729	0.219178	1.040255	39.51
01-Jun-03	42.47	111	1.19729	0.304110	1.056286	40.20
01-Jul-03	41.10	141	1.19729	0.386301	1.072036	38.33
01-Jul-03	10500	141	1.19729	0.386301	1.072036	9794.45
-	-	-	-	-	-	9991.92

The accrued interest as of the revaluation date is excluded from the NPV computed and the Flat NPV as of revaluation date is derived.

Flat NPV = NPV – AI = 9991.92 – 12.33 = 9979.59

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above

Revaluation Profit / Loss = (102 * 100) - 9979.59 = 224.41

Revaluation Profit = USD 220.41

Settled EX Deal – Revaluation date and settlement date in the same period

Table 28-17 Settlement

Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	29-Jan-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%

Table 28-17 (Cont.) Settlement

Deal Settlement Date	27-Jan-2003
Pending Interest Received in Advance as of Revaluation Date (29-Jan-2003 to 01-Feb-2003)	USD 4.11
Market Price as of Revaluation Date	USD 102

During revaluation of settled ex deals (revaluation date and settlement date are in the same coupon periods) all the coupons between the revaluation date and the redemption date are discounted to the revaluation date excluding the first coupon cash flow from the settlement date. Therefore, the effective coupon cash flow that considered during revaluation for the deal will be as follows:

Table 28-18 Coupon

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of net present value for the deal is done as shown in the table below:

Table 28-19 Net Computation

Date	Ci	Ñd	1+ y0	Ñd/P	(1+ y0) ^(Ñd/P)	Disc. Ci
01-Mar-03	38.36	19	1.19729	0.084932	1.015411	37.77
01-Apr-03	42.47	62	1.19729	0.169863	1.031059	41.43
01-May-03	41.10	92	1.19729	0.252055	1.046432	39.51
01-Jun-03	42.47	123	1.19729	0.36986	1.062558	40.20
01-Jul-03	41.10	153	1.19729	0.419178	1.078401	38.33
01-Jul-03	10500	153	1.19729	0.419178	1.078401	9736.34
-	-	-	-	-	-	9932.95

The pending interest amount received in advance as of the revaluation date is included to the NPV computed and Flat NPV as of revaluation date is derived.

Flat NPV = NPV + RIA = 9932.95 + 4.11 = 9937.06

The Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

Revaluation Profit /Loss = (102 * 100) - 9937.06 = 262.94

Revaluation Profit = USD 262.94

29

Credit Default Index

Credit Derivative related features in Oracle Banking Treasury Management supports the complete life cycle processing of Credit derivative Swap Index (CDI) instrument. You can maintain below the category of CD Instruments:

- Standalone
- Index

The Credit Derivative instrument processing complements the instrument definition with flexible back-office deal processing and instrument life-cycle processing system. The system supports trading CDI on various parameters such as:

- Trading price
- Spread
- %Price
- %Spread

The module automates the entire processing-cycle of holdings in a portfolio (asset, liability, profit and loss bookings, accrual for premium processing, and revaluation), and the processing of corporate actions (coupons, redemptions and credit event processing) defined for an instrument.

It helps you automatically track your positions and holdings across various internal safekeeping locations, and automatically track, online, your exposure to a customer at the deal level for total or pre-settlement risks. By the end of the day, you can track your exposure to selected issuers and internal safekeeping locations.

Defining ‘Products’, in Oracle Banking Treasury Management., helps you streamline your operations based on the various types or categories of business segments you operate.

The module gives you the flexibility to define, upfront, components (such as interest, charge, and tax), restrictions (such as branch, currency, customer, instrument, and portfolio), preferences, and events and accounting entries into Classes. When defining a product, you merely need to associate it with the different classes that you have built. You can change the attributes of classes, on association with a product, to suit specific instrument, portfolio, or deal.

On these instruments, you can automatically track coupon events, accruals, and redemption until maturity. You can define your trading and investment portfolios, and choose the costing method (LIFO, FIFO, WAC, etc.), the premium and upfront fees accrual frequencies, and the revaluation method that you would like to adopt. You can levy charges on a variety of bases, at deal or portfolio level, for your services.

This topic contains the following subtopics:

- Market Definition
  This topic describes the systematic instruction for market definition.
- CD credit event maintenance
  This topic describes the maintenance of CD credit event.

- Credit Derivative Instrument Product Definition
  This topic describes the systematic instruction to define credit derivative instrument product.
- Credit Derivative Deal Product Definition
  This topic describes the credit derivative deal product definition, accounting roles, events, preferences, charges, tax definition, MIS, and market details.
- Credit Derivative Processing Branch Parameter
  This topic describes processing of credit derivative branch parameter.
- Credit Derivative Portfolio Product Definition
  This topic describes the systematic instruction to define credit derivative portfolio product.
- CD Portfolio Definition
  This topic describes the systematic instructions for CD portfolio definition.
- CD External Revaluation Changes
  This topic describes the external revaluation changes for CD product and eternal MTM example.
- CDI Derivative Deal Input
  This topic describes the systematic instructions for CDI derivative deal input.
- Credit Derivative Corporate Action
  This topic describes the systematic instructions to process credit derivative corporate action.
- CDI Redemption Product Maintenance
  This topic describes the CDI Redemption product maintenance.

29.1 Market Definition

This topic describes the systematic instruction for market definition.

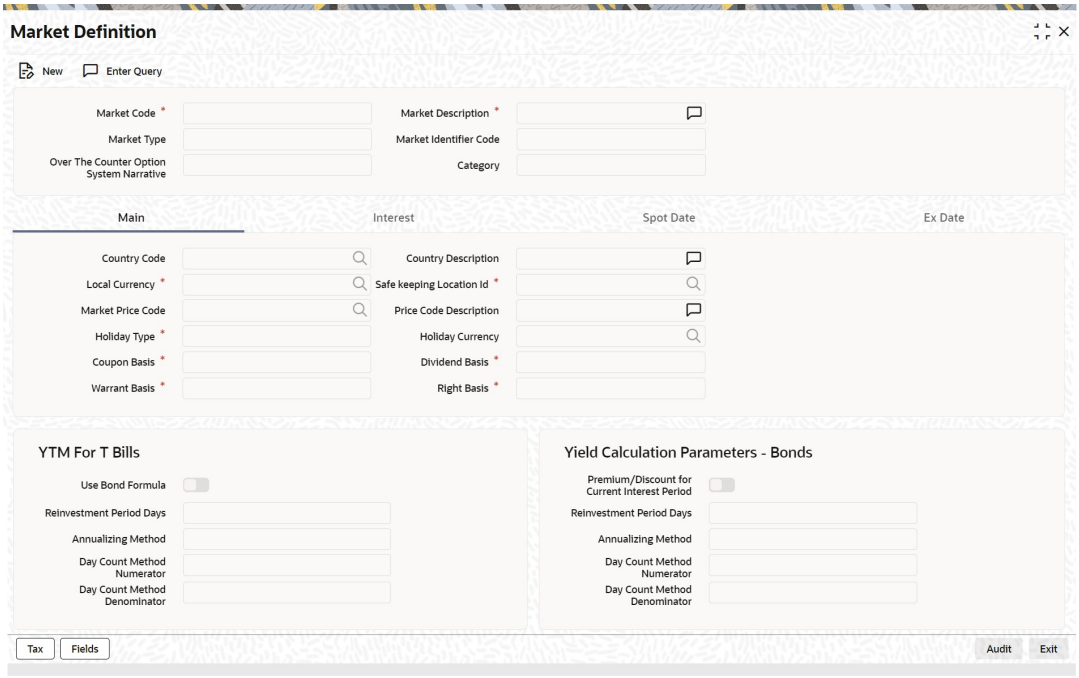
CDI are generally traded in two ways:

- As Over the counter
- Traded in ICE Exchange (a Derivative exchange)

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

   Market Definition screen is displayed.

Figure 29-1 Market Definition



2. On the **Market Definition** screen, specify the details as required.

   The Market Type supports:

   - Stock Exchange
   - Over the Counter
   - Derivative Exchange
   - Others

   For other information, refer to *Maintain Market Details*.

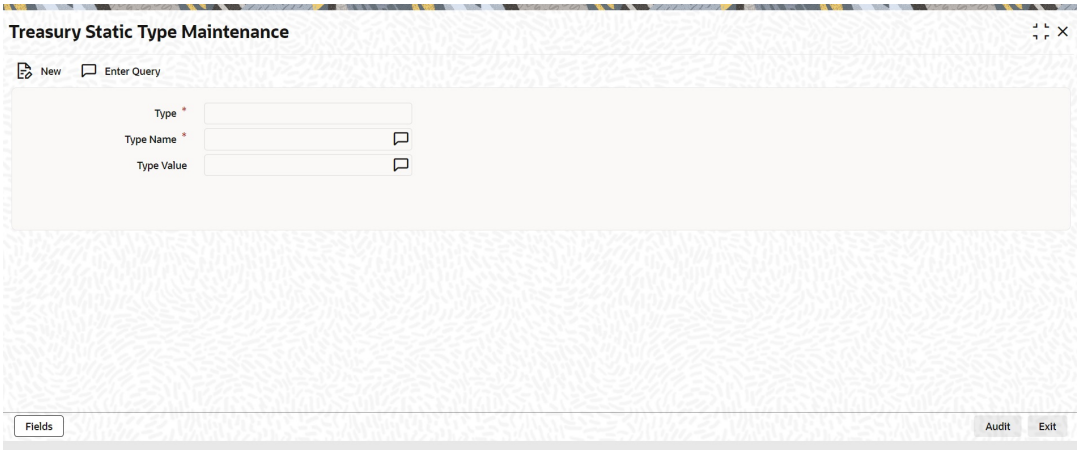
29.2 CD credit event maintenance

This topic describes the maintenance of CD credit event.

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

   Treasury Static Type Maintenance is displayed.

Figure 29-2 Treasury Static Type Maintenance



2. On the **Treasury Static Type Maintenance** screen, specify the details as required.

   For information on fields, see the below table:

Table 29-1 Treasury Static Type Maintenance - Field Description

Field	Description
Type	Specify the type as "CREDIT_EVENT" to capture Credit event. Sample Value: CREDIT_EVENT.
Type Name	Specify the Credit event Sample Value: BANKRUPTCY
Type Value	Specify the credit event description Sample Value: FAILURE TO PAY

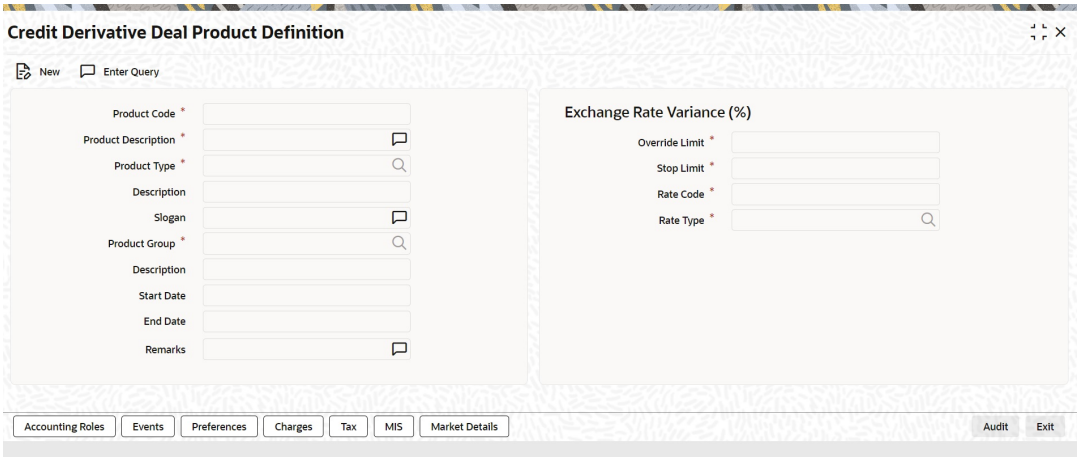
29.3 Credit Derivative Instrument Product Definition

This topic describes the systematic instruction to define credit derivative instrument product.

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

   Credit Derivative Instrument Product Definition screen is displayed.

Figure 29-3 Credit Derivative Instrument Product Definition



2. On the **Credit Derivative Instrument Product Definition** screen, specify the details as required.

   For field information, see the below table:

Table 29-2 Credit Derivative Instrument Product Definition

Field	Description
Product Code	Specify the product code. Alternatively, you can select the product code from the list.
Product Description	Security Product Code describes that you choose to Allowed/ Disallowed list.
Product Type	The product type identifies the basic nature of a product. A securities product that you create can belong to Credit derivative.
Slogan	Specify a marketing punch line associated with the product combination. This slogan is printed on all the advices that are sent to the customers involved in a deal involving this product combination.
Product Group	Each product combination is classified under a specific group. Select a group code from the list of values displayed.
Product Group Description	Specify the description of the chosen Product Group as required.
Start Date	Specify the Start date as required.
End Date	Specify the End date as required
Remarks	Provide the remarks as required.
Exchange Rate Variance(%)	Define the market price variance that you would like to allow for a security product. This variance is expressed in terms of a percentage. For a special customer or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance. When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all portfolios associated with the portfolio product.
Over Limit	If the variance between the default rate and the rate input varies by a percentage that is between the Override Limit and the Rate Stop Limit, you can save the transaction (involving the portfolio) by providing an override.

Table 29-2 (Cont.) Credit Derivative Instrument Product Definition

Field	Description
Stop Limit	If the variance between the default rate and the rate input varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the transaction involving the portfolio.
Rate Code	While processing a contract, you need to indicate this code to make the rate applicable to the contract. Specify a valid rate code to identify the rate you are defining. The adjoining option list displays all the valid rate code maintained in the system. You can select the appropriate from the list of option from the drop down. The options available are: • **Mid Rate** • **Buy/Sell Rate**
Rate Type	Select the Rate type from the list of values displayed as required.

This topic has the following sub-topics:

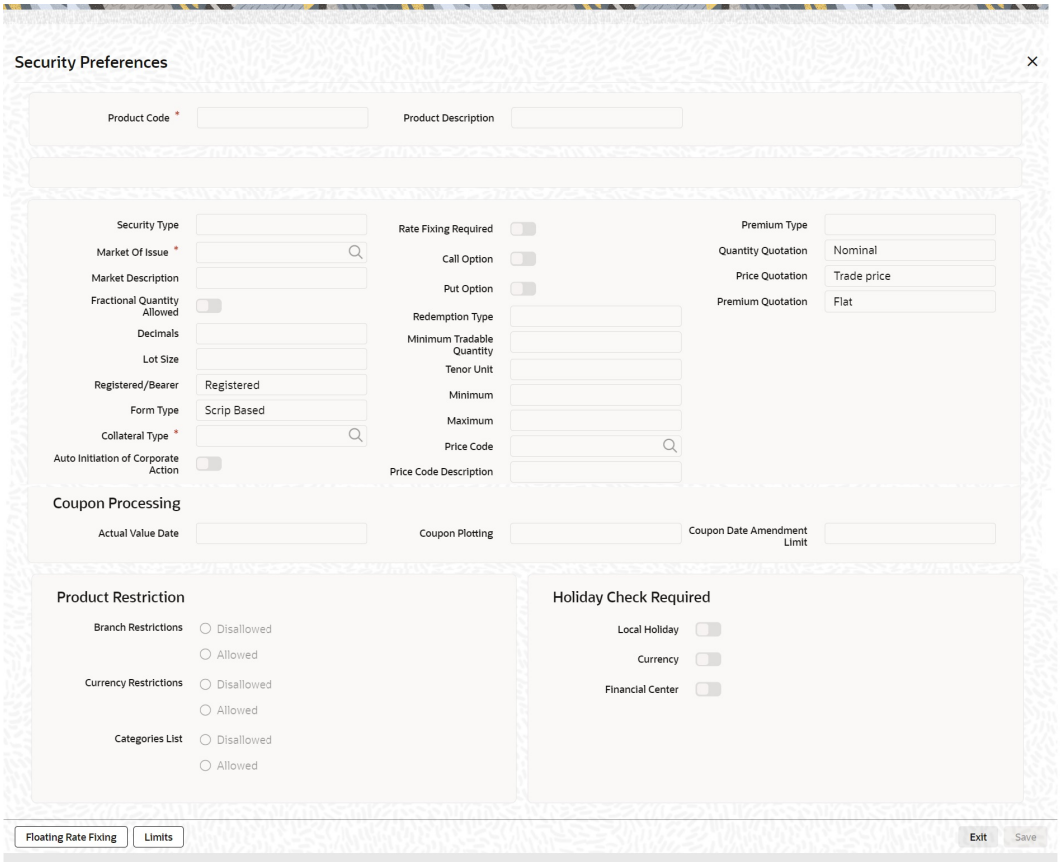
- Security Preferences
- Credit Derivative Instrument Definition
- Coupon
- Revision
- Redemption Schedule
- Contract Premium Details
- Tax
- MIS
- Fields

29.3.1 Security Preferences

1. On the **Credit Derivative Instrument Product Definition** screen, click **Preferences**.

   Security Preferences screen is displayed.

Figure 29-4 Security Preferences



2. On the **Security Preferences** screen, specify the details as required.

   For information on fields, See the below table:

Table 29-3 Security Preferences - Field Description

Fields	Description
Price Quotation	Select the list from the drop down: • **Trade Price** • **Spread (BPS)** • **%Price** • **%Spread**

For more information on other fields, see the *Security Preferences Field Description*.

This topic has the following sub-topics:

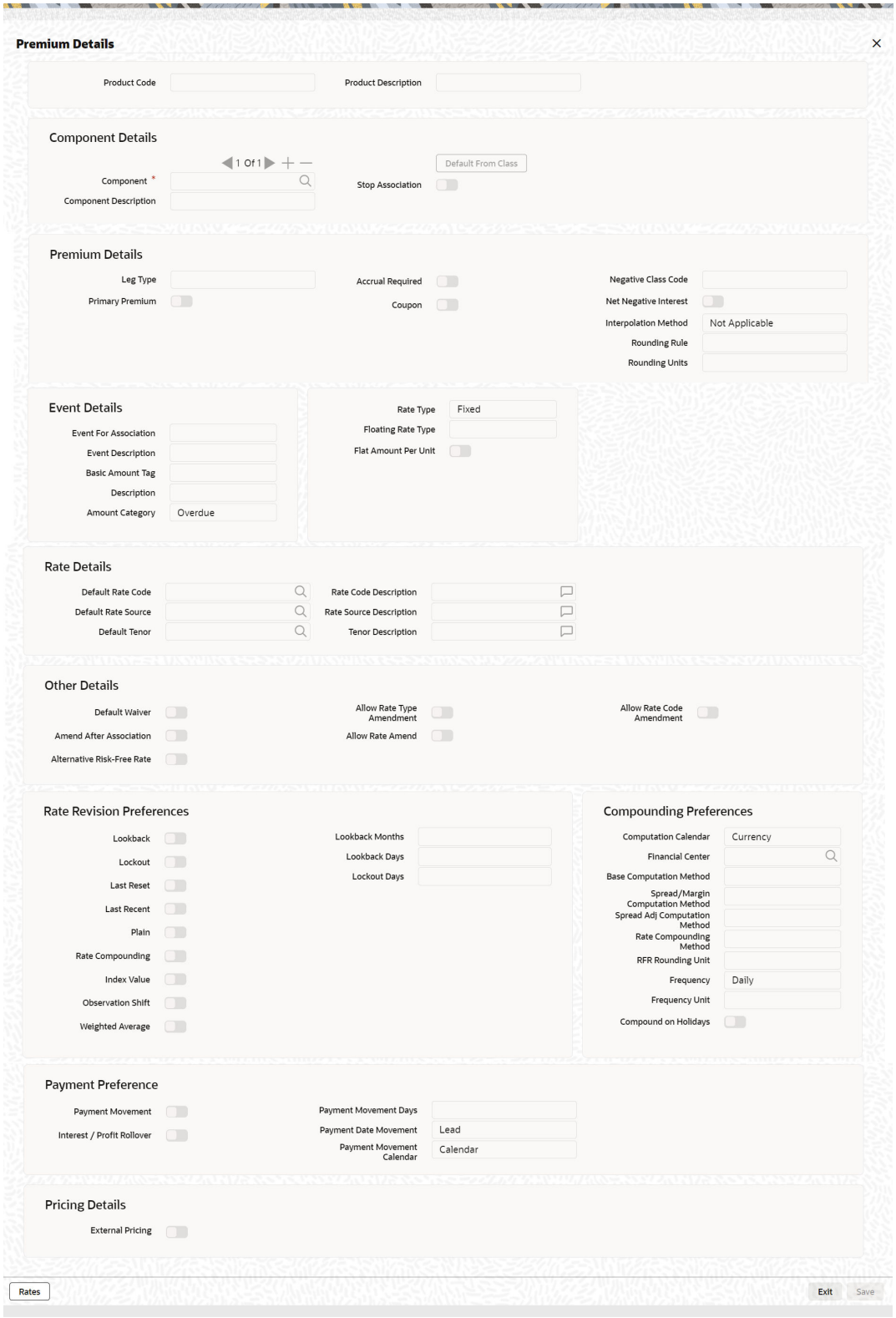
- Premium Details
- Reference
- MIS

29.3.1.1 Premium Details

1. On the **Credit Derivative Instrument Product Definition** screen, click **Premium**.

   Premium Details screen is displayed.

Figure 29-5 Premium Details



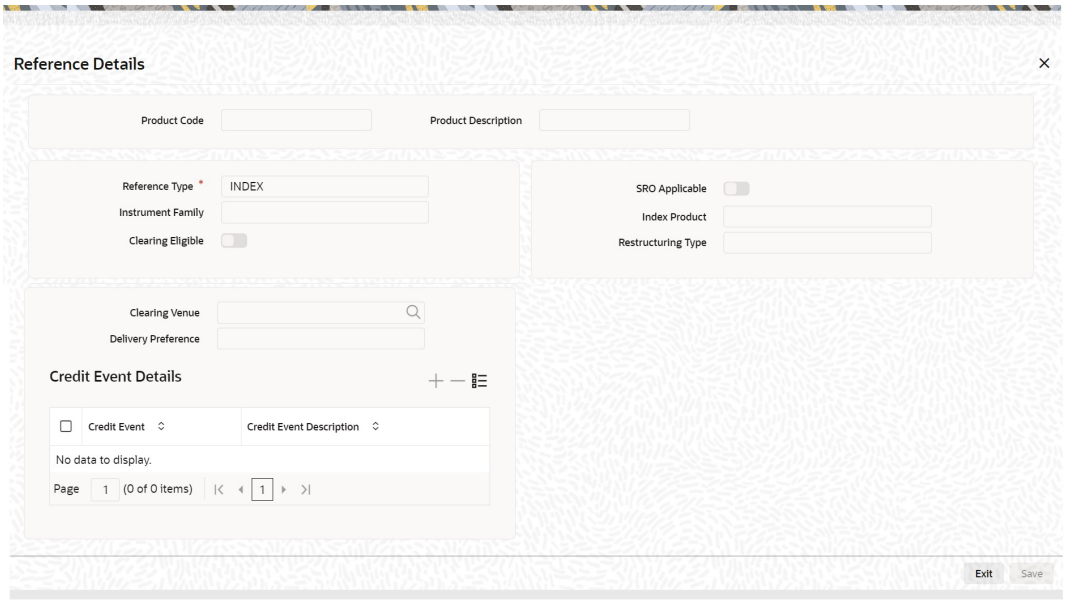
2. On the **Premium details** screen, specify the details as required.

29.3.1.2 Reference

1. On the **Credit Derivative Instrument Product Definition** screen, click **Reference**.

   Reference Details screen is displayed.

Figure 29-6 Reference Details



2. On the **Reference Details** screen, specify the details as required.

   For field description, see the below table

Table 29-4 Reference Details - Field Description

Field	Description
Reference Type	Denotes if the reference is an index or a standalone asset.
Instrument family	Used to define the sector: • For INDEX: Main, Crossover, Financials, etc. • For SINGLENAME: Corporate, Sovereign, etc.
Clearing Eligible	Select the checkbox If the Instrument has to be cleared.
Clearing Venue	Default Place of Settlement for the Instrument.
Delivery preference	Preference of Delivery in case of generic Credit Events on the Reference Entity
SRO applicable	Indicates if the Reference Obligation is same as the Standard Reference Obligation published for a specified Reference Entity and Seniority Level. Not applicable for Index Instruments
Index product	Mark it Index product for confirmation purposes
Credit Events	List of credit events applicable to the instrument. Type Name would be fetched from CODTRTYP with Type= CREDIT_EVENT

Table 29-4 (Cont.) Reference Details - Field Description

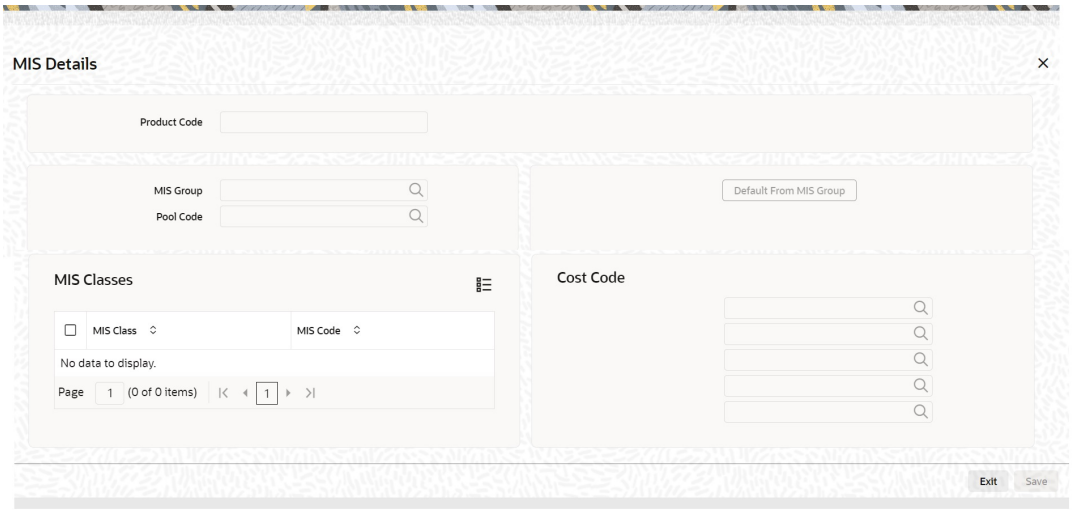
Field	Description
Credit Event Description	Description of credit events. Type value to be defaulted from CODTRTYP with Type= CREDIT_EVENT
Restructuring type	ISDA document class code applicable for Restructuring Credit Event. Not applicable for Index Instruments

29.3.1.3 MIS

1. On the **Credit Derivative Instrument Product Definition** screen, click **MIS**.

   MIS Details screen is displayed.

Figure 29-7 MIS Details



2. On the **MIS Details** screen, Specify the details as required.

   For field information, see the below table

Table 29-5 MIS Details

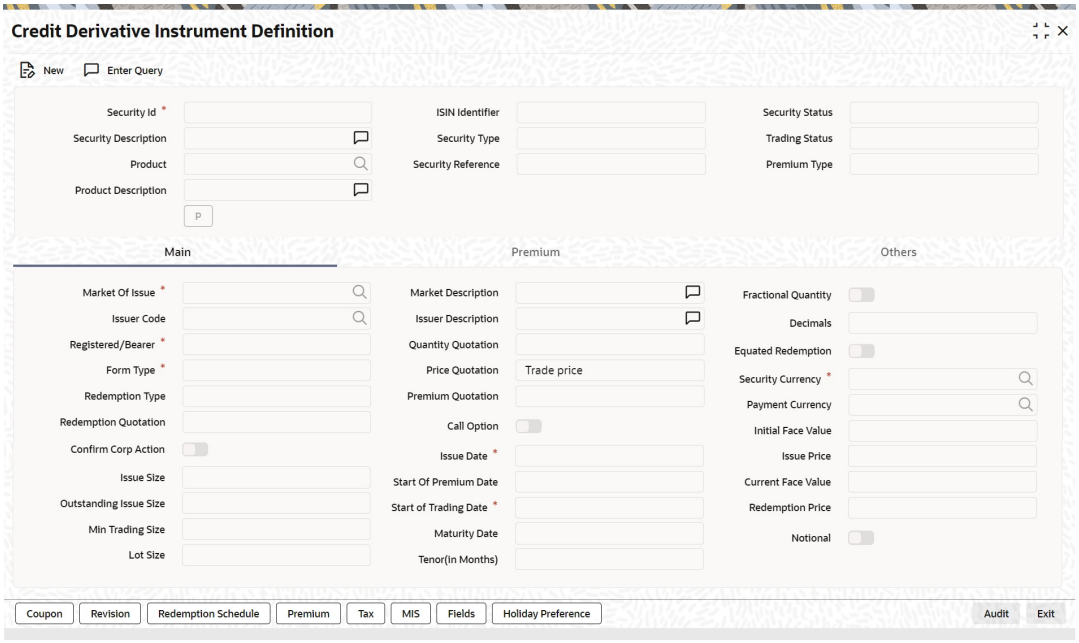
Field	Description
Product Code	Specify the Product code details as required.
MIS Group	Select the MIS group details from the list of values displayed.
Pool Code	Select the Pool Code details from the list of values displayed.
MIS Class	Define the MIS Class details for the security.
MIS Code	Specify the MIS Code details as required.
Cost Code	Select the Cost Code details as required.

29.3.2 Credit Derivative Instrument Definition

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

Credit Derivative Instrument Definition screen is displayed.

Figure 29-8 Credit Derivative Instrument Definition



2. On the **Credit Derivative Instrument Definition** screen, specify the details as required.

   Following are the field descriptions:

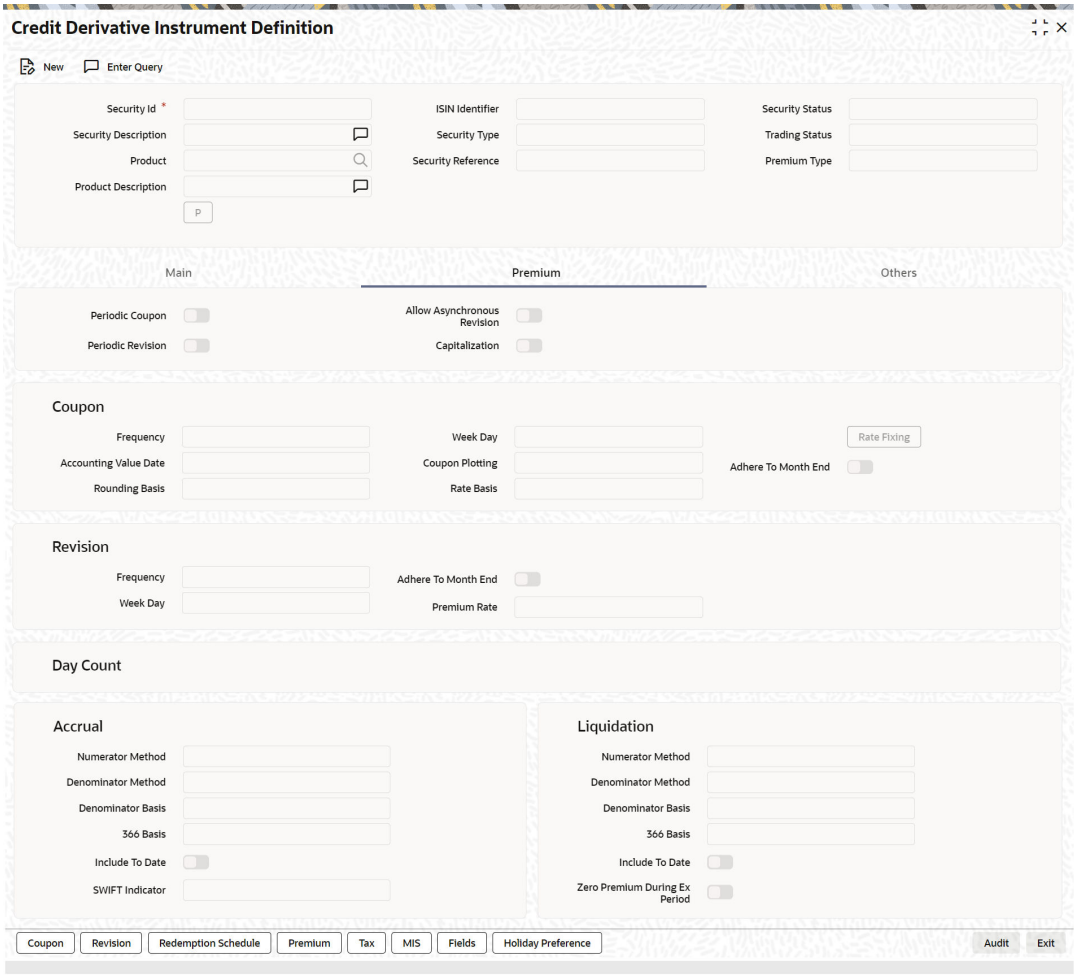
Table 29-6 Credit Derivative Instrument Definition - Field Descriptions

Field	Description
Tenor (in Months)	Tenor of the instrument is displayed to determine the maturity date. **Note:** Tenor must be greater than zero and cannot be a fraction. If the maturity date is null, and the tenor value is available, then the maturity date is derived on save, and both tenor and maturity are stored in the database. If maturity value is given, the tenor is not available, the maturity date is saved, and tenor remains null. If both maturity and tenor are given, the Maturity date is saved, and tenor will become null
Notional	Select this check box to indicate that the instrument is booked against contingent asset / liability in the portfolio.

3. On the **Credit Derivative Instrument Definition** screen, click **Premium**.

   Credit Derivative Instrument Definition screen with the **Premium Details** is displayed.

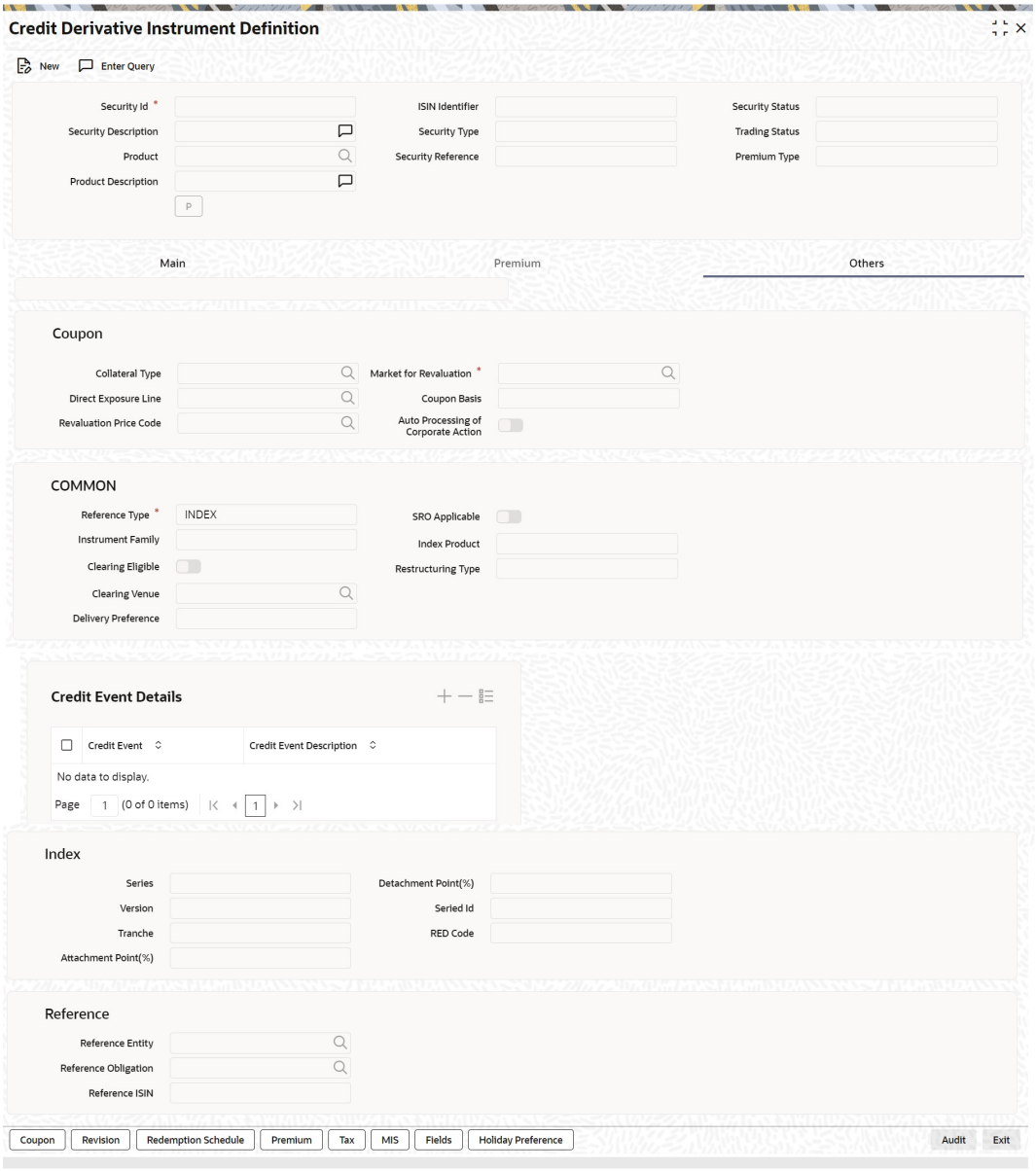
Figure 29-9 Credit Derivative Instrument Definition with Premium tab details



4. On the **Premium** tab screen, specify the details as required.
5. On the **Credit Derivative Instrument Definition** screen, click **Others**.

   Credit Derivative Instrument Definition screen with the **Other** Tab details is displayed.

Figure 29-10 Credit Derivative Instrument Definition with Other tab details



6. On the **Other** tab, specify the details as required.

   For information on fields, see the below table:

Table 29-7 Other Description - Field Description

Feld	Description
Series	Specify the Series of the index instrument. **Note:** Disabled if reference type is SINGLENAME. The value has to be greater 0.
Version	Specify the Version of the index instrument. **Note:** Disabled if reference type is SINGLENAME. The value has to be greater 0.

Table 29-7 (Cont.) Other Description - Field Description

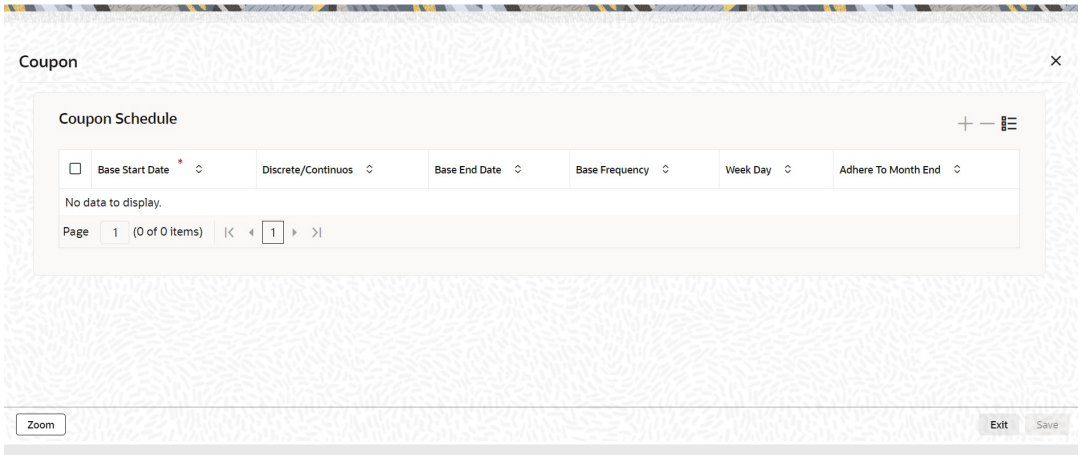
Feld	Description
Tranche	Exposure portion in the instrument. **Note:** Disabled if reference type is SINGLENAME.
Attachment point(%)	Payments are made by the protection seller (Instrument Buyer) when the losses are greater than the attachment point. **Note:** Disabled if reference type is SINGLENAME. The range allowed is between 0 to 100.
Detachment point(%)	Payments are made by the protection seller (Instrument Buyer) when the losses are greater than the attachment point. **Note:** Disabled if reference type is SINGLENAME. The range allowed is between 0 to 100. Ensure the value is greater than attachment point (%).
Series ID	Unique combination of Series + Version + Tranche for confirmation purposes **Note:** Disabled if reference type is SINGLENAME. The range allowed is between 0 to 100.
RED code	For INDEX: Identifies the Series. (9 Chars). For SINGLENAME: Identifies the Reference Entity and Obligation. (12 Chars).
Reference entity	Underlying Corporate or Sovereign Entity whose credit risk is transferred. Not applicable for Index instruments.
Reference obligation	Preferred Security issued by the Reference Entity, to be delivered when Credit event happens. Not applicable for Index instruments
Reference ISIN	ISIN identifier of the reference obligation

29.3.3 Coupon

1. On the **Credit Derivative Instrument Definition** screen, click **Coupon**.

   Coupon screen is displayed.

Figure 29-11 Coupon



2. On the Coupon screen, specify the details as required.

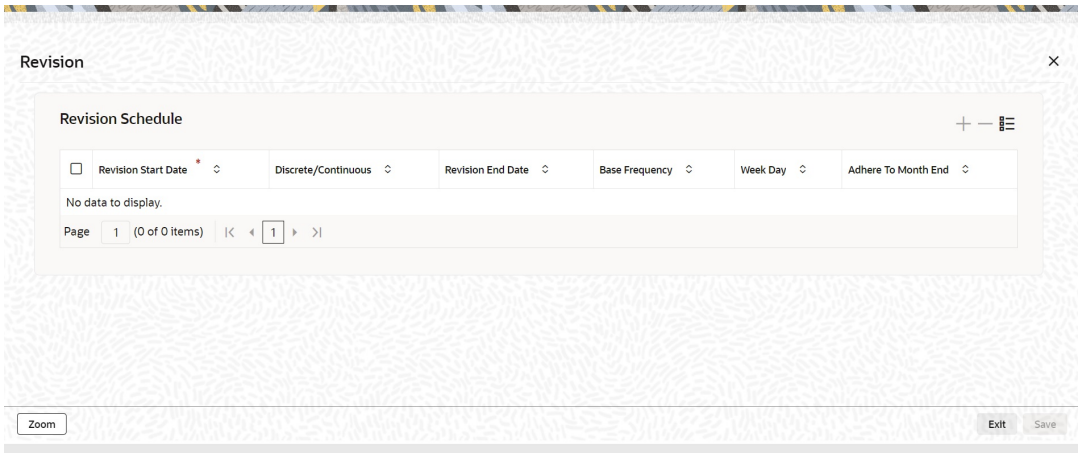
   For field descriptions, see the section *Specify Interest Details for a Bond*.

29.3.4 Revision

1. On the **Credit Derivative Instrument Definition** screen, click **Revision**.

   Revision screen is displayed.

Figure 29-12 Revision



2. On the **Revision** screen, specify the details as required.

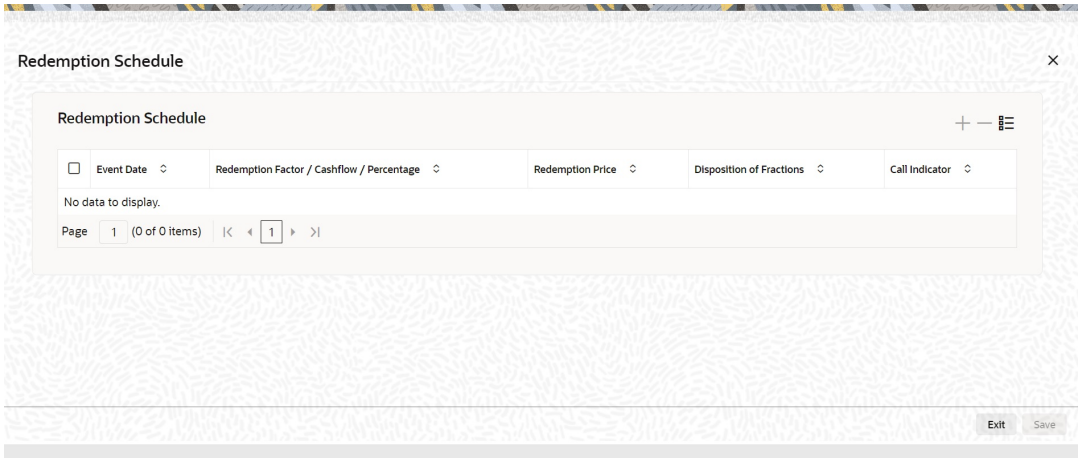
   For field descriptions, see the section *Using the Holiday Calendar Currency list*

29.3.5 Redemption Schedule

1. On the **Contract Derivative Instrument Definition** screen, click **Redemption Schedule**.

   Redemption Schedule screen is displayed.

Figure 29-13 Redemption Schedule



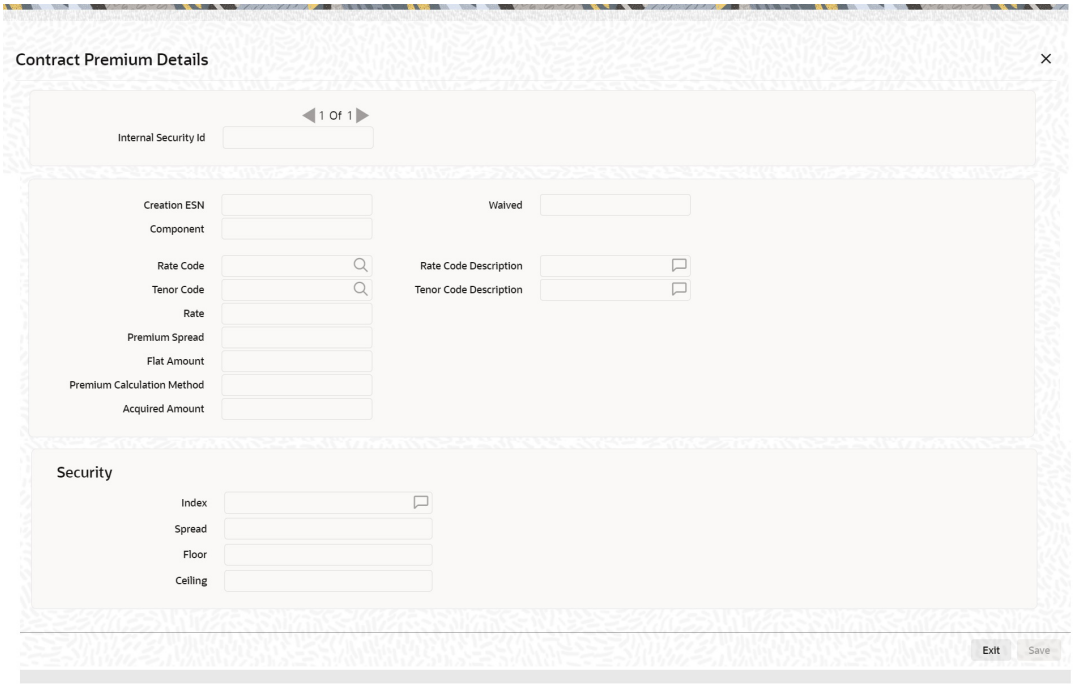
2. On the **Redemption Schedule** screen, specify the details as required.

29.3.6 Contract Premium Details

1. On the **Contract Derivative Instrument Definition** screen, click **Contract Premium Details**.

   Contract Premium Details screen is displayed.

Figure 29-14 Contract Premium Details



2. On the **Contract Premium Details** screen, specify the details as required.

   For field description see: *Table Contract Interest details - Field Description*

29.3.7 Tax

1. On the **Contract Derivative Instrument Definition** screen, click **Tax**.
2. On **Tax**, specify the details as required.

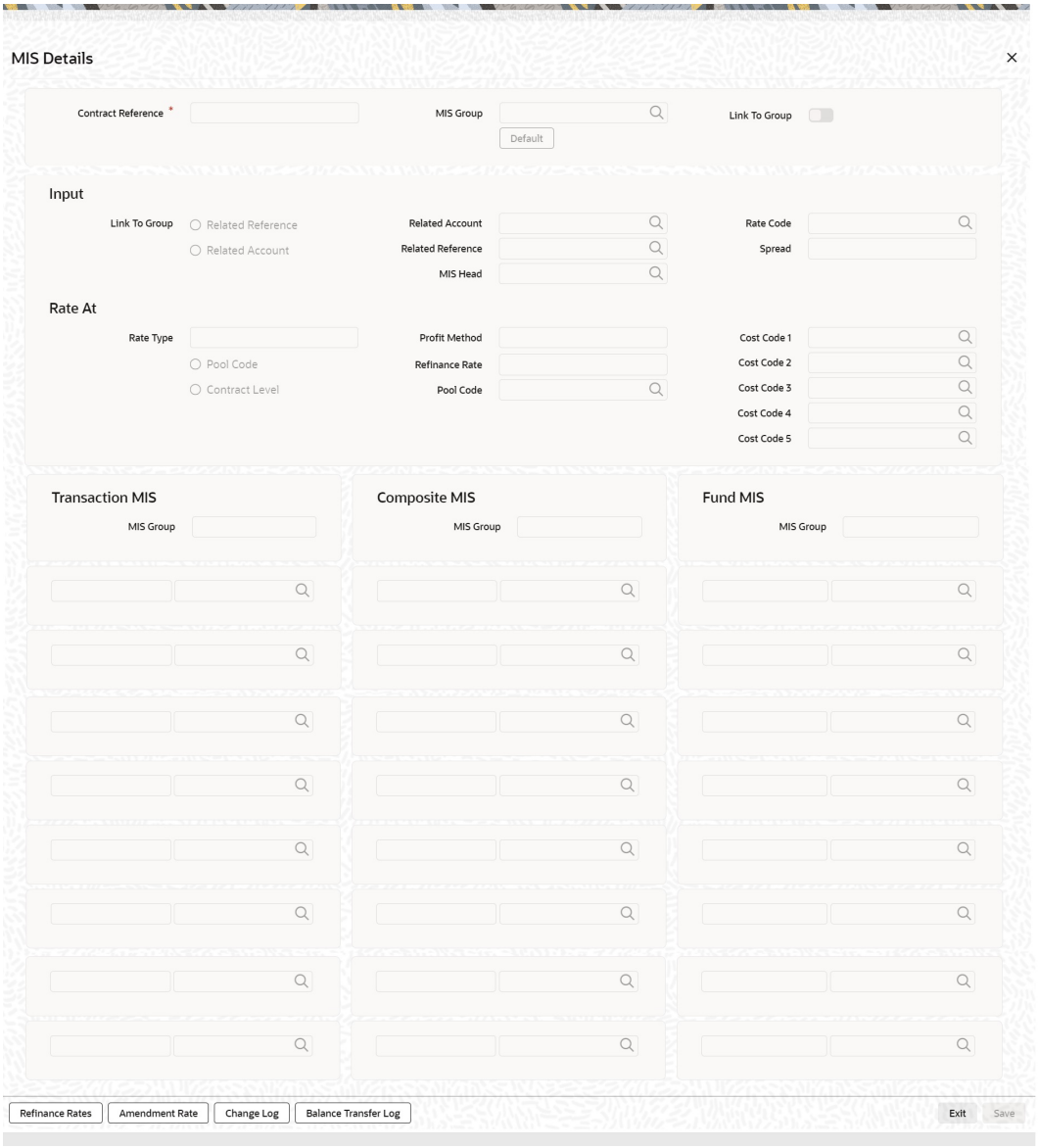
   For field description see: *Process Levy Tax on a Deal*

29.3.8 MIS

1. On the **Contract Derivative Instrument Definition** screen, click **MIS**.

   MIS Details screen is displayed.

Figure 29-15 MIS Details



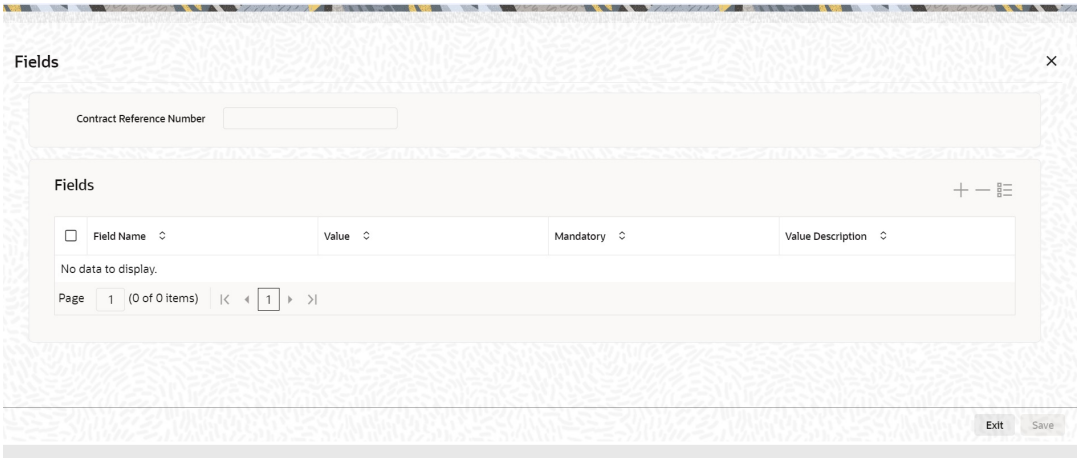
2. On the **MIS Details** screen, specify the details as required to define MIS details for the deal.

29.3.9 Fields

1. On the **Contract Derivative Instrument Definition** screen, click **Fields**.

   Fields screen is displayed.

Figure 29-16 Fields



2. On the **Fields** screen, specify the details as required.

29.4 Credit Derivative Deal Product Definition

This topic describes the credit derivative deal product definition, accounting roles, events, preferences, charges, tax definition, MIS, and market details.

While booking a CDI deal the following four types of deal products are available:

- Bank Sell
- Bank Buy
- Customer Buy
- Customer Sell

The resulting combinations relevant for CDI booking are:

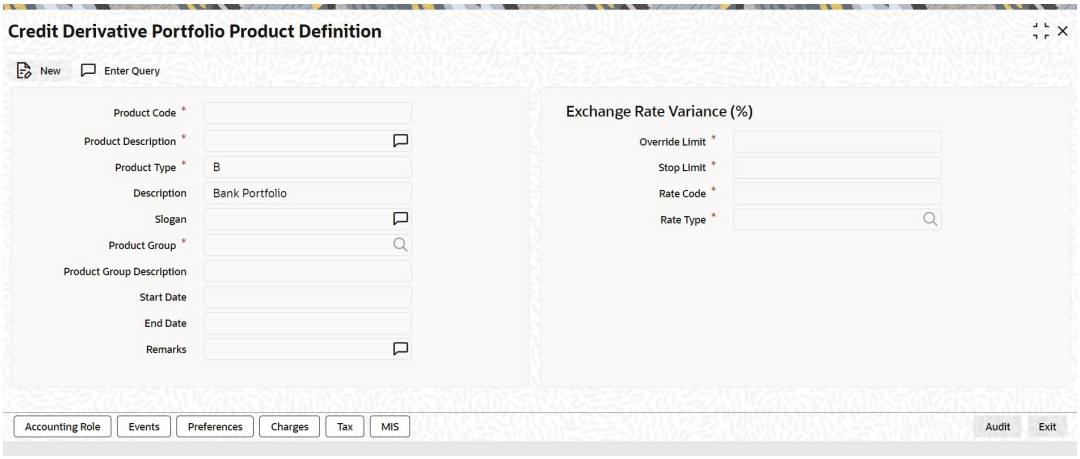
- Bank Sell customer buy (Relevant for purchase of CDI Index)
- Bank buy customer sell (Relevant for sell of CDI Index)
- Bank buy bank sell (Relevant for transfer of holding internally from one SKL to another)

> **Note:**
>
> A CDI buy combination deal product is created using BS and CB product, while a CDI sell combination is created using BB and CS product.

> **WARNING:**
>
> BB and BS combination is used only for internal holdings transfer from one safekeeping to the other.

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

   Credit Derivative Deal Product Definition screen is displayed.



2. On the **Credit Derivative Deal Product Definition** screen, specify the details as required.

> **Note:**
>
> Block type deal product maintenance is not allowed for CDI deal booking.

For field description, see: *Table Security Deal Product Definition - Field Description*

This topic has the following sub-topics

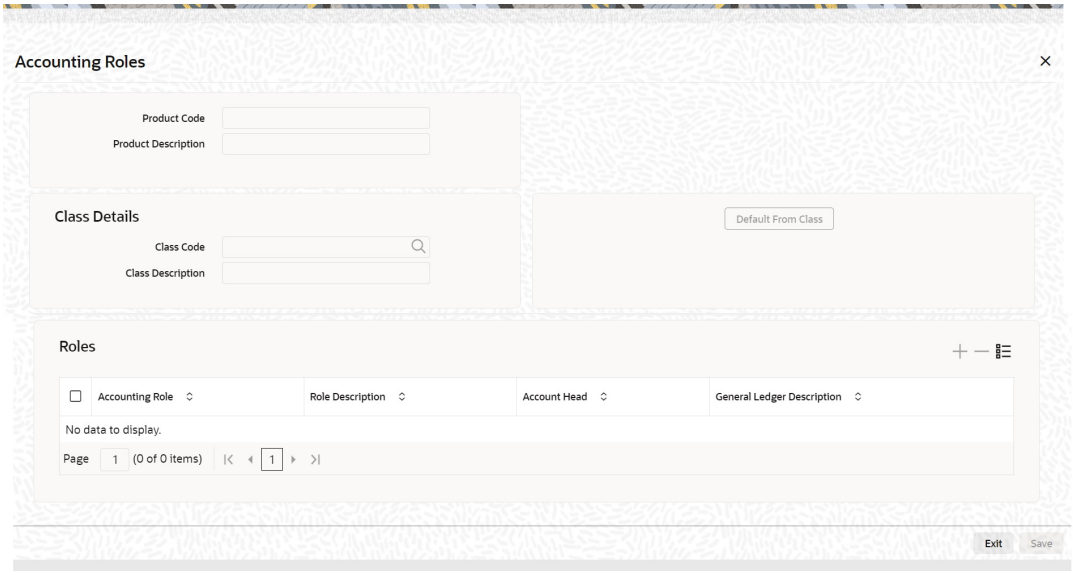
- Accounting Roles
- Events
- Preferences
- Charges
- Tax Definition
- MIS
- Market Details
- Display Credit Derivative Deal Details

29.4.1 Accounting Roles

1. On the **Credit Derivative Deal Product Definition** screen, click **Accounting Roles**.

Accounting Roles screen is displayed.

Figure 29-17 Accounting Roles



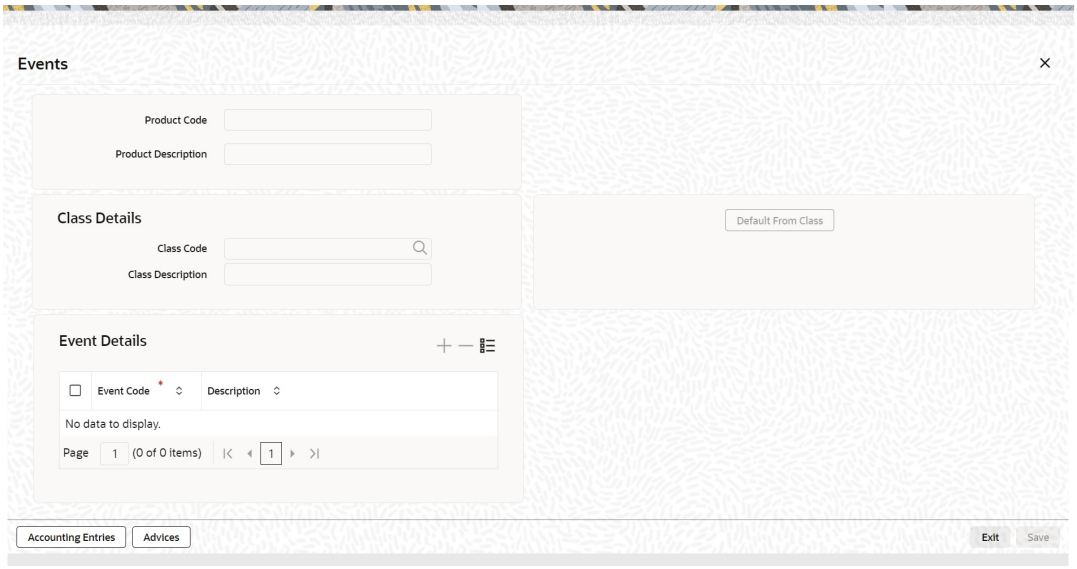
2. On the **Accounting Roles** screen, refer to the details displayed.

29.4.2 Events

1. On the **Credit Derivative Deal Product Definition** screen, click **Events**.

   Events screen is displayed.

Figure 29-18 Events



2. On the Events screen, refer to the details displayed.

   The following information is displayed for each accounting entry:

   - **Product Code**
   - **Product Description**

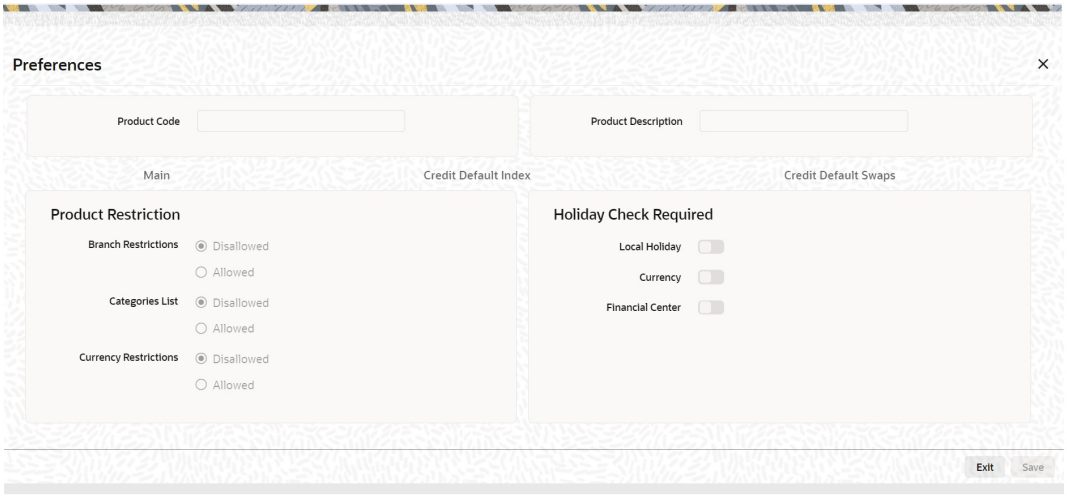
- **Class Details**
- **Class Code**
- **Class Description**
- **Events Details**

29.4.3 Preferences

1. On the **Credit Derivative Deal Product Definition** screen, click **Preferences**.

   Preferences screen is displayed.

Figure 29-19 Preferences



2. On the **Preferences** screen, specify the details as displayed.

   For Field Descriptions, see the below table:

Table 29-8 Preferences - Field Description

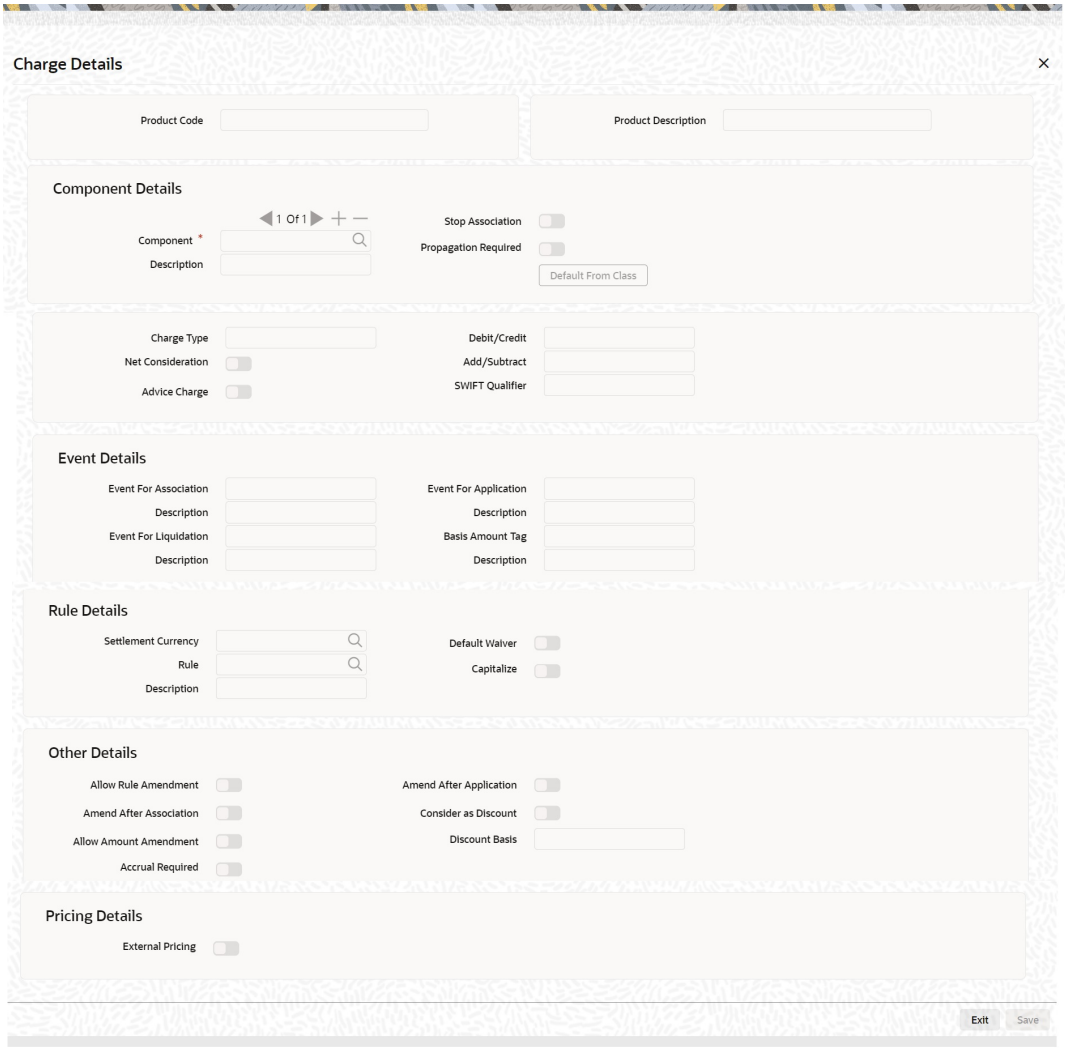
Field	Description
Trade Date Accounting	Once you select this flag, the upfront fee entries for the contract is generated on the trade date under BOOK event and on value date they would be passed to Broker Settlement GL under MSTL.

29.4.4 Charges

1. On the **Credit Derivative Deal Product Definition** screen, click **Charges**.

   Charges screen is displayed.

Figure 29-20 Charges



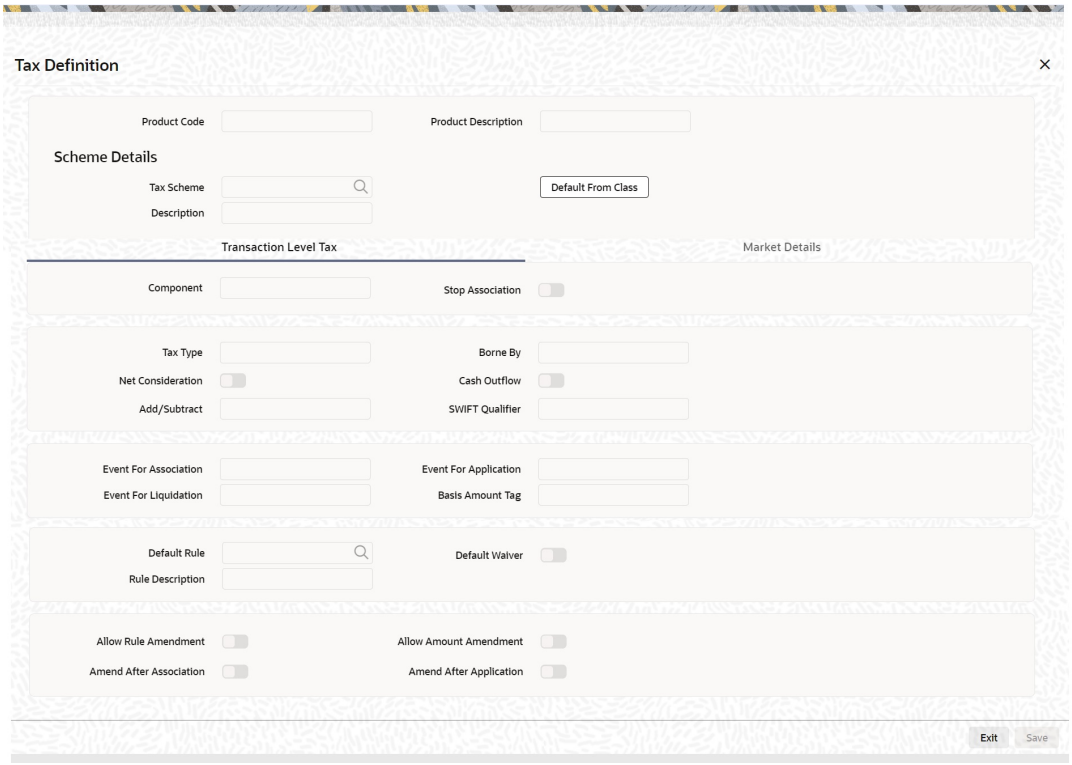
2. On the **Charges** screen, specify the details as displayed.

29.4.5 Tax Definition

1. On the **Credit Derivative Deal Product Definition** screen, click **Tax**.

   Tax Definition screen is displayed.

Figure 29-21 Tax Definition



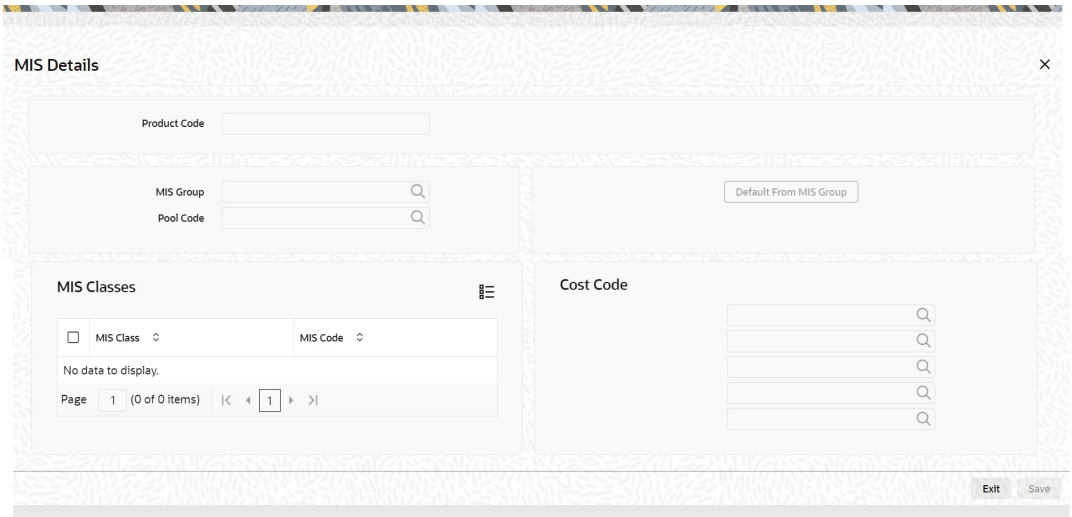
2. On the **Tax Definition** screen, specify the details as required.

29.4.6 MIS

1. On the **Credit Derivative Deal Product Definition** screen, click **MIS**.

   MIS Details screen is displayed.

Figure 29-22 MIS



2. On the **MIS Details** screen, specify the details as required.

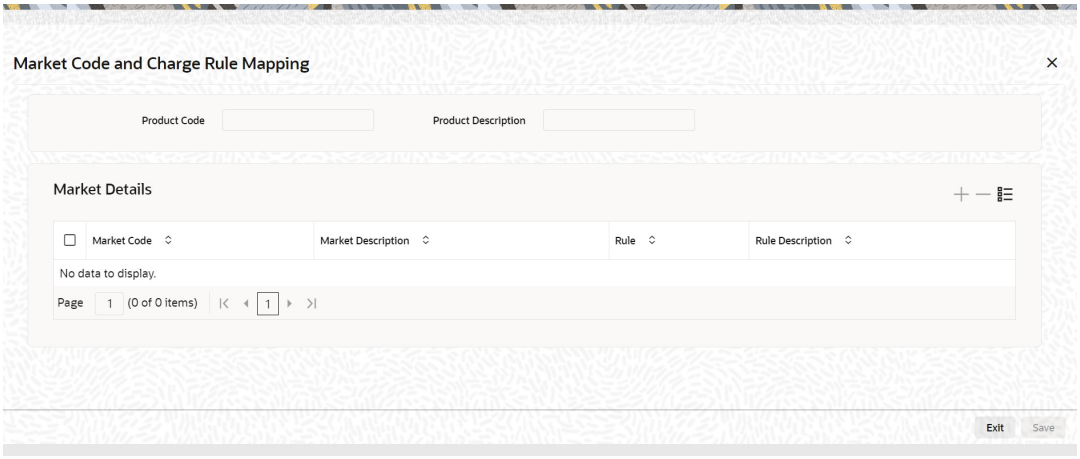
   For Field description see Section *MIS Details*.

29.4.7 Market Details

1. On the **Credit Derivative Deal Product Definition** screen, click **Market Details**.

   Market Code and Charge Rule Mapping screen is displayed.

Figure 29-23 Market Code and Charge Rule Mapping



2. On the **Market Code and Charge Rule Mapping** screen, specify the details as required.

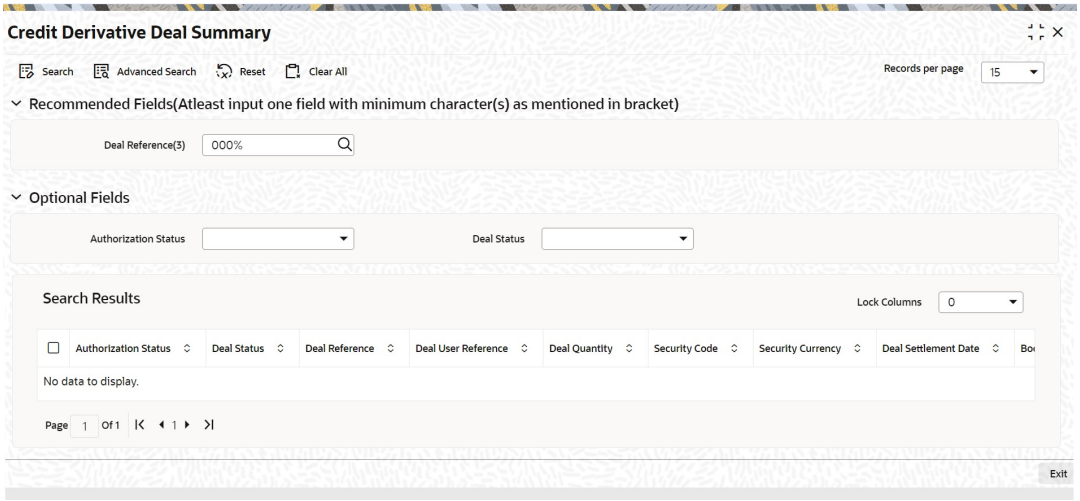
29.4.8 Display Credit Derivative Deal Details

You can view the Credit Derivative Deal details in the **Credit Derivative Deal Summary** screen.

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

   The **Credit Derivative Deal Summary** screen is Displayed.

Figure 29-24 Credit Derivative Deal Summary



2. On the **Credit Derivative Deal Summary** screen, specify the required fields to query the details. For more information on the fields, refer to the below field.

Table 29-9 Credit Derivative Deal Summary- Field description

Field	Description
Recommended Fields	Deal Reference On screen launch, the application default with the Branch code followed by % in the Deal Reference Number field. Click the Search button to display the contract summary. Alternatively, you can select the Deal Reference from the option list. The list displays all valid reference numbers maintained in the system.
Optional Fields	Specify any of the below optional field and click the Search button to view the deal details. • **Authorization Status** • **Deal Status**

29.5 Credit Derivative Processing Branch Parameter

This topic describes processing of credit derivative branch parameter.

Credit derivative index would reuse the branch processing parameters from SE using configuration from the screen **SEDXBRPM**.

For field descriptions, see: Table Securities Branch Parameters - Field Description

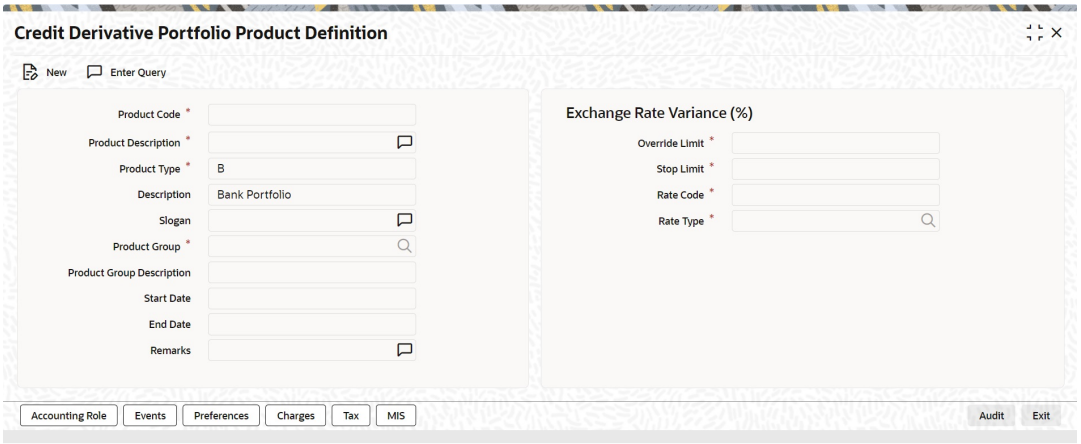
29.6 Credit Derivative Portfolio Product Definition

This topic describes the systematic instruction to define credit derivative portfolio product.

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

   Credit Derivative Portfolio Product Definition screen is displayed.

Figure 29-25 Credit Derivative Portfolio Product Definition



2. On the **Credit Derivative Portfolio Product Definition** screen, specify the details as required.

The Product type B-Bank Portfolio is defaulted.

For field description, see Table Securities Portfolio Product Definition - Field Description.

This topic has the following sub-topics:

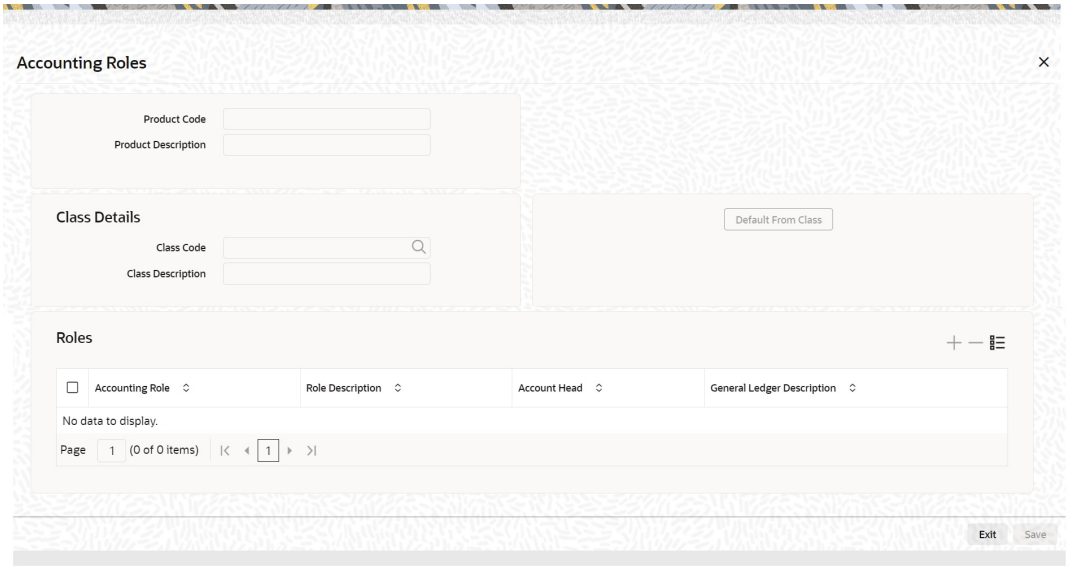
- Accounting Role
- Events
- Preferences

29.6.1 Accounting Role

1. On the **Credit Derivative Portfolio Product Definition** screen, click **Accounting Roles**.

   Accounting Roles screen is displayed.

Figure 29-26 Accounting Roles



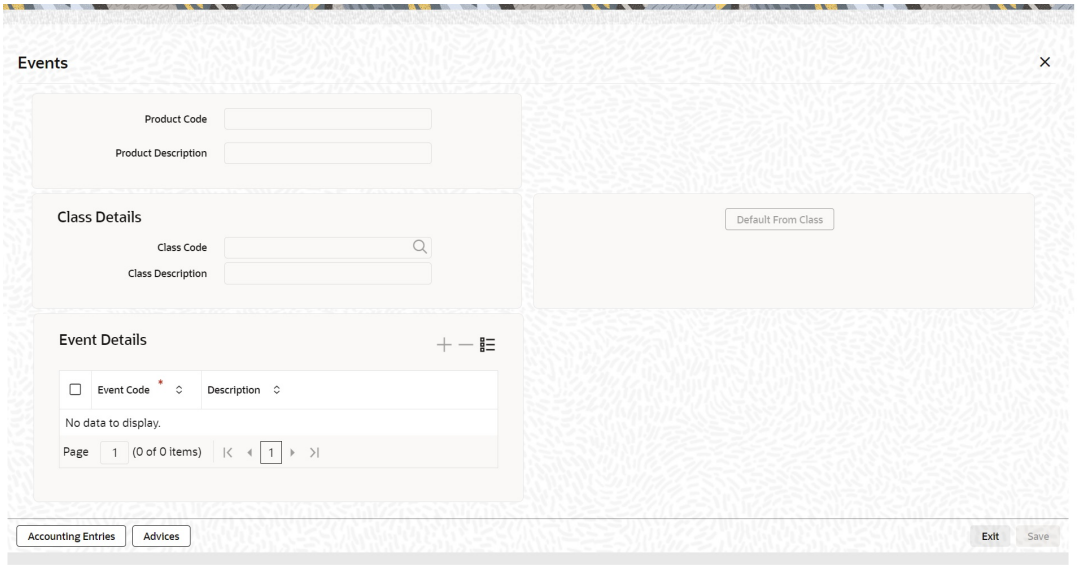
2. On the **Accounting Roles** screen, specify the details as required.

29.6.2 Events

1. On the **Credit Derivative Deal Product Definition** screen, click **Events**.

   Events screen is displayed.

Figure 29-27 Events



2. On the **Events** screen, refer to the details displayed.

   The following information is displayed for each accounting entry:

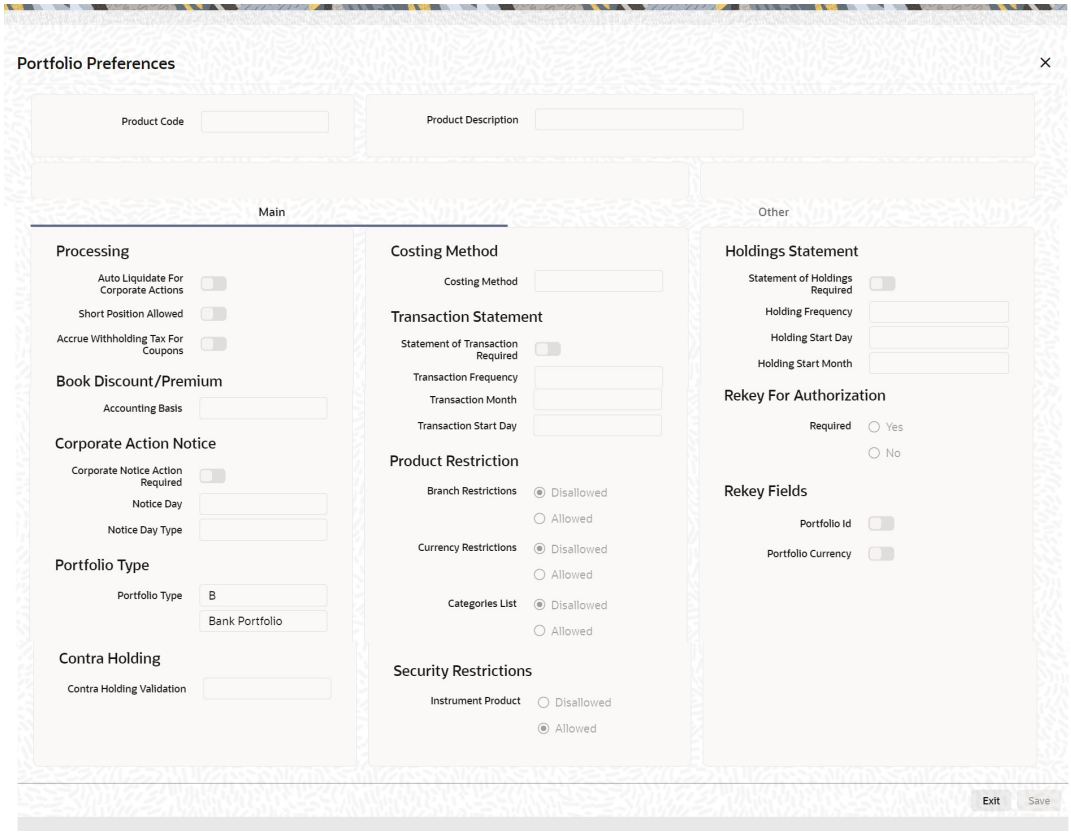
   - **Product Code**
   - **Product Description**
   - **Class Details**
   - **Class Code**
   - **Class Description**
   - **Events Details**

29.6.3 Preferences

1. On the **Credit Derivative Deal Product Definition** screen, click **Preferences**.

   Portfolio Preferences screen is displayed.

Figure 29-28 Portfolio Preferences

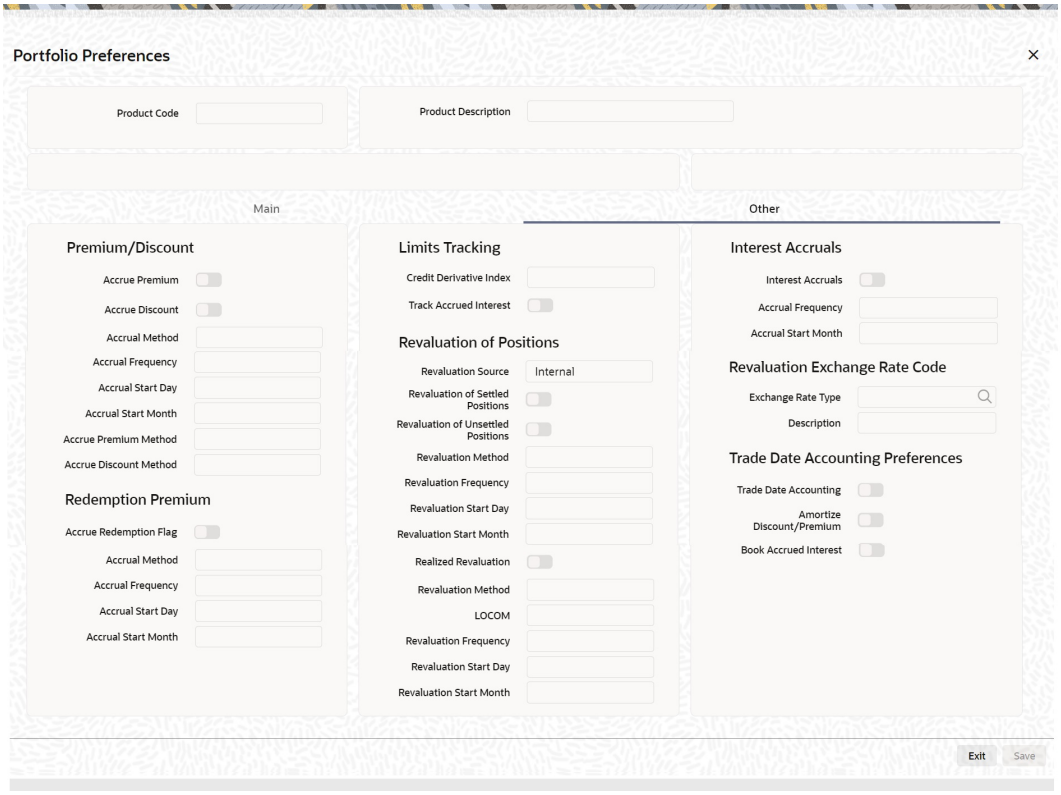


2. On the **Portfolio Preferences** screen, specify the details as displayed.

   For Field Description, see the below table.

3. On the **Portfolio Preferences** screen, click **Other**.

   On the Portfolio Preferences with Other tab is displayed.



4. On the **Other** tab, specify the details as required.

   The below is the field description

Table 29-10 Other tab - Field description

Field	Description
External in Revaluation Source field	Select this check box to accept the values externally posted under EXRV and EXRR events and stop the revaluation entries **Caution:** This option is allowed only if the branch revaluation is set at the holding level in Credit derivative processing branch parameter screen

Table 29-10 (Cont.) Other tab - Field description

Field	Description
Revaluation Source	Select the option from the list displayed. • **Internal** • **External** • **None** If External is selected Entries in all the subsequent fields under revaluation section to be validated as not allowed. Revaluation of settled and unsettled position flags should also not be allowed for input. If None is selected, Entries in all the subsequent fields under revaluation section to be validated as not allowed. If Internal is selected, Validation to work as is in case of SE for these fields.
Trade Date Accounting Preferences	Specify the following details:
Trade Date Accounting	Check this box to indicate that the nominal and discount premium entries should be recognized on trade date.
Amortize Discount/ Premium for each Deal	Check this box to indicate that the entries gets posted on trading profit or loss which is a delta of discount, premium and accrued entries. This is only applicable for Non-Accrual accounting Basis.
Book Accrued Interest on Trade Date	Check this box to indicate that the Accrued Interest(PUCM/PUEX/ SOCM/SOEX) should be recognized on trade date.

For more information on other tab, see: *Other tab details*

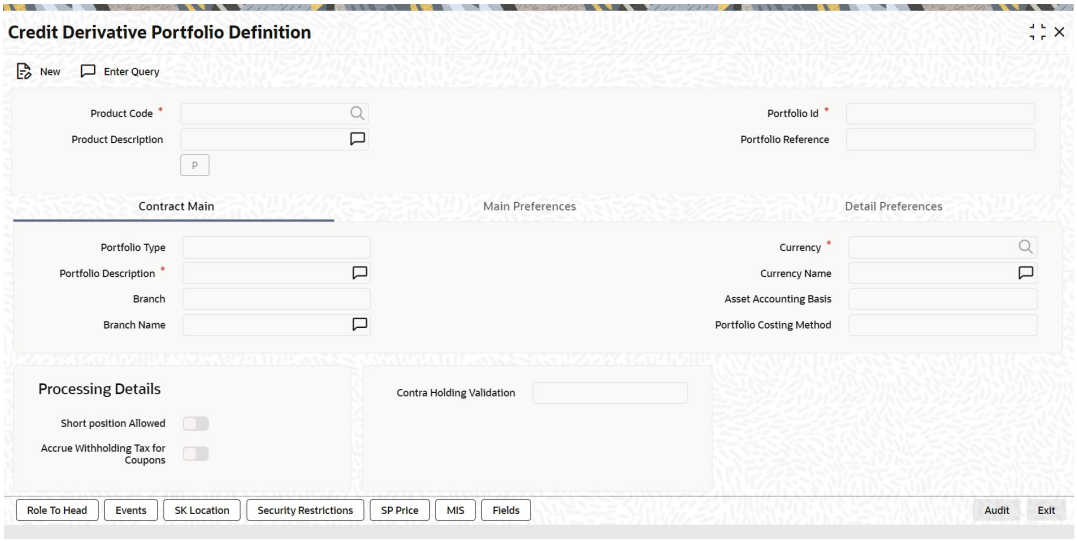
29.7 CD Portfolio Definition

This topic describes the systematic instructions for CD portfolio definition.

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

   Credit Derivative Portfolio Definition screen is displayed.

Figure 29-29 Credit Derivative Portfolio Definition



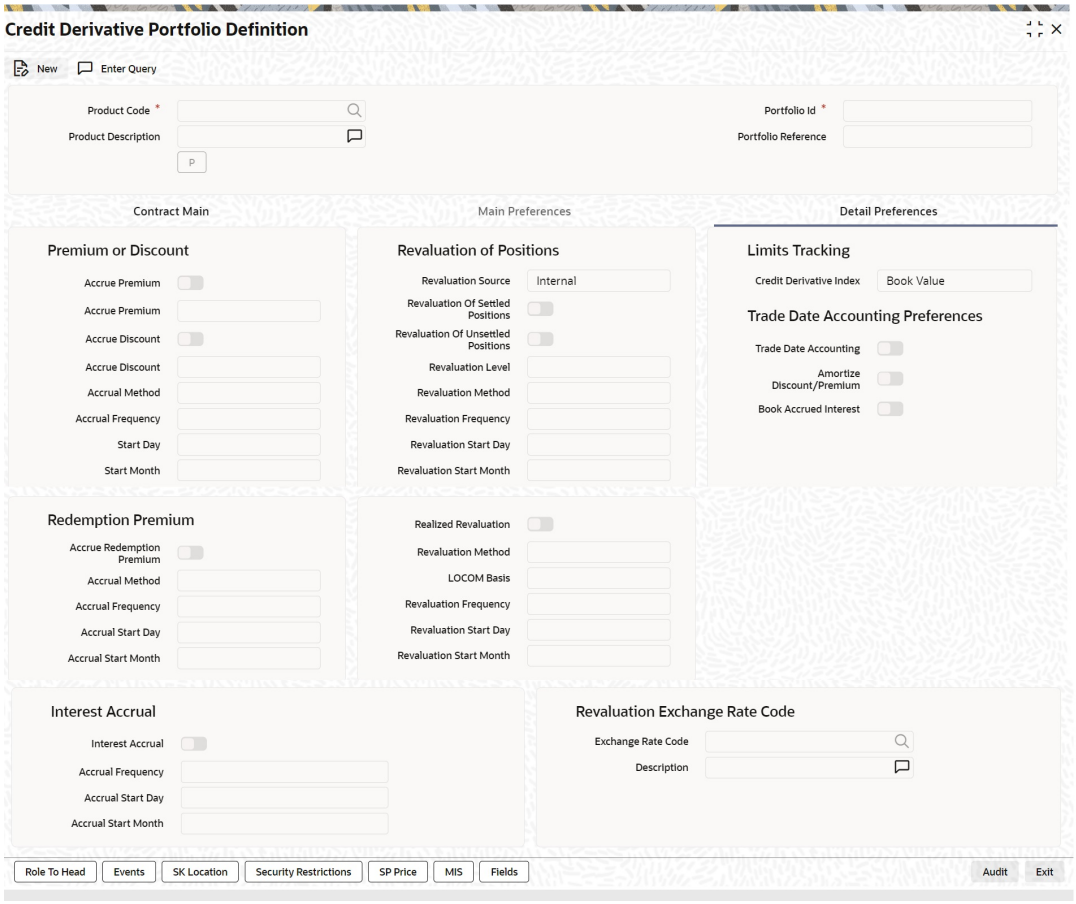
2. On the **Credit Derivative Portfolio Definition** screen, specify the details as required.

   For more information, see: the Process Portfolio Definition Details

3. Click the **Detail Preferences** tab to update the relevant details.

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

Figure 29-30 Credit Derivative Portfolio Definition - Detail Preferences



4. On the **Detail Preferences** tab, specify the details as required.

   The below is the field description

Table 29-11 Detail Preferences Tab

Field	Description
Trade Date Accounting Preferences	Specify the following details:
Trade Date Accounting	Check this box to indicate that the nominal and discount premium entries should be recognized on trade date.
Amortize Discount/ Premium for each Deal	It indicates that the entries gets posted on trading profit or loss which is a delta of discount, premium and accrued entries. This is only applicable for Non-Accrual accounting Basis. Note: This field gets defaulted from the product level. The system does not allow you to modify it.
Book Accrued Interest on Trade Date	Check this box to indicate that the Accrued Interest(PUCM/PUEX/ SOCM/SOEX) should be recognized on trade date.

29.8 CD External Revaluation Changes

This topic describes the external revaluation changes for CD product and eternal MTM example.

For the portfolios marked for external revaluation below changes are applicable:

- MTM value uploaded through Webservice is applicable.
- OBTR will post the entries online received from webservice under events EXRV and EXRR.
- No revaluation entries under BRVL and RRVL are done at EOD for these portfolios.
- In case OBTR does not receive MTM for a day, the entries for that day are skipped, and the exceptions are logged to a table.

External MTM upload through webservice

External revaluation value are received in XML format for a CD Instrument ID (from DSDTRONL) and Portfolio ID (from DPDPFONL) combination.

- New operation SEExtMTM will be introduced.
- Effective date can be less than or equal to system date.
- MTM value passed can be positive or negative, a positive value would be considered as MTM Income while a negative value would indicate a MTM Loss.
- If the currency of posting is a FCY for the branch, it would be revalued to base currency using the rate at the time in CYDRATEE.
- Validating the below cases, an error is raised.

Table 29-12 Validations

Case	Validation Message
If currency of the record doesn't match Security instrument currency or base currency of branch.	MTM currency should be same as Instrument currency or base currency
If a combination of Security ID+ Portfolio ID for effective date is repeated.	Record already exists for Security ID+ Portfolio ID for this effective date
Effective date greater than system date	Effective date cannot be greater than system date
CDI Instrument ID is not defined in SEDCDONL or is marked as closed under security status	Security ID is not valid
Portfolio ID is not defined in DPDPFONL	Portfolio ID is not valid
MTM value passed as 0	MTM value cannot be zero
If portfolio doesn't belong to branch	Invalid branch code for portfolio

Table 29-12 (Cont.) Validations

Case	Validation Message
If security doesn't have position in the mentioned portfolio	Portfolio doesn't have position in the instrument

- On successful upload, external revaluation events are fired at portfolio level in online mode and the respective entries maintained at portfolio product is posted.

External MTM processing

External revaluation processing is as follows:

- If external revaluation flag is checked at portfolio level, revaluation will happen externally, for unchecked flag it will be done by OBTR internally.
- External MTM values would be uploaded for a combination of Security ID+Portfolio ID and would be done via XML upload.
- If Upload is successful, External Revaluation Event EXRV will trigger online and post accounting entries accordingly. All other entity related to accounting and revaluation will work as per existing functionality.
- Reversal under EXRR event would be done as part of next BOD with the same processing logic as RRVL.
- If the BOD processing date happens to be the first date of a financial year, revaluation reversal will happen from the previous year adjustment GL maintained at portfolio product level.
- When OBTR receives back dated External revaluation after year end, Profit and Loss adjustment entries should be posted manually as Journal entry. User should operationally handle the same
- External MTM Example

29.8.1 External MTM Example

On 17th receiving loss amount as -150 GBP for 16th July

Table 29-13 Event EXRV (External Contract Revaluation) online

Accounting Role	Amount Tag	Dr/Cr	Amount	CCY	Transaction Date	Value Date
CD_HLDG_MTM_EXP	MTM_EXP	Dr	150	GBP	17-Jul-20	16 - Jul - 20
CD_HLDG_MTM_LBP	MTM_EXP	Cr	150	GBP	17-Jul-20	16 - Jul - 20

On 18th BOD during batch revaluation reversal should fire.

Table 29-14 Event EXRR (External Contract Revaluation reversal)

Accounting Role	Amount Tag	Dr/Cr	Amount	CCY	Transaction Date	Value Date
CD_HLDG_MTM_EXP	MTM_EXP	Cr	150	GBP	17-Jul-20	16 - Jul - 20
CD_HLDG_MTM_LBP	MTM_EXP	Dr	150	GBP	17-Jul-20	16 - Jul - 20

On 18th receiving income amount as 75 GBP for 17th July.

Table 29-15 Event EXRV (External Contract Revaluation) online

Accounting Role	Amount Tag	Dr/Cr	Amount	CCY	Transaction Date	Value Date
CD_HLDG_MTM_ASS	MTM_INC	Cr	75	GBP	18-Jul-20	17 - Jul - 20
CD_HLDG_MTM_INC	MTM_INC	Dr	75	GBP	18-Jul-20	17 - Jul - 20

On 19th BOD during batch revaluation reversal should fire.

Table 29-16 Event EXRR (External Contract Revaluation reversal)

Accounting Role	Amount Tag	Dr/Cr	Amount	CCY	Transaction Date	Value Date
CD_HLDG_MTM_ASS	MTM_INC	Dr	75	GBP	19-Jul-20	19 - Jul - 20
CD_HLDG_MTM_INC	MTM_INC	Cr	75	GBP	19-Jul-20	19 - Jul - 20

On 19th OBTR does not receive revaluation from external system.

No Revaluation fired. Revaluation is skipped.

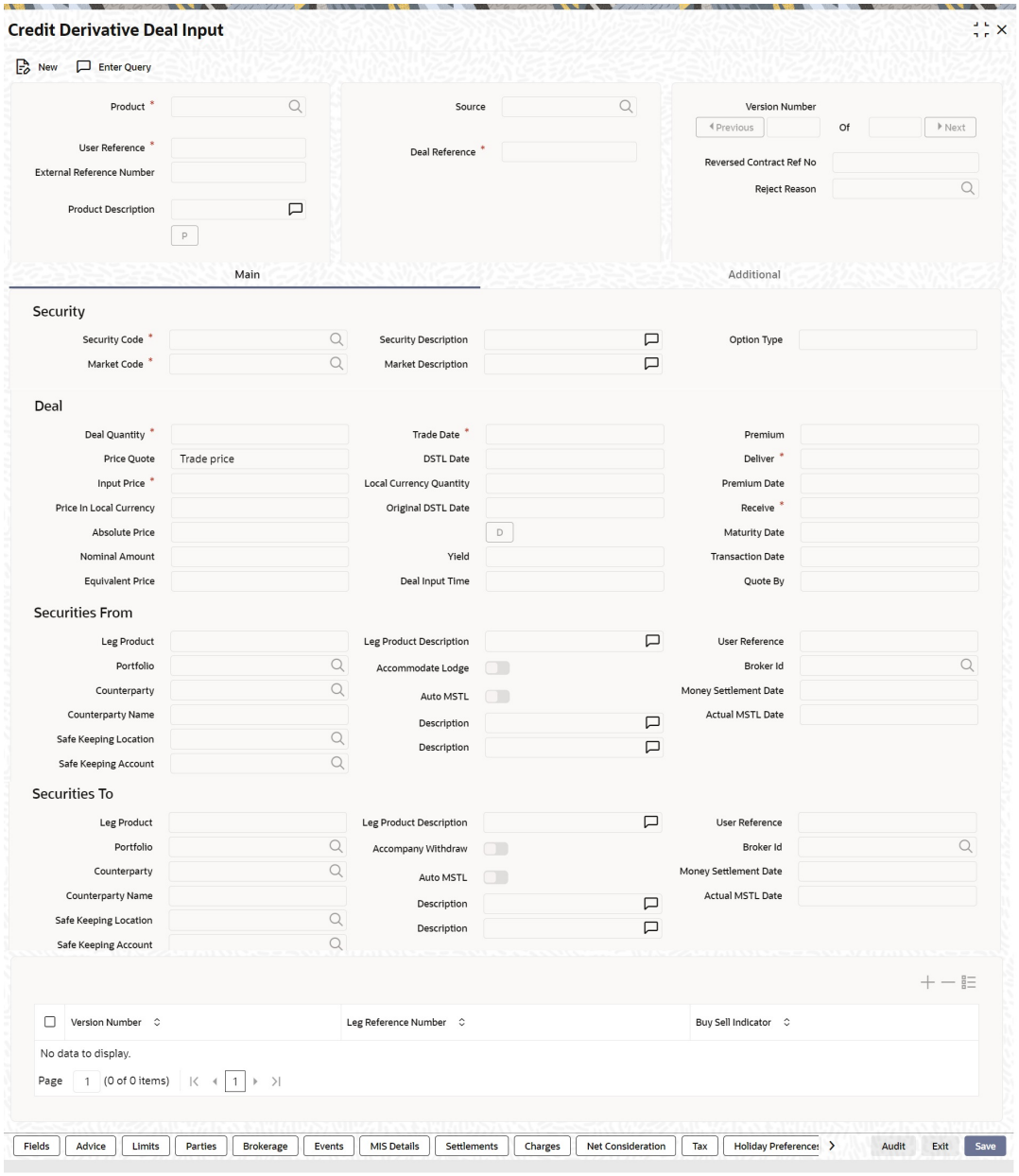
29.9 CDI Derivative Deal Input

This topic describes the systematic instructions for CDI derivative deal input.

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

   Credit Derivative Deal Input screen is displayed.

Figure 29-31 Credit Derivative Deal Input



2. On the **Credit Derivative Deal Input** screen, specify the details as required.

   For field description, see the below table

Table 29-17 Credit Derivative Deal Input - Field Description

Field	Description
Nominal amount	Nominal amount of the contract. **Caution:** Ensure to provide this details if the price quote is spread or % spread.
Equivalent Price	Price equivalent for Spread (BPS) or %Spread price quotation.

For more information, see Process Securities Data Input Screen:

- In case of Bank sell, if spread is lesser than (Premium rate of instrument/100) or spread% is lesser than 100 then it is considered as upfront fee income.
- In case of Bank sell, if spread is greater (Premium rate of instrument/100) or spread% is greater 100 then it is considered as upfront fee expense.
- In case of Bank buy, if spread is greater (Premium rate of instrument/100) or spread% is greater than 100 then it is considered as upfront fee income.
- In case of Bank buy, if spread is lesser than (Premium rate of instrument/100) or spread% is lesser than 100 then it is considered as upfront fee expense.
- In case of Bank sell, if Trade price is lesser than Current face value or Trade price% is lesser than 100 then it is considered as upfront fee expense.
- In case of Bank sell, if Trade price is greater than Current face value or Trade price% is greater than 100 then it is considered as upfront fee income.
- In case of Bank buy, if Trade price is lesser than Current face value or Trade price% is lesser than 100 then it is considered as upfront fee income.
- In case of Bank buy, if Trade price is greater than Current face value or Trade price% is greater than 100 then it is considered as upfront fee expense.
- For Bank sell, Deliver label value to be defaulted to against payment and receive label would be defaulted to free. The field would be available for amendment.
- For Bank buy, Receive label value to be defaulted to against payment and deliver label would be defaulted to free. The field would be available for amendment.
- The calculation to be followed for the price quote as trade price quotations is as below (if Nominal amount is not entered)
- Nominal Amount = ((Trade price ~ Current face value)/100) * Deal Quantity*(Current face value/Initial face value).
- Nominal Amount = (((Trade price%/Current face value) ~ Current face value)/ 100)*Deal quantity* (Current face value/Initial face value)
- Nominal amount has to be optionally entered, if entered the same is used for tag Deal_Nominal Amt to be booked as contingent. It is mandatorily entered if the price quote is spread or % spread.
- In case of Bank sell, if spread < (Premium rate of instrument/100) or spread% < 100 then it is considered as upfront fee income.

- In case of Bank sell, if spread > (Premium rate of instrument/100) or spread% > 100 then it is considered as upfront fee expense
- In case of Bank buy, if spread > (Premium rate of instrument/100) or spread% > 100 then it is considered as upfront fee income.
- In case of Bank buy, if spread < (Premium rate of instrument/100) or spread% < 100 then it is considered as upfront fee expense.
- In case of Bank sell, if Trade price < Current face value or Trade price% < 100 then it is considered as upfront fee expense.
- In case of Bank sell, if Trade price > Current face value or Trade price% >100 then it is considered as upfront fee income.
- In case of Bank buy, if Trade price < Current face value or Trade price% <100 then it is considered as upfront fee income.
- In case of Bank buy, if Trade price > Current face value or Trade price% >100 then it is considered as upfront fee expense.
- For Bank sell, Deliver label value to be defaulted to "against payment" and receive label would be defaulted to "free" and disabled for amendment.
- For Bank buy, Receive label value to be defaulted to "against payment" and deliver label would be defaulted to "free" and disabled for amendment.

This topic has the following sub-topic:

- Contract Level Message Generation

29.9.1 Contract Level Message Generation

System supports generation of Credit/Debit advice for:

- Money Settlement of Securities Deal when CUST_PMT_ADV advice is configured at MSTL event.
- Coupon Transfer when CUST_PMT_ADV advice is configured at CPTR event.
- Coupon Collection when CUST_PMT_ADV advice is configured at CPCD event.
- Securities Dividend Collection when CUST_PMT_ADV advice is configured at DVCD event.
- For corporate customer with settlement account as normal or nostro, system generates Credit/Debit advice when CUST_PMT_ADV is configured in specific events at product level.
- System generates the Payment Message MT210/MT202 for customer type as Bank and settlement account as Nostro, when PAYMENT_MESSAGE advice is configured to specific events at product level. If SGEN is configured at product level, Payment message will be generated as part of SGEN event based on currency settlement days.
- System allows user to maintain both CUST_PMT_ADV and PAYMENT_MESSAGE advice to specific events at product level.
- The system does not allow to maintain CUST_PMT_ADV to SGEN event. Only PAYMENT_MESSAGE can be configured to SGEN event.
- PAYMENT_MESSAGE advice can be configured either in SGEN event or to specific event only (not at both simultaneously).
- CUST_PMT_ADV message can be configured to specific events only at product level.

- When CUST_PMT_ADV advice is maintained at specific events, the system will restrict you to maintain CREDIT_ ADVICE / DEBIT_ADVICE and displays an appropriate error message.
- Both PAYMENT_MESSAGE and CUST_PMT_ADV can be mapped to same event. The system generates the messages at contract level based on the product. You need the maintain the following details for the contract level message generation:
- Treasury message type for SE module and message type 'CUST_PMT_ADV' using the 'Treasury Message Type Maintenance' screen.
- Maintain advice 'CUST_PMT_ADV' for MSTL event using the 'Securities Deal Product Definition' screen.
- Maintain advice 'CUST_PMT_ADV' for CPTR, CPCD and DVCD Event using the 'Securities Portfolio Product Definition' screen.

29.10 Credit Derivative Corporate Action

This topic describes the systematic instructions to process credit derivative corporate action.

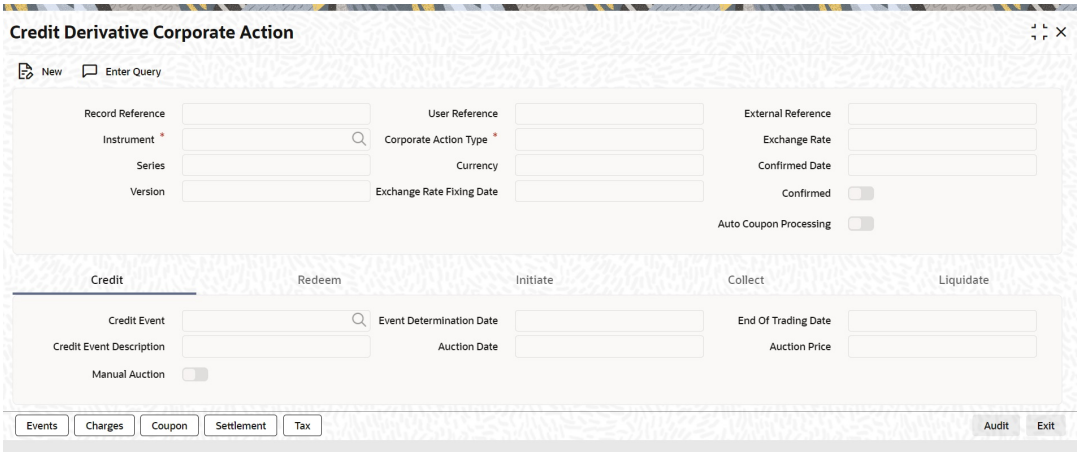
- The DSDCDCAP is automatically populated as per coupon and redemption schedule of security definition in DSDTRONL. A new corporate action can also be processed from this screen; any such changes will amend the redemption schedule of the instrument.
- A new corporate action processed would be for credit event processing. It would be at instrument ID level altering redemption schedule of the instrument in DSDTRONL and the positions held in instrument across portfolios.
- If security is marked with the end of trading status, security status is changed to close in DSDTRONL, and all the defaulted corporate actions after the end of trading status dates would be marked as closed. This action would be a part of the BOD activity at the end of the trading status date.
- Below would be the sections in the screen used:
- Main section - Common to all corporate action type
- Credit - To be used when corporate action type is Redemption
- Redeem - To be used when corporate action type is Redemption
- Initiate - To be used when corporate action type is coupon
- Collect - To be used when corporate action type is coupon
- Liquidate - To be used when corporate action type is coupon
- Main section fields would be enabled for all types of corporate action. Redeem section fields would be enabled when corporate action type is redemption or credit event. Fields in other section would be disabled if the corporate action type is chosen/defaulted with a value not relevant to the section.
- The subsystem in the screen would be as below:
- Events
- Charges
- Coupon
- Settlement
- Tax

- The subsystem reference might be taken from existing screen SEDXCAMN with the below changes:
- Coupon- Portfolio ID, Safe keeping location and safekeeping account fields to be removed from the filter section but to be present in results section.
- Tax- Issuer tax tab to be removed.
- Internal security ID to be replaced with CD Instrument label
- Events recorded under the event subsystem is (no setup required):
- CDET - Credit event determination
- AUCT - Credit event auction
- EOTR - End of trading
- Each event can trigger multiple times so event date would also be triggered against each event with ESN (Event sequence number).

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

   Credit Derivative Corporate Action screen is displayed.

Figure 29-32 Credit Derivative Corporate Action



2. On the **Credit Derivative Corporate Action** screen, specify the details as required.

   For field description, see the below table

Table 29-18 Credit Derivative Corporate Action - Field Description

Field	Description
Record reference	Generated by system on a successful save of record
User Reference	Enter the number to be used in addition to record reference to identify the saved corporate action.
External Reference	Reference from External System.
CD Instrument	CD Instrument on which credit event is getting processed (same as internal security ID in SEDXCAMN)
Series	Series of the index
Version	Version of the index

Table 29-18 (Cont.) Credit Derivative Corporate Action - Field Description

Field	Description
Corporate Action Type	Type of corporate action
Credit Event	Credit event ID
Credit event description	Specify the Credit event description
Event determination date	Credit event determination date
Credit event auction date	Date on which credit event auction for settlement price will happen
Redemption type	This field specifies the Redemption type
Redemption Quotation	This field specifies the Quotation type of redemption
Redemption Quantity	This field specifies the Quantity to be redeemed
Redemption Price	This field specifies the Price of redemption
Redemption Units	This field specifies the total units of the CD Instrument getting redeemed.
Currency	Currency of redemption
Event determination date	Determination date of credit event
Auction date	Date of auction
Settlement date	Settlement date of the redemption
End of trading date	Date from which the instrument will not be available for trading
Exchange rate fixing date	Date for which the rate is to be considered
Exchange rate	FX Rate to be considered for FCY payments
Confirmed date	Date of confirmation of the event
Confirmed	Checkbox for confirmation of Corp action
Auto processing	To indicate if the record would be auto processed
Processing date	Date when the processing will happen
Transaction date	Date when the settlement will happen
Dispose fractions	Disposition method for fractional units to be mentioned.
Auction price	Price at which auction is concluded for redemption
Manual Auction	Select this checkbox to suppress the automated auction processing.

29.11 CDI Redemption Product Maintenance

This topic describes the CDI Redemption product maintenance.

A combination redemption product maintenance similar to the Credit Derivative Instruments is defined for automated redemption processing for CD positions from Credit Derivative Corporate Action screen during EOD.

30

Risk Free Rates for Securities

There is provision to consume RFR or any other the index rates daily from a published source. The product processor integrates this value with the interest calculation engine. The Product Processor sends appropriate parameters to the Interest Calculation Engine per deal and receives the interest rate and 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 deal.

RFR also supports interest rate calculation by using weighted average method (WAC).

> **Note:**
>
> Only simple interest calculation can be done by WAC.

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.

RFR also supports negative interest rate calculations using arrears methods.

Security Module supports the below RFR methods:

In Arrear method supported for floating interest bearing bonds include the below types:

- Lookback
- Lockout
- Payment Delay
- Plain
- Interest Rollover

In addition to the above, Securities module also supports below RFR combination methods

- Lookback and Lockout
- Lookback and Payment Delay
- Lockout and Payment Delay
- Lookback, Lockout, and Payment Delay

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 more information on the RFR calculation method for each type, refer to the RFR Calculation Method.

This topic has the following sub-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 Describes the instructions to capture the Risk Free Rate code details.
- Treasury Interest Maintenance
  This topic describes the interest maintenance.
- Securities Instrument Product
  This topic describes the instrument product.
- Interest Revision
  This topic describes the interest revision details.
- Lifecycle process Impact
  This topic describes the lifecycle of RFR contract.

30.1 Define Rate codes for Risk Free Rates

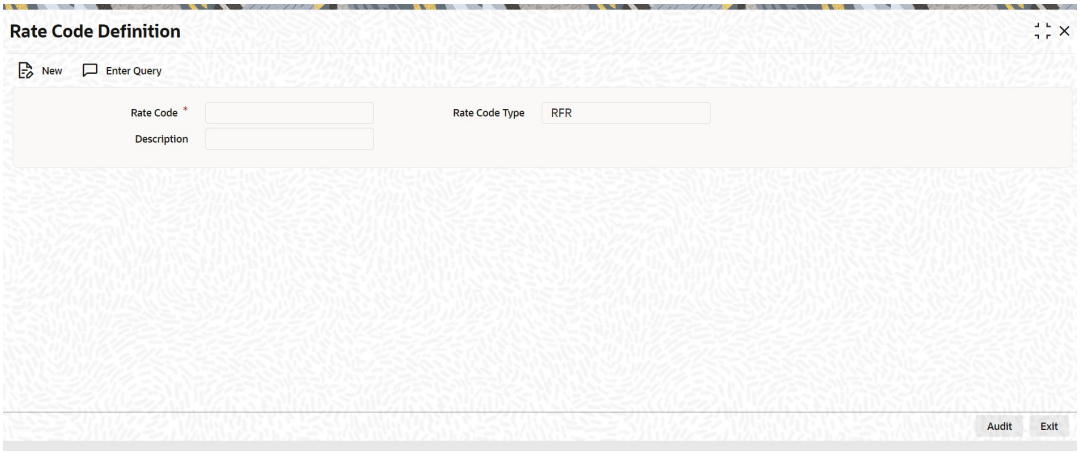
This topic provides the instructions to define the rate codes for risk free rates.

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 30-1 Rate Code Definition



2. On the Rate Code Definition screen, specify the details as required.

   For information on fields, refer to: Table: RFR Rate Input - Field Description.

30.2 Risk Free Rates

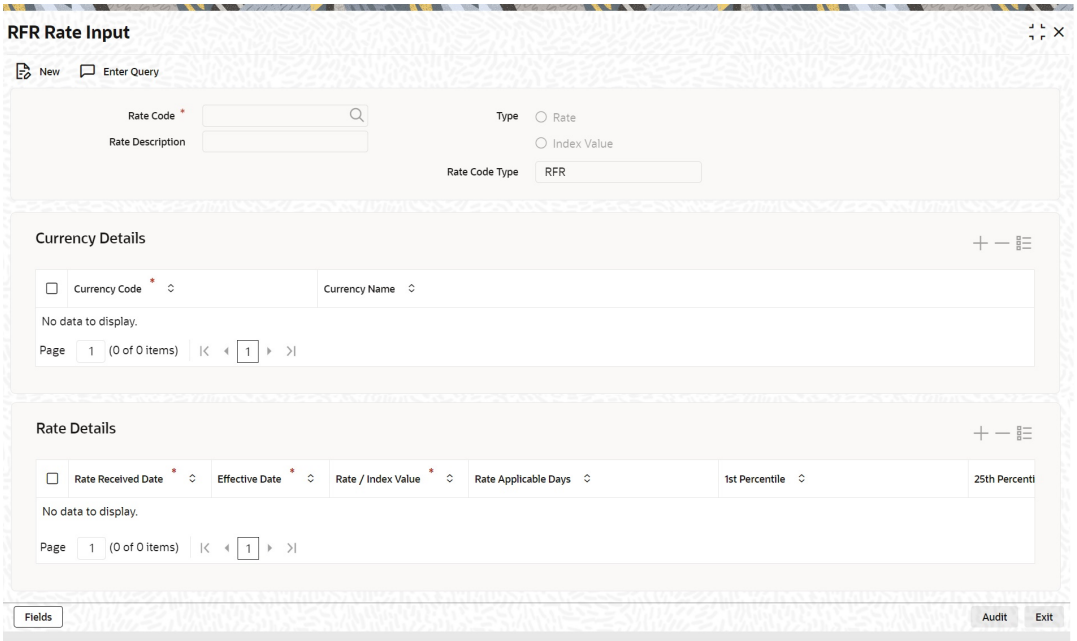
This topic Describes the instructions to capture the Risk Free Rate code details.

Risk Free rates are maintained in this screen.

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

   RFR Rate Input screen is displayed.

Figure 30-2 RFR Rate Input



2. On the **RFR Rate Input** screen, specify the details as required.

   For information on fields refer to the below table:

Table 30-1 RFR Rate Input - Field Description

Field	Description
Rate Code	Choose the Risk Free Reference Rate Code from the list of values displayed.
Rate Description	Define the RFR rate code
Type	Choose the type of Maintenance: • **Rate** • **Index Value**
Currency Code	Specifies the currency mapped to RFR code.
Rate Received Date	Specify the date on which the system received the RFR rate.
Effective Date	Specify the applicable RFR effective date.
Interest rate	RFR on the respective effective date
Rate Applicable days	Number of days the RFR is applicable.
Percentile	Percentile of RFR defined as 1st, 25th,75th and 99th
Volume in Billions	Specify the RFR volume in count of billions

30.3 Treasury Interest Maintenance

This topic describes the interest maintenance.

RFR methods and computation preferences are added to the Treasury Interest Maintenance screen. For More information refer to the *Class User Manual Section 2.3.1 Invoking Interest Class Maintenance*.

30.4 Securities Instrument Product

This topic describes the instrument product.

The Interest Call form in Securities Instrument product screen also contains the RFR preference details.

30.5 Interest Revision

This topic describes the interest revision details.

In Securities Interest revision screen, RFR interest components are not fetched as the manual rate revision is not supported. For more information on Interest Revision, see Process Interest Rate Revision Details

30.6 Lifecycle process Impact

This topic describes the lifecycle of RFR contract.

Back Dated and Current Dated Contract Booking

While you book a SE deal with the current trade date or backdated trade date, the system calculates Interest amount considering the Interest days and the RFR rate.

Process the MSTL Event with Right Interest Component Amount

Based on the net consideration, interest amount is credited or debited from customer account based on SE deal type buy or sell.

Interest Accrual - IACR

- RFR supports both Portfolio and Holdings accrual levels.
- RFR supports both Deal level and Position level Interest accruals.
- IACR event will post proper interest amount calculated each succeeding day of the Interest period, where the accrued Interest adds to the Outstanding Nominal Amount.

Negative Interest Rates

RFR supports the negative Interest rate calculations in the Securities module.

Coupon Processing

Coupon Processing is executed on the accrued RFR interest amount.

For a Coupon processing related to Lockout and Payment delay methods, the system considers the coupon date to arrive at the lockout date and payment delay date.

For a payment delay method, coupon processing is executed after payment delay days of the actual processing date. System supports backdated coupon processing, also where the transaction Date is the same as the payment delay date, whereas the Processing Date is backdated, which is the coupon event date.

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.

31
Customer Correspondence

This chapter explains the advices generated at each stage for the Securities module.

Once the event is authorized you can generate various types of advices. You can specify the media through which these advices can be sent. The options available are:

- Mail
- Swify

The advices generated in the Securities module can be classified as:

- Deal Related Advices
- Corporate Action Related Advices
- Statement Related Advices

To generate an advice, go to the Outgoing Messages Browser screen of the Messaging module. Select the advice you want to generate and click on Generate.

The format and contents of the mail advices can be configured for your requirements. However, the default advice formats are available when Oracle Banking Treasury Management is shipped to you. For all the advices discussed in this chapter the samples are provided below.

This topic contains the following sub-topics:

- Deal Related Advices
  This topic describes the deal related advices such as corporate action related advices and statement related advices.
- Sample of all Advices
  This topic describes the sample advices of Securities module.

31.1 Deal Related Advices

This topic describes the deal related advices such as corporate action related advices and statement related advices.

Table 31-1 Deal Advices

Term	Description
Trade Confirmation	When you receive affirmation of a trade confirmation, you can generate and send a trade confirmation affirmation message to your customer.
Market side securities trade confirmation	At the securities deal level you can specify whether a trade confirmation message for the trade counterparty is required or not. If you indicate that the trade confirmation message is required, then it will be generated for all securities deals where your bank is one of the trade parties (either as the principal or on behalf of one of your customers).

Table 31-1 (Cont.) Deal Advices

Term	Description
Receive free	When you input a securities deal, where either your bank your custody customer is the trade counterparty and the receipt of securities is free of payment, a receive free message is generated. You can also send this message when your bank has been instructed to receive a specified amount of securities from a specified party (free of payment) on behalf of your customer.
Receive against payment	When you input a securities deal where either your bank or your custody customer is the trade counterparty. The receipt of securities is done against payment of funds and a receive price message is generated. You can send this message to your customer when your bank has been instructed to receive a specified amount of securities from a specified party (against payment of funds), on behalf of your customer.
Deliver fee	When you input a securities deal, where either your bank or the custody customer of your bank is the trade counterparty and the delivery of specified securities is done free of payment. A delivery free message is generated. You can also send this message when your bank has been instructed to deliver a specified amount of securities to a specified party (free of payment) on behalf of your customer.
Deliver against payment	When you input a securities deal where either your bank or your custody customer is the trade counterparty and the delivery of specified securities is done against payment of funds. A delivery against payment message is generated. You can also send this message when your bank has been instructed to deliver a specified amount of securities to a specified party (against payment of funds) on behalf of your customer.
Confirmation of receipt free	The SK location sends you a receipt, for having received a specified quantity of securities to a specified party, without any payment. You can generate and send a confirmation of receipt free message after the delivery of securities is confirmed, for a securities deal involving the custody customer.
Confirmation of receipt against payment	The SK location sends you a receipt for having received a specified quantity of securities sent to a specified party against payment of a specific amount. You can generate and send a confirmation of receipt against payment, after the delivery of securities confirmed for a securities deal involving the custody customer.
Confirmation of free delivery	You can send this advice to a custody customer to confirm the delivery of a specified quantity of securities (physically or by book entry) without any payment to a specified party.
Confirmation of delivery against payment	Your custody customer may instruct you to deliver a specified quantity of securities against payment, to a specified party. You can generate this advice confirming the delivery of securities against payment.

Table 31-1 (Cont.) Deal Advices

Term	Description
Advice of Cancellation	In Oracle Banking Treasury Management, when you buy or sell securities either for yourself or on behalf of a customer, an appropriate SWIFT message is generated. The SWIFT message that is generated depends on the type of deal processed. When a buy or sell securities deal is canceled, an MT 592 can be generated to the same party to whom the earlier SWIFT message was sent. The MT 592 will contain the following details: • The Reference Number (of the reversed deal) • The date on which the deal was transacted • The original message type and • The text of the original SWIFT message **Note:** An MT 592 will be generated when a deal is reversed only if you have associated the advice tag REVSWIFT to the reversal event.

This topic contains following sub-topics:

- Corporate Action Related Advices
- Statement Related Advices

31.1.1 Corporate Action Related Advices

Table 31-2 Corporate Action

Term	Description
Notice of rights	You can send a notice of the rights event, whenever you maintain and confirm a Rights event involving a security.
Notice of event	You can generate an advice to notify a custody customer, when you maintain details of a new corporate event, affecting a security. This advice can be sent before confirmation of the event.
Advice of money income	You can generate this advice to notify a custody customer, when the coupon amount, the security redemption amount or any other money amount is disbursed.
Advice of income in the form of securities	You can generate this advice to inform your custody customers, about the income generated from additional securities, in the customer portfolio. Additional securities may be derived from securities held in custody, securities being traded in, securities that have been traded in or securities in which trading is yet to take place. In the Securities module of Oracle Banking Treasury Management, this advice is generated when the Rights event record is processed for each customer portfolio and when the Rights securities have been lodged, for each portfolio.
Advice of redemption	After redemption of a security has been completed and the money has been settled and credited, as per the instructions of the customer portfolio, you can generate this advice. You can also generate this advice to send the custody customer, details of a forthcoming redemption.

31.1.2 Statement Related Advices

Table 31-3 Statement

Term	Definition
Request for statements	You can generate a statement of holdings, in a particular portfolio either for yourself or on behalf of your custody customer.
Statement of holdings	For a specific period you can generate this advice to notify the customer about the quantity and identification of securities, for each of the customer portfolios.
Statement of transactions	To inform your customers about the increase or decrease of holdings in the customer portfolio for a specific period, you can generate the statement of transactions. The advice can be generated for all or selected securities in all or selected SK location accounts.
Statement of pending transactions	You can inform the customer about the pending transaction in the Customer portfolio for a specific period. The advice can be generated for all or selected securities in all or selected SK location, accounts.

31.2 Sample of all Advices

This topic describes the sample advices of Securities module.

This section contains the following sub-topics:

- Security Trade Confirmation Affirmation message
- Securities market Side Trade Confirmation
- Securities Receive Free Instruction
- Securities Receive Against Payment Instruction
- Securities Deliver Free Instruction
- Securities Deliver Against Payment Instruction
- Securities Receipt Free Confirmation
- Securities Receipt Against Payment Confirmation
- Securities Deliver Free Confirmation
- Securities Delivery Against Payment Confirmation
- Securities Advice of Money Income
- Securities Advice of Income in the Form of Securities
- Securities Advice of Redemption
- Securities Request for Statement Message
- Securities Statement of Holdings
- Securities Statement of Transactions

31.2.1 Security Trade Confirmation Affirmation message

GS-12684 03-APR-1998,

Goldman Sachs, Amsterdam.

602, South End Towers,

JFK Avenue,

New York,

U.S.A.

ZIP-897-643-260

Subject: Securities Trade Confirmation Affirmation.

Kind Attention: Ms. Andy Ryan,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby affirm the Securities Deal confirmation sent by you, with details as listed below:

Table 31-4 Header Details

Header	Details
Our Reference	000SSPT980070021
Confirmation Preparation Date & Time	02-APR-1998 10:30:20 HRS
Financial Instrument Attributes	-
Identification of Financial Instrument	ISIN DE0007236002 Siemens AG 7.5 PCT Bonds
Financial Instrument Currency	DEM
Method of Interest Computation	Actual/Actual
Next Coupon Date	01-JUL-1998
Maturity Date	01-JAN-2001
Current Interest Rate	7.5 Percent Per Annum
Next Coupon Number	05
Financial Instrument Narrative	Siemens Semi Annual Interest Bearing Five Year Bonds
Confirmation Details	-
Trade Date	01-MAR-1998
Place of Trade	New York Stock Exchange
Settlement Date	05-APR-1998
Deal Price	102.5 PCT
Number of Days Accrued	59
Settlement Amount	1,032,750.00 DEM
Quantity of Financial Instrument Confirmed	1,000,000.00 Face Amount
Trade Priority Indicator	Normal

Table 31-4 (Cont.) Header Details

Header	Details
Trade Transaction Type	Cum Coupon
Payment Mode	Against Payment
Trade Settlement conditions	Unexposed Delivery Partial Settlement of Securities is not allowed
Confirmation Parties	-
Buyer	-
Name	Goldman, Sachs & Company
Address	# 602, South End Towers, JFK Avenue, New York, U.S.A.
Seller	-
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House, Coopers Avenue, Amsterdam, Holland.
Step-in Broker	NA
Name	Brown Brothers Harridan
Address	Sheraton House, Jefferson Avenue, New York, USA.
Settlement Parties	NA
Buyer (Receiver)	NA
Name	Goldman, Sachs & Company
Address	# 602, South End Towers, JFK Avenue, New York, U.S.A.
Safekeeping Account	4820-2180
Cash Account	728412
Seller (Deliverer)	-
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House, Coopers Avenue, Amsterdam, Holland.
Safekeeping Account	90568-32
Cash Account	386098-24

Table 31-4 (Cont.) Header Details

Header	Details
Receiver's Custodian	
Name	Dresdner Bank AG, Frankfurt.
Address	DRESDEFF
Deliverer's Custodian	-
Name	Deutsche Bank AB, Frankfurt
Address	DEUTDEFF

Other Information:

In case of any discrepancies, please revert back to us immediately.

Please always quote Our Reference in all further correspondence with respect to above securities market-side trade confirmation affirmation.

Thanking you,

For Goldman Sachs. & Company,

New York,

USA.

31.2.2 Securities market Side Trade Confirmation

PHP-250802, 02-APR-1998

Pierson, Heldring en Pierson, New York

45/28, Hanover House,

Coopers Avenue,

Amsterdam,

Holland.

ZIP 5907-2502.

Subject: Securities Trade Confirmation

Kind Attention: Mr. William Richards,

Securities Trade Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm the Securities Deal Transaction that we have entered into with yourselves, with details as listed below:

Table 31-5 Header

Header	Details
Our Reference	000SSPT980070021
Confirmation Preparation Date & Time	02-APR-1998 10:30:20 HRS
Financial Instrument Attributes	-
Identification of Financial Instrument	ISIN DE0007236002 Siemens AG 7.5 PCT Bonds
Financial Instrument Currency	DEM
Method of Interest Computation	Actual/Actual
Next Coupon Date	01-JUL-1998
Maturity Date	01-JAN-2001
Current Interest Rate	7.5 Percent Per Annum
Next Coupon Number	05
Financial Instrument Narrative	Siemens Semi Annual Interest Bearing Five Year Bonds
Confirmation Details	-
Trade Date	01-MAR-1998
Place of Trade	New York Stock Exchange
Settlement Date	05-APR-1998
Deal Price	102.5 PCT
Number of Days Accrued	59
Settlement Amount	1,032,750.00 DEM
Quantity of Financial Instrument Confirmed	1,000,000.00 Face Amount
Trade Priority Indicator	Normal
Trade Transaction Type	Cum Coupon
Payment Mode	Against Payment
Trade Settlement conditions	Unexposed Delivery
NA	Partial Settlement of Securities is not allowed
Confirmation Parties	-
Buyer	-
Name	Goldman, Sachs & Company
Address	# 602, South End Towers, JFK Avenue, New York, U.S.A.
Seller	-
Name	Pierson, Heldring en Pierson,

Table 31-5 (Cont.) Header

Header	Details
Address	# 45/28, Hanover House, Coopers Avenue, Amsterdam, Holland.
Step-in Broker	-
Name	Brown Brothers Harriman
Brown Brothers Harriman	Brown Brothers Harriman
Address	Sheraton House, Jefferson Avenue, New York, USA.
Settlement Parties	-
Buyer (Receiver)	-
Name	Goldman, Sachs & Company
Address	# 602, South End Towers, JFK Avenue, New York, U.S.A.
Safekeeping Account	4820-2180
Cash Account	728412
Seller (Deliverer)	-
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House, Coopers Avenue, Amsterdam, Holland.
Safekeeping Account	90568-32
Cash Account	386098-24
Receiver’s Custodian	
Name	XYZ Bank AG, Frankfurt.
Address	DRESDEFF
Deliverer’s Custodian	-
Name	XYZ Bank AB, Frankfurt
Address	DEUTDEFF

Other Information:

Please acknowledge the receipt of this Trade Confirmation Message and affirm the above trade confirmation. In case of any discrepancies, please revert back to us immediately.

Please always quote Our Reference in all further correspondence with respect to above securities market-side trade confirmation.

Thanking you,

For Goldman Sachs. & Company,

New York,

USA.

31.2.3 Securities Receive Free Instruction

ABC-70562, 07-Jan-1998,

ABC Banking Group Ltd., New York, USA.

882, Meikel Towers,

9th Avenue, Park Street,

Melbourne,

Australia.

Sub: Our Instruction to Receive Securities Free of Payment.

Kind Attention: Mr. Gerry Smith,

Custodial Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to receive the securities free of payment as per our instructions shown below:

Table 31-6 Header

Header	Details
Our Reference	000SSPT980070021
Securities Identification	ISIN AUDBONDWAG02
-	Western Australia Gold Mining Bonds
Trade Date	02-JAN-1998
Place of Trade	Sydney Stock Exchange
Delivery Date	12-JAN-1998
Next Coupon Due Date	31-JAN-1998
Securities Book Value	**1,500,000.00 AUD
Quantity of Securities	**1,500,000 Face Amount
Safekeeping Account (to be Deposited)	USSB7434 540
Securities Certificate Numbers	AE 10001 to AE 10015 – 15 x 100,000 AUD worth Bond Certificates
Deliverer of Securities	Elders Finance Group, Sydney
Securities Deliverer’s Reference	RYZ843
Beneficiary of Securities	Fidelity Trust Limited, New York

Table 31-6 (Cont.) Header

Header	Details
Securities Registration Details	Securities received have to be registered in the name of the Fidelity Trust Limited, New York.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered should match with the numbers as shown above and the Certificates should be in a good condition.

Other Information:

Please confirm the receipt and registration of above securities to us by mail, at the earliest and revert to us if the Securities are not received in 2 weeks time, after the scheduled delivery date.

Please intimate us about your transaction charges if any, for the above instruction. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Salmon Brothers Inc.,

New York, USA.

31.2.4 Securities Receive Against Payment Instruction

CITI-5001, 15-Feb-1998,

Citibank N.A, New York, USA.

58, Ivory Towers,

Victoria Avenue,

Toronto,

Canada.

ZIP 6789-908.

Sub: Our Instruction to Receive Securities Against Payment.

Kind Attention Mr. Richard Stevens,

Custodial Officer, Securities Department.

Dear Sir/Madam,

Please arrange to receive securities against payment as per our instructions shown below:

Table 31-7 Header

Header	Details
Our Reference	000SE01980380054
Securities Identification	ISIN CADBONDNWC01
-	North Woods Canadian Minerals Ltd. Bonds
Trade Date	07-FEB-1998
Place of Trade	Toronto Stock Exchange

Table 31-7 (Cont.) Header

Header	Details
Delivery Date	20-FEB-1998
Next Coupon Due Date	30-JUN-1998
Securities Book Value	**5,000,000.00 CAD
Quantity of Securities	**5,000,000 Face Amount
Safekeeping Account (to be Deposited)	CAGS-BZ6782
Securities Certificate Numbers	NWB 52011 to NWB 52060 – 50 x 100,000 CAD worth Bond Certificates
Deliverer of Securities	Rosedale Brokers Group, Toronto
Securities Deliverer's Reference	56243
Beneficiary of Securities	Zerus Dynamic Fund Corporation
Securities Registration Details	Securities received have to be registered in the name of the Zerus Dynamic Fund Corporation.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered must match with the numbers as shown above and the Certificates should be in a good condition.
Account for Payment	643-982
Securities Deal Price	104 PCT – 104 Percent of Face Value
Securities Deal Amount	**5,200,000.00 CAD
Accrued Interest Amount	250,000.00 CAD
Accrued Interest Days	51 Days
Taxes Added	*85,000.00 CAD
Taxes Description	Stock Exchange Tax on Bonds Purchased.
Broker's Commission	*12,500.00 CAD
Other Charges/Fees	**2,500.00 CAD
Securities Deal Settlement Amount	**5,550,000.00 CAD

Other Information:

Please confirm the receipt and registration of above securities to us, by mail, at the earliest and revert to us if the Securities are not received in 2 weeks time, after the scheduled delivery date. Please intimate us about your transaction charges if any, for the above instruction.

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Goldman Sachs,

New York, USA.

31.2.5 Securities Deliver Free Instruction

BNZ-15342, 04-JAN-1998,

Bank of New Zealand, New York, USA.

92, Lotus Towers,

Pacific Avenue,

Wellington,

New Zealand.

Sub: Our Instruction to Deliver Securities Free of Payment.

Kind Attention Mr. Micheal Burgess,

Custody Services Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to deliver the securities free of payment as per our instructions shown below:

Table 31-8 Header

Header	Details
Our Reference	000SEB7980040002
Securities Identification	ISIN NZDBONDWRP04
-	Wellington Railway 1 Jan 1993 Bonds
Trade Date	02-JAN-1998
Place of Trade	Wellington Bonds Market
Delivery Date	08-JAN-1998
Next Coupon Number	021
Next Coupon Due Date	01-APR-1998
Securities Book Value	**1,000,000.00 NZD
Instructing Party	Charles S. Taylor
Quantity of Securities	**1,000,000.00 Face Amount
Safekeeping Account (Delivered from)	94763 88
Securities Certificate Numbers	NW 25401 to NW 25410 – 10 x 100,000 NZD worth Bond Certificates
Receiver of Securities	Banking Corporation, Wellington
Beneficiary of Securities	Magnus P. Taylor
Beneficiary's Safekeeping Account (with Receiver of Securities)	284564
Securities Registration Details	Securities Delivered are to be registered in favour of Magnus P. Taylor
Securities Receipt Declaration Details	Bond Certificates with numbers as shown above are to be delivered physically to the Receiver of Securities.

Other Information:

Please confirm the delivery and registration of above securities to us, by mail, at the earliest and revert to us if the Securities have not been delivered in 1 weeks time, after the scheduled delivery date.

Please intimate us about your transaction charges if any, for the above instruction. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Merrill Lynch,

New York, USA.

31.2.6 Securities Deliver Against Payment Instruction

HSB-85652, 25-MAR-1998,

Hang Seng Bank, London, U.K.

765, Copper Arch,

Charles Avenue,

Hong Kong,

ZIP 7890-542-02.

Sub: Our Instruction to Deliver Securities Against Payment.

Kind Attention Ms. Cheng Wen Lee,

Custody Services Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to deliver the securities against payment as per our instructions shown below:

Table 31-9 Header Details

Header	Details
Our Reference	000SES1980840007
Securities Identification	ISIN HK0043762191
-	/HKD/1, SWIRE Properties Ordinary Registered.
Trade Date	20-MAR-1998
Place of Trade	Honk Kong Stock Market
Delivery Date	28-MAR-1998
Securities Book Value	500,000.00 HKD
Instructing Party	ABC Investments
Quantity of Securities	50,000 Shares
Safekeeping Account (Delivered from)	106789
Securities Certificate Numbers	SSE 120011 – SSE 120060 – 50 x 100 Share Certificates.
Receiver of Securities	W. I. Carr, Hong Kong

Table 31-9 (Cont.) Header Details

Header	Details
Beneficiary of Securities	Eastern Securities, Hong Kong
Beneficiary's Safekeeping Account (with Receiver of Securities)	987056
Securities Registration Details	Securities delivered are to be registered in favour of Eastern Securities, Hong Kong.
Securities Receipt Declaration Details	Share Certificates with numbers as shown above are to be delivered physically to the Receiver of Securities.
Account for Payment	9056-3428
Securities Deal Price	12 HKD
Securities Deal Amount	600,000.00 HKD
Other Charges/Fees	650 HKD
Securities Settlement Amount	599,350.00 HKD

Other Information:

Please confirm the delivery and receipt of payment for above securities to us, by mail, at the earliest and revert to us if the Securities have not been delivered in 1 weeks time after the scheduled delivery date. Please intimate us about your transaction charges if any, for the above instruction.

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Merrill Lynch,

New York, USA.

31.2.7 Securities Receipt Free Confirmation

SABR-4598, 25-JAN-1998,

Salomon Brothers Inc., Melbourne

45/2, Grand Strand, Australia.

Wall Street,

New York,

USA.

Sub: Confirmation of Securities Receipt, Free of Payment.

Kind Attention Mr. Paul Adams,

Settlements Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions, we have received the following securities free of payment as per the details shown below:

Table 31-10 Header

Header	Details
Our Reference	T7658
Your Reference	000SSPT980070021
Securities Identification	ISIN AUDBONDWAG02
-	Western Australia Gold Mining Bonds
Trade Date	02-JAN-1998
Place of Trade	Sydney Stock Exchange
Delivery Date	15-JAN-1998
Next Coupon Due Date	31-JAN-1998
Securities Book Value	**1,500,000.00 AUD
Safekeeping Account (Deposited)	USSB7434 540
Securities Certificate Numbers	AE 10001 to AE 10015 15 x 100,000 AUD worth Bond Certificates
Deliverer of Securities	Elders Finance Group, Sydney
Securities Deliverer's Reference	RYZ843
Beneficiary of Securities	Fidelity Trust Limited, New York
Securities Registration Details	Securities received have been registered in the name of the Fidelity Trust Limited, New York.
Securities Receipt Declaration Details	Certificate Numbers of Bonds have been delivered and match with the numbers mentioned in your instruction and the Certificates are in a good condition.

Other Information:

Please always quote Our Reference in all further correspondence regarding the above confirmation.

Thanking you,

For ANZ Banking Corporation Ltd.,

Australia.

31.2.8 Securities Receipt Against Payment Confirmation

GS-12684, 22-FEB-1998,

Goldman Sachs, Toronto, CANADA

602, South End Towers,

JFK Avenue,

New York,

U.S.A.

ZIP-897-643-260

Sub: Confirmation of Receipt of Securities Against Payment.

Kind Attention: Ms. Andy Ryan,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions to us, we have received the following securities against payment as per the details shown below:

Table 31-11 Header

Header	Details
Your Reference	16832
Our Reference	000SE01980380054
Securities Identification	ISIN CADBONDNWC01
-	North Woods Canadian Minerals Ltd. Bonds
Trade Date	07-FEB-1998
Place of Trade	Toronto Stock Exchange
Delivery Date	22-FEB-1998
Next Coupon Due Date	30-JUN-1998
Securities Book Value	**5,000,000.00 CAD
Quantity of Securities	**5,000,000 Face Amount
Safekeeping Account (Deposited)	CAGS-BZ6782
Securities Certificate Numbers	NWB 52011 to NWB 52060 50 x 100,000 CAD worth Bond Certificates
Deliverer of Securities	Rosedale Brokers Group, Toronto
Securities Deliverer's Reference	56243
Beneficiary of Securities	Zerus Dynamic Fund Corporation
Securities Registration Details	Securities that have been received, are registered in the name of the Zerus Dynamic Fund Corporation.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered match with the numbers as indicated in your Instruction and the Certificates are in a good condition.
Account for Payment	643-982
Securities Deal Price	104 PCT – 104 Percent of Face Value
Securities Deal Amount	**5,200,000.00 CAD
Accrued Interest Amount	250,000.00 CAD
Accrued Interest Days	51 Days
Taxes Added	*85,000.00 CAD
Taxes Description	Stock Exchange Tax on Bonds Purchased.

Table 31-11 (Cont.) Header

Header	Details
Broker's Commission	*12,500.00 CAD
Other Charges/Fees	**2,500.00 CAD
Securities Deal Settlement Amount	**5,550,000.00 CAD
Own Charges	500 CAD
Net Proceeds	**5,550,500.00 CAD
Value Date of Payment	22-FEB-1998

Other Information:

Our Charges for the above transaction carried out as per your earlier instruction is 500 CAD and has been debited to your payment account with us, value 22-FEB-98. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Citibank N.A.,

Toronto, Canada.

31.2.9 Securities Deliver Free Confirmation

ML-450822, 10-JAN-1998,

Merrill Lynch, Wellington,

842/32, Barton Towers, NEW ZEALAND.

Wall Street,

New York,

U.S.A.

Sub : Confirmation of Securities Delivered Free of Payment

Kind Attention : Mr. Hugh Stevens

Settlements Officer,

Securities Department.

Dear Sir/Madam,

Table 31-12 Header

Header	Details
Your Reference	432765
Our Reference	000SEB7980040002
Securities Identification	ISIN NZDBONDWRP04
-	Wellington Railway 1 Jan 1993 Bonds

Table 31-12 (Cont.) Header

Header	Details
Trade Date	02-JAN-1998
Place of Trade	Wellington Bonds Market
Delivery Date	10-JAN-1998
Next Coupon Number	021
Next Coupon Due Date	01-APR-1998
Securities Book Value	**1,000,000.00 NZD
Instructing Party	Charles S. Taylor
Quantity of Securities	**1,000,000.00 Face Amount
Safekeeping Account (Delivered from)	94763 88
Securities Certificate Numbers	NW 25401 to NW 25410 10 x 100,000 NZD worth Bond Certificates
Receiver of Securities	Westpac Banking Corporation, Wellington
Beneficiary of Securities	Magnus P. Taylor
Beneficiary's Safekeeping Account (with Receiver of Securities)	284564
Securities Registration Details	Securities Delivered have been registered in favour of Magnus P. Taylor
Securities Receipt Declaration Details	Bond Certificates with numbers as per your instruction have been delivered physically to the Receiver of Securities.

Other Information:

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Bank of New Zealand,

Wellington, NEW ZEALAND.

31.2.10 Securities Delivery Against Payment Confirmation

ML-450822, 28-MAR-1998,

Merrill Lynch, Hong Kong

842/32, Barton Towers,

Wall Street,

New York,

U.S.A.

Sub: Confirmation of Securities Delivered Against Payment.

Kind Attention Mr. Hugh Stevens,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions to us, we have delivered the following securities against of payment as per the details shown below

Table 31-13 Header

Header	Details
Your Reference	689560-324
Our Reference	000SES1980840007
Securities Identification	ISIN HK0043762191
-	/HKD/1, SWIRE Properties Ordinary Registered.
Trade Date	20-MAR-1998
Place of Trade	Honk Kong Stock Market
Delivery Date	28-MAR-1998
Securities Book Value	500,000.00 HKD
Instructing Party	ABC Investments
Quantity of Securities	50,000 Shares
Safekeeping Account (Delivered from)	106789
Securities Certificate Numbers	SSE 120011 – SSE 120060 50 x 100 Share Certificates.
Receiver of Securities	W. I. Carr, Hong Kong
Beneficiary of Securities	Eastern Securities, Hong Kong
Beneficiary's Safekeeping Account (with Receiver of Securities)	987056
Securities Registration Details	Securities delivered have been registered in favor of Eastern Securities, Hong Kong.
Securities Receipt Declaration Details	Share Certificates with numbers as indicated in your instruction to us, have been delivered physically to the Receiver of Securities.
Account for Payment	9056-3428
Securities Deal Price	12 HKD
Securities Deal Amount	600,000.00 HKD
Other Charges/Fees	650 HKD
Securities Settlement Amount	599,350.00 HKD
Our Charges	**1,250.00 HKD
Net Proceeds	600,600.00 HKD
Value Date of Payment	28-MAR-1998

Other Information:

Our charges for the above transaction is 1,250.00 HKD and has been debited to the payment account, value 28-MAR-1998. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Hang Seng Bank,

Hong Kong.

- Securities Notice of Rights Message
- Securities Notice of Event Message

31.2.10.1 Securities Notice of Rights Message

WARBURG-024 24-JAN-1998

Warburg Securities, Sydney,

892, Traflagar Square, Australia

Oxford Street,

London,

U.K.

ZIP- 6780-265

Sub: Notice of Rights declared.

Kind Attention Mr. William Smith,

Operations Head,

Securities Department.

Dear Sir/Madam,

Please be advised that Rights have been announced for the following Security with details as shown below:

Table 31-14 Header

Header	Details
Our Reference	000SE01980240004
Safekeeping Account	8745 762
Rights announced for Security	ISIN AU0000172510 Greater Perth Energy Generation Ltd.
Quantity of Security Eligible for Rights	8500 Shares
Right Expiry Date	20-FEB-1998
Rights Ex Date	01-FEB-1998
Your Response Deadline	18-FEB-1998, 1700 HRS GMT
Rights Exercise Payable Date	20-FEB-1998
Rights Record Date	19-FEB-1998

Table 31-14 (Cont.) Header

Header	Details
Identification of Rights	Greater Perth Energy Generation Ltd. Common Rights
Quantity of Rights Eligible	8500 Rights
Rights Subscription Ratio	1 Shares for every 5 Rights
Rights Subscription Price	40 AUD
Type of Rights	Saleable
Indicative Market Price for Rights	25 AUD
Pari Passu Date of Securities Exercised through Rights	15-MAR-1998

Other Information:

We are holding the above rights at your disposal and await your instructions. Please ensure that your instructions reach us before the response deadline as stated above.

Please quote Our Reference in all further correspondence relating to above Rights announcement.

Thanking You,

For National Australia Bank,

Sydney.

31.2.10.2 Securities Notice of Event Message

Chemic Bank, 25-MAR-98,

890, Pearl Towers, New York

Lotus Avenue,

Tokyo,

Japan.

Sub: Notice of Securities Event

Kind Attention Mr. Nomura Shikara,

Operations Head,

Securities Department.

Dear Sir/Madam,

Please be advised and informed about the securities event with details as shown below:

Table 31-15 Header

Header	Details
Our Reference	000SE01980840021

Table 31-15 (Cont.) Header

Header	Details
Type of Event	Coupon Interest Rate Revision
Identification of Securities affected	ISIN USFRNICI0007 IC Industries Finance Corporation Guaranteed FRN 1996
Quantity of Securities	2,000,000.00 Face Amount
Event Narrative	Interest Rate for the Period 01-OCT-97 to 31-MAR-1998 has been fixed at 8%. Coupon Number 4 to be paid on 01-APR-1998 will be USD 44.55

Other Information:

We shall confirm the final coupon amount as soon as we receive the same.

Please quote Our Reference in all further correspondence relating to above announcement.

Thanking You,

For Bank,

New York,

USA

31.2.11 Securities Advice of Money Income

Chemical Bank, 05-APR-98,

890, Pearl Towers, New York

Lotus Avenue,

Tokyo,

Japan.

Sub: Advice of Money Income from Securities -

Coupon Payment

Kind Attention Mr. Nomura Shikara,

Operations Head,

Securities Department.

Dear Sir/Madam,

Please be advised that the Coupon for Security with details as shown below has been paid:

Table 31-16 Header

Header	Details
Our Reference	000SE01980940021
Identification of Securities for which Coupon has been Paid	ISIN USFRNICI0007 IC Industries Finance Corporation Guaranteed FRN 1996

Table 31-16 (Cont.) Header

Header	Details
Securities Safekeeping Account	2938451
Quantity of Securities for which Coupon has been paid	2,000,000.00 Face Amount
Coupon Number Collected	004
Coupon Due Date	01-APR-1998
Coupon Interest Rate	8.00 Percent Per Coupon
Gross Amount	*89,100.00 USD
Our Charges	20.00 USD
Net Coupon Amount Proceeds	*89,080.00 USD
Value Date of Payment	01-APR-1998
Account Paid	218521

Other Information:

We have debited Our Income collection charges as indicated above. Please quote Our Reference in all further correspondence relating to above coupon payment.

Thanking You,

For Chemical Bank,

New York,

USA

31.2.12 Securities Advice of Income in the Form of Securities

Credit Commercial de France, 15-APR-1998,

24, Kiosk Arcade, London.

Charles de Gualle Avenue,

Paris,

FRANCE.

ZIP-5690 456

Sub: Advice of Income in the Form of Securities - Bonus Issued.

Kind Attention Mr. Richard Gere,

Chief Dealer,

Securities Department

Dear Sir/Madam,

Please be advised about the Income in the form of Securities due to Bonus Securities issued with details as shown below:

Table 31-17 Header

Header	Details
Our Reference	000SE01981050024
Identification of Bonus Securities	Governor and Company, Ordinary Shares
Securities Safekeeping Account deposited	1792471
Quantity of Securities eligible for Bonus	4,000 Shares
Terms of Bonus	1 New Share for Every 2 Shares held
Bonus Record Date	12-APR-1998
Quantity of Bonus Securities Deposited	2000 Shares

Other Information:

Bonus Securities have been deposited in the Safekeeping account as indicated above. Please quote Our Reference in all future correspondence related to above Bonus Issue.

Thanking you,

For Royal Bank of Scotland,

London,

UK.

31.2.13 Securities Advice of Redemption

Banque Paribas, 02-APR-1998

18, Band Strand, London.

Pisa Avenue,

Paris,

France

ZIP 654-420-08

Subject: Advice of Securities Redemption.

Kind Attention Mr. Charles Dalton,

Settlements Officer,

Securities Department.

Dear Sir/Madam,

Please be advised of Securities Redemption with details as shown below:

Table 31-18 Header

Header	Details
Our Reference	000SES8981050320
Identification of Securities being redeemed	UK Treasury Bonds 7 ¾ Percent 1993/1998
Securities Safekeeping Account	BP-SK-45678-3890
Quantity of Securities being Redeemed	1,000,000.00 Face Amount
Redemption Due Date	01-APR-1998
Redemption Terms	At PAR, Normal Redemption
Redemption Amount	1,000,000.00 GBP
Our Charges for Redemption Transaction	250.00 GBP
Net Amount	999,750.00 GBP
Account for Payment	BP-CA-45678-2468
Value Date of Payment	01-APR-1998

Other Information:

We have credited your account with us as per the details shown above. Please quote Our Reference in all further correspondence in relation to the above redemption.

Thanking you,

For XYZ Bank,

London,

UK.

31.2.14 Securities Request for Statement Message

CC-298402, 05-APR-1998,

Credit Commercial de Paris, London.

56A, Tuxedo Towers,

Governor Avenue,

Paris,

France.

ZIP-348-598-02

Subject: Request for Securities Statement.

Kind Attention Ms. Paula Felleti,

Custody Accounts Officer,

Securities Safekeeping Department.

Dear Sir/Madam,

We hereby request you to send us a Securities Statement as per the details shown below:

Table 31-19 Header

Header	Details
Our Reference	000SES8981050320
Securities Safekeeping Account for which Statement is being requested	40596832
Identification of Securities for which Statement is requested	ISIN FR0000771617 ELF AQUITAINE Shares
Securities Statement Type Requested	Statement of Transactions
Securities Statement Period Requested	01-JAN-1998 to 31-MAR-1998
Securities Statement Media	By Mail

Other Information:

Please inform us about transaction charges if any, for the above securities statement request.

Please quote Our Reference in all further correspondence in relation to the above message.

Thanking you,

For Royal Bank of Scotland,

London,

UK.

31.2.15 Securities Statement of Holdings

PB-209870 02-APR-1998,

Prudential Bache Securities International, Singapore

280, Symphony Towers,

Sunrise Avenue,

New York,

USA.

ZIP 4650-248-07.

Subject: Securities Statement of Holdings

Kind Attention Mr. Jonathan Smith,

Senior Treasury Officer,

Portfolio Management Services.

Dear Sir/Madam,

Please find attached herewith the Securities Statement of Holdings of your Safekeeping Account with us

Table 31-20 Header

Header	Details
Our Reference	000SE01980610002
Safekeeping Account	35746-978
Securities Statement as of Date	02-APR-1998
Statement Preparation Date	02-APR-1998
Statement Reference Currency	USD
Securities Statement Number	24

Table 31-21 Securities

Identification of Securities	Security Type	Market Price per Unit	Value in Security Currency	Exchange Rate	Value in Statement Reference Currency
ISIN SG0000682341 Plastic Fabrication and Molding Corporation	Shares	67.25 SGD	403,500.00 SGD	1.75	706,125.00 USD
ISIN SG0000764341 Tribeca Device Assembler Corporation Limited	Shares	6.375 SGD	98,493.75 SGD	1.75	172364.06 USD
ISIN SG0000988721 Singapore Precision Computing Inc.	Shares	22.50 SGD	225,000.00 SGD	1.75	393,750.00 USD
ISIN SG0000698791 Tawdry Textiles and Fashion Corporation Limited.	Shares	10.25 SGD	12,300.00 SGD	1.75	21,525.00 USD
Total Value of Securities			739,293.75 SGD		1,293,764.06 USD

Other Information:

Please revert back to us within 15 days from statement date, in case of any discrepancies in the above Securities Statement of Holdings. Please always quote Our Reference in all further correspondence with respect to above Securities Statement of Holdings.

Thanking you,

For DBS Bank Ltd.,

Singapore.

31.2.16 Securities Statement of Transactions

RBC-98235 08-APR-1998,

ZXY Bank of Scotland, Paris

Nestor House,

Playhouse Yard

London,

UK

ZIP 2850-2465

Subject: Securities Statement of Transactions.

Kind Attention Mr. Raymond Sinclair,

Treasury Officer,

Securities Settlements Department.

Dear Sir/Madam,

Please find enclosed herewith the Securities Statement of Transactions for your safekeeping account with us.

Table 31-22 Statement of Transactions

Our Reference	**000SEBN98**
Safekeeping Account	40596832
Statement Period Start	01-JAN-1998
Statement Period End	31-MAR-1998
Statement Preparation Date	08-APR-1998
Identification of Securities	ISIN FR0000771617 ELF AQUITAINE Shares
Security Currency	FFR
Security Denomination	Units

Table 31-23 Security Transaction Statement

Posting Date	Securities Transaction Type	Securities Movement	Your Reference	Our Reference	Quantity	Balance
01-JAN-1998	Opening Balance	-	-	-	-	20,000
02-JAN-1998	Regular Buy	IN	43598T	000SE01980 020021	2,000	22,000
07-JAN-1998	Regular Sell	OUT	3475FL	000SE01980 080007	3,000	19,000
15-JAN-1998	Regular Sell	OUT	P94860	000SE01980 150002	1,500	17,500
28-JAN-1998	Regular Buy	IN	484820	000SE01980 280024	5,000	22,500
05-FEB-1998	Regular Buy	IN	B84759	000SE04980 360032	3,570	26,070
24-FEB-1998	Regular Buy	IN	TT94857	000SE05980 550021	4,000	30,070
09-MAR-1998	Regular Buy	IN	K93529	000SE07980 680050	15,000	45,070
16-MAR-1998	Regular Sell	OUT	180239	000SE05980 750022	8,000	37,070
28-MAR-1998	Regular Buy	IN	134811	000SE08980 870009	7,500	44,570
31-MAR-1998	Closing Balance	-	-	-	-	44,570

Other Information:

Please revert back within 15 days of statement date in case of any discrepancies found in the above Securities Statement of Transactions. In the absence of any queries from your side, we shall assume that the above information shown is correct and is a true representation of transactions processed for the safekeeping account.

Please quote Our Reference in all further correspondence in relation to above Securities Statement of Transactions.

Thanking you,

For Credit Commercial de France,

Paris,

France

- Securities Statement of Pending Transactions
- Other Information

31.2.16.1 Securities Statement of Pending Transactions

PB-209870 08-APR-1998,

Prudential Bache Securities International, Singapore.

280, Symphony Towers,

Sunrise Avenue,

New York,

USA.

ZIP 4650-248-07.

Subject: Securities Statement of Pending Transactions.

Kind Attention: Mr. Jonathan Smith,

Senior Treasury Officer,

Portfolio Management Services.

Dear Sir/Madam,

In response to your request, please find attached herewith the Securities Statement of Pending Transactions of your Safekeeping Account with us.

Table 31-24 Security Statement

Our Reference	**000SEBN980980018**
Safekeeping Account	35746-978
Statement as of Date	31-MAR-1998
Statement Preparation Date	08-APR-1998

Table 31-25 Securities and reason for pending status

Identification of Securities	**Reason for Pending Status**	**Your Reference Our Reference**	**Counterparty**	**Quantity of Securities**	**Settlement Date**	**Settlement Amount**
ISIN SG0000768661 Poinsetta Start Shipping Ltd. Common Shares.	Settlement Date is in the Future.	74365 000SE05980750001	Merill Lynch International Bank, Singapore.	5,000	15-MAY-1998	64,123.50 SGD
ISIN SG0000572321 Singapore International Trading Corporation Shares.	Instructions does not match Counterparty Instructions	879732 000SE08980450008	Royal Bank of Canada, Singapore	2,500	25-MAR-1998	32,500.00 SGD
ISIN SG0000572321 Singapore International Trading Corporation Shares.	Deliver Against Payment Instructions Failed as Funds were not delivered	234328 000SE09980510024	Society General, Singapore.	3,600	28-MAR-1998	52,750.00 SGD

31.2.16.2 Other Information

Please revert back to us in case of any discrepancies in the above securities statement of pending transactions.

Please quote Our Reference in all future correspondence in relation to the above securities statement of pending transactions.

Thanking You,

For Development Bank of Singapore,

Singapore.

32
Making Queries

In the Securities module of Oracle Banking Treasury Management you can query information on:

- SK security movements
- SK location balances
- Portfolio security movements
- Portfolio balances

Whenever you are in the Summary View screen, you can query to see specific information. The Query screen is displayed. Specify the criteria based on which information is to be displayed. For instance, you may want to know whether a specific external customer, has any accounts in a particular SK location and what is the exposure line. Specify the criteria in the query screen according to the procedure mentioned. This has been described in a later section of this chapter.

- Details of Securities Safe Keeping Movements
  This topic describes the details of securities safe keeping movements, process securities safe keeping movements, the details of others query screens and ordering details.
- Process Portfolio Security Movements
  This topic describes the systematic instruction to process portfolio security movements.

32.1 Details of Securities Safe Keeping Movements

This topic describes the details of securities safe keeping movements, process securities safe keeping movements, the details of others query screens and ordering details.

This topic contains following sub-topics:

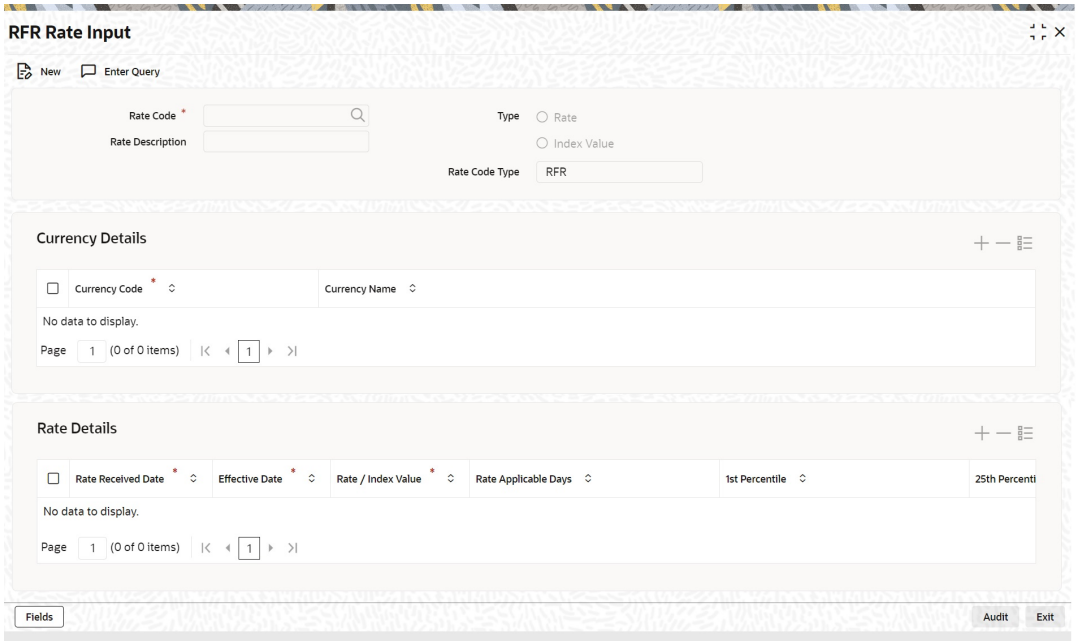
- Process Securities Safe keeping Movements
- The Other Query Screens
- Ordering

32.1.1 Process Securities Safe keeping Movements

1. On the Home page, specify **SESXSKMV** in the text box, and click next arrow.

   Securities Safe Keeping Movements Summary screen is displayed.

Figure 32-1 Securities Safe Keeping Movements Summary



2. On the **Securities Safe keeping Movements Summary** screen, specify the fields.

   Query on the details of security movements from one SK location to another. You can do so, through the **Securities Safe Keeping Movements Summary** screen.

   To view the movement of securities (from one SK location to another) based on more than one criterion, specify all the relevant criteria. For example, you may want to view details of movement for all securities with the security currency USD, having a Value date 31-JAN-2000, for the SK account ACBNK4. To make such a query, choose SCY under Fields, Equal To under Operator and USD under Value. Click **Accept**. Then click **Add**. Repeat the procedure with the criteria value date and SK account number clicking on the 'Accept' button and 'And' button after specifying the value date and account number respectively. The query will be displayed in the Query screen. To query for more than one SK account (the other two criteria being the same) and specify the next account number.

   Check it for correctness and click **Ok**. The SK Movements Summary screen will display only those securities in USD for the account ACBNK4 with a Value date equal to 31-JAN-2000. To view the details of a particular SK location highlight the SK location code and double click on the selected record. The details of securities lodged/withdrawn in that particular location will be displayed. If you want to view the latest details click **Refresh**.

32.1.2 The Other Query Screens

Similarly you can query on the following:

- The balances in a particular SK location.
- Current position
- Current holding
- Opening position
- Opening holding
- The movement of securities within portfolios:
- Opening balance

- Closing balance
- Movements as of
- The balance in a particular portfolio:
- Current position
- Current holding
- Opening position
- Opening holding

32.1.3 Ordering

To view a display of the fields in the Summary View, in the ascending or descending order. Suppose in the Portfolio Balances Summary screen you want to see the Security ID for all the portfolios in a descending order. Highlight the field Security ID from the Fields list and click on it. In the Operator option list, choose Order By. The Value list contains the options:

- Ascending
- Descending

Click the option of your choice, say, Descending. Click the ‘Accept’ button. The following is displayed in the Ordering screen: SECURITY_ID Desc Click ‘Ok’ button. The details of securities in their respective portfolios will be displayed in the descending order, in the Portfolio Movements Summary screen. If you decide to cancel the ordering you have specified, click ‘Clear Order By’ button. The screen clears and you can specify a new order.

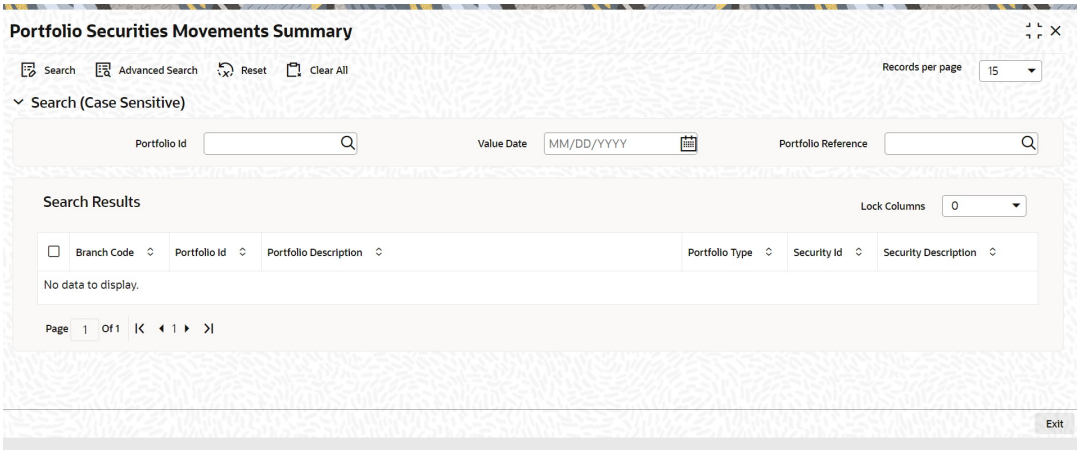
32.2 Process Portfolio Security Movements

This topic describes the systematic instruction to process portfolio security movements.

1. On the Home page, specify **SESXPFMV** in the text box, and click next arrow.

   Portfolio Securities Movements Summary screen is displayed.

Figure 32-2 Portfolio Securities Movements Summary screen



2. On **Portfolio Securities Movements Summary** screen, specify the fields.

   In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- **Value Date**
- **Portfolio Id**
- **Portfolio Reference**

Select any or all of the above parameters for a query and click the 'Search' button. The records meeting the selected criteria are displayed. If you are allowed to query, then the system displays the following details about the fetched records:

- **Branch Code**
- **Portfolio Id**
- **Portfolio Description**
- **Portfolio Type**
- **Security Id**
- **Security Description**
- **Security Currency**
- **Value Date**
- **Portfolio reference**
- **Opening Balance**
- **Closing Sec Balance**
- **Movements As Of Today**

> **Note:**
>
> For more information on the Query option please refer to the chapter on queries in the Common Procedures manual of Oracle Banking Treasury Management.

A

Error Codes and Message for Securities

The error codes and messages for securities modules.

This topic contains following sub-topics:

- Error Codes and Messages
- Error Codes and Messages for Securities Online
- Error Codes and Messages for Batches
- Error Codes and Messages for Deal Input
- Error Codes and Messages for Non-Securities
- Error Codes and Messages for Portfolio Online
- Error Codes and Messages for Others

A.1 Error Codes and Messages

Table A-1 Error Codes and Messages

Error Code	Message
SE-MA0001	New user and current user must be different
SE-MA0002	Contract reassigned
SE-MA0003	New user id cannot be null
SE-MA0004	Product code cannot be null
SE-MA0005	Contract reference number cannot be null
SE-MA0006	The Portfolio Contract Reference Number is not valid for the Product Code selected
SE-MA0007	Contract $1 has been reassigned from User "$2" to User "$3" by User "$4"
SE-MA0008	Security to be disallowed must be specified
SE-MA0009	Security to be allowed must be specified
SE-MA0010	Duplicate values encountered for this combination of CLASS CODE and MODULE
SE-MA0011	Duplicate values encountered for this class code
SE-MA0012	For WAC costing method, the Accrue Premium flag and the accrue discountflag should have the same value.
SE-MA0013	The accounting role record has been not been entered properly
SE-MA0014	Enter the class code
SE-MA0015	Enter the class description
SE-MA0016	Record deleted successfully
SE-MA0017	Enter the module

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0021	The Record is already closed
SE-MA0022	The Record is already open
SE-MA0023	A Market Code of this name already exists.
SE-MA0024	Some element/elements in the string entered is not a part of the SwiftCharacter set. Do you wish to continue?
SE-MA0025	The Market Code, From Date and To Date combination should be unique.
SE-MA0026	The Class Code entered for this module already exists.
SE-MA0027	The system is not able to generate accounting roles and amount tags for this charge Class.
SE-MA0028	Do you wish to redefault to the class as maintained latest in the class definition?
SE-MA0029	Existing role to head mappings will be deleted and redefaulted from class. Wish to continue?
SE-MA0030	Sorry! Redefaulting cannot be done. Class maintenance has to be authorized first.
SE-MA0031	This rate code cannot be copied since it has been propagated to the present branch from head office.
SE-MA0032	This rate code cannot be closed since it has been propagated to the present branch from head office.
SE-MA0033	This rate code cannot be unlocked since it has been propagated to the present branch from head office.
SE-MA0034	Rate propagation has failed.
SE-MA0035	STANDARD rate type is mandatory for any rate code.
SE-MA0036	The rate code + tenor code + CCY code combination for this effective date is already existing in the database.
SE-MA0037	This rate code can only be maintained at the head office and only be propagated from there.
SE-MA0038	Duplicate Tenor Codes are not allowed.
SE-MA0039	Minimum rate cannot be greater than Maximum rate.
SE-MA0040	Default rate should lie between minimum and maximum rate.
SE-MA0041	Class Code and Module are mandatory fields.
SE-MA0042	This rate code already exists.
SE-MA0043	Basis Amount Tag, Event for Association, Application and Liquidation are mandatory fields
SE-MA0043	Basis amount tag and Event for Association are mandatory fields.
SE-MA0044	Basis amount tag and Event for Association are mandatory fields.
SE-MA0045	For Third Party as Charge Type, Third Party Type is mandatory
SE-MA0046	This class cannot be closed because it has been already attached to a product/products.
SE-MA0047	Swift Qualifier length cannot be less than four.

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0048	For Net Consideration as yes, net consideration type (add/subtract) is mandatory.
SE-MA0049	Duplicate values encountered during amount tag insertion.
SE-MA0068	Initial Face Value can not be zero.
SE-MA0069	Limits Maintenance will be deleted. Proceed?
SE-MA0070	Weekday mandatory for weekly schedules
SE-MA0071	Frequency is mandatory for periodic coupon/revision
SE-MA0072	Limits not maintained. Proceed?
SE-MA0073	Lot Size is mandatory
SE-MA0074	Interest quotation method is mandatory
SE-MA0075	Interest Rate Type is mandatory
SE-MA0076	The maximum tenor must be greater than minimum tenor
SE-MA0077	Price Code cannot be null if Renouncable is Yes
SE-MA0078	Tenor cannot be null if Redeemable is Yes.
SE-MA0079	Equity type is mandatory
SE-MA0080	Price Quotation method is mandatory
SE-MA0081	Face value or units is mandatory
SE-MA0082	Tenor details not input
SE-MA0083	Initial Face Value not input
SE-MA0084	Exception Limit should be greater than Override Limit
SE-MA0085	Number of Decimals Mandatory
SE-MA0086	Cannot Close. The record has already been processed
SE-MA0087	Cannot Reopen. Record date is past!
SE-MA0088	Cannot Unlock. The record not authorized atleast once
SE-MA0045	For Third Party as Charge Type, Third Party Type is mandatory
SE-MA0089	Announcement Date should not be greater than or equal to Exercise End Date
SE-MA0090	Record Date cannot be later then Event Date
SE-MA0091	For Redeemable securities Event Date should be less than Redemption or Expiry date
SE-MA0092	Event Date should be greater than Issue or Tear-off Date of the security
SE-MA0093	Either Dividend Amount or Dividend Rate is mandatory
SE-MA0094	Record Date Cannot be earlier than End of Exercise Date
SE-MA0095	Value for field Internal Security Id is mandatory
SE-MA0096	Value for field Event Date is mandatory
SE-MA0097	Value for field Record Date is mandatory
SE-MA0098	Value for field Issuer Payment CCY is mandatory
SE-MA0099	Value for field Resultant Security Id is mandatory if Cash to Stock Optionis "Yes" or "Reinvest"

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0100	Exclusive Lock Acquired by Rajesh S from row 90 to 104
SE-MA0102	Event Date should not be less than the Issue or Tear-off Date of the security
SE-MA0103	For Redeemable securities Event Date should be less than Redemption or Expiry date
SE-MA0104	Record Date cannot be later then Event Date
SE-MA0105	Announcement Date should not be greater than Event Date
SE-MA0106	Announcement Date should not be greater than Record Date
SE-MA0107	Internal Security Id cannot be NULL
SE-MA0108	Event Date cannot be NULL
SE-MA0109	Record Date cannot be NULL
SE-MA0110	Resultant Security Id cannot be NULL
SE-MA0111	Resultant Ratio cannot be NULL
SE-MA0112	Stock To Cash Price cannot be NULL when stock to cash option is YES
SE-MA0113	Exercise Date cannot be NULL when stock to cash option is YES
SE-MA0114	Record Date for the event has elapsed -Record cannot be reopened
SE-MA0115	Event Date should br greater than Exercise end date when stock to cash option is YES
SE-MA0116	For Fixed Rate type Revision Rate has to be entered
SE-MA0117	Announcement Date has to be less than Event Date
SE-MA0118	End of Trading Date is mandatory
SE-MA0119	End of Trading Date has to be less than Event Date
SE-MA0120	Announcement Date cannot be null
SE-MA0121	Mandatory fields are missing
SE-MA0131	Cannot Retain.. Fractional Units not allowed for this security
SE-MA0132	Value for field Intmdt Security Id is mandatory
SE-MA0133	Non Zero Value for field Rights Ratio is mandatory
SE-MA0134	Value for field Exercise Start Date is mandatory
SE-MA0135	Value for field Exercise Price is mandatory
SE-MA0136	Value for field Exercise End Date is mandatory
SE-MA0137	Exercise Start Date cannot be less than Event Date
SE-MA0138	Exercise End Date cannot be greater than or equal to Expiry Date of intermediate security
SE-MA0139	Exercise End Date cannot be greater than or equal to Expiry Date of Resultant security
SE-MA0140	Value for field Resultant Security Id is mandatory
SE-MA0141	Non Zero Value for field Resultant Ratio is mandatory
SE-MA0142	Announcement Date should be less than exercise end date when stock cash option is YES
SE-MA0143	End Trading Date cannot be NULL

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0144	Call Indicator cannot be NULL
SE-MA0145	Redemption Type cannot be NULL
SE-MA0146	For Quantity Redemption dispose fraction cannot be NULL
SE-MA0147	Dispose Fraction should be NULL for Bullet or Series Redemption
SE-MA0148	For Quantity Redemption percentage cannot be NULL
SE-MA0149	Redemption Price cannot be NULL
SE-MA0150	Issuer Payment CCY cannot be NULL
SE-MA0151	Announcement date should not be greater than end trading date
SE-MA0152	End Trading Date cannot be greater than event date
SE-MA0153	Restart trading date cannot be less than event date
SE-MA0154	End Trading Date should not be greater than Record Date
SE-MA0155	For fractional units not allowed dispose fraction cannot be of Retain type
SE-MA0156	Security Redemption has to authorized atleast once for unlocking
SE-MA0157	Record already processed - cannot be unlocked
SE-MA0158	Delete option disallowed for system generated Redemption Event
SE-MA0159	Copy option disallowed for system generated Redemption Event
SE-MA0160	Close option disallowed for system generated Redemption Event
SE-MA0161	Reopen option disallowed for system generated Redemption Event
SE-MA0162	Series has to be defined for Redemption Type equal to Series
SE-MA0163	Record has to be authorized atleast once for unlocking
SE-MA0164	Units Nominal Current cannot be more than Current Holdings
SE-MA0165	Reinvested Bonus cannot be more than Initial Bonus Due
SE-MA0166	Reinvested Dividend cannot be more than Initial Dividend Amount Due
SE-MA0167	Block product Cannot be NULL for a Repo Product
SE-MA0169	Cannot Unlock. The record has already been processed
SE-MA0170	End of Exercise Date Cannot be less than Start of Exercise Date
SE-MA0171	Record date should be later than today
SE-MA0172	From Date Cannot be later than To Date
SE-MA0188	Duplicate values encountered during accounting role insertion.
SE-MA0189	Record is successfully saved.
SE-MA0190	Record has been successfully deleted.
SE-MA0191	Record has been successfully reopened.
SE-MA0192	Record has been successfully closed.
SE-MA0193	Accounting Role and Account head are not of the same type. Still wish to continue?
SE-MA0194	This safe keeping location Id already exists.
SE-MA0195	Scheme cannot be closed. Its already been attached to a product/ products.

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0196	Deletion of component not possible since the scheme is already attached to a product/products.
SE-MA0197	Tax component cannot be null.
SE-MA0198	Module and scheme are mandatory fields
SE-MA0199	This Scheme already exists for the module.
SE-MA0200	This rate type is a mandatory one. So, it cannot be closed.
SE-MA0201	Duplicate Tenor Codes are not allowed.
SE-MA0202	Duplicate SK Accounts are not allowed.
SE-MA0203	Duplicate Tax Rate Codes are not allowed.
SE-MA0204	Duplicate Tax Rates are not allowed.
SE-MA0205	Duplicate Market Codes are not allowed.
SE-MA0206	For FIXED as the Spot Date Method, All days from 1st to 31st should behandled and spot dates mentioned against them.
SE-MA0207	For FIXED as the Ex Date method. All days from 1st to 31st should be handled and ex dates mentioned against them.
SE-MA0208	Duplicate Issuer Tax Rate Codes are not allowed.
SE-MA0209	This rate code can be maintained only at the head office. It will be propagated to the present branch from there.
SE-MA0210	This rate is propagated across branches and can be closed only at the head office.
SE-MA0211	This rate is propagated across branches and can be modified only at the head office.
SE-MA0212	This rate is propagated across branches and can be modified only at thehead office.
SE-MA0213	Failed to propagate this rate.
SE-MA0214	For this rate, at least the STANDARD rate type has to be maintained
SE-MA0215	This combination of rate code, tenor code, currency code and effective date already exists for this branch.
SE-MA0216	Rates for propagated rate codes can be maintained only at the head office branch.
SE-MA0217	This rate code already exists.
SE-PRD001	For CURRENCY HOLIDAY as the holiday type, HOLIDAY CURRENCY is mandatory.
SE-MA0209	Input to Product Description is Mandatory (cannot be NULL)
SE-MA0210	Record is Unauthorized. Closure Not Allowed
SE-MA0211	Are you sure you want to Close the record?
SE-MA0212	Record Successfully Saved
SE-MA0213	A combination product with this product as a leg is open. Closure NOT Allowed
SE-MA0214	Override Limit CANNOT be greater than Stop Limit
SE-MA0215	Are you sure this is a Back Valued Product?

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0215	Product Start Date CANNOT be greater than Product End Date
SE-MA0215	Product end Date CANNOT be before Today
SE-MA0215	Are you sure you want to redefault the Class?
SE-MA0215	Deal Product Copy Failed
SE-MA0215	Deal Product Delete Failed
SE-MA0215	Security Product Copy Failed
SE-MA0215	Security Product Delete Failed
SE-MA0215	Charges have not been defined for the Product
SE-MA0215	Security Restrictions have not been defined for the Product
SE-MA0215	Portfolio Restrictions have not been defined for the Product
SE-MA0216	This rate code already exists.
SE-MA0217	For CURRENCY HOLIDAY as the holiday type, HOLIDAY CURRENCY is mandatory.
SE-MA0532	Event Date cannot lie on previous coupon.
SE-PRD001	Input to Product Description is Mandatory (cannot be NULL)
SE-PRD001	Record is Unauthorized. Closure Not Allowed
SE-PRD002	Are you sure you want to Close the record?
SE-PRD003	Record Successfully Saved
SE-PRD004	A combination product with this product as a leg is open. Closure NOT Allowed
SE-PRD005	Override Limit CANNOT be greater than Stop Limit
SE-PRD006	Are you sure this is a Back Valued Product?
SE-PRD007	Product Start Date CANNOT be greater than Product End Date
SE-PRD008	Product end Date CANNOT be before Today
SE-PRD009	Are you sure you want to redefault the Class?
SE-PRD010	Deal Product Copy Failed
SE-PRD011	Deal Product Delete Failed
SE-PRD012	Security Product Copy Failed
SE-PRD013	Security Product Delete Failed
SE-PRD014	Charges have not been defined for the Product
SE-PRD015	Security Restrictions have not been defined for the Product
SE-PRD016	Portfolio Restrictions have not been defined for the Product
SE-PRD017	Tax Components have not been defined for the Product
SE-PRD018	Interest Components have not been defined for the Product
SE-PRD019	Input to Product Start Date is Mandatory (cannot be NULL).
SE-PRD020	Input to Product Description is Mandatory (cannot be NULL).
SE-PRD021	Input to Product Group is Mandatory (cannot be NULL).
SE-PRD022	Input to Exchange Rate Override Limit Variance is Mandatory (cannot beNULL).

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-PRD023	Input to Exchange Rate Stop Limit Variance is Mandatory (cannot be NULL).
SE-PRD024	Input to buy Product/Sell Product Mandatory (cannot be NULL).
SE-COMBP01	Rekey Values for the Buy and Sell Products Differ
SE-COMBP02	Values for $1 for the Buy and Sell Products Differ
SE-COMBP03	Start Date $1 of the Combination Product is lesser than Start Date $2 of Product $3
SECOMBP04	End Date $1 of the Combination Product is greater than End Date $2 of Product $3
ECOMBP06	The Maximum Rate Variance of the Buy and Sell Products Differ
SECOMBP07	Counter Product is Mandatory if Rights Exercise is applicable
SECOMBP08	Product $1 is Closed. Reopening of Combination Product NOT Allowed
CS-PRD008	Product Code is NOT Unique
SEREAS-01	New User and Current User must be different
SEREAS-02	Contract $1 has been reassigned from User "$2" to User "$3" by User "$4"
SEREAS-03	New user ID cannot be NULL
SEREAS-04	Product code cannot be NULL
SEREAS-05	Contract reference number cannot be NULL
SEREAS-06	No Unauthorized Contracts exist for Reassignment for Product "$1"
SEREAS-07	The Deal Reference Number is not valid for the Product Code selected
SEREAS-08	FAILED in reassigning the deal to the new user.
SE-MA0220	Changing the Leg type will redefault the Preferences. OK to Proceed?
SE-MA0221	Partial Release is not allowed for Bank Buy or Sell
SE-MA0222	Partial Release and Brokerage are not allowed for Customer Buy or Sell
SE-MA0223	Partial Release, Brokerage and Forward Deals are not allowed for Withdrawal or Lodgement
SE-MA0224	Partial Release, Brokerage, Forward Deals, Automatic Money Settlement and Rekey of Money Settlement Date are not allowed for SK to SK Transfer
SE-MA0225	Brokerage, Forward Deals, Automatic Money Settlement and Rekey of Money Settlement Date are not allowed for Block Securities
SE-MA0226	Input to Exchange Rate type field is Mandatory
SE-MA0227	Block deals not defined
SE-MA0228	Function Securities Repo Specific Returns False
SE-MA0229	No Positions maintained for this record
SE-MA0230	Bombed in Positions Check Function for Repo Block Deals
SE-MA0231	Failed to validate the Repo Exposure
SE-MA0232	Failed to generate the Action Id
SE-MA0247	Spot Days Count Basis and Spot Days are mandatory fields.

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0248	For Weekday of Spot day being mentioned, holiday treatment becomes mandatory.
SE-MA0249	Ex Days Count Basis and Ex Days are mandatory fields
SE-MA0250	For Weekday of Ex day being mentioned, holiday treatment becomes mandatory
SE-MA0251	From Day, To day, Month Indicator, Spot Date and Holiday Treatment are mandatory fields
SE-MA0252	To Day cannot be earlier than From Day
SE-MA0253	For Month Indicator as FUTURE, future months becomes mandatory
SE-MA0254	For Month Indicator as PREVIOUS, previous months becomes mandatory
SE-MA0255	Both Include To Dates should be same, either YES or NO.
SE-MA0256	Both Liquidation and Accrual Denominator Basis Should have the same value
SE-MA0257	Market Code as well as Market Description is mandatory before invoking TAX maintenance
SE-MA0258	For Holiday Treatment being mentioned, Weekday of Spot day becomes mandatory
SE-MA0259	For Holiday Treatment being mentioned, Weekday of Ex day becomes mandatory
SE-MA0260	For Months Indicator as CURRENT, Spot Day has to be greater than To Day
SE-MA0261	For Months Indicator as CURRENT, Ex Day has to be less than or equal to From Day
SE-MA0262	Application Date should be less than the Previous Coupon Date for UNLOCK action to happen.
SE-MA0263	Issuer Reference cannot be null
SE-MA0264	Record Date should lie between Previous Coupon Date and Event Date.
SE-MA0265	This Security Code already exists in this branch.
SE-MA0266	Price Code, Price Quotation, Market Value Date and Price are mandatory fields.
SE-MA0267	For Price Quotation Method as YIELD TO MATURITY, Interest Quotation Method has to be null
SE-MA0268	For a BOND, Interest Quotation Method is mandatory.
SE-MA0269	Market Value Date has to be greater than/equal to security Tear off Date($1).
SE-MA0270	Market Value Date has to be less than/equal to Redemption Date of the Security ($1).
SE-MA0271	Record/Records once authorised cannot be deleted, but it/they can be modified.
SE-MA0273	This $1 cannot be unlocked as Record Date is already past.
SE-MA0274	Parent Security Id, Intermediate Security Id and Resultant Security Id are mandatory fields.

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0275	Announcement Date cannot be later than the Record Date itself.
SE-MA0276	Record Date cannot be later than the Event Date.
SE-MA0277	Record Date cannot be later than Today or Today itself.
SE-MA0278	Exercise End Date has to be earlier than the Expiry date of the Intermediate Security ($1).
SE-MA0279	End of Trading Date has to be today or beyond.
SE-MA0280	End of Trading Date cannot be greater than Event Date.
SE-MA0281	For Spot Days Count Basis as WORKING DAYS, holiday treatment becomes mandatory.
SE-MA0282	For Ex Days Count Basis as WORKING DAYS, holiday treatment becomes mandatory.
SE-MA0291	Exchange rate fixing date has to be provided.
SE-MA0292	Exchange rate has to be provided.
SE-MA0293	Issuer payment CCY has to be provided.
SE-MA0294	Announcement Date should not be greater than today.
SE-MA0295	Confirmed Date should not be greater than today.
SE-MA0296	Exchange Rate Fixing Date should not be greater than today.
SE-MA0297	Confirmed Date has to be provided.
SE-MA0298	Value for Dispose Fraction is mandatory.
SE-MA0299	Value for Resultant Ratio Num should not be less than or equal to zero.
SE-MAO307	Value for Resultant Ratio Denom should not be less than or equal to zero.
SE-MA0308	Value for Dividend Type has to be provided.
SE-MA0309	Only confirmed records can be closed.
SE-MA0310	Only confirmed records can be reopened.
SE-MA0311	Do you really want to confirm the record?
SE-MA0312	End of Trading Date has to be greater than today.
SE-MA0313	Restart Trading Date has to be greater than End of Trading Date
SE-MA0314	This Event Date cannot be maintained for the Security
SE-MA0350	Value for field Announcement Date is mandatory.
SE-MA0351	Announcement Date should be on or before today.
SE-MA0352	Announcement Date should be less than Event Date and Record Date.
SE-MA0353	Rights Exercise End Date should be after Rights Exercise Start Date
SE-MA0354	Value for the field Minimum Rights Exercise Quantity is mandatory.
SE-MA0355	Value for the field Rights Exercise Price is mandatory.
SE-MA0356	Rights Exercise End Date should be later than today.
SE-MA0357	Value for the field Confirmed Date is mandatory
SE-MA0358	Do you really want to confirm?
SE-MA0359	Confirmed Date should be on or before today.

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0360	Cannot Close. The record has already been confirmed!!
SE-MA0361	Cannot Reopen. The record has already been confirmed!!
SE-MA0362	Mandatory Field ($1) is null.
SE-MA0363	Warrants Exercise End Date should be after Warrants Exercise Start Date.
SE-MA0364	Value for the field Minimum Warrants Exercise Quantity is mandatory.
SE-MA0365	Value for the field Warrants Exercise Price is mandatory.
SE-MA0366	Warrants Exercise End Date should be later than today.
SE-MA0367	Cannot delete a once authorized record.
SE-MA0368	Unauthorized records can be deleted but cannot be closed.
SE-MA0369	Event Date is past -- Cannot reopen the record.
SE-MA0370	Event Date is past -- Cannot close the record.
SE-MA0371	Mandatory Field Security Id is null.
SE-MA0372	Mandatory Field Portfolio Id is null.
SE-MA0373	Position Reference No. for this combination of Branch Code, Portfolio Id and Security Id does not exist.
SE-MA0374	Mandatory Field SK Location Id is null.
SE-MA0375	Mandatory Field SK Location Account is null.
SE-MA0376	Mandatory Field Security Form Code is null.
SE-MA0377	Mandatory Field To Series is null.
SE-MA0378	Current Holding \ Unauthorized Holding values not available for this Position Ref. No. and To Series at this SK location Id and Account.
SE-MA0379	Quantity moved should be less than or equal to the available quantity in the series.
SE-MA0380	Mandatory Field Quantity Moved is null.
SE-MA0381	The quantity available in this series is null.
SE-MA0382	The Effective Date does not lie in the coupon period of the Security.
SE-MA0383	Cannot unlock -- the record is already confirmed.
SE-MA0384	Record can be inserted only if the interest revision is manual.
SE-MA0385	Event Date is before the interest start date of the security.
SE-MA0386	Event Date should be before the redemption date of the security.
SE-MA0387	No data found for Security Interest Start Date \ Redemption or Expiry Date
SE-MA0388	This combination of Security Id, Interest Component and Event Date already exists.
SE-MA0389	Value for Event Date is mandatory.
SE-MA0390	This combination of Security Id, Interest Component and Effective Date already exists.
SE-MA0391	Value for Effective Date is mandatory.
SE-MA0392	System generated records cannot be modified.

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0393	Cannot Unlock. The record not authorized atleast once
SE-MA0394	Announcement Date should be less than Event Date and Effective Date.
SE-MA0395	Value for field Interest Component is mandatory.
SE-MA0396	Value for field Revision Rate is mandatory.
SE-MA0397	The Event Date does not lie in the coupon period of the Security.
SE-MA0398	The Record Date and the Event Date cannot be earlier than or equal to Today
SE-MA0399	Record for this Component and Currency already exists.
SE-MA0400	Redemption Adjustment could not be done.
SE-MA0401	The Total percentage for this security exceeds 100
SE-MA0402	Redemption Price must be greater than or equal to equivalent percentage of the initial face value
SE-MA0410	Bonus Encashed can not be more than the Initial Bonus Due
SE-MA0411	Bonus Encashed Quantity should be an Integer
SE-MA0412	Record Date is Mandatory
SE-MA0413	Event Date is Mandatory
SE-MA0414	Record Date has to be later than Today
SE-MA0415	Event Date has to be later than Today
SE-MA0416	Event Date can not be earlier than Record Date
SE-MA0425	Failed to Unlock the record
SE-MA0426	Initiation can not be done as Initiation Processing Date is later than Today
SE-MA0427	Collection can not be done as Collection Processing Date is later than Today
SE-MA0428	Liquidation can not be done as Liquidation Processing Date is later than Today
SE-MA0429	Do you want process Initiation?
SE-MA0430	Do you want process Collection?
SE-MA0431	Do you want process Liquidation?
SE-MA0432	Failed to process Initiation
SE-MA0433	Failed to process Collection
SE-MA0434	Failed to process Liquidation
SE-MA0435	Initiation processed Successfully
SE-MA0436	Collection processed Successfully
SE-MA0437	Liquidation processed Successfully
SE-MA0438	Do you want to reverse the event $1?
SE-MA0439	Failed to process the event
SE-MA0440	Failed to apply Charges
SE-MA0441	Failed to apply Tax

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0442	Failed to pickup Settlements
SE-MA0443	Event can not be processed. Security Quantity is zero
SE-MA0444	Event can not be processed. Security Quantity is Negative
SE-MA0445	Event can not be processed. Rights due is zero
SE-MA0446	Event can not be processed. Rights due is Negative
SE-MA0447	Event can not be processed. Warrants due is zero
SE-MA0448	Event can not be processed. Warrants due is Negative
SE-MA0449	Event can not be processed. Residual Bonus Due is zero
SE-MA0450	Event can not be processed. Residual Bonus Due is Negative
SE-MA0451	Event can not be processed. Redemption Due is zero
SE-MA0452	Event can not be processed. Redemption Due is Negative
SE-MA0453	There are no Interest Components associated with the Security
SE-MA0454	There are no Issuer Tax Components associated with the Security
SE-MA0455	Failed to Reverse the Event
SE-MA0456	Event Successfully Reversed
SE-MA0460	Select the Portfolio Id to start Printing from.
SE-MA0461	Select the to Portfolio Id to Print.
SE-MA0462	The From Portfolio Id should be less than the To Portfolio Id
SE-MA0463	Select the From Customer Id
SE-MA0464	Select the To Customer Id
SE-MA0465	The From Customer should be less than the To Customer.
SE-MA0466	The Processing Date cannot be null
SE-MA0467	Select the From Security Id
SE-MA0468	Select the To Security Id
SE-MA0469	The From Security Id should be less than the To Security Id
SE-MA0470	The redemption type does not match with the redemption type of Security Definition
SE-MA0471	An open bullet redemption record already exists. Cannot have another record
SE-MA0472	Active Deals exist that are due to settle on or after the record date of redemption. Cannot save.
SE-MA0473	Active Deals exist using this series that are due to settle on or after the record date of redemption. Cannot save.
SE-MA0474	Start Date cannot be greater than Branch Date
SE-MA0475	There must be at least one open record on the redemption date for series redemption. Cannot close this record
SE-MA0476	End Date cannot be greater than Branch Date
SE-MA0477	End date cannot be less than Start Date
SE-MA0478	Open Coupon record(s) exist after the redemption event date. Cannot save.

Table A-1 (Cont.) Error Codes and Messages

Error Code	Message
SE-MA0479	Open Interest Revision record(s) exist after the redemption event date. Cannot save.
SE-MA0480	There must be atleast some percentage left on the final redemption date.
SE-MA0481	Redemption Price must be greater than or equal to Initial Face Value $1
SE-MA0482	Open Bullet redemption record not correctly maintained for security $1
SE-MA0483	Only One open Bullet Redemption record should be maintained for security $1
SE-MA0484	Atleast one open redemption record should be maintained for security $1 on the maturity date $2
SE-MA0485	Sum of all the open redemption records is not 100 for $1
SE-MA0486	The trading date is later than the end of trading date maintained in the redemption record
SE-MA0487	Deal Trade date lies in a non trading period.
SE-MA0488	Deal Settlement date is after the security maturity date
SE-MA0489	Redemption Validations for this security failed
SE-MA0490	Select the From Event Date
SE-MA0491	Select the To Event Date.
SE-MA0492	The From Date cannot be greater than the To date
SE-MA0493	Failed in populating security details for the new branch
SE-MA0494	Effective Date should be later than today
SE-CVAL001	ACCR/LQ Rounding Preference and Decimal allowed only when rounding basis is per UNIT
SE-EIM0-016	Sale deals for this instrument are present between effective date $1 of this rate revision and application date $2. This revision action is not possible. Affected deals can be queried from Deal Exceptions Tab
SE-EIM0-014	Deals for this instrument are present between effective date $1 of this rate revision and application date $2. Such deals are to be reversed and rebooked for deal level interest adjustments. Affected deals can be queried from Deal Exceptions Tab.

A.2 Error Codes and Messages for Securities Online

Table A-2 Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0001	Internal Security ID must be Unique
SE-SO0002	ISIN Identifier must be Unique
SE-SO0003	Market of Issue cannot be cleared after having been populated once.
SE-SO0004	Security Currency cannot be cleared after having been populated once.
SE-SO0005	Initial Face Value would be cleared. Proceed?

Table A-2 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0006	Issue Price would be cleared. Proceed?
SE-SO0007	Redemption Price would be cleared. Proceed?
SE-SO0011	By SWIFT Standards, valid day count indicators are A001, A002, A003, A004, A005, A006 and A007
SE-SO0031	By SWIFT Standards, there needs to be necessarily $1 characters
SE-SO0032	By SWIFT Standards, valid characters are [A - Z] , [0 - 9]
SE-SO0033	By SWIFT Standards, some characters are invalid. Proceed with appropriatesubstitution?
SE-SO0051	Internal Security ID is Mandatory
SE-SO0052	Product is Mandatory
SE-SO0053	Market of Issue is Mandatory
SE-SO0054	Issuer ID is Mandatory
SE-SO0055	Registered / Bearer is Mandatory
SE-SO0056	Form Type is Mandatory
SE-SO0057	Quantity Quotation is Mandatory
SE-SO0058	Interest Quotation is Mandatory
SE-SO0059	Unit Decimals is Mandatory
SE-SO0060	Lot Size is not populated. Proceed?
SE-SO0061	Redemption Type is Mandatory
SE-SO0062	Security Currency is Mandatory
SE-SO0063	Payment Currency is Mandatory
SE-SO0064	Issue /Tearoff Date is Mandatory
SE-SO0065	Start of Interest Date is Mandatory
SE-SO0066	Start of Trading Date is Mandatory
SE-SO0067	Redemption / Expiry Date is Mandatory
SE-SO0068	Start of Interest Date is earlier than Issue /Tearoff Date. Proceed?
SE-SO0069	Start of Trading Date must be later than Start of Interest Date
SE-SO0070	Redemption / Expiry Date must be later than Issue / Tearoff Date
SE-SO0071	Redemption / Expiry Date must be later than Start of Interest Date
SE-SO0072	Redemption / Expiry Date must be later than Start of Trading Date
SE-SO0073	Initial Face Value is Mandatory
SE-SO0074	Issue Price is Mandatory
SE-SO0075	Redemption Price is Mandatory
SE-SO0076	Issue Price must be lesser than Initial Face Value
SE-SO0077	Redemption Price must be greater than or equal to Initial Face Value
SE-SO0078	Quantity Quotation must be "UNITS"
SE-SO0079	Lot Size must be a multiple of Initial Face Value
SE-SO0080	Coupon Frequency is Mandatory

Table A-2 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0081	Coupon Weekday is Mandatory
SE-SO0101	Revision Frequency is Mandatory
SE-SO0102	Revision Weekday is Mandatory
SE-SO0103	Rounding Basis is Mandatory
SE-SO0104	Rate Basis is Mandatory
SE-SO0105	Rounding Basis is Mandatory
SE-SO0106	Rate Basis is Mandatory
SE-SO0107	Accrual Numerator Method is Mandatory
SE-SO0108	Accrual Denominator Method is Mandatory
SE-SO0109	Accrual Denominator Basis is Mandatory
SE-SO0110	Liquidation Numerator Method is Mandatory
SE-SO0111	Liquidation Denominator Method is Mandatory
SE-SO0112	Liquidation Denominator Basis is Mandatory
SE-SO0113	Accrual Denominator Basis and Liquidation Denominator Basis must beidentical
SE-SO0114	Accrual Include To Day and Liquidation Include To Day must be identical
SE-SO0115	If Rate Basis and Accrual / Liquidation Denominator Basis are not identical then it must be Periodic Coupon
SE-SO0116	If Rate Basis and Accrual / Liquidation Denominator Basis are not identicalthen it must not be Weekly Coupon
SE-SO0131	Collateral Type is Mandatory
SE-SO0132	Dividend Basis is Mandatory
SE-SO0133	Warrant Basis is Mandatory
SE-SO0134	Rights Basis is Mandatory
SE-SO0151	Coupon Schedules have not been maintained. Proceed?
SE-SO0181	Series must be Unique
SE-SO0182	Redemption of this Series has already been defined
SE-SO0183	Series is Mandatory
SE-SO0201	Base Start Date must be Unique
SE-SO0202	Base Start Date must later than Start of Interest Date
SE-SO0203	Base Start Date must be earlier than Redemption/Expiry Date
SE-SO0204	Base End Date must be later than Start of Interest Date
SE-SO0205	Base End Date must be earlier than or equal to Redemption/Expiry Date
SE-SO0206	Base Start Date is Mandatory
SE-SO0207	Base End Date must be later than Base Start Date
SE-SO0208	Base Frequency is Mandatory
SE-SO0209	Week Day is Mandatory
SE-SO0210	Base Start Date must be on specified the Weekday

Table A-2 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0231	First Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0232	First Previous Virtual Coupon Date must be later than Previous Coupon Date
SE-SO0233	Second Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0234	First Next Virtual Coupon Date must be later than Next Coupon Date
SE-SO0235	First Next Virtual Coupon Date must be earlier than Next Coupon Date
SE-SO0236	Second Next Virtual Coupon Date must be later than Next Coupon Date
SE-SO0237	First Previous Virtual Coupon Date is Mandatory
SE-SO0238	Second Previous Virtual Coupon Date is Mandatory
SE-SO0239	SO0239 First Next Virtual Coupon Date is Mandatory
SE-SO0240	Second Next Virtual Coupon Date is Mandatory
SE-SO0261	Effective Date must later than Start of Interest Date
SE-SO0262	Effective Date must be earlier than Redemption/Expiry Date
SE-SO0263	Effective Date is Mandatory
SE-SO0281	Event Date must be Unique
SE-SO0282	Event Date must be later than Issue/Tearoff Date
SE-SO0283	Event Date must be earlier than Redemption/Expiry Date
SE-SO0284	Cumulative % To Be Redeemed must be lesser than 100%
SE-SO0285	Redemption Price must be greater than equal to Initial Face Value
SE-SO0286	Event Date is Mandatory
SE-SO0287	% To Be Redeemed is Mandatory
SE-SO0288	Redemption Price is Mandatory
SE-SO0289	Disposition of Fractions is Mandatory
SE-SO0290	Redemption Price must be greater than equal to Face Value beingRedeemed
SE-SO0291	Series is Mandatory
SE-SO0401	Attributes defaulted from Market of Issue would be redefaulted. Proceed?
SE-SO0402	Coupon Schedules would be deleted. Proceed?
SE-SO0403	Revision Schedules would be deleted. Proceed?
SE-SO0404	Redemption Schedules would be deleted. Proceed?
SE-SO0405	Interest Component/s would need to be associated afresh. Proceed?
SE-SO0406	Tax Component/s would need to be associated afresh. Proceed?
SE-SO0407	MIS would need to be associated afresh. Proceed?
SE-SO0501	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0502	Unhandled Exception in Security Definition Function
SE-SO0503	Unable to Update Maintenance Stamp in Security Definition Function

Table A-2 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0504	Unhandled Exception in Security Definition Function
SE-SO0505	Unable to Update Current Block Items in Security Definition Function
SE-SO0506	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0507	Unhandled Exception in Security Definition Function
SE-SO0508	Unhandled Exception in Security Definition Function
SE-SO0509	Unable to Commit in Security Definition Function
SE-SO0510	Security Definition Saved Successfully
SE-SO0511	Unhandled Exception in Security Definition Function
SE-SO0512	Unable to Commit in Security Definition Function
SE-SO0513	Security Definition Deleted Successfully
SE-SO0514	Unhandled Exception in Security Definition Function
SE-SO0515	Unable to Commit in Security Definition Function
SE-SO0516	Unhandled Exception in Security Definition Function
SE-SO0517	Security Definition is not yet Authorized Once
SE-SO0518	Deals have already been struck for the Security
SE-SO0519	Unable to Post in Security Definition Function
SE-SO0520	Unable to Commit in Security Definition Function
SE-SO0521	Security Definition Closed Successfully
SE-SO0522	Unhandled Exception in Security Definition Function
SE-SO0523	Security Definition is Open Already
SE-SO0524	Unable to Post in Security Definition Function
SE-SO0525	Unable to Commit in Security Definition Function
SE-SO0526	Security Definition Reopened Successfully
SE-SO0527	Unhandled Exception in Security Definition Function
SE-SO0528	Product is Unavailable in the Current List
SE-SO0551	Product is Unavailable in the Current List
SE-SO0552	Market of Issue is Unavailable in the Current List
SE-SO0553	Issuer ID is Unavailable in the Current List
SE-SO0554	Security Currency is Unavailable in the Current List
SE-SO0555	Payment Currency is Unavailable in the Current List
SE-SO0556	Collateral Type is Unavailable in the Current List
SE-SO0557	Revaluation Price Code is Unavailable in the Current List
SE-SO0601	Unhandled Exception in Security Definition Function
SE-SO0602	Unhandled Exception in Security Definition Function
SE-SO0603	Unhandled Exception in Security Definition Function
SE-SO0604	Unhandled Exception in Security Definition Function
SE-SO0605	Unhandled Exception in Security Definition Function

Table A-2 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0606	Unhandled Exception in Security Definition Function
SE-SO0607	Unhandled Exception in Security Definition Function
SE-SO0608	Unhandled Exception in Security Definition Function
SE-SO0609	Unhandled Exception in Security Definition Function
SE-SO0610	Unhandled Exception in Security Definition Function
SE-SO0611	Unhandled Exception in Security Definition Function
SE-SO0612	Unhandled Exception in Security Definition Function
SE-SO0613	Unhandled Exception in Security Definition Function
SE-SO0614	Unhandled Exception in Security Definition Function
SE-SO0615	Unhandled Exception in Security Definition Function
SE-SO0616	Unhandled Exception in Security Definition Function
SE-SO0617	Unhandled Exception in Security Definition Function
SE-SO0618	Unhandled Exception in Security Definition Function
SE-SO0619	Unhandled Exception in Security Definition Function
SE-SO0620	Unhandled Exception in Security Definition Function
SE-SO0621	Unhandled Exception in Security Definition Function
SE-SO0622	Unhandled Exception in Security Definition Function
SE-SO0623	Unhandled Exception in Security Definition Function
SE-SO0624	Unhandled Exception in Security Definition Function
SE-SO0625	Unhandled Exception in Security Definition Function
SE-SO0626	Unhandled Exception in Security Definition Function
SE-SO0627	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0651	Coupon Schedule Definition resulted in convergent Coupon Dates
SE-SO0652	The Tenor of the Security does not conform to the Tenor Variance specifiedat the Product Level
SE-SO0653	Coupon Date missing on Redemption Date $1
SE-SO0654	No Series has been defined for Redemption on Event Date $1
SE-SO0655	Revision Schedule Definition resulted in convergent Revision Dates
SE-SO0656	Effective Date of Revision on Event Date $1 does not lie within the sameCoupon Period as the Event Date
SE-SO0657	Interest Rate not populated for Interest Component $1
SE-SO0658	All Interest Components have been Waived
SE-SO0659	Tax Rate Code not populated for Tax Component $1
SE-SO0660	The Issue date should be later than the product start date
SE-SO0661	The Redemption or Expiry date cannot be later than the product end date
SE-SO0662	The Redemption Price is lesser than the Initial Face Value. Continue?

A.3 Error Codes and Messages for Batches

Table A-3 Error Codes and Messages for Batches

Error Code	Message
SE-AC001	Failed to Lock SE Leg Reference No. $1 for $2 event
SE-AC002	Failed to get End Of Input for the current branch
SE-AC003	This is an End of Day process
SE-AC004	First run the predecessor programs before Event Selection and ALPL program
SE-AC005	Process Till Date is Mandatory
SE-AC006	Process Till Date cannot be greater than 365 days from today
SE-AC007	Are you sure you want to start Event Selection and ALPL?
SE-AC008	Event Selection and Processing and ALPL process Failed.
SE-AC009	Event Selection and Processing and ALPL process successfully completed
SE-BA0001	Unhandled Exception in Sepkss_repo.fn_populate_work_table
SE-BA0002	Unhandled Exception in Sepkss_repo.fn_repo_block_deals
SE-BA0003	Unhandled Exception in fn_create_block_deals
SE-BA0004	Unhandled Exception in fn_ammend_block_deals
SE-BA0005	Unhandled Exception in fn_delete_block_deals
SE-BA0006	Insert to setbs_deal_master bombed
SE-BA0007	Insert to setbs_deal_detail bombed
SE-BA0008	Insert to cstbs_contract bombed
SE-BA0009	Insert to setbs_mm_repo_linkage bombed
SE-BA0010	Updation of cstbs_contract bombed
SE-BA0011	Insert to setws_repo_rrepo_blocks bombed
SE-BA0012	Unhandled Exception in Sepkss_repo.fn_delete_action
SE-BA0013	Security Value $1 should not be less than Loan Amount $2
SE-BA0014	Unhandled Exception in fn_calculate_security_val
SE-BA0015	Unhandled Exception in Sepkss_repo.fn_repo_release_block
SE-BA0016	Unhandled Exception in sepkss_repo.fn_repo_authorize
SE-BA0017	Old Deal Reference cannot be Null
SE-BA0018	Copy Flag should be either V or N
SE-BA0019	Select from Cstb Contract failed
SE-BA0020	Select from setbs_deal_master failed
SE-BA0021	Unhandled exception in fn_project_balance
SE-BA0022	Unhandled exception in fn_get_pfolio_balance
SE-BA0023	Unhandled exception in fn_get_balances
SE-BA0024	Unable to insert into setb_pfolio_vdated_movmnts
SE-BA0025	Unable to insert into setb_pfolio_skacbalances

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0026	Unable to get record from setb_pfolio_skacbalances
SE-BA0027	Unhandled exception in fn_upd_vbal_opening
SE-BA0028	Failed to get the commit frequency
SE-BA0005	Unable to get record from sevw_pfolio_skacbalances
SE-BA0006	Cannot settle Sell deal $1;Deal quantity ($2) is greater than Available balance ($3)
SE-BA0007	Unable to get record from sevw_pfolio_skacbalances
SE-BA0008	Failed to get the Next Processing Date
SE-BA0009	Unable to insert record into setb_event_log
SE-BA0010	Unable to lock record $1
SE-BA0011	Failed to insert into $1
SE-BA0012	Unable to read from setb_event_log
SE-BA0013	Unhandled exception in fn_rights_RXLL
SE-BA0014	Unhandled exception in fn_build_event_advice
SE-BA0015	Unhandled exception in fn_populate_vdbals
SE-BA0016	Failed to do FPL accrual for $1
SE-BA0017	No data found in setm_security_master
SE-BA0018	No data found in setm_cash_dividend
SE-BA0019	Select from Cstb Contract failed
SE-BA0020	Select from setbs_deal_master failed
SE-BA0021	Unhandled exception in fn_project_balance
SE-BA0022	Unhandled exception in fn_get_pfolio_balance
SE-BA0023	Unhandled exception in fn_get_balances
SE-BA0024	Unable to insert into setb_pfolio_vdated_movmnts
SE-BA0025	Unable to insert into setb_pfolio_skacbalances
SE-BA0026	Unable to get record from setb_pfolio_skacbalances
SE-BA0027	Unhandled exception in fn_upd_vbal_opening
SE-BA0028	Failed to get the commit frequency
SE-BA0029	Unable to get record from sevw_pfolio_skacbalances
SE-BA0030	Cannot settle Sell deal $1;Deal quantity ($2) is greater than Available balance ($3)
SE-BA0031	Unable to get record from sevw_pfolio_skacbalances
SE-BA0032	Failed to get the Next Processing Date
SE-BA0033	Unable to insert record into setb_event_log
SE-BA0034	Unable to lock record $1
SE-BA0035	Unable to read from setb_event_log
SE-BA0036	Unhandled exception in fn_rights_RXLL
SE-BA0037	Unhandled exception in fn_build_event_advice

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0038	Unhandled exception in fn_populate_vdbals
SE-BA0039	Failed to do FPL accrual for $1
SE-BA0040	Failed to do FPL accrual for $1
SE-BA0041	No data found in setm_security_master
SE-BA0042	No data found in setm_cash_dividend
SE-BA0043	No data found in setm_portfolio_master No data found in setm_sk_location
SE-BA0044	Error while updating setm_corp_actions_due
SE-BA0045	Error while updating setm_corp_actions_due
SE-BA0046	When Others of fn_cash_dvnd_population
SE-BA0047	Error while rounding Rights fraction
SE-BA0048	When Others of fn_bonus_population
SE-BA0050	No data found in setm_rights
SE-BA0051	When Others of fn_rights_population
SE-BA0052	No data found in setm_warrants
SE-BA0053	When Others of fn_warrant_population
SE-BA0054	No data found in setm_redemption
SE-BA0055	When Others of fn_redemption_population
SE-BA0056	Unhandled exception in fn_redemption series
SE-BA0057	No data found in setm_coupon
SE-BA0058	When Others of fn_coupon_population
SE-BA0059	Unhandled exception in fn_get_sk_for_buysell
SE-BA0060	Select from SE Master and Detail to Populate Work Table Failed
SE-BA0061	Security Ccy not maintained for Internal Security Id
SE-BA0062	Latest ESN not maintained for Contract Reference
SE-BA0063	Updation of setbs_deal_master bombed
SE-BA0064	Updation of setbs_deal_detail bombed
SE-BA0065	Select from setbs_mm_repo_linkage failed
SE-BA0066	Insert to setws_tmp_repo_exposure bombed
SE-BA0067	Unhandled Exception in fn_calculate_repo_exposure
SE-BA0068	Unhandled Exception in sepkss_copy.fn_secopy_adeal
SE-BA0069	Insert to Cstb Contract Failed
SE-BA0070	Unhandled Exception in fn_cstb_contract_insert
SE-BA0071	Updation Of Cstb Contract Failed
SE-BA0072	Unhandled Exception in fn_cstb_contract_update
SE-BA0073	Insert to setbs_deal_master Failed
SE-BA0074	Unhandled Exception in fn_deal_master_insert
SE-BA0075	Insert to setbs_deal_detail Failed

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0076	Unhandled Exception in fn_deal_detail_insert
SE-BA0077	Insert to setbs_deal_parties Failed
SE-BA0078	Unhandled Exception in fn_deal_parties_insert
SE-BA0079	Insert to setbs_deal_parties_narrative Failed
SE-BA0080	Unhandled Exception in fn_deal_narrative_insert
SE-BA0081	Inserting into exception for reference number $1 failed
SE-BA0082	Unhandled exception in getting all legs to be processed for MSTL
SE-BA0083	Insert into event log bombed for leg $1
SE-BA0084	Unhandled exception in fn process leg for MSTL for leg $1
SE-BA0085	Failed to Lock SE Leg reference no. $1 for $2 event
SE-BA0086	Portfolio ID does not exist for position reference $1
SE-BA0087	Corporate action notice details could not be got for $1
SE-BA0088	Failed to update corporate actions due table for $1
SE-BA0089	Failed in identifying if processing is required
SE-BA0090	Failed in inserting into contract event advice table for $1
SE-BA0091	Unhandled exception in fn_periodic_accrual for Forward P/L
SE-BA0092	Failed to do product level FPL accruals for $1
SE-BA0093	Unhandled exception in fn_pass_product_entries for Forward P/L
SE-BA0094	Unable to lock cstb_contract for $1
SE-BA0095	Unhandled exception in fn_accrue_for_aleg
SE-BA0096	Unhandled exception in fn_reverse_for_a_leg
SE-BA0097	Unhandled exception in fn_complete_fpl_accrual
SE-BA0098	Failed to insert into setb_event_log for $1
SE-BA0099	Unhandled exception in function fn_right_tearoff_RGLL
SE-BA0100	Unhandled exception in function fn_pass_product_entries
SE-BA0101	Unable to do product level accruals for portfolio $1 and ccy $2
SE-BA0102	Unable to update the setb_fwdpnl_master for portfolio $1 and ccy $2
SE-BA0103	Unhandled exception in function fn_update_opening_bal
SE-BA0106	Unhandled exception in function fn_msg_handoff
SE-BA0107	Next process date $1 > Process till date $2 for product $3
SE-BA0108	Unable to get record from $1 for record $2
SE-BA0109	Unable to lock record from $1 for record $2
SE-BA0110	Unhandled exception in function fn_settlements
SE-BA0111	Error updating processed flag in setbs_caevent_log to W(work in progress) for Action ID -->> $1
SE-BA0112	Collection cannot be processed before initiation for internal Action ID $1 and position reference $2
SE-BA0113	Liquidation cannot be processed before initiation/collection for internal Action ID $1 and position reference $2

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0114	Unhandled exception - when others for internal Action ID $1 and position reference $2
SE-BA0115	Error updating processed flag in setbs_caevent_log to Y(Processed) for Action ID -->> $1
SE-BA0116	Unhandled exception – when others in function fn_dividend_auto.
SE-BA0117	Error selecting corporate actions record for internal Action ID $1 and position reference $2
SE-BA0118	Unhandled exception - when others in function fn_dividend_manual
SE-BA0119	Unable to lock record in setbms_corp_actions_due for internal Action ID $1 and position reference $2
SE-BA0120	Error selecting corporate actions record for update
SE-BA0121	Error selecting portfolio product and Portfolio Ref No for Portfolio ID -->> $1
SE-BA0122	Unhandled exception in function fn_process_event.
SE-BA0123	Function sepkss_utils.fn_lock_cstb_contract returned false for position reference $1
SE-BA0124	Failed to lock cstbs_contract for position reference $1
SE-BA0125	Unhandled exception - when others of function fn_coupon_auto
SE-BA0126	Coupon amount due is zero for component $1
SE-BA0127	Unhandled exception - when others of function fn_process_interest_due
SE-BA0128	Unhandled exception in function fn_get_locks
SE-BA0131	Unhandled exception in function fn_SPLP_for_aleg
SE-BA0132	Unhandled exception in function fn_SPSP_for_aleg
SE-BA0133	Unhandled exception in function fn_SSLP_for_aleg
SE-BA0134	Unhandled exception in function fn_SSSP_for_aleg
SE-BA0135	Failed to insert into setbs_dstl_details for $1
SE-BA0136	Failed to update setbs_dstl_master for $1
SE-BA0137	Failed while rounding amount tag $1 for amount $2
SE-BA0138	Unhandled exception in fn_memo_fpl_accrual
SE-BA0139	Failed to get the ESN for Memo accrual
SE-BA0140	Cannot settle $1 as it is not fully matched
SE-BA0141	Unhandled exception in fn_complete_DSTL
SE-BA0142	Failed to get current_holding
SE-BA0143	Failed to do DSTL for $1 as position goes +ve for Issuer Portfolio $2.
SE-BA0144	Failed to do DSTL for $1 as position goes -ve for Non-Issuer Portfolio $2.
SE-BA0145	Unable to select from setb_deal_detail for $1
SE-BA0146	Unable to select from setb_deal_master for $1
SE-BA0147	Unable to select from setb_portfolio_master for $1
SE-BA0148	Unable to update setb_caevent_tearoff_log

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0149	Unable to select from setm_security_master for $1
SE-BA0150	Unable to select from setb_dstl_master for $1 and $2
SE-BA0151	This program can be run only as part of End of Day or Beginning of Day processing.
SE-BA0152	Select from setms_security_master failed
SE-BA0153	Select from setms_price_detail failed
SE-BA0154	Select from ldtbs_contract_master failed
SE-BA0155	Select from ldtbs_contract_iccf_details failed
SE-BA0156	Select from ldtbs_contract_balance failed
SE-BA0157	Unhandled exception in fn_calculate_mm_amount
SE-BA0158	Unhandled exception in Sepkss_repo.fn_reverse_block_deals
SE-BA0159	Unhandled exception in Sepkss_repo.fn_roll_block_deals
SE-BA0160	Select from setms_security_master failed
SE-BA0161	Security expires before Contract Maturity
SE-BA0162	Select from setms_portfolio_master failed
SE-BA0163	Select from ldtms_product_master failed
SE-BA0164	Unhandled exception in fn_roll_each_block_deal
SE-BA0165	Failed to update cstbs_contract_event_log
SE-BA0166	Block Product not maintained for this product
SE-BA0167	Unhandled exception in fn_reverese_each_block_deal
SE-BA0168	Failed to delete from setbs_caevent_tearoff_log
SE-BA0169	Confirmed Date should not be more than Today
SE-BA0170	Improper Internal Action ID
SE-BA0171	Insert to setbs_caevent_tearoff_log failed
SE-BA0172	Unhandled exception in sepks_utils.fn_populate_caevent_tear_log
SE-BA0173	Unhandled exception in sepks_utils.fn_delete_caevent_tear_log
SE-BA0174	Insert to setbs_caevent_expiry_log failed
SE-BA0175	Securities with only Quantity type of redemption can be processed for rebuild
SE-BA0176	Insert to setbs_securty_face_value failed
SE-BA0177	Redeemed Value of Security cannot be less than Zero
SE-BA0178	Select from setms_redemption failed
SE-BA0179	Failed to round the redemption value
SE-BA0180	Unhandled exception in sepkss_security_rebuild.fn_rebuild_for_a_security
SE-BA0181	Position goes negative for $1
SE-BA0182	Position goes positive for $1
SE-BA0183	Amount round failed for $1
SE-BA0184	Unhandled exception in $1

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0185	Failed to read deal for $1
SE-BA0186	Failed to insert into cstb_contract_exception
SE-BA0187	Unhandled exception in fn_rebuild_slabs.
SE-BA0188	Unable to select from setms_portfolio_master
SE-BA0189	Unable to select from setb_dprp_accr_calc
SE-BA0190	Unable to lock position $1
SE-BA0191	Unable to select from setm_redemption
SE-BA0192	Unable to select from setm_security_master
SE-BA0193	Unable to update setb_bep
SE-BA0194	Unable to insert/update setb_dprp_accr_calc
SE-BA0195	Unhandled exception in fn_process_calc_table
SE-BA0196	Unable to calculate the tenor
SE-BA0197	Unable to calculate the no. of days
SE-BA0198	Unhandled exception in fn_constant_yld_dp
SE-BA0199	Unhandled exception in fn_constant_yld_rp
SE-BA0200	Unable to select from setm_branch_parameters
SE-BA0201	Next process date $1 > Process till date $2 for product $3
SE-BA0202	Unable to select from setb_dprp_accr_master
SE-BA0203	Unable to update setb_dprp_accr_master
SE-BA0204	Unhandled exception in fn_dprp_batch_accr
SE-BA0205	Unhandled exception in fn_pass_product_entries
SE-BA0206	Unable to update setb_dprp_accr_log
SE-BA0207	Unable to update accrual_entry_flag in setb_dprp_accr_log
SE-BA0208	Unhandled exception in fn_dprp_memo_accr
SE-BA0209	Unhandled exception in fn_dprp_reversals
SE-BA0210	Unhandled exception in fn_accrue
SE-BA0211	Unable to select from setb_bep
SE-BA0212	Unhandled exception in fn_accrue_during_settle
SE-BA0213	Unhandled exception in fn_acc_entry
SE-BA0214	Component code not correctly set
SE-BA0215	Unable to insert into setb_dprp_accr_log
SE-BA0216	Unhandled exception in fn_update_accr_log
SE-BA0217	Unhandled exception in fn_dprp_poswac
SE-BA0218	Unhandled exception in fn_dprp_negwac
SE-BA0219	Unhandled exception in fn_dprp_dmwac
SE-BA0220	Unhandled exception in fn_dprp_wac_noaccr
SE-BA0221	Unable to check future holding

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0222	Unable to select from setb_unrel_unmatch for $1
SE-BA0223	Unhandled exception in fn_rights_settlements
SE-BA0224	Unhandled exception in fn_warrants_settlements
SE-BA0225	Unhandled exception in fn_bonus_settlements
SE-BA0226	Unable to get current holding for position $1
SE-BA0227	Unable to select from setb_matched_deal for sell leg $1
SE-BA0228	Unable to update setb_event_log
SE-BA0229	Failed in function fn_find_cum_ex
SE-BA0230	Unable to break the match for $1
SE-BA0231	Unable to get Buy deal for position $1
SE-BA0232	Unable to insert into setb_matched_deal for sell leg $1
SE-BA0233	Unable to update setb_unrel_unmatch
SE-BA0234	Unhandled exception in fn_drive_alpl
SE-BA0235	Unhandled exception in fn_drive_dprp_accr
SE-BA0236	Unhandled exception in fn_drive_fpl_accr
SE-BA0237	Unhandled exception in fn_drive_fpl_memo_accr
SE-BA0238	Unhandled exception in fn_drive_dprp_memo_accr
SE-BA0239	Unable to update setb_dstl_master for $1 and dstl date $2
SE-BA0240	Unhandled exception in fn_reverse_alpl
SE-BA0241	Unhandled exception in fn_mark_dstl_master
SE-BA0242	Unable to get the Rights intrinsic value
SE-BA0243	Unable to select from setb_position_ref
SE-BA0244	Failed in function fn_build_event_advice
SE-BA0245	Unable to get the deal details for $1
SE-BA0246	Unhandled exception in fn_rights_exercise_RELL
SE-BA0247	Error while calculating P&L for Rights exercise
SE-BA0248	Unable to insert into setb_event_log
SE-BA0249	Unable to insert into setb_dstl_details
SE-BA0250	Unable to insert into cstb_contract_event_advice
SE-BA0251	Failed in function fn_msg_handoff
SE-BA0252	Error while calculating P&L for Rights expiry
SE-BA0253	Unhandled exception in fn_rights_expiry_RXLL
SE-BA0254	Failed in function fn_build_event_advice
SE-BA0255	Unhandled exception in fn_bonus_settlements
SE-BA0256	ALPL is already running in the current branch
SE-BA0257	Unhandled exception in Event Selection and Processing and ALPL function
SE-BA0258	Unhandled exception in fn_SSSP_settlements

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-BA0259	Unhandled exception in fn_do_matching
SE-BA0260	Closing sec balance not equal to settled quantity
SE-BA0261	Insert to setbs_interest rate failed
SE-BA0262	Unhandled exception in sepkss_security_rebuild.fn_rebuild_interest
SE-BA0263	Security being traded has already expired
SE-BA0264	Updation of setws_repo_rrepo_blocks failed
SE-BA0265	Select from setws_repo_rrepo_blocks failed
SE-BA0266	Unhandled Exception in sepks_repo_addon.fn_calculate_repo_face_value
SE-BA0271	Unhandled exception in function sepkss_corpaction_msg.fn_process_notice
SE-BA0272	Unhandled exception in function sepkss_corpaction_msg.fn_check_advice
SE-BA0273	Unhandled exception in function sepkss_corpaction_msg.fn_handoff
SE-BA0274	Error updating advice_generated field to Y
SE-BA0275	Error updating advice_generated field to P
SE-BA0276	Error updating internal_action_id in setbs_event_log
SE-BA0277	Unable to handoff to mstbs_msg_handoff. Function sepkss_advice_utils.fn_insert_msg_handoff returned false
SE-BA0278	Error updating statement date/number fields in setms_portfolio_master
SE-BA0279	Unhandled exception in function fn_statements_handoff
SE-BA0280	Matched buy deals have not settled. DSTL will not be done for $1
CS-CF0001	Unhandled exception in fn_create_cash_flow - version 1
CS-CF0002	Cstbs_event_due_dates not populated
CS-CF0003	Unhandled exception in fn_create_cash_flow - version 2
CS-CF0004	Unhandled exception in fn_restore_cash_flow
CS-CF0005	Unhandled exception in fn_authorize_cash_flow
CS-CF0006	Unhandled exception in fn_settle_cash_flow
CS-CF0007	Unhandled exception in fn_process_charges
CS-CF0008	Unhandled exception in fn_tax_charges
CS-CF0009	Unhandled exception in fn_is_referral
CS-CF0010	Unhandled exception in fn_process_settlements_lists
CS-CF0011	Unhandled exception in fn_upd_amt_due
CS-CF0012	Unhandled exception in fn_upd_amt_paid
CS-CF0013	Unhandled exception in fn_backup_cash_flow
SE-CF0001	Unhandled exception in fn_cash_flow_redemption
SE-CF0002	Unhandled exception in fn_cash_flow_dividends
SE-CF0003	Unhandled exception in fn_cash_flow_coupons
SE-CF0004	Unhandled exception in fn_populate_amt_due

Table A-3 (Cont.) Error Codes and Messages for Batches

Error Code	Message
SE-CF0005	Unhandled exception in fn_get_sett_acc
SE-BOD001	Unhandled exception in function sepkss_security_batch.fn_process_security_batch wile processing security $1
SE-BOD002	Unhandled exception in function sepkss_security_batch.fn_process_security_batch
SE-BOD003	Unhandled exception in function fn_update of sepkss_security_batch
SE-BOD040	Failed to update setb_caevent_tearoff_log
SE-BOD041	Failed to lock cstb_contract
SE-BOD042	Failed to update setm_corp_actions_due with auto deal reference
SE-BOD043	When Others of fn_right_tearoff
SE-BOD044	Error while selecting product for building auto deal
SE-BOD045	When Others of fn_right_pfolio_processing
SE-BOD046	No data found in setm_combination_product
SE-BOD047	Failed to insert into setb_unrel_unmatch
SE-BOD048	Unhandled exception in fn_deal_detail
SE-BOD049	Unhandled exception in fn_deal_master
SE-BOD050	Failed to update setb_caevent_expiry_log
SE-BOD051	Unhandled exception in fn_rights_expiry
SE-BOD052	Are you sure you want start Corp Action Batch processing?
SE-BOD053	Unhandled exception encountered while running Batch program
SE-BOD074	When Others of fn_populate_coupon_eod
SE-BOD075	When Others of fn_populate_cash_dvnd_eod

A.4 Error Codes and Messages for Deal Input

Table A-4 Error Codes and Messages

Error Code	Message
SE-DO0000	For Securities Deal On-line error code format is SE-DONNNN, where NNNN is a running four-digit number with left padded zeros. Please insert the Error Codes you want and reserve it. The Error Message cannot be greater than 255 characters. Please do not use SE-DO0000 as a Error Code.
SE-DO0001	Product code should be entered
SE-DO0002	Unable to generate reference number
SE-DO0003	Trade date cannot be after today
SE-DO0004	Trade date cannot be after interest date
SE-DO0005	Interest date cannot be after delivery settlement date
SE-DO0006	Delivery settlement date cannot be before trade date

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SE-DO0007	Security code should be entered
SE-DO0008	Market code should be entered
SE-DO0009	Deal quantity should be entered
SE-DO0010	Input price should be entered
SE-DO0011	Trade date should be entered
SE-DO0012	Delivery settlement date should be entered
SE-DO0013	Interest date should be entered
SE-DO0014	Trade date should be entered
SE-DO0015	Broker code should be entered
SE-DO0016	Security series should be entered
SE-DO0017	Payment date should be entered
SE-DO0018	Spot date should be entered
SE-DO0019	Spot price should be entered
SE-DO0020	Payment Currency should be entered
SE-DO0021	Interest days should be entered
SE-DO0022	Counterparty should be entered
SE-DO0023	SK location should be entered
SE-DO0024	Portfolio should be entered
SE-DO0025	User reference should be entered
SE-DO0026	Dealer code should be entered
SE-DO0027	Money settlement date should be entered
SE-DO0028	SK Account should be entered
SE-DO0029	Actual money settlement date should be entered
SE-DO0030	Overrides need to be confirmed for Authorization
SE-DO0031	Do you want to undo the changes you have made?
SE-DO0032	Do you want to delete the contract?
SE-DO0033	Do you want to undo the last unauthorized changes?
SE-DO0034	Authorized contract can not be deleted
SE-DO0035	Contract successfully deleted
SE-DO0036	User Reference Number should be unique
SE-DO0037	Liquidate Failed
SE-DO0038	Rollover Failed
SE-DO0039	Failed to generate new version, Reversal of contract Failed
SE-DO0040	Failed to copy the contract
SE-DO0041	Failed to delete the contract
SE-DO0042	Contract successfully deleted
SE-DO0043	Do you want to close the contract?

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SE-DO0044	Contract successfully closed
SE-DO0045	Failed to CLOSE the contract
SE-DO0046	Unauthorized contract can not be modified
SE-DO0048	Contract will be put on hold
SE-DO0053	Failed in contract event log processing
SE-DO0054	Failed to unlock the contract
SE-DO0055	User Id should be same as the maker Id
SE-DO0056	unauthorized record can not be processed
SE-DO0057	DSTL date should be entered
SE-DO0058	New DSTL date should not be before the existing DSTL date
SE-DO0059	Rollover completed successfully
SE-DO0060	Failed to process the deal leg records
SE-DO0061	Security ID does not match, Please reenter the security ID
SE-DO0062	Input price does not match, please reenter the input price
SE-DO0063	Trade date does not match, please re enter the trade date
SE-DO0064	deal settlement date does not match, please re enter the deal settlement date
SE-DO0065	Deal units are not matching, please reenter the deal units
SE-DO0066	Portfolio Ids do not match, Please reenter the portfolio ID
SE-DO0067	Money settlement date does not match, please reenter the money settlement date
SE-DO0068	Failed to validate the dates
SE-DO0069	$1, $2 $3 is $4 holiday. Continue?
SE-DO0070	Trade date is earlier than product start date
SE-DO0071	Deal Settlement date is earlier than product start date
SE-DO0072	Money Settlement date is earlier than product start date
SE-DO0073	Trade date should not be after product end date
SE-DO0074	Deal Settlement date should not be after product end date
SE-DO0075	Money Settlement date should not be after product end date
SE-DO0076	Trade Date cannot be after Today's System Date
SE-DO0077	Trade Date cannot be after the Deal Settlement Date
SE-DO0078	Trade Date is same as The Settlement Date
SE-DO0079	Money Settlement Date cannot be earlier than the Trade Date
SE-DO0080	Money Settlement Date cannot be later than Settlement Date
SE-DO0081	Actual Settlement Date cannot be earlier than Money Settlement Date
SE-DO0082	Actual Settlement Date cannot be earlier than the Deal Settlement Date
SE-DO0083	Interest Value Date cannot be earlier than Trade Date
SE-DO0084	Interest Value Date cannot be after the Settlement Date

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SE-DO0085	Trade Date is earlier than Today's System Date
SE-DO0086	Settlement Date is earlier than Today's System Date
SE-DO0087	Deal input price exceeds market price by $1, Continue?
SE-DO0088	Deal input price exceeds market price by $1%, variance Exception limit exceeded.
SE-DO0089	Deal is already settled. Settlement date can not be extended.
SE-DO0090	Portfolio Id for Buy leg and that for sell leg should not be same.
SE-DO0091	Counterparty for Buy leg and that for sell leg should not be same.
SE-DO0092	Money Settlement for $ is already completed
SE-DO0093	Failed in event processing, $1 failed
SE-DO0094	Checker ID can not be same as the Maker ID
SE-DO0095	Contract saved as TEMPLATE
SE-DO0096	Contract saved
SE-DO0097	Matched units can not be null
SE-DO0098	Contract already liquidated
SE-DO0100	Deal Successfully Saved
SE-DO0131	Failed to get the price components
SE-DO0132	Spot date can not be earlier than Trade date
SE-DO0133	Money settlement is already done
SE-DO0134	Deal settlement is already done
SE-DO0135	Could not retrieve spot price for the given face value, please input spot price
SE-DO0136	Limits are not maintained
SE-DO0137	Combination of the entered details is not valid
SE-DO0138	Please enter the mandatory fields
SE-DO0139	Money Settlement date is earlier than today
SE-DO0140	New Deal Settlement Date is greater than one of the sell leg Deal Settlement Dates matched to $1
SE-DO0141	New Deal Settlement Date is earlier than one of the buy leg Deal Settlement Dates matched to $1
SE-DO0142	Failed to compare Deal settlement dates for matched deals
SE-DO0143	Failed in $1 pickup
SE-DO0144	Please enter the narrative type
SE-DO0145	Failed to generate Position Reference Number
SE-DO0146	Contract reversed.
SE-DO0147	Do you want to reverse the contract?
SE-DO0148	Failed to select the record
SE-DO0149	Selected record has changed, please reselect
SE-DO0150	Do you want to re-pickup the subsystems?

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SE-DO0151	Number of units entered is not in multiples of minimum tradable security units
SE-DO0152	DSTL date is earlier than start of trading date for the security
SE-DO0153	DSTL date is not earlier than the security redemption date
SE-DO0154	Settlement SKL is mandatory
SE-DO0155	Payment Currency - Security Currency ratio is mandatory
SE-DO0156	Failed to authorize the contract
SE-DO0157	Failed to validate the rekey fields
SE-DO158	input quantity has exceeded maximum limit
SE-DO0159	Failed to default the product details
SE-DO0160	Spot date should be less than Deal Settlement date
SE-DO0161	Failed to default price components
SE-DO0162	Deal is already settled. Can not continue!
SE-DO0163	Failed to save the contract
SE-DO0164	Failed to reserve record for liquidation
SE-DO0165	Zero units are available for release
SE-DO0166	Failed to maintain the template
SE-DO0167	Contract reference number can not be null, Please contact support
SE-DO0168	Failed to get the counter product details for deal product
SE-DO0169	Please input rights exercise details, before proceeding further
SE-DO0170	Please enter the Parties details for leg with reference number $1
SE-DO0171	Failed to initialize the parameters
SE-DO0172	Failed in Holiday checks
SE-DO0173	Failed to get the resultant security code
SE-DO0174	Deal quantity can not exceed the maximum allowed quantity for exercise
SE-DO0175	Trade Date validations failed
SE-DO0176	Trade date is not between start of exercise date and the end of exercise date
SE-DO0177	Deal settlement date can not be greater than the redemption date/expiry date of security
SE-DO0178	Failed to validate the DSTL date
SE-DO0179	Failed to update rows for the deal
SE-DO0180	Failed in rights exercise processing
SE-DO0181	Deal quantity should be greater than 0
SE-DO0182	From leg position can not be same as the to leg position
SE-DO0183	This position has $1 balance
SE-DO0184	Failed to validate the deal
SE-DO0185	Error codes could not be retrieved correctly
SE-DO0186	$1, $2 $3 is $4 holiday. Continue?

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SE-DO0187	Failed to duplicate the overrides
SE-DO0188	Reversed contract can not be unlocked
SE-DO0189	Money Settlement can not be done for bank leg
SE-DO0190	Interest Value Date should be between $1 and $2
SE-DO0191	Variance is not maintained for the security product in security currency
SE-DO0192	MIS maintenance is not done for security/portfolio
SE-DO0193	Failed to get security trading dates
SE-DO0194	Incorrect format for SWIFT address
SE-DO0195	First line of address is mandatory
SE-DO0196	Medium is mandatory for walk-in customer
SE-DO0197	Deal quantity should be greater than the minimum allowed quantity for exercise
SE-DO0198	Counterparty confirmation is not allowed for this deal.
SE-CALC01	Divide by zero condition. Cannot calculate yield.
SE-CALC02	Unhandled exception in function sepkss_calc.fn_tbill_pricetoyield.
SE-CALC03	Divide by zero condition. Cannot calculate price.
SE-CALC04	Unhandled exception in function sepkss_calc.fn_tbill_yieldtoprice.
SE-CALC05	Error condition while calculating Present Value of cash flow(s).
SE-CALC06	Unhandled exception in function sepkss_calc.fn_bond_pricetoyield.
SE-CALC07	Unhandled exception in function sepkss_calc.fn_bond_yieldtoprice
SE-CALC08	Unhandled exception in function sepkss_calc.fn_tbill_calc
SE-CALC09	Function(fn_tbill_calc) does not understand mode $1
SE-CALC10	Function(fn_tbill_calc) cannot determine which is to be calculated (Yield or Price)
SE-ONL100	Error during Netcons Processing
SE-ONL101	Error processing Parties
SE-ONL102	Error processing of Advices
SE-ONL103	Error processing Subsystems
SE-ONL104	Error updating of Exchange Rates in Settlements
SE-ONL105	Error retrieving Deal Amount Tags
SE-ONL106	Error creating Deal Amount Tag list
SE-ONL107	Error retrieving Deal Detail
SE-ONL108	Error retrieving Deal Master
SE-ONL109	Settlement CCY for a Netcons component different from Payment CCY
SE-ONL110	Error Processing Module Components during Settlements pickup
SE-ONL111	Error Processing Module Components for Net consideration
SE-ONL112	Error Processing Interest Components for Net consideration
SE-ONL113	Error Processing Tax Components under Net consideration

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SE-ONL114	Error processing Parties. CIF record missing
SE-ONL115	Error inserting into Unrel - Unmatch Table
SE-ONL116	Error processing exposures
SE-ONL117	Error processing clean risk
SE-ONL118	Error inserting into Securities Event Log
SE-ONL119	Error inserting Core Contract control table
SE-ONL120	Error updating Core Contract control table
SE-ONL121	Error inserting Core Contract event log table
SE-ONL122	Error retrieving Spot Price
SE-ONL123	Error processing event - $1
SE-ONL124	Error authorizing event - $1
SE-ONL125	Error retrieving data from Core Contract control table
SE-ONL126	Error Deleting contract
SE-ONL127	Error inserting Deal Master
SE-ONL128	Error inserting Deal Detail
SE-ONL129	Error inserting into Deal Matching tables
SE-ONL130	Error copying contract
SE-ONL131	Error splitting price
SE-ONL132	Error retrieving Face Value
SE-ONL133	Error retrieving Market Price
SE-ONL134	Error handing off messages
SE-ONL135	Error retrieving DCN
SE-ONL136	DEAL_NOMINALAMT not defined in product accounting entry
SE-ONL137	Active or Unauthorized Reversed/Cancelled Sell Legs are linked to this buy leg. Only completely unmatched buy legs or buy legs linked to authorised reversed/cancelled sell legs can be reversed
SE-ONL138	Error during updation of blocked balances
SE-ONL139	Portfolio cannot go short. Current position insufficient
SE-ONL140	Holdings insufficient to be blocked
SE-ONL141	Error verifying available balance for Portfolio
SE-ONL142	MSTL possible for only Customer - Buy/Sell legs
SE-ONL143	Failed in Cash flow processing
SE-ONL144	Failed to populate the amount due records in cash flow
SE-ONL145	Failed in creating cash flow
SD-LM-00001	The Issuer Limits details are incomplete. Complete/Delete the Issuer Limits details.
SD-LM-00002	The Line Code is not a Limits Template
SD-LM-00003	The Line Code is not entered
SD-LM-00004	The Liability is not entered

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SD-LM-00005	The Line Start Date cannot be later than the Line Expiry Date
SD-LM-00006	The Last Available Date cannot be later than the Line Expiry Date
SD-LM-00007	The Line Currency is not entered
SD-LM-00008	This Tenor has been maintained for the Limit
SD-LM-00009	The Tenor details are incomplete. Complete/Delete the Tenor details
SD-LM-00010	The Products Allowed details are incomplete. Complete/Delete the Products Allowed details
SD-LM-00011	The Branches Allowed details are incomplete. Complete/Delete the Branches Allowed details
SD-LM-00012	The Last Available Date cannot be less than the Line Start Date
SD-LM-00013	The Customers Allowed details are incomplete. Complete/Delete the Customers Allowed details
SD-LM-00014	The Tenor Limit Amount exceeds the Line Limit Amount
SD-LM-00015	The Sub Line Tenor Limit Amount cannot be greater than the next higher Main Line Tenor Limit Amount. $1 - $2
SD-LM-00016	The Sub Line Tenor cannot be greater than Maximum Main Line Tenor. $1 Days
SD-LM-00017	There are no Tenors specified for the Main Line
SD-LM-00018	The Line Code is Limits Template. Details will be copied from template. Continue?
SD-LM-00019	The Sub Line Limit cannot exceed the Main Line Limit. $1-$2
SD-LM-00020	The Main Line Limit cannot be less than any of its Sub Line Limit. $1 -$2
SD-LM-00021	The Main Line Tenor cannot be Less than the Minimum Tenor of any Sub Lines reporting to it. - $1 Days
SD-LM-00022	The Main Line Tenor Limit Amount cannot be less than the next lower Sub Line Tenor Limit Amount. $1 - $2
SD-LM-00023	The Limits Copy could not be completed.
SD-LM-00024	Blank spaces cannot be a part of this field
SD-LM-00025	The Line Code should have a nine characters
SD-LM-00026	The Tenor Mnemonic is not entered.
SD-LM-00027	The Limit is not entered.
SD-LM-00028	The Collateral Start Date cannot be later than the Collateral Expiry Date
SD-LM-00029	The Margin computed is not between 0 and 100.
SD-LM-00030	The Collateral Currency is not entered.
SD-LM-00031	The Collateral Type is not entered.
SD-LM-00032	The Collateral Review Date cannot be later than the Collateral Expiry Date
SD-LM-00033	The Collateral Review Date cannot be earlier than Collateral Start Date
SD-LM-00034	The Expiry Date cannot be earlier than Start Date.
SD-LM-00035	The Security Code is not entered.
SD-LM-00036	The Security Type is not entered.

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SD-LM-00037	The Currency is not entered.
SD-LM-00038	The Market Price Details are incomplete. Complete / Delete the Market Price Details
SD-LM-00039	The Line Code is not entered.
SD-LM-00040	The computed exposure is not between 1 and 100.
SD-LM-00041	There are Active Sub Lines reporting to this Main Line. Main Line cannot be closed.
SD-LM-00042	The Last Price Change Date cannot be greater than Branch Date
SD-LM-00043	The Security Code is not entered for the MVBC
SD-LM-00044	The Price Code is not entered for the MVBC
SD-LM-00045	The Number Of Units is not entered for the MVBC
SD-LM-00046	The Collateral Ccy is not entered for the Collateral
SD-LM-00047	Security Code has not been entered
SD-LM-00048	The Issuer Exposure Details are incomplete. Complete / Delete the Issuer Exposure Details
SD-LM-00049	The Start Date cannot be greater than the Branch Date
SD-LM-00050	The Last Price Change Date cannot be earlier than Start Date
SD-LM-00051	The Expiry Date cannot be earlier than Branch Date.
SD-LM-00052	The Last Price Change Date cannot later than Expiry Date
SD-LM-00053	The Description is not entered.
SD-LM-00054	The Face Value is not entered.
SD-LM-00055	The Limit Contribution cannot be greater than the Cap Amount.
SD-LM-00056	Report date should be greater than the date today
SD-LM-00057	The Total Issuer Exposure should be greater than 100 %.
SD-LM-00058	Collateral exists with the Issuer Code. Record cannot be closed.
SD-LM-00059	Securities exist with the Issuer Code. Record cannot be closed.
SD-LM-00060	There are Collateral linked to this Limit. Record cannot be closed.
SD-LM-00061	There are Collateral linked to this Security. Record cannot be closed.
SD-LM-00062	There are Collateral linked to this Price Code. Record cannot be closed.
SD-LM-00063	There are Collateral linked to this Collateral Type. Record cannot be deleted
SD-LM-00064	This Facility is not available at this Branch
SD-LM-00065	No Details exist for the Reference Number.
SD-LM-00066	Customer Clean Risk Limit cannot be greater than Liability Clean Risk Limit
SD-LM-00067	Customer Clean Risk Limit cannot be greater than Overall Limit
SD-LM-00068	Liability Clean Risk Limit cannot be greater than Overall Limit
SD-LM-00069	Limit Currency is not Entered
SD-LM-00070	Overall Limit is not Entered

Table A-4 (Cont.) Error Codes and Messages

Error Code	Message
SD-LM-00071	Liability Clean Risk Limit is not Entered
SD-LM-00100	Line Not Authorised
SD-LM-00101	Line Closed
SD-LM-00102	Line Not Found
SD-LM-00103	Invalid Customer ID
SD-LM-00104	Liability ID. Not Specified
SD-LM-00105	Account ID. Not specified
SD-LM-00106	Reference Id not specified
SD-LM-00107	Amount tag not specified
SD-LM-00108	Amount not specified
SD-LM-00109	Currency not specified
SD-LM-00110	Branch not specified
SD-LM-00111	Line $1 - Amount exceeds Limit for specified tenor by $2
SD-LM-00112	Line $1 - Amount exceeds all available tenor limits by $2
SD-LM-00113	Line $1 - Amount exceeds line limit. Limit = $3 $2. Utilisation = $4 $2. Overdraft = $5 $2
SD-LM-00114	Main Line $1 - Amount exceeds Main line limit amount. Limit = $3 $2. Utilisation = $4 $2. Overdraft = $5 $2
SD-LM-00115	Line has matured
SD-LM-00116	Line not available
SD-LM-00117	Amount exceeds limit for liability $1. Limit = $3 $2 Utilisation = $4 $2 Overdraft = $5 $2
SD-LM-00200	Clean risk limit exceeded for Customer $1 On $2. Limit = $4 $3 , Utilisation = $5 $3, Excess = $6 $3
SD-LM-00201	Clean risk limit exceeded for Liability $1 On $2. Limit = $4 $3 , Utilisation = $5 $3, Excess = $6 $3
SD-LM-00202	Date input is a holiday. Do you want to continue?
SD-LM-00203	Customer clean risk exceeds for customer $1 for date $2 for currency $3. The limit is $4. The actual amount is $5 and the difference is $6
SD-LM-00204	Liability clean risk exceeds for customer $1 for date $2 for currency $3. The limit is $4. The actual amount is $5 and the difference is $6
SD-LM-99998	Limits: Node $1 Unavailable. Utilization will be updated later.
SD-LM-99999	Limits Service - Unexpected Error - $1

A.5 Error Codes and Messages for Non-Securities

Table A-5 Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0001	Internal Security ID must be Unique
SE-SO0002	ISIN Identifier must be Unique
SE-SO0003	Market of Issue cannot be cleared after having been populated once.
SE-SO0004	Security Currency cannot be cleared after having been populated once.
SE-SO0005	Initial Face Value would be cleared. Proceed?
SE-SO0006	Issue Price would be cleared. Proceed?
SE-SO0007	Redemption Price would be cleared. Proceed?
SE-SO0011	By SWIFT Standards, valid day count indicators are A001, A002, A003, A004, A005, A006 and A007
SE-SO0031	By SWIFT Standards, there needs to be necessarily $1 characters
SE-SO0032	By SWIFT Standards, valid characters are [A - Z] , [0 - 9]
SE-SO0033	By SWIFT Standards, some characters are invalid. Proceed with appropriatesubstitution?
SE-SO0051	Internal Security ID is Mandatory
SE-SO0052	Product is Mandatory
SE-SO0053	Market of Issue is Mandatory
SE-SO0054	Issuer ID is Mandatory
SE-SO0055	Registered / Bearer is Mandatory
SE-SO0056	Form Type is Mandatory
SE-SO0057	Quantity Quotation is Mandatory
SE-SO0058	Interest Quotation is Mandatory
SE-SO0059	Unit Decimals is Mandatory
SE-SO0060	Lot Size is not populated. Proceed?
SE-SO0061	Redemption Type is Mandatory
SE-SO0062	Security Currency is Mandatory
SE-SO0063	Payment Currency is Mandatory
SE-SO0064	Issue /Tearoff Date is Mandatory
SE-SO0065	Start of Interest Date is Mandatory
SE-SO0066	Start of Trading Date is Mandatory
SE-SO0067	Redemption / Expiry Date is Mandatory
SE-SO0068	Start of Interest Date is earlier than Issue /Tearoff Date. Proceed?
SE-SO0069	Start of Trading Date must be later than Start of Interest Date
SE-SO0070	Redemption / Expiry Date must be later than Issue / Tearoff Date
SE-SO0071	Redemption / Expiry Date must be later than Start of Interest Date
SE-SO0072	Redemption / Expiry Date must be later than Start of Trading Date
SE-SO0073	Initial Face Value is Mandatory

Table A-5 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0074	Issue Price is Mandatory
SE-SO0075	Redemption Price is Mandatory
SE-SO0076	Issue Price must be lesser than Initial Face Value
SE-SO0077	Redemption Price must be greater than or equal to Initial Face Value
SE-SO0078	Quantity Quotation must be "UNITS"
SE-SO0079	Lot Size must be a multiple of Initial Face Value
SE-SO0080	Coupon Frequency is Mandatory
SE-SO0081	Coupon Weekday is Mandatory
SE-SO0101	Revision Frequency is Mandatory
SE-SO0102	Revision Weekday is Mandatory
SE-SO0103	Rounding Basis is Mandatory
SE-SO0104	Rate Basis is Mandatory
SE-SO0105	Rounding Basis is Mandatory
SE-SO0106	Rate Basis is Mandatory
SE-SO0107	Accrual Numerator Method is Mandatory
SE-SO0108	Accrual Denominator Method is Mandatory
SE-SO0109	Accrual Denominator Basis is Mandatory
SE-SO0110	Liquidation Numerator Method is Mandatory
SE-SO0111	Liquidation Denominator Method is Mandatory
SE-SO0112	Liquidation Denominator Basis is Mandatory
SE-SO0113	Accrual Denominator Basis and Liquidation Denominator Basis must beidentical
SE-SO0114	Accrual Include To Day and Liquidation Include To Day must be identical
SE-SO0115	If Rate Basis and Accrual / Liquidation Denominator Basis are not identical then it must be Periodic Coupon
SE-SO0116	If Rate Basis and Accrual / Liquidation Denominator Basis are not identicalthen it must not be Weekly Coupon
SE-SO0131	Collateral Type is Mandatory
SE-SO0132	Dividend Basis is Mandatory
SE-SO0133	Warrant Basis is Mandatory
SE-SO0134	Rights Basis is Mandatory
SE-SO0151	Coupon Schedules have not been maintained. Proceed?
SE-SO0181	Series must be Unique
SE-SO0182	Redemption of this Series has already been defined
SE-SO0183	Series is Mandatory
SE-SO0201	Base Start Date must be Unique
SE-SO0202	Base Start Date must later than Start of Interest Date
SE-SO0203	Base Start Date must be earlier than Redemption/Expiry Date
SE-SO0204	Base End Date must be later than Start of Interest Date

Table A-5 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0205	Base End Date must be earlier than or equal to Redemption/Expiry Date
SE-SO0206	Base Start Date is Mandatory
SE-SO0207	Base End Date must be later than Base Start Date
SE-SO0208	Base Frequency is Mandatory
SE-SO0209	Week Day is Mandatory
SE-SO0210	Base Start Date must be on specified the Weekday
SE-SO0231	First Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0232	First Previous Virtual Coupon Date must be later than Previous Coupon Date
SE-SO0233	Second Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0234	First Next Virtual Coupon Date must be later than Next Coupon Date
SE-SO0235	First Next Virtual Coupon Date must be earlier than Next Coupon Date
SE-SO0236	Second Next Virtual Coupon Date must be later than Next Coupon Date
SE-SO0237	First Previous Virtual Coupon Date is Mandatory
SE-SO0238	Second Previous Virtual Coupon Date is Mandatory
SE-SO0239	SO0239 First Next Virtual Coupon Date is Mandatory
SE-SO0240	Second Next Virtual Coupon Date is Mandatory
SE-SO0261	Effective Date must later than Start of Interest Date
SE-SO0262	Effective Date must be earlier than Redemption/Expiry Date
SE-SO0263	Effective Date is Mandatory
SE-SO0281	Event Date must be Unique
SE-SO0282	Event Date must be later than Issue/Tearoff Date
SE-SO0283	Event Date must be earlier than Redemption/Expiry Date
SE-SO0284	Cumulative % To Be Redeemed must be lesser than 100%
SE-SO0285	Redemption Price must be greater than equal to Initial Face Value
SE-SO0286	Event Date is Mandatory
SE-SO0287	% To Be Redeemed is Mandatory
SE-SO0288	Redemption Price is Mandatory
SE-SO0289	Disposition of Fractions is Mandatory
SE-SO0290	Redemption Price must be greater than equal to Face Value beingRedeemed
SE-SO0291	Series is Mandatory
SE-SO0401	Attributes defaulted from Market of Issue would be redefaulted. Proceed?
SE-SO0402	Coupon Schedules would be deleted. Proceed?
SE-SO0403	Revision Schedules would be deleted. Proceed?
SE-SO0404	Redemption Schedules would be deleted. Proceed?

Table A-5 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0405	Interest Component/s would need to be associated afresh. Proceed?
SE-SO0406	Tax Component/s would need to be associated afresh. Proceed?
SE-SO0407	MIS would need to be associated afresh. Proceed?
SE-SO0501	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0502	Unhandled Exception in Security Definition Function
SE-SO0503	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0504	Unhandled Exception in Security Definition Function
SE-SO0505	Unable to Update Current Block Items in Security Definition Function
SE-SO0506	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0507	Unhandled Exception in Security Definition Function
SE-SO0508	Unhandled Exception in Security Definition Function
SE-SO0509	Unable to Commit in Security Definition Function
SE-SO0510	Security Definition Saved Successfully
SE-SO0511	Unhandled Exception in Security Definition Function
SE-SO0512	Unable to Commit in Security Definition Function
SE-SO0513	Security Definition Deleted Successfully
SE-SO0514	Unhandled Exception in Security Definition Function
SE-SO0515	Unable to Commit in Security Definition Function
SE-SO0516	Unhandled Exception in Security Definition Function
SE-SO0517	Security Definition is not yet Authorized Once
SE-SO0518	Deals have already been struck for the Security
SE-SO0519	Unable to Post in Security Definition Function
SE-SO0520	Unable to Commit in Security Definition Function
SE-SO0521	Security Definition Closed Successfully
SE-SO0522	Unhandled Exception in Security Definition Function
SE-SO0523	Security Definition is Open Already
SE-SO0524	Unable to Post in Security Definition Function
SE-SO0525	Unable to Commit in Security Definition Function
SE-SO0526	Security Definition Reopened Successfully
SE-SO0527	Unhandled Exception in Security Definition Function
SE-SO0528	Product is Unavailable in the Current List
SE-SO0551	Product is Unavailable in the Current List
SE-SO0552	Market of Issue is Unavailable in the Current List
SE-SO0553	Issuer ID is Unavailable in the Current List
SE-SO0554	Security Currency is Unavailable in the Current List
SE-SO0555	Payment Currency is Unavailable in the Current List
SE-SO0556	Collateral Type is Unavailable in the Current List

Table A-5 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0557	Revaluation Price Code is Unavailable in the Current List
SE-SO0601	Unhandled Exception in Security Definition Function
SE-SO0602	Unhandled Exception in Security Definition Function
SE-SO0603	Unhandled Exception in Security Definition Function
SE-SO0604	Unhandled Exception in Security Definition Function
SE-SO0605	Unhandled Exception in Security Definition Function
SE-SO0606	Unhandled Exception in Security Definition Function
SE-SO0607	Unhandled Exception in Security Definition Function
SE-SO0608	Unhandled Exception in Security Definition Function
SE-SO0609	Unhandled Exception in Security Definition Function
SE-SO0610	Unhandled Exception in Security Definition Function
SE-SO0611	Unhandled Exception in Security Definition Function
SE-SO0612	Unhandled Exception in Security Definition Function
SE-SO0613	Unhandled Exception in Security Definition Function
SE-SO0614	Unhandled Exception in Security Definition Function
SE-SO0615	Unhandled Exception in Security Definition Function
SE-SO0616	Unhandled Exception in Security Definition Function
SE-SO0617	Unhandled Exception in Security Definition Function
SE-SO0618	Unhandled Exception in Security Definition Function
SE-SO0619	Unhandled Exception in Security Definition Function
SE-SO0620	Unhandled Exception in Security Definition Function
SE-SO0621	Unhandled Exception in Security Definition Function
SE-SO0622	Unhandled Exception in Security Definition Function
SE-SO0623	Unhandled Exception in Security Definition Function
SE-SO0624	Unhandled Exception in Security Definition Function
SE-SO0625	Unhandled Exception in Security Definition Function
SE-SO0626	Unhandled Exception in Security Definition Function
SE-SO0627	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0651	Coupon Schedule Definition resulted in convergent Coupon Dates
SE-SO0652	The Tenor of the Security does not conform to the Tenor Variance specifiedat the Product Level
SE-SO0653	Coupon Date missing on Redemption Date $1
SE-SO0654	No Series has been defined for Redemption on Event Date $1
SE-SO0655	Revision Schedule Definition resulted in convergent Revision Dates
SE-SO0656	Effective Date of Revision on Event Date $1 does not lie within the sameCoupon Period as the Event Date
SE-SO0657	Interest Rate not populated for Interest Component $1
SE-SO0658	All Interest Components have been Waived

Table A-5 (Cont.) Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0659	Tax Rate Code not populated for Tax Component $1
SE-SO0660	The Issue date should be later than the product start date
SE-SO0661	The Redemption or Expiry date cannot be later than the product end date
SE-SO0662	The Redemption Price is lesser than the Initial Face Value. Continue?

A.6 Error Codes and Messages for Portfolio Online

Table A-6 Error Codes and Messages

Error Code	Message
SE-PO0010	Reference Number could not be generated
SE-PO0001	Authorizer cannot be the same as the Maker
SE-PO0002	Contract Reference Number does not match
SE-PO0003	Customer ID does not match
SE-PO0004	Currency Code does not match
SE-PO0005	Overrides not confirmed
SE-PO0010	Reference Number could not be generated
SE-PO0011	Failed while $1 into Change Log table
SE-PO0012	Safe Keeping Location to Account mapping already exists
SE-PO0014	Failed to copy the contract
SE-PO0016	Security ‘Allowed’ flag can't be changed if Security ID is null
SE-PO0017	Contract was input by $1. Cannot be deleted
SE-PO0018	Cannot delete a once authorised record
SE-PO0019	Record successfully deleted
SE-PO0020	Are you sure you want to close the contract?
SE-PO0021	User Reference Number already exists
SE-PO0023	Input Counterparty
SE-PO0024	Input Currency
SE-PO0025	Enter the Product Code
SE-PO0026	Safe Keeping Location to Account mapping not maintained for this portfolio
SE-PO0027	Contract Reference Number does not exist for this portfolio
SE-PO0029	Contract shall be put on HOLD status
SE-PO0032	Pickup failed
SE-PO0033	Unauthorized record cannot be unlocked
SE-PO0034	Unauthorized record cannot be closed
SE-PO0035	Failed to copy the portfolio - security restrictions

Table A-6 (Cont.) Error Codes and Messages

Error Code	Message
SE-PO0036	Referral Failed
SE-PO0037	Unauthorized record cannot be reopened
SE-PO0038	Contract put on hold successfully
SE-PO0041	For Bank Portfolio and WAC costing method, 'Accrue Premium' flag should have the same value as that of 'Accrue Discount' flag
SE-PO0050	Mandatory Field ($1) is null
SE-PO0051	Location ID cannot be deleted as it is in use
SE-PO0052	For WAC Costing Method, Redemption Premium is not allowed
SE-PO0053	For Non Accrual or Cash Asset Accounting Basis, Premium Accrual and Discount Accrual is not allowed
SE-PO0054	For Accrual Asset Accounting Basis, Premium Accrual or Discount Accrual must be chosen
SE-PO0055	Safe Keeping Locations are not defined. Proceed?
SE-PO0056	Security Restrictions screen is not visited. Proceed?
SE-PO0057	Role to Head mapping is not defined. Proceed?
SE-PO0058	Portfolio ID is not unique
SE-PO0059	Revaluation of unsettled positions is not allowed without the revaluation of settled positions
SE-PO0060	Withholding Tax Accrual is not without Interest Accrual
SE-PO0061	Record successfully Closed
SE-PO0062	Record successfully Reopened
SE-PO0063	Mandatory Fields (Security Product/Role To Head Class) are null
SE-PO0064	Mandatory Fields (Security ID/Role To Head Class) are null
SE-PO0065	Mandatory Fields (SK Location/SK Location Account) are null
SE-PO0066	Customer Account needs to be reselected. Proceed?
SE-PO0067	Customer Branch and Customer Account need to be reselected. Proceed?
SE-PO0068	Closure not allowed as live contracts are present
SE-PO0069	Failed to open a new record
SE-PO0070	Failed to copy the record
SE-PO0071	Failed to delete the record
SE-PO0072	Failed to close the record
SE-PO0073	Failed to unlock the record
SE-PO0074	Failed to reopen the record
SE-PO0075	Failed to authorize the record
SE-PO0076	Failed to copy the Product Details
SE-PO0078	Record cannot be Modified after the Event Date
SE-PO0079	Record cannot be Closed after the Event Date
SE-PO0080	Record cannot be Reopened after the Event Date

Table A-6 (Cont.) Error Codes and Messages

Error Code	Message
SE-PO0081	Failed to Save the Record

A.7 Error Codes and Messages for Others

Table A-7 Error Codes and Messages for Others

Error Code	Message
SE-BTCH-002	Failed in building array for a function
SE-BTCH-003	Failed in population of branch batch queue
SE-BTCH-004	Failed in batch processing for a day
SE-BTCH-005	Failed in processing task
SE-BTCH-006	Failed in unmarking end of transaction input
SE-CFLP-001	Cannot process Coupon Flipping
SE-CFLP-002	Cannot process Position
SE-CFLP-003	Cannot populate Securities Movements
SE-CPOP-001	Failed to populate Coupon for branches
SE-CPOP-002	Failed to populate Coupon
SE-CPOP-003	SK Account Currency different from Issuer payment Currency
SE-CPOP-004	Failed in processing tax due
SE-CPOP-005	Failed in charge processing
SE-CPOP-006	Failed in processing transaction level tax
SE-CPOP-007	Failed in processing Settlements
SE-CPOP-008	Failed in inserting coupon due record
SE-CPOP-009	Failed in logging exception when populating coupon
SE-CPOP-010	Failed in populating coupon for branches
SE-CPOP-021	Next working date cannot be null
SE-CPOP-022	not confirmed
SE-CPOP-023	Incorrect number of records returned during coupon population
SE-CPOP-024	Receive Account could not be got
SE-CPOP-025	Pay Account could not be got
SE-CPOP-026	Account currency is not the same as Issuer payment currency
SE-CPOP-027	Portfolio Account details could not be got
SE-CPRC-001	Could not process coupon for branches
SE-CPRC-002	Could not process Coupon event
SE-CPRC-003	Could not get sub system flags during coupon processing
SE-CPRC-004	Error while processing coupon
SE-CPRC-005	Failed while processing Tax
SE-CPRC-006	Failed while processing charge

Table A-7 (Cont.) Error Codes and Messages for Others

Error Code	Message
SE-CPRC-007	Failed while processing Transaction level tax
SE-CPRC-008	Failed in Settlements processing
SE-DATE-001	Failed in computing day count
SE-DATE-002	Failed in getting denominator
SE-DATE-003	Failed in computing the number of days
SE-DATE-004	Failed to get next leap date
SE-DATE-005	Failed to get next periodic date
SE-DATE-006	Failed in add months function
SE-DATE-007	Failed in add months function
SE-DATE-008	Failed in calculating the months between two dates
SE-DATE-051	Failed in getting the date in the correct format
SE-DATE-052	Could not convert the date to the correct format
SE-DATE-053	Failed in check for leap year
SE-DATE-054	Failed in getting the date in the correct format
SE-DATE-055	Could not convert the date to the correct format
SE-DATE-056	Failed in check for leap year
SE-DATE-057	Failed in getting the date in the correct format
SE-DATE-058	Could not convert the date to the correct format
SE-DPOP-001	Failed in populating Dividend for branches
SE-DPOP-002	Failed in inserting Dividend record
SE-DPOP-003	Account currency is not the same as Issuer payment currency
SE-DPOP-004	Failed in Tax processing for dividend
SE-DPOP-005	Failed in Charge processing for dividend
SE-DPOP-006	Failed in Transaction Tax processing for dividend
SE-DPOP-007	Failed in Settlements processing for dividend
SE-DPOP-008	Failed in insert of dividend record
SE-DPOP-009	Failed in logging exception when populating dividend
SE-DPOP-010	Failed in populating Dividend for branches
SE-DPOP-021	Failed to get next working date when dividend population
SE-DPOP-022	Corporate Action should be Conformed.
SE-DPOP-023	Incorrect number of records returned during dividend population
SE-DPOP-024	Receive Account could not be got when populating dividend
SE-DPOP-025	Pay Account could not be got when populating dividend
SE-DPOP-026	Account currency is not the same as Issuer payment currency
SE-DPOP-027	Pay Account could not be got when populating dividend
SE-DPRC-001	Failed in processing dividend for branches
SE-DPRC-002	Failed in processing dividend event

Table A-7 (Cont.) Error Codes and Messages for Others

Error Code	Message
SE-DPRC-003	Failed to set subsystem flags during dividend processing
SE-DPRC-004	Failed in processing amount due during dividend processing
SE-DPRC-005	Failed in Tax processing for dividend
SE-DPRC-006	Failed in Charge processing for dividend
SE-DPRC-007	Failed in Transaction Tax processing for dividend
SE-DPRC-008	Failed in Settlements processing for dividend
SE-IAC0-001	Could not build queue array during interest accrual
SE-IAC0-002	Failed to get periodic accrual date
SE-IAC0-003	Failed in adjustment of accrual
SE-IAC0-004	Failed in period accrual function
SE-IAC0-005	Failed in coupon date accrual
SE-IAC0-006	Failed in deleting accrual queues
SE-IAC1-001	Failed in accrual for a position
SE-IAC1-002	Failed in computing quantity for accrual
SE-IAC1-003	Failed in computing interest balances
SE-IAC1-004	Failed in obtaining interest history
SE-IAC1-005	Failed in computing interest amounts
SE-IAC1-006	Failed in computing tax balances
SE-IAC1-007	Failed in obtaining tax history
SE-IAC1-008	Failed in computing tax amounts
SE-IAC1-009	Failed in passing portfolio entries during interest accrual
SE-IAC2-001	Failed in obtaining previous interest amounts
SE-IAC2-002	Failed in obtaining previous tax amounts
SE-IAC2-003	Failed in computing net interest amounts during accrual
SE-IAC2-004	Failed in computing net tax amounts during interest accrual
SE-IAC2-005	Failed in building interest entry lists
SE-IAC2-006	Failed in building tax entry lists
SE-IAC2-007	Failed in processing amount tag during interest accrual
SE-IAC2-008	Failed in populating interest accrual details
SE-IAC2-009	Failed in populating tax accrual details
SE-IAC2-010	Unhandled Exception in Populating Interest Receivable/Payable
SE-IAC2-011	Unhandled Exception in Populating Tax Receivable/Payable
SE-IAC2-012	Failed in populating accrual period
SE-IAC2-013	Failed in populating accrual details for a position
SE-IAC2-014	Failed in populating accrual details for a portfolio
SE-IAC2-015	Failed in logging exception during interest accrual
SE-ICLC-001	Failed in computing interest for cum period

Table A-7 (Cont.) Error Codes and Messages for Others

Error Code	Message
SE-ICLC-002	Failed in computing interest for ex period
SE-ICLC-003	Failed in computing interest amount
SE-ICLC-004	Failed in building period table for interest
SE-ICLC-005	Failed in building interest rate table
SE-IMV1-001	Failed in populating period accrual
SE-IMV1-002	Failed in populating interest quantity movement
SE-IMV1-003	Failed in populating purchased and sold interest
SE-IMV1-004	Failed in populating purchased and sold tax
SE-IMV1-005	Failed in building daily queue for interest rebuild
SE-IMV1-006	Failed in building daily queue for interest accrual
SE-IMV1-007	Failed in interest period adjustment
SE-IMV1-008	Failed in tax period adjustment
SE-IMV1-009	Failed in populating interest adjustment details
SE-IMV1-010	Failed in populating tax adjustment details
SE-ISRV-001	Failed in obtaining interest value date variance
SE-ISRV-002	Failed in building deal array
SE-ISRV-003	Failed in building cash flow array
SE-MRKT-001	Failed in computing market spot date
SE-MRKT-002	Failed in computing market Ex date
SE-MRKT-051	Failed to get market details while computing spot date
SE-MRKT-052	Market Record is not authorized
SE-MRKT-053	Failed to get the next working day while computing spot date
SE-MRKT-054	Failed in holiday check while computing spot date
SE-MRKT-055	Failed in holiday check while computing spot date
SE-MRKT-058	No record found for market spot date
SE-MRKT-059	Error during getting market spot date
SE-MRKT-060	Zero days got when computing the days in a month
SE-MRKT-061	Failed in setting the date to the correct format while computing spot date
SE-MRKT-062	Failed to set the date to the correct format
SE-MRKT-063	Failed in holiday check while computing spot date
SE-MRKT-064	Failed in holiday check while computing spot date
SE-MRKT-065	Failed to get next working date while computing spot date
SE-MRKT-066	Failed to get spot date
SE-MRKT-067	Failed to get market details while computing ex date
SE-MRKT-068	Market Record is not authorized
SE-MRKT-069	Could not get Ex date
SE-MRKT-070	Error in holiday check while computing ex date

Table A-7 (Cont.) Error Codes and Messages for Others

Error Code	Message
SE-MRKT-071	Failed in holiday check while computing ex date
SE-MRKT-072	Failed in getting next working day when computing ex date
SE-MRKT-073	Failed to get next working day when computing ex date
SE-MRKT-074	Market Ex date details not maintained
SE-MRKT-075	Market Ex date details not correctly maintained
SE-MRKT-076	Failed in getting the number of days in the month
SE-MRKT-077	Error while setting the format for the date while computing ex date
SE-MRKT-078	Could not set the ex date to the correct format
SE-MRKT-079	Failed in holiday check while computing ex date
SE-MRKT-080	Failed in holiday check while computing ex date
SE-MRKT-081	Failed in getting next working day when computing ex date
SE-MRKT-082	Failed to get next working day when computing ex date
SE-ONLXXX	Net Consideration amount of customer buy and customer sell leg are different.
SE-RVL0-001	Failed to build array queue in revaluation
SE-RVL0-002	Failed in getting periodic revaluation date
SE-RVL0-003	Failed in periodic revaluation
SE-RVL0-004	Failed in getting market price for revaluation
SE-RVL0-005	Failed in reversal of revaluation
SE-RVL0-051	Price record could not be obtained for revaluation
SE-RVL0-052	Price record is not authorized for revaluation
SE-RVL0-053	Price record is not open for revaluation
SE-RVL1-001	Failed in revaluation for a position
SE-RVL1-002	Failed in getting position balance for revaluation
SE-RVL1-003	Failed in processing for unsettled legs for revaluation
SE-RVL1-004	Failed in mark to market revaluation
SE-RVL1-005	Failed in computing amount tags for revaluation
SE-RVL1-006	Failed in population of revaluation details
SE-RVL1-007	Failed in population of revaluation details for a position
SE-RVL1-008	Failed in passing portfolio level accounting entries
SE-RVL1-009	Failed in computing amount tags for revaluation
SE-RVL1-010	Failed in populating portfolio level entries
SE-RVL1-011	Failed in building account entry list during revaluation
SE-RVL1-012	Failed in processing amount tags during revaluation
SE-RVL1-013	Failed in population of portfolio revaluation details
SE-RVL1-014	Failed in reversal of revaluation for a portfolio
SE-RVL1-015	Failed in logging exception during revaluation
SE-RVL1-051	Unauthorized unsettled legs exist

Table A-7 (Cont.) Error Codes and Messages for Others

Error Code	Message
SE-SBRN-001	Failed in populating security details for other branches
SE-SBRN-002	Failed to delete security details for other branches
SE-SBRN-003	Failed to authorize security details for other branches
SE-SKEV-001	Failed to register the event for the position
SE-SO0008	Duplicate records during coupon population
SE-SO0013	Failed to get security details during schedule population
SE-SO0014	Interest revision sequence number does not exist
SE-SO0015	Failed to delete security details
SE-SPOP-024	Failed to get SK settlement account
SE-SPOP-026	Issuer payment currency is not the same as the SK account currency
SE-SPOP-027	Failed to get Portfolio Settlement currency
SE-SPRC-001	Failed in stock to cash processing for branches
SE-SPRC-002	Failed in stock to cash event processing
SE-SPRC-003	Failed to get subsystems flags in stock to cash processing
SE-SPRC-004	Failed in processing stock to cash amount due
SE-SPRC-005	Failed in processing stock to cash tax amount due
SE-SPRC-006	Failed in processing charge for stock to cash conversion
SE-SPRC-007	Failed in processing transaction tax during stock to cash conversion
SE-SPRC-008	Failed in processing settlements during stock to cash processing
SE-SSRV-001	
SE-SUTL-001	Failed to get security face value period
SE-SUTL-002	Failed to get coupon period
SE-SUTL-051	Failed to get the security face value for the date
SE-SUTL-052	Face value for security not maintained correctly
SE-SUTL-053	Face value for security not maintained correctly
SE-SUTL-054	Failed to get the coupon period for this date
SE-SUTL-055	Coupon period records not correct
SE-ACCT-001	Failed to pass leg accounting entry
SE-ACCT-002	Failed to pass position entry
SE-ACCT-003	Failed to pass portfolio level entry
SE-ACCT-004	Failed to lookup product accounting entries
SE-ACCT-005	Failed to lookup position accounting entries
SE-ACCT-006	Failed to fetch accounting head
SE-ACCT-007	Failed to delete for an event
SE-ACCT-008	Failed to authorize for the event
SE-ACCT-009	Failed to reverse all the leg entries
SE-ACCT-010	Failed to reverse all the position entries

Table A-7 (Cont.) Error Codes and Messages for Others

Error Code	Message
SE-ACCT-011	Failed to reverse entry for an event
SE-ACCT-051	Class is not open
SE-ACCT-052	Class is not authorized
SE-ACCT-053	GL record status is not open
SE-ACCT-054	GL is not authorized
SE-ACCT-055	Class is not open
SE-ACCT-056	Class is not authorized
SE-ACCT-057	GL record status is not open
SE-ACCT-058	GL is not authorized
SE-ACCT-059	Class is not open
SE-ACCT-060	Class is not authorized
SE-ACCT-061	GL record status is not open
SE-ACCT-062	GL is not authorized
SE-ACCT-063	GL is not open
SE-ACCT-064	GL is not authorized
SE-ACCT-065	Failed to get accounting head

B
Accounting Entries

This section contains details of the suggested accounting entries that can be set up for the Securities module of Oracle Banking Treasury Management. The details of the suggested accounting entries are listed event-wise.

This topic contains following sub-topics:

- Security Events
- Amount Tags
- Accounting Roles
- CD Portfolio Processing
- SGEN - Settlement Message Generation
- Multi Media Support

B.1 Security Events

The following is an exhaustive list of events for portfolio type and customer buy/sell type of securities products.

Table B-1 Portfolio Type of Products

Event Code	Event Description	Remarks
SPLP	Sec. Purchase Long Position	All types
SSLP	Sec. from Long Position	All types
ACRD	Accrual Sec. Discount Earned	All types
ACRP	Accrual of . Premium Paid	All types
ACRR	Accrual of Premium Earned	All types
FACR	Sec. Forward Deal P&L Accrual	All types
DVIN	Securities Dividend Initiation	All types
DVCD	Securities Dividend Collection	All types
DVLQ	Securities Dividend Liquidation	All types
BRVL	Securities Revaluation of Positions/ Deals	All types
SSKC	Safe Keeping/Custodial Charges	All types
WRLL	Warrants Sec.Tear -Off Processing	All types
WROL	Warrant Detachment from Parent Sec	All types
WELL	Warrants Sec. Exercise Processing	All types
WXLL	Expiry of Un- Exercised Warrants	All types
RGLL	Rights Security Tear-Off Processing	All types

Table B-1 (Cont.) Portfolio Type of Products

Event Code	Event Description	Remarks
RGOL	Rights Detachment from Parent Sec	All types
RELL	Exercise of Rights for New Equity	All types
RXLL	Expiry Un-Exercised Rights	All types
CANG	Corporate Action Notice Generation	All types
IACR	Securities Coupon Interest Accrual	All types
CPCD	Coupon Collection	All types
CPIN	Coupon Initiation	All types
CPLQ	Coupon Liquidation	All types
SCIN	Securities Stock to Cash Initiation	All types
SCCD	Securities Stock to Cash Collection	All types
SCLQ	Securities Stock to Cash LIQD	All types
YACR	Yield Accruals for deals	All types
SMPY	Securities Margin Pay	All types
SMRV	Securities Margin Receive	All types
CMPY	Cash Margin Pay	All types
CMRV	Cash Margin Receive	All types
SGEN	Settlement Message Generation	All types

Table B-2 Customer Buy/Sell Type of Products

Event Code	Event Description	Remarks
BOOK	Booking of Securities Deal	All types
AMND	Amendment of Securities Deal	All types
CANC	Cancellation of Securities Deal	All types
CCON	Counterparty confirmation	All types
DACF	Deliver versus payment confirmation	All types
DFCF	Deliver Free Confirmation	All types
DSTL	Settlement of Securities Deal	All types
EXTN	Extension of Deal Settlement Date	All types
MSTL	Money Settlement of Securities Deal	All types
RCRD	Reversal of Accrual of Weighted Moving Average Amortization of Discount amount	All types

Table B-2 (Cont.) Customer Buy/Sell Type of Products

Event Code	Event Description	Remarks
RCRP	Reversal of Accrual of Weighted Moving Average Amortization of Premium amount	All types
RACR	Reversal of Securities Redemption Premium Accrual	All types
SGEN	Settlement Message Generation	All types

> **Note:**
>
> In the subsequent paragraph, we shall examine the accounting entries and advices for each of the events listed above.

B.2 Amount Tags

The amount tags listed below are hard-coded in Oracle Banking Treasury Management.

Table B-3 Event Tables

Field	Description
CURR_FV	Current Face Value
SEC_DEAL_AMOUNT	Securities Deal Amount
DEAL_DISCNT_AMT	Securities Deal Discount Amount
DEAL_NOMINALAMT	Securities Deal Nominal Amount
DEAL_PREMIUMAMT	Securities Deal Premium Amount
FWD_DEAL_LOSS	Securities Forward Loss
FWD_DEAL_PROFIT	Securities Forward Profit
SEC_ADJDEAL_AMT	Securities Adjusted Deal Amount
SEC_DEAL_AMOUNT	Securities Deal Amount
TBD_WHT_SELL	T Bill Discount Tax - Sell
ACCRUED_RDPREM	Accrued Redemption Premium Amount
CSH_DVDEND	Cash Dividend Amount
CSH_DVDEND_EDIS	Cash Dividend Expense for DIBR
CSH_DVDEND_EINI	Cash Dividend Expense for INIT
CSH_DVDEND_ELIQ	Cash Dividend Expense for LIQD
CSH_DVDEND_ICOL	Cash Dividend Income for COLL
CSH_DVDEND_IINI	Cash Dividend Income for INIT
CSH_DVDEND_ILIQ	Cash Dividend Income for LIQD

Table B-3 (Cont.) Event Tables

Field	Description
DEAL_DISCNT_AMT	Securities Deal Discount Amount
DEAL_NOMINALAMT	Securities Deal Nominal Amount
DEAL_PREMIUMAMT	Securities Deal Premium Amount
FWD_DEALEXP_ACR	Sec. Forward Deal Expense Accr Amt
FWD_DEALINC_ACR	Sec. Forward Deal Income Accr Amt
FWD_DEAL_LOSS	Securities Forward Deal Loss Amount
FWD_DEAL_PROFIT	Securities Forward Deal Profit Amt
HLDG_LO_MTM_EXP	Sec. Long Holdings MTM Reval Expense
HLDG_LO_MTM_INC	Sec. Long Holdings MTM Reval Income
HLDG_MTM_EXP	Sec. Net Holdings MTM Reval Expense
HLDG_MTM_INC	Sec. Net Holdings MTM Reval Income
HLDG_RL_MTM_EXP	Sec. Long Holdings MTM Realized Reval Expense
HLDG_RL_MTM_INC	Sec. Long Holdings MTM Realized Reval Income
HLDG_RS_MTM_EXP	Sec. Short Holdings MTM Realized Reval Expense
HLDG_RS_MTM_INC	Sec. Short Holdings MTM Realized Reval Income
HLDG_R_MTM_EXP	Sec. Net Holdings MTM Realized Reval Expense
HLDG_R_MTM_INC	Sec. Net Holdings MTM Realized Reval Income
HLDG_SH_MTM_EXP	Sec. Short Holdings MTM Reval Expense
HLDG_SH_MTM_INC	Sec. Short Holdings MTM Reval Income
LOCOM_REVAL_EXP	Sec. Positions LOCOM Reval Expense
LOCOM_RREVL_EXP	Sec. Positions LOCOM Realized Reval Expense
LOCOM_REVAL_INC	Profit on LOCOM revaluation if LOCOM basis is ‘Acquisition Cost’
MTM_EXP	Sec. Positions MTM Reval Expense
MTM_INC	Sec. Positions MTM Reval Income
RDMPTN_PREM_AMT	Redemption Premium Amount
REALIZED_LOSS	Securities Realized Trading Loss
REALIZED_PROFIT	Securities Realized Trading Profit
REAL_MTM_EXP	Sec. Positions MTM Realized Reval Expense
REAL_MTM_INC	Sec. Positions MTM Realized Reval Income
RGHT_INTR_VALUE	Rights Intrinsic Value
SEC_ADJDEAL_AMT	Securities Adjusted Deal Amount
SEC_CASH_DIVDND	Securities Cash Dividend Amount
SEC_COST_AMOUNT	Sec. True Asset Cost Amount
SEC_DEAL_AMOUNT	Securities Deal Amount
SEC_DISC_ACCR	Sec. Discount Earned Accrual Amount
SEC_PREM_ACCR	Sec. Premium Paid Accrual Amount
SEC_RDPREM_ACCR	Sec. Redemption Premium Accrual Amt

Table B-3 (Cont.) Event Tables

Field	Description
SEC_REVL_LOSS	Securities Revaluation Loss Amount
SEC_REVL_PROFIT	Securities Revaluation Profit Amt
SEC_RRVL_LOSS	Sec. Revaluation Reversal Loss Amt
SEC_RRVL_PROFIT	Sec. Revaluation Profit Reversal Amt
STK_TO_CSH	Stock To Cash Amount
STK_TO_CSH_EDIS	Stock To Cash Expense for DIBR
STK_TO_CSH_EINI	Stock To Cash Expense for INIT
STK_TO_CSH_ELIQ	Stock To Cash Expense for LIQD
STK_TO_CSH_ICOL	Stock To Cash Income for COLL
STK_TO_CSH_IINI	Stock To Cash Income for INIT
STK_TO_CSH_ILIQ	Stock To Cash Income for LIQD
TBD_WHT_ACCRA	T Bill Discount Tax - Arrears Accrued
TBD_WHT_ACCRD	T Bill Discount Tax - Advance Accrued
TBD_WHT_ADV	T Bill Discount Tax - Paid in Advance
TBD_WHT_PAY	T Bill Discount Tax - Payable
TBD_WHT_SELL	T Bill Discount Tax - Sell
TBD_WHT_UNACCRB	T Bill Disc. Tax-Unaccrued-Sell Disc > Buy Disc
TBD_WHT_UNACCRS	T Bill Disc. Tax-Unaccrued-Sell Disc <= Buy Disc
UNACCRD_DISCNT	Unaccrued Discount Amount
UNACCRD_PREMIUM	Unaccrued Premium Amount
UNSD_BY_MTM_EXP	Unstld Buy Deals MTM Reval Expense
UNSD_BY_MTM_INC	Unstld Buy Deals MTM Reval Income
UNSD_MTM_EXP	Securities Un utilized Deals MTM Revaluation Expense
UNSD_MTM_INC	Securities Unutilized Deals MTM Revaluation Income
UNSD_R_MTM_EXP	Securities Un utilized Deals MTM Realized Reval Expense
UNSD_R_MTM_INC	Securities Un utilized Deals MTM Realized Reval Income
UNSD_SE_MTM_EXP	Un utilized Sell Deals MTM Revaluation Expense
UNSD_SE_MTM_INC	Un utilized Sell Deals MTM Revaluation Income
UNSR_BY_MTM_EXP	Un utilized Buy Deals MTM Realized Revaluation Expense
UNSR_BY_MTM_INC	Un utilized Buy Deals MTM Realized Revaluation Income
UNSR_SE_MTM_EXP	Un utilized Sell Deals MTM Realized Revaluation Expense
UNSR_SE_MTM_INC	Un utilized Sell Deals MTM Realized Revaluation Income
WARR_INTR_VALUE	Warrants Intrinsic Value
INTCOMP_PUCMA	This Amount tag represents the value of the Bought Interest if any (at the time of Purchase) for the sold securities. If there were more than one purchase, this tag will be a sum of all the bought interest in FIFO order. During sale these tags have value only if the sold units are bought in the current coupon period

Table B-3 (Cont.) Event Tables

Field	Description
TOTALINT_TIAC	This amount tag represents the total interest accrued for the eligible units (total interest - Bought interest).
SEC_PREM_TOTALACCR	This amount tag represents the total Premium accrued for the Sold units
SEC_DISC_TOTALACCR	This amount tag represents the total Discount accrued for the Sold units
SEC_BRIDGE_TFR	This amount tag can be used to move the balance between the bridge-buy and bridge-sell GL's, (if different GL's are used for Bridge-buy and bridge-sell). This amount tag will only be populated for the sell leg in the case of BBBS and CBCS kind of deals.
SEC_PREM_ACCR	Premium Paid Accrual Amount
SEC_PREM_ACCR_I	Income on Premium Paid accrual
SEC_PREM_ACCR_E	Expense on Premium Paid accrual
SEC_INTADJ_ACCR	Interest Adjustment Accrual Amount
SEC_DISC_ACCR	Discount Earned Accrual Amount
SEC_DISC_ACCR_I	Income on Discount Earned Accrual
SEC_DISC_ACCR_E	Expense on Discount Earned Accrual
ACCRUED_INT_ADJ	Accrued Interest Adjustment Amount
BROK_DISC	Brokerage Discount Amount
BROK_PREM	Brokerage Premium Amount
DR_CHG_DISC	Consolidated Debit charges for the deal
CR_CHG_PREM	Consolidated Credit charges for the deal

B.3 Accounting Roles

Sample Accounting Roles

In this section we have provided two separate lists of sample accounting roles. List I contains accounting roles that can be set up for a Portfolio type of product. List II contains samples of accounting roles that are applicable for a Customer buy/sell type of product.

Table B-4 List I – Acct Roles for a Portfolio Type of Product

Accounting Role	Description
SEC DISC TBACRD	Security Deal Discount to be Accrued GL
SEC PREM TBACRD	Security Deal Premium to be Accrued GL
SEC FWDEXP OFST	Security Forward Deal Loss Offset GL
SEC FWDINC OFST	Security Forward Deal Profit Offset GL
SE_FL_INT_RCPY	SE_FL_INT-Receivable/Payable
SE_FL_INT_RAPA	SE_FL_INT- Recd in Adv/Paid in Adv
SEC ASSET GL	Securities Portfolio Asset GL
SEC BRIDGE GL	Securities Bridge GL - Settlement
SEC LIABILTY GL	Securities Portfolio Liability GL

Table B-4 (Cont.) List I – Acct Roles for a Portfolio Type of Product

Accounting Role	Description
SE_FX_INT_IC	SE_FX_INT - Income – Cum
SE_FX_INT_IX	SE_FX_INT - Income – Ex
SE_FX_INT_AJI	SE_FX_INT-Previous Period Adj Inc
SE_FX_INT_RCPY	SE_FX_INT - Receivable/Payable
SE_FX_INT_RAPA	SE_FX_INT- Recd in Adv/Paid in Adv
SEC RLZD LOSS	Security Trading Realized Loss GL
SEC RLZD PROFIT	Security Trading Realized Profit GL
SEC RDPREM RECV	Security Redemption Premium Receivable
SEC RDPREM ERND	Security Redemption Premium Earned GL
MTM_ASS	Security Positions MTM Reval Asset
MTM_LBY	Security Positions MTM Reval Liability
MTM_EXP	Security Positions MTM Reval Expense
MTM_INC	Security Positions MTM Reval Income
SEC COUPON RECV	Securities Coupon Receivable GL
SEC COUPON PAY	Securities Coupon Payable GL
SEC BRIDGE-S	Securities Bridge - Sale
SEC BRIDGE - PUR	Securities Bridge – Purchase
DEAL_PREMIUM	Deal Premium
DEAL_DISCOUNT	Deal Discount
DEAL INTEREST-BOUGHT	Deal interest bought
ACCRUAL OF PREM EXP – MEMO	Accrual of Premium Expense - Memo
ACCRUAL OF DISCT INC – MEMO	Accrual of Premium Income - Memo
ACCRUAL OF INT. INC - MEMO	Accrual of Interest Income - Memo
INTCOMP_OFF	Purchase Interest Offset GL, created for each interest component to indicate routing of purchase interest.
INTCOMP_PUADJ	Difference between Sold Interest and the Interest Accrued. In the first coupon after purchase, this tag will be equal to Purchase Interest. In subsequent coupons, this tag will have a value of 0, as the Sold Interest would be equal to Interest Accrued
LOCOM_REVAL_INC	Profit on LOCOM revaluation if LOCOM basis is ‘Acquisition Cost’
LOCOM_REVAL_ASS	Corresponding asset for LOCOM revaluation on ‘Acquisition Cost’ basis
SEC PREM EARNED	Premium Earned
SEC PREM TBACRD	Premium to be Accrued
SEC INT ADJ	EIM Adjustment Receivable for Par deals
SEC BRIDGE GL	EIM Adjustment Income for Par deals
SEC DISC TBACRD	Discount to be Accrued

Table B-4 (Cont.) List I – Acct Roles for a Portfolio Type of Product

Accounting Role	Description
SEC DISC EARNED	Discount Earned

Note:

You should not use the memo GLs if you accrue premium/discount directly into your income/ expense GLs. Similarly, you should not use DEAL_PREMIUM, DEAL_DISCOUNT and DEAL INTEREST-BOUGHT, GLs in a product, which is using SEC DISC TBACRD and SEC PREM TBACRD.

Table B-5 List 2 – Accounting Roles for a Customer Buy/Sell Type of Product

Accounting Role	Description
CS_REG_INC	Chg Class For Customer Sell
CB_REG_INC	Charge Class For Customer Buy
SEC BRIDGE GL	Securities Bridge GL – Settlement
SEC BRIDGE-SELL	Securities Bridge - Sale
SEC BRIDGE - PUR	Securities Bridge – Purchase
SEC BRIDGE BUY	Securities Bridge – Buy
INTCOMP_BOT	Deal interest bought.

Note:

If you are using the Securities Bridge GL (SEC BRIDGE GL) for settlements you shouldnot be associating the Bridge GLs (SEC BRIDGE-S, SEC BRIDGE – PUR) with the product. However, these roles cannot be made applicable on portfolios with Weighted Average as the Costing Method.

The suffixes stand for:

Table B-6 Customer Buy/Sell Type of Products

RECV	Receivable
RIA	Received in advance
TBACRD	To be accrued
OFST	Offset GL
RCPY	Receivable/Payable
RAPA	Received in advance/Paid in advance
AJI	Adjustment Income
ERND	Earned

Table B-6 (Cont.) Customer Buy/Sell Type of Products

RECV	Receivable
ASS	Asset
LBY	Liability

CD Portfolio Product Definition

Table B-7 Accounting Roles

Accounting Role	Description
CD PUF TBACRD	Credit derivative Index deal premium upfront fee to be accrued
CD DUF TBACRD	Credit derivative Index deal discount upfront fee to be accrued
CD UF EARNED	Credit derivative index deal upfront fee earned
CD PUF PAID	Credit derivative index upfront fee paid
CD_MTM_EXP	CDI Positions MTM reval exp
CD_MTM_LBY	CDI Positions MTM reval liability
CD_MTM_ASS	CDI Positions MTM reval asset
CD_MTM_INC	CDI Positions MTM reval income
CD_HLDG_MTM_EXP	CDI holdings MTM reval exp
CD_HLDG_MTM_LBY	CDI holdings MTM reval liability
CD_HLDG_MTM_ASS	CDI holdings MTM reval asset
CD_HLDG_MTM_INC	CDI holdings MTM reval income
CD COUPON RECV	CDI Coupon receivable GL
CD COUPON PAY	CDI Coupon payable GL
CONT. SECSOLD	Contingent Liability - Sec. Sold
CONT. SECBOUGHT	Contingent Asset - Sec. Bought
CONT. SELOFFSET	Contingent Offset - Sec. Sold
CONT. BUYOFFSET	Contingent Offset - Sec. Bought
CD COMP LOSS	CD Event compensation expense
CD COMP INC	CD Event compensation income
UF_DISC_AMT	Upfront fee discount amount
UF_DISC_AMTTFR	Upfront fee discount amount transfer
UF_PREM_AMT	Upfront fee premium amount
UF_PREM_AMTTFR	Upfront fee premium amount transfer

Other than the amount tags defaulted from interest class code definition below is the amount tags used:

Table B-8 Amount Tag

Field	Description
UF_DISC_ACCR	Upfront fee discount earned accrual amount
UF_PREM_ACCR	Upfront fee premium paid accrual amount
MTM_EXP	Sec. positions MTM reval expense
MTM_EXP_PY	Sec. positions MTM reval expense previous year
MTM_INC	Sec. positions MTM reval income
MTM_INC_PY	Sec. positions MTM reval income previous year
UF_DISC_UNACCR	Upfront fee discount unaccrued
UF_PREM_UNACCR	Upfront fee premium unaccrued
REALIZED_LOSS	Realized loss
REALIZED_PROFIT	Realized profit

Securities Advices

Table B-9 Securities Advice table

Advice Code	Advice Description	SWIFT Equivalent	Sender of Message	Receiver of Message
TRADE CONF AFFM	Trade Confirmation Affirmation	MT 517	Trade Instructing Party	Trade Executing Party
-	-	-	Buyer	-
-	-	-	Buyer	Trade Counterparty
MKT TRADE CONF	Market-Side Trade Confirmation	MT 518	Trade Executing Party	Trade Counterparty
RECV SEC FREE	Receive Free	MT 520/MT540	Custody/Portfolio Customer	Custodian
-	-	-	Custodian	Safekeeping Location
DLVR SEC FREE	Deliver Free	MT 522/MT542	Custody/Portfolio Customer	Custodian
-	-		Custodian	Safekeeping Location
DLVR SEC APMT	Deliver Against Payment	MT 523/MT543	Custody/Portfolio Customer	Custodian
-	-	-	Custodian	Safekeeping Location
RECV SEC APMT	Received against payment	MT 521/ MT 541	Custody/Portfolio Customer	Custodian
-	-	-	Custodian	Safekeeping Location
RECV FREE CONF	Receive Free Confirmation	MT 530	Safekeeping Location	Custodian
-	-	-	Custodian	Custody/Portfolio Customer

Table B-9 (Cont.) Securities Advice table

Advice Code	Advice Description	SWIFT Equivalent	Sender of Message	Receiver of Message
RECV APMT CONF	Receive Against Payment Confirmation	MT 531	Safekeeping Location	Custodian
-	-	-	Custodian	Custody/Portfolio Customer
DLVR FREE CONF	Deliver Free Confirmation	MT 532	Safekeeping Location	Custodian
-	-	-	Custodian	Custody/Portfolio Customer
DLVR FREE APMT	Deliver Against Payment Confirmation	MT 533	Safekeeping Location	Custodian
-	-	-	Custodian	Custody/Portfolio Customer
NOTICE OF RGHTS	Notice of Rights	MT 550	Custodian	Custody/Portfolio Customer
NOTICE OF EVENT	Notice of Event	MT 551	Custodian	Custody/Portfolio Customer
MONY INCOME ADV	Advice of Money Income	MT 554	Custodian	Custody/Portfolio Customer
SEC INCOME ADV	Advice of Income in the Form of Securities	MT 555	Custodian	Custody/Portfolio Customer
SEC REDMPTN ADV	Advice of Redemption	MT 556	Custodian	Custody/Portfolio Customer
REQST FOR STMT	Request for Statement	MT 570	Custody/Portfolio Customer	Custodian
-	-	-	Custodian	Safekeeping Location
SEC HLD STATMNT	Statement of Holdings	MT 571	Custodian	Portfolio Customer
-	-	-	Safekeeping Location	Custodian
SEC TXN STATMNT	Statement of Transactions	MT 572	Custodian	Portfolio Customer
-	-	-	Safekeeping Location	Custodian
PNDING TXN STMT	Statement of Pending Transactions	MT 573	Custodian	Portfolio Customer
-	-	-	Safekeeping Location	Custodian

In the subsequent sections we have defined suggested accounting entries and advices for each of the events in the life-cycle of an SS deal. Samples of accounting entries, advices, and events have been given for two different types of SS deals. They are:

- SS deal with a Portfolio type of product – Bank Portfolio
- SS deal with a Customer Buy/Sell type of products

SS Deal with a Portfolio Type Of Product: Bank Portfolio

The preferences set up for a Bank Portfolio type of products are as follows:

- The costing method used for this product is Weighted Average.
- The accounting basis is Non Accrual.
- Monthly accrual frequency has been used for components like premium, discount, forward profit or loss.
- The revaluation process used is MTM (Marked to Market).
- Market Price is used for limit tracking purposes.

SPLP: Security Purchase from Long Position

Table B-10 SPLP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
SEC ASSET GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC FWDEXP OFST	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC FWDINC OFST	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	SE_FL_INT_PUCM	Credit
SE_FL_INT_RCPY	SE_FL_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_PUEX	Debit
SE_FL_INT_RAPA	SE_FL_INT_PUEX	Credit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_PUEX	Debit
SEC BRIDGE GL	SE_FX_INT_PUCM	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUCM	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_PUEX	Debit
SE_FX_INT_RAPA	SE_FX_INT_PUEX	Credit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_PUEX	Debit
SEC PREM TBACRD	BROK_PREM	Debit

Table B-10 (Cont.) SPLP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	BROK_PREM	Credit
SEC BRIDGE GL	DR_CHG_DISC	Debit
SEC DISC TBACRD	CR_CHG_PREM	Debit
SEC BRIDGE GL	CR_CHG_PREM	Credit

Given below are the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Table B-11 Sample Accounting Entries

AccountingRole	Standard/ Alternative	Amount Tags	Standard/ Alternative	Debit/Credit Indicator
Sec Asset GL	Standard	DEAL_NOMINALAMT	Standard	Debit
Sec Bridge - Pur	Alternative	DEAL_NOMINALAMT	Standard	Credit
Deal Premium	Alternative	DEAL_PREMIUMAMT	Standard	Debit
Sec Bridge - Pur	Alternative	DEAL_PREMIUMAMT	Standard	Credit
Sec Bridge - Pur	Alternative	DEAL_DISCNT_AMT	Standard	Debit
Deal Discount	Alternative	DEAL_DISCNT_AMT	Standard	Credit
Deal Interest-Bought	Alternative	INTCOMP_PUCM	Standard	Debit
Sec Bridge - Pur	Alternative	INTCOMP_PUCM	Standard	Credit

Advices

No Advices allowed for this event

SSLP: Security Sale from Long Position

Table B-12 SSLP Accounting Entries

Accounting Entries	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	ACCRUED_RDPREM	Debit
SEC RDPREM RECV	ACCRUED_RDPREM	Credit
SEC ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC FWDEXP OFST	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit

Table B-12 (Cont.) SSLP Accounting Entries

Accounting Entries	Amount Tag	Dr./Cr. Indicator
SEC FWDINC OFST	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	REALIZED_LOSS	Credit
SEC RLZD LOSS	REALIZED_LOSS	Debit
SEC BRIDGE GL	REALIZED_PROFIT	Debit
SEC RLZD PROFIT	REALIZED_PROFIT	Credit
SEC ASSET GL	RGHT_INTR_VALUE	Debit
SEC BRIDGE GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FL_INT_SOCM	Debit
SE_FL_INT_RCPY	SE_FL_INT_SOCM	Credit
SEC BRIDGE GL	SE_FL_INT_N_SOCM	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FL_INT_SOEX	Credit
SE_FL_INT_RAPA	SE_FL_INT_SOEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_SOEX	Debit
SE_FL_INT_N_RAPA	SE_FL_INT_N_SOEX	Credit
SEC BRIDGE GL	SE_FX_INT_SOCM	Debit
SE_FX_INT_RCPY	SE_FX_INT_SOCM	Credit
SEC BRIDGE GL	SE_FX_INT_N_SOCM	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FX_INT_SOEX	Credit
SE_FX_INT_RAPA	SE_FX_INT_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_N_SOCM	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_SOCM	Debit
SEC BRIDGE GL	UNACCRD_DISCNT	Credit
SEC DISC TBACRD	UNACCRD_DISCNT	Debit
SEC BRIDGE GL	UNACCRD_PREMIUM	Debit
SEC PREM TBACRD	UNACCRD_PREMIUM	Credit
SEC ASSET GL	WARR_INTR_VALUE	Debit
SEC BRIDGE GL	WARR_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FX_INT_N_SOEX	Debit
SE_FX_INT_N_RAPA	SE_FX_INT_N_SOEX	Credit
SEC BRIDGE GL	ACCRUED_INT_ADJ	Debit
SEC INT ADJ	ACCRUED_INT_ADJ	Credit

Given below are the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Table B-13 SSLP (Sale)

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr. /Cr. Indicator
Premium Accrued	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Deal Premium	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Sec Bridge-S	Alternative	UNACCRD_PREMIUM	Standard	Debit
Deal Premium	Alternative	UNACCRD_PREMIUM	Standard	Credit
Premium Expense	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Deal Discount	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Accrued	Standard	SEC_DISC_TOTALACCR	Alternative	Credit
Deal Discount	Alternative	UNACCRD_DISCNT	Standard	Debit
Sec Bridge-S	Alternative	UNACCRD_DISCNT	Standard	Credit
Accrual of Disct Inc - Memo	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Income	Standard	SEC_DISC_TOTALACCR	Alternative	Credit
Sec Bridge-S (SEC-BRIDGE-SEL)	Alternative	INTCOMP_PUCMA This amount tag represents the value of the Bought Interest if any (at the time of Purchase) for the sold securities	Alternative	Debit
Deal Interest-Bought (INTCOMP_BOT)	Alternative	INTCOMP_PUCMA	Alternative	Credit
Sec Bridge-S (SEC-BRIDGE-SEL)	Alternative	INTCOMP_TIAC This amount tag represents the interest accrual.	Alternative	Debit
Accrual of Int. Rec (RCPY) (INTCOMP_RCPY)	Standard	INTCOMP_TIAC	Alternative	Credit
Accrual of Int. Inc – Memo (INTCOMP_IMEM)	Alternative	INTCOMP_TIAC	Alternative	Debit

Table B-13 (Cont.) SSLP (Sale)

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr. /Cr. Indicator
Interest Income (INTCOMP_I)	Standard	INTCOMP_TIAC	Alternative	Credit

Total Sold Interest = INT_ PUCMA + INTCOMP_TIAC)(INTCOMP_PUCMA will have value only if the security is bought and sold in the same coupon period)

SPLP (Capitalized Bonds)

In addition to the normal accounting entries you will need to specify the entries to move the purchased interest into offset GL (Sale option) or the Bought Interest GL (Sale and coupon).

Table B-14 SSLP Redemption

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
Premium Accrued	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Deal Premium	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Premium Expense	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Deal Discount	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Accrued	Standard	SEC_DISC_TOTALACCR	Alternative	Credit
Accrual of Disct Inc - Memo	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Income	Standard	SEC_DISC_TOTALACCR	Alternative	Credit

Note:

If Interest / discount / premium has been accrued during the previous year, the entries will have the amount tags with suffix "_PY" to indicate that they are passed against the Previous Year Adjustment GL. During accounting, for the amount tags with suffix "_PY", accounting entries are passed against the Previous Year Adjustment GL, maintained in the Chart of Accounts.

Table B-15 Accounting Entries table

Accounting Role	Amount Tag	Debit / Credit Indicator
For Interest	-	-

Table B-15 (Cont.) Accounting Entries table

Accounting Role	Amount Tag	Debit / Credit Indicator
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_PUCMA (Purchase Interest)	Debit
INTCOMP_BOT (Deal Purchase Interest)	INTCOMP_PUCMA (Purchase Interest)	Credit
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_RCPY (Interest Receivable / Payable)	INTCOMP_TIAC (Interest Accrued)	Credit
INTCOMP_IMEM (Interest Income – Memo)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_I (Interest Income)	INTCOMP_TIAC (Interest Accrued)	Credit
For Discount	-	-
DEAL_DISCOUNT (Deal Discount GL)	UNACCRD_DISCNT	Debit
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_DISCNT (Unaccrued Discount Amount)	Credit
DEAL_DISCOUNT (Deal Discount GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Debit
SEC DISC TBACRD (Sec. Deal Discount To Be Accrued GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Credit
ACCR_DIS_IN_MEM (Accrual of Discount Income-Memo GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Debit
SEC DISC EARNED (Sec. Discount Earned Income GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Credit
For Premium	-	-
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Debit
DEAL_PREMIUM (Deal Premium GL)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Credit
SEC PREM TBACRD (Sec. Deal Premium To Be Accrued GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Debit
DEAL_PREMIUM (Deal Premium GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Credit
SEC PREM PAID (Sec. Premium Paid Expense GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Debit
ACCR_PRM_XP_MEM (Accrual of Premium Expense-Memo GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Credit

When Wipe Deal Purchase Interest is set to Sale, the accounting entries pertaining to purchase Interest are as follows:

Table B-16 Accounting Entries table

Accounting Role and Description	Amount Tag and Description	Debit/Credit Indicator
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_PUCMA (Sold Interest – Interest Accrued)	Debit
INTCOMP_BOT (Deal Purchase Interest)	INTCOMP_PUCMA (also = Purchased Interest)	Credit
INTCOMP_TIAC (Interest Accrued)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_RCPY (Interest Receivable / Payable)	INTCOMP_TIAC (Interest Accrued)	Credit
INTCOMP_IMEM	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_I	INTCOMP_TIAC - Interest Accrued	Credit

Advices

No Advices allowed for this event.

SPSP: Security Purchase from Short Position

Table B-17 SPSP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC LIABILTY GL	DEAL_DISCNT_AMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC LIABILTY GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC LIABILTY GL	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC LIABILTY GL	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC LIABILTY GL	FWD_DEAL_PROFIT	Credit
SEC RLZD LOSS	REALIZED_LOSS	Debit
SEC BRIDGE GL	REALIZED_PROFIT	Debit
SEC RLZD PROFIT	REALIZED_PROFIT	Credit
SEC BRIDGE GL	RGHT_INTR_VALUE	Debit
SEC LIABILTY GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FL_INT_PUCM	Credit
SE_FL_INT_RCPY	SE_FL_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUCM	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FL_INT_PUEX	Debit
SE_FL_INT_RAPA	SE_FL_INT_PUEX	Credit

Table B-17 (Cont.) SPSP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_PUCM	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCM	Debit
SEC BRIDGE GL	SE_FX_INT_N_PUCM	Debit
SE_FX_INT_N_RCPY	SE_FX_INT_N_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_PUEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_PUEX	Debit
SE_FX_INT_RAPA	SE_FX_INT_PUEX	Credit
SEC BRIDGE GL	UNACCRD_DISCNT	Debit
SEC LIABILTY GL	UNACCRD_DISCNT	Credit
SEC BRIDGE GL	UNACCRD_PREMIUM	Credit
SEC LIABILTY GL	UNACCRD_PREMIUM	Debit
SEC BRIDGE GL	WARR_INTR_VALUE	Debit
SEC LIABILTY GL	WARR_INTR_VALUE	Credit

Advices

No advices allowed for this event.

CPTR: Coupon Transfer

Table B-18 CPTR Accounting entries

Accounting Role	Amount tag	Dr/Cr
Coupon Pay	TFR_AMOUNT	Dr
Customer_AC	TFR_AMOUNT_EQ	Cr

SSSP: Security Sale from Short Position

Table B-19 SSSP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC LIABILTY GL	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC LIABILTY GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC LIABILTY GL	DEAL_PREMIUMAMT	Credit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit

Table B-19 (Cont.) SSSP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC LIABILTY GL	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC LIABILTY GL	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	SE_FL_INT_SOCM	Debit
SE_FL_INT_RCPY	SE_FL_INT_SOCM	Credit
SEC BRIDGE GL	SE_FL_INT_N_SOCM	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FL_INT_SOEX	Credit
SE_FL_INT_RAPA	SE_FL_INT_SOEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_SOCM	Credit
SE_FL_INT_N_RAPA	SE_FL_INT_N_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_SOCM	Debit
SE_FX_INT_RCPY	SE_FX_INT_SOCM	Credit
SEC BRIDGE GL	SE_FX_INT_N_SOCM	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_SOCM	Debit
SEC BRIDGE GL	SE_FX_INT_SOEX	Credit
SE_FX_INT_RAPA	SE_FX_INT_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_N_SOEX	Debit
SE_FX_INT_N_RAPA	SE_FX_INT_N_SOEX	Credit
SEC DISC TBACRD	BROK_DISC	Debit
SEC BRIDGE GL	BROK_DISC	Credit
SEC BRIDGE GL	DR_CHG_DISC	Debit
SEC PREM TBACRD	DR_CHG_DISC	Credit
SEC DISC TBACRD	CR_CHG_PREM	Debit
SEC BRIDGE GL	CR_CHG_PREM	Credit

Advices

No advices allowed for this event.

FACR: Security Forward Deal P & L Accrual

Table B-20 FACR Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC FWD LOSS	FWD_DEALEXP_ACR	Debit
SEC FWDEXP OFST	FWD_DEALEXP_ACR	Credit
SEC FWD PROFIT	FWD_DEALINC_ACR	Credit
SEC FWDINC OFST	FWD_DEALINC_ACR	Debit

Advices

No advices allowed for this event.

ACRD: Accrual of Security Discount Earned

Table B-21 ACRD Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DISC EARNED	SEC_DISC_ACCR	Credit
SEC DISC TBACRD	SEC_DISC_ACCR	Debit

The below amount tags are added at ACRD events to avoid posting negative entries in Accrual of Discounted amounts.

Table B-22 ACRP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DISC PAID	SEC_DISC_ACCR_E	Debit
SEC DISC TBACRD	SEC_DISC_ACCR_E	Credit
SEC DISC PAID	SEC_DISC_ACCR_I	Credit
SEC DISC TBACRD	SEC_DISC_ACCR_I	Debit

When the system triggers an expense tag at the ACRD event, the system posts an Income tag on reversal of the accrual since the amount becomes positive after reversal.

When the system triggers an income tag at the ACRD event, the system posts an expense tag on reversal of the accrual since the amount becomes negative after reversal.

Given below is the sample accounting entries posted if you use the alternative accounting roles for this event:

Accounting Entries

Table B-23 Accounting Entries

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/Alternative	Dr./ Cr.Indicator
* Discount Accrued * (Discount TBACRD can be us	Standard	SEC_DISC_ACCR	Standard	Debit
Accrual of Disct Inc – Memo	Alternative	SEC_DISC_ACCR	Standard	Credit

Advices

No advices allowed for this event.

ACRP: Accrual of Security Premium Paid

Table B-24 ACRP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM PAID	SEC_PREM_ACCR	Debit
SEC PREM TBACRD	SEC_PREM_ACCR	Credit

The below amount tags are added at ACRP events to avoid posting negative entries in Accrual of Premium amounts.

Table B-25 ACRP Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM PAID	SEC_PREM_ACCR_E	Debit
SEC PREM TBACRD	SEC_PREM_ACCR_E	Credit
SEC PREM TBACRD	SEC_PREM_ACCR_I	Debit
SEC PREM EARNED	SEC_PREM_ACCR_I	Credit

When the system triggers an expense tag at the ACRP event, the system posts an Income tag on reversal of the accrual since the amount becomes positive after reversal.

When the system triggers an income tag at the ACRP event, the system posts an Expense tag on reversal of the accrual since the amount becomes negative after reversal.

Given below is the sample accounting entries posted if you use the alternative accounting roles for this event:

Table B-26 Accounting Roles

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./ Cr.Indicator
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_ACCR	Standard	Debit
* Premium Accrued * (Premium TBACRD can be used)	Standard	SEC_PREM_ACCR	Standard	Credit

Advices

No advices allowed for this event.

ACRR: Accrual of Redemption Premium Earned

Table B-27 ACRR Accounting Entries

Accounting Role	Amount tag	Dr/Cr. Indicator
SEC RDPREM ERND	SEC_RDPREM_ACCR	Credit
SEC RDPREM RECV	SEC_RDPREM_ACCR	Debit

Advices

No advices allowed for this event.

RCRD : Reversal of Accrual of Weighted Moving Average Amortization of Discount amount

Table B-28 RCRD Accounting Entries

Accounting Role	Amount tag	Dr/Cr. Indicator
SEC DISC PAID	SEC_DISC_ACCR_E	Credit
SEC DISC TBACRD	SEC_DISC_ACCR_E	Debit
SEC DISC TBACRD	SEC_DISC_ACCR_I	Credit
SEC DISC EARNED	SEC_DISC_ACCR_E	Debit
SEC DISC TBACRD	SEC_DISC_ACCR	Credit
SEC DISC EARNED	SEC_DISC_ACCR	Debit

RCRP: Reversal of Accrual of Weighted Moving Average Amortization of Premium amount

Table B-29 RCRP Accounting Entries

Accounting Role	Amount tag	Dr/Cr. Indicator
SEC PREM PAID	SEC_PREM_ACCR	Credit
SEC PREM TBACRD	SEC_PREM_ACCR	Debit
SEC PREM PAID	SEC_PREM_ACCR_E	Credit
SEC PREM TBACRD	SEC_PREM_ACCR_E	Debit
SEC PREM EARNED	SEC_PREM_ACCR_I	Debit
SEC PREM TBACRD	SEC_PREM_ACCR_I	Credit

RACR: Reversal of Securities Redemption Premium Accrual

Table B-30 RACR Accounting Entries

Accounting Role	Amount tag	Dr/Cr. Indicator
SEC RDPREM RECV	SEC_RDPREM_ACCR	Credit
SEC RDPREM ERND	SEC_RDPREM_ACCR	Debit

DVIN: Securities Dividend Initiation

Table B-31 DVIN Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND PAY	SEC_CASH_DIVDND	Credit
SEC DIVDND RECV	SEC_CASH_DIVDND	Debit

Advices

Nil

DVCD: Securities Dividend Collection

Table B-32 DVCD Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND RECV	SEC_CASH_DIVDND	Credit
SEC SETTLEMENT	SEC_CASH_DIVDND	Debit

Advices

No advices allowed for this event.

DVLQ: Securities Dividend Liquidation

Table B-33 DVLQ Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND PAY	SEC_CASH_DIVDND	Debit
SEC SETTLEMENT	SEC_CASH_DIVDND	Credit

Advices

Nil

RGLL: Rights Security Tear-Off Processing

Table B-34 RGLL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
RIGHTS ASSET GL	RGHT_INTR_VALUE	Debit
SEC BRIDGE GL	RGHT_INTR_VALUE	Credit

Advices

No advices allowed for this event.

RGOL: Rights Detachment from Parent Security

Table B-35 Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC ASSET GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	RGHT_INTR_VALUE	Debit

Advices

No advices allowed for this event.

RELL: Exercise of Rights for New Equity

Table B-36 RELL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	SEC BRIDGE GL	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
RIGHTS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RES SEC. ASSET	RGHT_INTR_VALUE	Debit
RIGHTS ASSET GL	RGHT_INTR_VALUE	Credit

Advices

No advices allowed for this event.

RENL: Rights Security Exercise Processing

Table B-37 RENL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
RES SEC. ASSET	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit

Advices

No advices allowed for this event.

RXLL: Expiry of Un-Exercised Rights

Table B-38 RXLL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
RIGHTS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RIGHTS ASSET GL	RGHT_INTR_VALUE	Credit

Table B-38 (Cont.) RXLL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC RLZD LOSS	RGHT_INTR_VALUE	Debit

Advices

No advices allowed for this event.

WRLL: Warrants Security Tear-Off Processing

Table B-39 WRLL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	WARR_INTR_VALUE	Credit
WARRS ASSET GL	WARR_INTR_VALUE	Debit

Advices

No advices allowed for this event.

WROL: Warrant Detachment from Parent Security

Table B-40 WROL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC ASSET GL	WARR_INTR_VALUE	Credit
SEC BRIDGE GL	WARR_INTR_VALUE	Debit

Advices

No advices allowed for this event.

WELL: Warrants Security Exercise Processing

Table B-41 WELL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
WARRS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RES SEC. ASSET	WARR_INTR_VALUE	Debit
WARRS ASSET GL	WARR_INTR_VALUE	Credit

Advices

No advices allowed for this event.

WENL: Exercise of Warrants for New Equity

Table B-42 WENL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
RES SEC. ASSET	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit

Advices

No advices allowed for this event.

WXLL: Expiry of Un-Exercised Warrants

Table B-43 WXLL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
WARRS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
SEC RLZD LOSS	WARR_INTR_VALUE	Debit
WARRS ASSET GL	WARRS ASSET GL	Credit

Advices

No advices allowed for this event.

IACR: Securities Coupon Interest Accrual

Table B-44 IACR Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SE_FL_INT_IC	SE_FL_INT_IAC	Credit
SE_FL_INT_RCPY	SE_FL_INT_IAC	Debit
SE_FL_INT_IX	SE_FL_INT_IAX	Credit
SE_FL_INT_RAPA	SE_FL_INT_IAX	Debit
SE_FL_INT N_E	SE_FL_INT N_EA	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_EA	Credit

Table B-44 (Cont.) IACR Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SE_FL_INT_N_EC	SE_FL_INT_N_EAC	Debit
SE_FL_INT_N_RCPY	SE_FL_INT_N_EAC	Credit
SE_FL_INT_N_EX	SE_FL_INT_N_EAX	Debit
SE_FL_INT_N_RAPA	SE_FL_INT_N_EAX	Credit
SE_FL_INT_AJI	SE_FL_INT_JIA	Credit
SE_FL_INT_RCPY	SE_FL_INT_JIA	Debit
SE_FX_INT_IC	SE_FX_INT_IAC	Credit
SE_FX_INT_RCPY	SE_FX_INT_IAC	Debit
SE_FX_INT_IX	SE_FX_INT_IAX	Credit
SE_FX_INT_RAPA	SE_FX_INT_IAX	Debit
SE_FX_INT_AJI	SE_FX_INT_JIA	Credit
SE_FX_INT_RCPY	SE_FX_INT_JIA	Debit

Given below is the sample accounting entries that will be posted if you use the alternativeaccounting roles for this event:

Table B-45 Accounting Entries

Accounting Role	Standard/ Alternative	AmountTags	Standard/ Alternative	Dr./Cr.Indicator
* Accrual of Int. Rec (RCPY) *(Intcomp_RCPY can be used)	Standard	INTCOMP_IA	Standard	Debit
Accrual of Int. Inc - Memo	Alternative	INTCOMP_IA	Standard	Credit

Advices

No advices allowed for this event.

CPIN: Coupon Initiation

Table B-46 CPIN Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FL_INT_IINI	Credit
SEC COUPON RECV	SE_FL_INT_IINI	Debit
SEC COUPON PAY	SE_FL_INT_N_IINI	Debit
SEC COUPON RECV	SE_FL_INT_N_IINI	Credit
SEC COUPON PAY	SE_FX_INT_IINI	Credit
SEC COUPON RECV	SE_FX_INT_IINI	Debit
SEC COUPON PAY	SE_FX_INT_N_IINI	Debit
SEC COUPON RECV	SE_FX_INT_N_IINI	Credit

Advices

No advices allowed for this event.

CPCD: Coupon Collection

Table B-47 CPCD Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON RECV	SE_FL_INT_ICOL	Credit
SEC SETTLEMENT	SE_FL_INT_ICOL	Debit
SEC COUPON RECV	SE_FL_INT_N_ICOL	Debit
SEC SETTLEMENT	SE_FL_INT_N_ICOL	Credit
SEC COUPON RECV	SE_FX_INT_ICOL	Credit
SEC SETTLEMENT	SE_FX_INT_ICOL	Debit
SEC COUPON RECV	SE_FX_INT_N_ICOL	Debit
SEC SETTLEMENT	SE_FX_INT_N_ICOL	Credit

Advices

No advices allowed for this event.

CPLQ: Coupon Liquidation

Table B-48 CPLQ Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FL_INT_ILIQ	Debit
SE_FL_INT_RCPY	SE_FL_INT_ILIQ	Credit
SEC COUPON PAY	SE_FL_INT_N_ILIQ	Credit
SE_FL_INT_N_RCPY	SE_FL_INT_N_ILIQ	Debit
SEC COUPON PAY	SE_FX_INT_ILIQ	Debit
SE_FX_INT_RCPY	SE_FX_INT_ILIQ	Credit
SEC COUPON PAY	SE_FX_INT_N_ILIQ	Credit
SE_FX_INT_N_RCPY	SE_FX_INT_N_ILIQ	Debit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Table B-49 Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FX_INT_ILIQ	Debit
SE_FX_INT_RCPY	SE_FX_INT_ILIQ	Credit
SE_FX_INT_IMEM	SE_FX_INT_TIAC	Debit
SE_FX_INT_I	SE_FX_INT_TIAC	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCMA	Debit

Table B-49 (Cont.) Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SE_FX_INT_BOT	SE_FX_INT_PUCMA	Credit

You will need to maintain the following accounting entry set-up when a securities contract is liquidated with previous year adjustment option.

Table B-50 Accounting Entries

Debit/Credit Indicator	Accounting Role	Amount Tag
Debit	SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_PUCMA - Purchase Interest
Credit	INTCOMP_BOT - Deal Purchase Interest	INTCOMP_PUCMA - Purchase Interest
Debit	SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_TIAC - Interest Accrued
Credit	INTCOMP_RCPY - Interest Receivable / Payable.	INTCOMP_TIAC - Interest Accrued
Debit	INTCOMP_IMEM - Interest Income – Memo	INTCOMP_TIAC - Interest Accrued
Credit	INTCOMP_I - Interest Income	INTCOMP_TIAC - Interest Accrued

Note:

If Interest / discount / premium has been accrued during the previous year, the entries will have the amount tags with suffix "_PY" to indicate that they are passed against the Previous Year Adjustment GL. During accounting, for the amount tags with suffix "_PY", counting entries are passed against the Previous Year Adjustment GL, maintained in the Chart of Accounts. ac-

Table B-51 Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_PUCMA - Coupon Amount – Interest Accrued	Debit
INTCOMP_OFF- Purchase Interest Offset GL	INTCOMP_PUCMA - Coupon Amount – Interest Accrued	Credit
SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_TIAC - Interest Accrued	Debit
INTCOMP_RCPY - Interest Receivable / Payable	INTCOMP_TIAC - Interest Accrued	Credit
INTCOMP_IMEM - Interest Income – Memo GL	INTCOMP_TIAC_PY - Interest Accrued (Previous Year's contribution)	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC_PY - Interest Accrued (Previous Year's contribution)	Credit
INTCOMP_IMEM - Interest Income – Memo GL	INTCOMP_TIAC_CY - Interest Accrued (Current Year's contribution)	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC_CY - Interest Accrued (Current Year's contribution)	Credit

When Wipe Deal Purchase Interest is set to Sale, the accounting entries pertaining to Purchase Interest are as follows:

Table B-52 Accounting Entries

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
SEC COUPON PAY - SE Coupon Payable GL	INTCOMP_PUCMA - Purchased Interest	Debit
INTCOMP_BOT - Deal Purchase Interest	INTCOMP_PUCMA	Credit
SEC COUPON PAY - SE Coupon Payable GL	INTCOMP_TIAC - Interest Accrued – Cum	Debit
INTCOMP_RCPY - Interest Receivable / Payable	INTCOMP_TIAC	Credit

Table B-52 (Cont.) Accounting Entries

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
INTCOMP_IMEM - Interest Income – Memo	INTCOMP_TIAC - Interest Accrued	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC	Credit

Advices

Nil

BRVL: Securities Revaluation of Positions/Deals

(For Realized Revaluation, the amount tags should be replaced with the equivalent tags for Realized Revaluation)

Table B-53 BRVL Accounting Entries

Accounting Role	Amount Tag Description	Dr./Cr. Indicator
LOCOM_REVAL_EXP	LOCOM_REVAL_EXP	Debit
LOCOM_REVAL_LBY	LOCOM_REVAL_EXP	Credit
MTM_EXP	MTM_EXP	Debit
MTM_LBY	MTM_EXP	Credit
MTM_ASS	MTM_INC	Debit
MTM_INC	MTM_INC	Credit

If you have chosen Deal level revaluation the following entries are passed:

Table B-54 Accounting Entries

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
MTM_EXP - Expense GL for Revaluation (MTM Method)	MTM_EXP - Revaluation Expense (MTM Method).	Debit
MTM_LBY - Liability GL for Revaluation (MTM Method).	MTM_EXP - Revaluation Expense (MTM Method).	Credit
MTM_ASS - Asset GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method).	Debit
MTM_INC - Income GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method).	Credit
LOCOM_REVAL_EXP - Expense GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method).	Debit
LOCOM_REVAL_LBY - Liability GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method).	Credit

Advices

No advices allowed for this event.

RRVL: Reversal of Position and Deal level Revaluation. These entries can be set up for any kind of portfolio costing method and they apply to both deal and position level revaluation.

Table B-55 RRVL Accounting Entries

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
MTMINCOME	MTM_INC	Debit
SECURITYASSET	MTM_INC	Credit

These are the entries passed during reversal of revaluation at BOD on the next working day. If the next working day happens to be the first working day of the new financial year the entries passed are:

Table B-56 Accounting Entries

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
Prev year adj GL –1	MTM_INC_PY	Debit
SECURITYASSET	MTM_INC_PY	Credit

Where Prev year adj GL –1 is the previous year adjustment GL maintained in the Chart of Accounts for the GL head MTM_INC.

Table B-57 YACR: Yield Accruals for all deals

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM EARNED	SEC_PREM_ACCR	Debit
SEC PREM TBACRD	SEC_PREM_ACCR	Credit
SEC INT ADJ REC	SEC_INTADJ_ACCR	Debit
SEC INT ADJ INC	SEC_INTADJ_ACCR	Credit
SEC DISC TBACRD	SEC_DISC_ACCR	Debit
SEC DISC EARNED	SEC_DISC_ACCR	Credit

SS deal with a Customer Buy/Sell type of product

Preferences

The preferences set for this product are as follows:

- Standard rate type is used for this product
- Brokerage not allowed
- Mode of money settlement is automatic
- Extension allowed
- Forward deals allowed for this product

BOOK: Booking of securities deal

If brokerage is considered for Assets, the following accounting entries are passed:

Table B-58 BOOK Accounting Entries

Accounting Role and Description	Amount Tag Description	Dr./Cr. Indicator
SEC BRIDGE GL	BROK_PREM	Debit
BROKPAY	BROK_PREM	Credit

If brokerage is considered for Liabilities, the following accounting entries are passed:

Table B-59 Accounting Entries

Accounting Role	Amount Tag	Dr/Cr. Indicator
SEC BRIDGE GL	BROK_DISC	Debit
BROKPAY	BROK_DISC	Credit

For Brokerage marked as 'Consider as Discount' and denominated in a brokerage currency other than the contract currency, the%DISC and %PREM amount tags will be posted into the Bridge Head in the contract currency.

If a particular charge component is considered for discount for Assets, the following accounting entries are passed:

Table B-60 Accounting Entries

Accounting Role	Amount Tag	Dr/Cr. Indicator
SEC SETTLEMENT	<Charge Class>_DISC	Debit
SEC BRIDGE GL	<Charge Class>_DISC	Credit
SEC BRIDGE GL	<Charge Class>_PREM	Debit
SEC SETTLEMENT	<Charge Class>_PREM	Credit

For charge components marked as 'Consider as Discount' and denominated in a charge currency other than the contract currency, the %DISC and %PREM amount tags will be posted into the SEC BRIDGE GL head in the contract currency.

Advices

Nil

- AMND: Amendment of Securities Deal
- CANC: Cancellation of Securities Deal
- CCON: Counter party Confirmation
- DACF: Deliver Versus Payment Confirmation
- DFCF: Deliver Free Confirmation
- DSTL: Settlement of Securities Deal
- EXTN: Extension of Deal Settlement Date

- MSTL: Money Settlement of Securities Deal
- RACF: Receive Versus Payment Confirmation
- RBLK: Release Block of Security Positions
- RIBL: Reversal of Block of Security Positions
- RRBL: Reversal of Release Block of Security Positions
- REAS: Reassignment of Securities Deal
- REVR: Reversal of Securities Deal
- RFCF: Receive Free Confirmation
- MSTL: Money Settlement
- PROV: Provisioning
- STCH: Status Change

B.3.1 AMND: Amendment of Securities Deal

Table B-61 AMND Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this event.

B.3.2 CANC: Cancellation of Securities Deal

Table B-62 CANC Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

B.3.3 CCON: Counter party Confirmation

Table B-63 Term Definition

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event

B.3.4 DACF: Deliver Versus Payment Confirmation

Table B-64 DACF Accounting Entries

Term	Definition
Accounting Entries	Nil

Table B-64 (Cont.) DACF Accounting Entries

Term	Definition
Advices	No advices allowed for this Event.

B.3.5 DFCF: Deliver Free Confirmation

Table B-65 DFCF Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

B.3.6 DSTL: Settlement of Securities Deal

Table B-66 DSTL Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event.

B.3.7 EXTN: Extension of Deal Settlement Date

Table B-67 EXTN Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	No advices allowed for this Event..

B.3.8 MSTL: Money Settlement of Securities Deal

Table B-68 MSTL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC SETTLEMENT	DEAL_DISCNT_AMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC SETTLEMENT	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC SETTLEMENT	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC SETTLEMENT	FWD_DEAL_LOSS	Debit

Table B-68 (Cont.) MSTL Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC SETTLEMENT	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	INT_GS_PUCM	Credit
SEC SETTLEMENT	INT_GS_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUCM	Debit
SEC SETTLEMENT	SE_FL_INT_N_PUCM	Credit
SEC SETTLEMENT	INT_GS_PUEX	Credit
SEC BRIDGE GL	INT_GS_PUEX	Debit
SEC SETTLEMENT	SE_FL_INT_N_PUEX	Debit
SEC BRIDGE GL	SE_FL_INT_N_PUEX	Credit
SEC BRIDGE GL	INT_IC_PUCM	Debit
SEC SETTLEMENT	INT_IC_PUCM	Credit
SEC BRIDGE GL	SE_FX_INT_N_PUCM	Credit
SEC SETTLEMENT	SE_FX_INT_N_PUCM	Debit
SEC SETTLEMENT	INT_IC_PUEX	Debit
SEC BRIDGE GL	INT_IC_PUEX	Credit
SEC SETTLEMENT	SE_FX_INT_N_PUEX	Credit
SEC BRIDGE GL	SE_FX_INT_N_PUEX	Debit
SEC SETTLEMENT	ISSUR_TAX_PUCM	Debit
SEC BRIDGE GL	ISSUR_TAX_PUCM	Credit
SEC SETTLEMENT	ISSUR_TAX_PUEX	Credit
SEC BRIDGE GL	ISSUR_TAX_PUEX	Debit
SEC BRIDGE GL	INT_GS_SOCM	Debit
SEC SETTLEMENT	INT_GS_SOCM	Credit
SEC SETTLEMENT	INT_GS_SOEX	Debit
SEC BRIDGE GL	INT_GS_SOEX	Credit

Advices

Nil.

B.3.9 RACF: Receive Versus Payment Confirmation

Table B-69 RACF Accounting Entries

Term	Definition
Accounting Entries	No accounting entries are allowed for this event.
Advices	Nil

B.3.10 RBLK: Release Block of Security Positions

Table B-70 RBLK Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	MT54x message.

B.3.11 RIBL: Reversal of Block of Security Positions

The Reversal of Block of Security Positions (RIBL) event occurs when the margin payment for securities is reversed from the **Collateral Assignment Process (SRDMRONL)** screen.

Table B-71 RIBL Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	MT542 having tag 23G: function of the message as CANC.

B.3.12 RRBL: Reversal of Release Block of Security Positions

The Reversal of Release Block of Security Positions (RRBL) event will activate when the margin for securities is reversed from the **Collateral Assignment Process (SRDMRONL)** screen.

Table B-72 RRBL Accounting Entries

Term	Definition
Accounting Entries	Nil
Advices	MT540 having tag 23G: function of the message as CANC.

B.3.13 REAS: Reassignment of Securities Deal

Table B-73 REAS Accounting Entries

Term	Definition
Accounting Entries	No accounting entries allowed for this event.
Advices	Nil

B.3.14 REVR: Reversal of Securities Deal

Table B-74 RECR Accounting Entries

Term	Definition
Accounting Entries	No accounting entries allowed for this event.
Advices	Nil

B.3.15 RFCF: Receive Free Confirmation

Table B-75 RFCF Accounting Entries

Term	Definition
Accounting Entries	No accounting entries allowed for this event.
Advices	Nil

B.3.16 MSTL: Money Settlement

The below Accounting Entries have to be configured for Bank Sell Product.

Table B-76 BOOK Event

Accounting Role	Amount Tag	Dr/Cr
Brokerage Paid	BROKAMT	Dr
Brokerage payable	BROKAMT	Cr
Upfront fee payable	UF_DISC_AMT	Cr
CDI Bridge GL	UF_DISC_AMT	Dr
Upfront fee receivable	UF_PREM_AMT	Dr
CDI Bridge GL	UF_PREM_AMT	Cr

Table B-77 MSTL Event

Accounting Role	Amount Tag	Dr/Cr
CDI Bridge GL	<Int class code>_PUCM	Cr
Br Margin Settlement	<Int class code>_PUCM	Dr
CDI Bridge GL	<Int class code>_PUEX	Dr
Br Margin Settlement	<Int class code>_PUEX	Cr
CD Bridge GL	<Int class code>_SOCM	Cr
BR MARGIN SETTL	<Int class code>_SOCM	Dr
CD Bridge GL	<Int class code>_SOCM	Cr
BR MARGIN SETTL	<Int class code>_SOCM	Dr
CD Bridge GL	<Int class code>_SOEX	Dr

Table B-77 (Cont.) MSTL Event

Accounting Role	Amount Tag	Dr/Cr
BR MARGIN SETTL	<Int class code>_SOEX	Cr
Upfront fee payable	UF_PREM_AMT	Cr
Br Margin Settlement	UF_PREM_AMT	Dr
Upfront fee payable	UF_DISC_AMT	Dr
Br Margin Settlement	UF_DISC_AMT	Cr

The below Accounting Entries have to be configured for Bank Buy Product.

Table B-78 BOOK Event

Accounting Role	Amount Tag	Dr/Cr
Brokerage Paid	BROKAMT	Dr
Brokerage payable	BROKAMT	Cr
Upfront fee payable	UF_PREM_AMT	Cr
CDI Bridge GL	UF_PREM_AMT	Dr
Upfront fee receivable	UF_DISC_AMT	Dr
CDI Bridge GL	UF_DISC_AMT	Cr

Table B-79 MSTL Event

Accounting Role	Amount Tag	Dr/Cr
CDI Bridge GL	<Int class code>_PUCM	Dr
Br Margin Settle	<Int class code>_PUCM	Cr
CDI Bridge GL	<Int class code>_PUEX	Cr
Br Margin Settl	<Int class code>_PUEX	Dr
CD Bridge GL	<Int class code>_SOCM	Dr
BR MARGIN SETTL	<Int class code>_SOCM	Cr
CD Bridge GL	<Int class code>_SOEX	Cr
BR MARGIN SETTL	<Int class code>_SOEX	Dr
Upfront fee pay	UF_PREM_AMT	Dr
Br Margin Settl	UF_PREM_AMT	Cr
Upfront fee payable	UF_DISC_AMT	Cr
Br Margin Settlement	UF_DISC_AMT	Dr

Note:

MT 202/210 processing is a part of MSTL event.

B.3.17 PROV: Provisioning

Table B-80 Accounting Entries

Accounting Role	Amount Tag	Dr/Cr
LOSS_PROV	PROV_AMT	Dr
SPEC_PROV	PROV_AMT	Cr

B.3.18 STCH: Status Change

Table B-81 Accounting Entries

Accounting Role	Amount Tag	Dr/Cr
NMNL_STCH	NMNL_AMT_STCH	Dr
SEC_ASSET	NMNL_AMT_STCH	Cr
INT_STCH*	INT_AMT_STCH*	Dr
INT_RECV*	INT_AMT_STCH*	Cr

B.4 CD Portfolio Processing

Table B-82 CD Portfolio Processing

Event Name	Event Description
ACRD	Accrual of Sec. discount earned
ACRP	Accrual of Sec. premium Paid
BRVL	Securities revaluation of positions
RRVL	Securities reversal of revaluation
EXRL	External revaluation of positions
EXRR	Reversal of External revaluation of positions
CBPS	Con. Booking of spot purchases
CBSS	Con. Booking of spot sales
CPCD	Coupon collection
CPIN	Coupon initiation
CPLQ	Coupon liquidation
IACR	Securities Coupon interest accrual
SPLP	Securities purchase from long position
SPSP	Securities purchase from sale position
SSLP	Securities sale from long position
SSSP	Securities sale from short position

B.5 SGEN - Settlement Message Generation

No entries are passed for this event.

Only Payment Message can be maintained for this event.

B.6 Multi Media Support

The following table describes the Message type and Media details for multi media support.

Table B-83 Message Types and Media Details for Multi Media Support

Message Type	Description	Media
CLIENTCONF	Client Confirmation Of Purchase or Sale	SWIFT, Fax, Mail, Telex, E-Mail
DEAL_TICKET	Deal Ticket	Mail, Telex, Email, and Fax
DEL_CONFIRM	Securities-Delivery Conf message	Mail, Email, Telex, and Fax
DLVRAPMTCONF	Deliver Against Payment Conf	Mail, Swift, Email, Telex, and Fax
DLVRFREECONF	Deliver Free Confirmation	Mail, Swift, Email, Telex, and Fax
DLVRSECAPMT	Deliver Against Payment	Mail, Swift, Email, Telex, and Fax
DLVRSECFREE	Deliver Free	Mail, Swift, Email, Telex, and Fax
MKTTRADECONF	Market-Side Trade Confirmation	Mail, Swift, Email, Telex, and Fax
MT544	Receive Free Confirmation	Mail, Swift, Email, Telex, and Fax
MT545	Receive Against Payment Confirmation	Mail, Swift, Email, Telex, and Fax
MT546	Deliver Free Confirmation	Mail, Swift, Email, Telex, and Fax
MT547	Deliver Against Payment Confirmation	Mail, Swift, Email, Telex, and Fax
RECVAPMTCONF	Receive Against Payment Conf	Mail, Swift, Email, Telex, and Fax
RECVFREECONF	Receive Free Confirmation	Mail, Swift, Email, Telex, and Fax
RECVSECAPMT	Receive Against Payment	Mail, Swift, Email, Telex, and Fax
RECVSECFREE	Receive Free	Mail, Swift, Email, Telex, and Fax
SECSETLREV	Cancellation of Buy/Sale	Mail, Swift, Email, Telex, and Fax
SEC_MSG_TO_ICS	Securities Settlement message	Mail, Swift, Email, Telex, and Fax
TRADECONFAFFM	Trade Confirmation Affirmation	Mail, Swift, Email, Telex, and Fax
RECVSECAPMT	Receive Free	Mail, Swift, Email, Telex, and Fax
RECVSECFREE	Receive Against Payment	Mail, Swift, Email, Telex, and Fax
DLVRSECFREE	Deliver Free	Mail, Swift, Email, Telex, and Fax
DLVRSECAPMT	Deliver Against Payment	Mail, Swift, Email, Telex, and Fax

Index

C

CFDFLRAE- Floating Rate Maintenance, *3-18*
CFDFRTCD- Rate Code Definition, *30-2*
CFDRFRRT- RFR Rate Input, *30-3*
CFDTRRCM- Rate Code Maintenance, *3-14*
CFDTRRSM- Rate Source Definition, *3-17*
CFDTRRTM- Rate Type Definition, *3-17*
CODTRTYP- Treasury Static Type Maintenance, *29-3*
CSDTREVM- Treasury Event Class Maintenance, *8-4*
CSDTRPDR- Treasury Product Restriction- Branch Restriction, *7-2*
CSDTRPDR- Treasury Product Restriction- Customer Restriction, *7-4*
CSDTRRHM- Treasury Role to Head Mapping Class Maintenance, *8-3*

D

DCDDLONL- Credit Derivative Deal Input, *29-35*
DCDDLPRD- Credit Derivative Deal Product Definition, *29-18*
DCSDLONL- Credit Derivative Deal Summary, *29-24*
DPDPFONL- Credit Derivative Portfolio Definition, *29-30*
DPDPFPRD- Credit Derivative Portfolio Product Definition, *29-25*
DSDCDCAP- Credit Derivative Corporate Action, *29-40*
DSDINPRD- Credit Derivative Instrument Product Definition, *29-4*
DSDTRONL- Credit Derivative Instrument Definition, *29-10*

R

Rights/Warrants Expiry Event, *19-7*

S

Securities Block/Release Block Input, *24-1*
SEDDLPRD- Securities Deal Product Definition, *16-1*
SEDINTBT- Securities MSTL Batch, *28-2*
SEDMANPR- Securities Manual Provisioning, *26-4*
SEDMANST- Securities Manual Status Change, *27-8*
SEDPFINR- Security Portfolio Instrument Restrictions, *15-6*
SEDPFPRD- Securities Portfolio Product Definition, *15-1*
SEDPRDRS- Securities Deal Product Restriction, *16-4*
SEDSEPRD- Securities Security Product Definition, *14-1*, *26-1*, *27-1*
SEDSPRTY- Maintain Settlement Parties, *3-26*
SEDSTPRP- Securities Status Properties, *27-6*
SEDTRONL- Securities Instrument Definition, *26-6*, *27-4*
SEDTRONL- Securities Instrument Definition Interest, *18-6*
SEDTRONL- Security Instrument Definition, *18-1*
SEDXBLDL- Security Bulk Deal Input, *22-2*
SEDXBLNL- Securities Block/Release Block Input, *24-1*
SEDXBNCS- Bonus to Cash Conversion, *19-29*
SEDXBNPM- Securities Bank Parameter Maintenance, *3-3*
SEDXBRPM- Securities Branch Parameters, *3-7*
SEDXCAMN- Corporate Action Manual Processing, *19-32*
SEDXCDVD- Cash Dividend Definition, *19-27*
SEDXCMBP- Security Combination Product Maintenance, *17-1*
SEDXCPND- Coupon Maintenance, *19-15*
SEDXCTFR- Coupon Transfer, *19-34*
SEDXDLNL- Securities Deal Input, *21-2*
SEDXDPCL- Security Deal Product Preference Class Maintenance, *11-1*
SEDXDVDF- Securities Stock Dividend Definition, *19-24*
SEDXEXPD- Rights/Warrants Expiry Event, *19-7*
SEDXMPCD- Security Market Price Code, *5-1*
SEDXMRAT- Securities Price Definition Maintenance, *4-1*
SEDXMRTU- Manual Revaluation, *25-1*
SEDXMTCD- Market Definition, *3-19*, *29-2*

SEDXPFCL- Securities Portfolio Product Preference, *10-1*
SEDXPFNL- Security Portfolio Definition, *20-2*
SEDXPRCL- Securities Corporate Action Maintenance Redemption, *13-2*
SEDXREAS- Security Deal Contract Reassign, *18-33*
SEDXREDF-Securities Corporate Action Maintenance Redemption, *19-9*
SEDXRMNT- Risk Profile Maintenance, *20-24*
SEDXRVND- Interest Revision, *19-18*
SEDXRWDF- Securities Rights/Warrants Definition, *19-3*
SEDXSECL- Securities product Preference Class Definition, *9-2*
SEDXSKLC- Securities Safe Keeping Location Maintenance, *6-1*
SEDXSKNL- Transfer Across Safe keeping Location, *23-1*
SEDXSRCL- Security Restriction Class Maintenance, *12-2*
SESMANPR- Securities Provisioning Summary, *26-5*
SESMANST- Securities Status Change Summary, *27-9*
SESSTPRP- Securities Status Properties Summary, *27-7*
SESTRONL- Securities Instrument Definition Summary, *18-21*
SESXDLNL- Securities Deal Summary, *21-9*
SESXMRTU- Manual Revaluation Summary, *25-4*
SESXPFMV- Portfolio Securities Movements Summary, *32-3*
SESXPFNL- Security Portfolio Summary, *20-4*
SESXPFSB- Securities - Portfolio Safe Keeping Location Balances, *13-3*
SESXPSMV- Securities - Portfolio Safe Keeping Location Movements Summary, *13-5*
SESXSKBL- Safe Keeping Location Balances Summary, *21-20*
SESXSKMV- Securities Safe Keeping Movements Summary, *32-1*
SESXSKPB- Safe Keeping Location Portfolio Balances Summary, *20-25*