Oracle® Banking Treasury Management

Classes and Fees User Guide

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Oracle Banking Treasury Management Classes and Fees User Guide, Release 14.8.1.0.0

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Contents

Preface

This topic contains the following sub-topics:

Purpose

This manual is designed to help you get acquainted with the manner in which various classes can be set up in Oracle Banking Treasury Management.

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

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 resources:

- *The Procedures User Manual*
- *The Messaging System User Manual*
- *The Management Information System (MIS) User Manual*

Conventions

The following text conventions are used in this document:

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 Abbreviations and Acronyms

Abbreviations or Acronyms	Definition
ASYNC	Asynchronous
FCUBS	Oracle FLEXCUBE Universal Banking
CCS	Cross Currency Swap
DV	Derivatives

Table (Cont.) Abbreviations and Acronyms

Abbreviations or Acronyms	Definition
EDE	External Data element
FRA	Forward Rate Agreement
FX	Foreign Exchange
IRS	Interest Rate Swap
LCY	Local Currency
MM	Money Market
OBTR	Oracle Banking Treasury Management
OT	Over the Counter Options
RP	Relationship Pricing
SYNC	Synchronous
SQL	Structured Query Language
XSL	Extensible Style sheet Language

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.
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.

Table (Cont.) List of Basic Actions

Action	Description
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
	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.

Table (Cont.) Symbols and Icons - Common

Symbol/Icon	Function
	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
	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

Create Classes

You need to create a class and attach certain attributes to it. You can build a charge class, for instance, with the attributes of a specific type of charge, such as Charges for provision of services. Similarly, you can build an event class with the attributes of a specific type of events, such as a Booking a Transaction, Collecting Charges, Cancellation and so on.

Once you create classes, you can link them suitably to products thereby avoiding the need to specify the generic attributes available in the class.

In Oracle Banking Treasury Management, you can categorize these classes into Mandatory and Optional. Unless certain mandatory classes are maintained, you will not be able to process transactions.

The mandatory classes that you need to maintain are:

- Interest Class
- Interest Class (SE)
- Fee Class
- Charge Class
- Old Charges Class
- Tax Class

The optional classes that you can maintain are:

- Adhoc Fee Class
- Branch Currency Restriction Class
- Customer Restriction Class
- Discount Accrual Class
- Events Class
- Role to Head Mapping Class

This chapter contains the following sections:

- Define Interest Class
  This topic describes the systematic instructions to define interest class.
- Interest Class Maintenance
  This topic describes the systematic instruction to maintaing interest class and rates.
- Accrual Fee Class Maintenance
  This topic describes the systematic instruction to maintain accrual class and field details.
- Charge Class Maintenance
  This topic describes the systematic instructions to maintain Charge Class.
- Old Charges Class Maintenance
  This topic contains the following topics:

- Tax Class Maintenance
  This topic describes the systematic instructions to maintain the tax and issuer tax as classes.
- Discount Accrual Class Maintenance
  This topic describes the systematic instruction to maintain discount accrual class.
- Events Class Maintenance
  This topic describes the systematic instruction to maintain event class, accounting entries, advices, fields, and event class for account intial funding.
- Process Role to Head Mapping Class Maintenance Screen
  This topic describes the systematic instruction to process role to head mapping class maintenance screen.

1.1 Define Interest Class

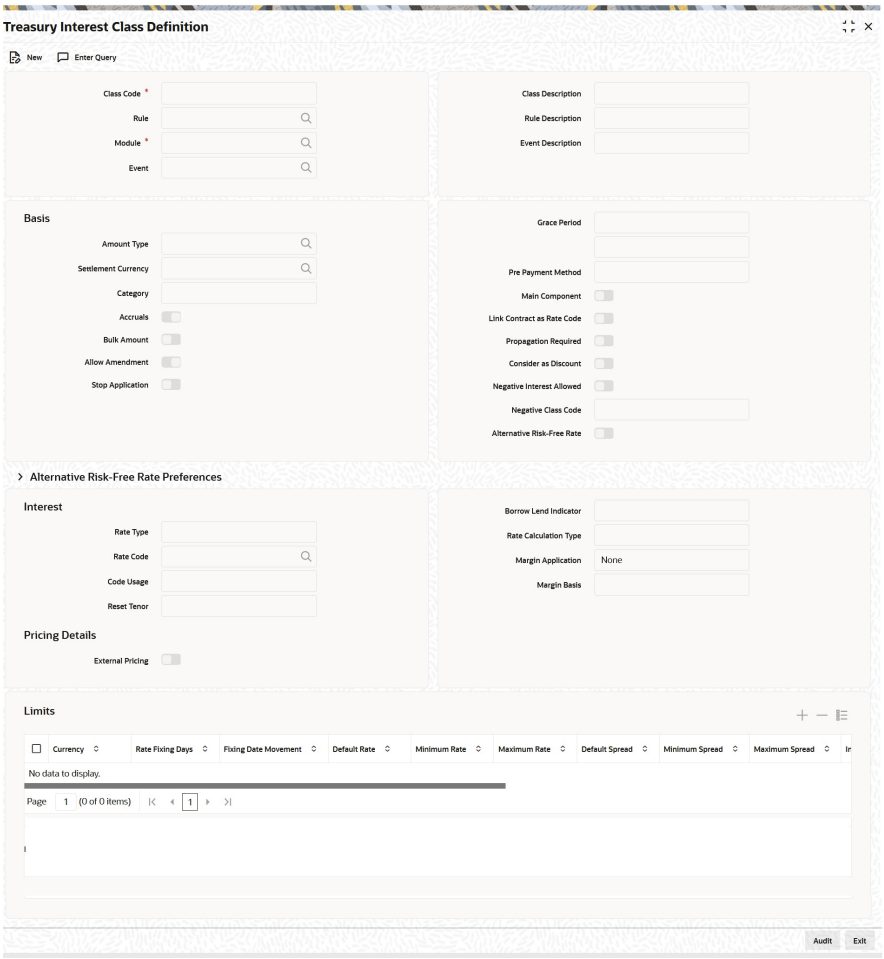
This topic describes the systematic instructions to define interest class.

You need to define the attributes of an interest class, in the **Treasury Interest Class Definition** screen, invoked from the Application Browser.

1. On the Homepage, enter **CFDTRINC** in the text field and then click the next arrow.

   The **Treasury Interest Class Definition** screen is displayed.

Figure 1-1 Treasury Interest Class Definition



2. On the **Treasury Interest Class Definition** screen, specify the fields.

   For field details and description, refer to the below table.

Table 1-1 Treasury Interest Class Definition - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Class Description	Specify a brief description for the class.
Rule Code	Specify the rule that should be linked to the class. The adjoining option list displays all valid rules maintained in the system. You can choose the appropriate one.
Rule Description	The system displays the description based on the rule chosen.
Event	Specify the event at which collection of the interest should be triggered, The adjoining option list displays all events available in the system for the module specified. You can choose the appropriate one.

Table 1-1 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.
Amount Type	If the interest rate type is Fixed or Floating, specify the basis amount on which the interest rate has to be applied. For example, for the MM module, it could be the MM Contract Amount and so on.
Settlement Currency	The Settlement Currency is the currency in which the interest amount will be calculated. The interest amount applicable for a contract will be calculated in this currency. The appropriate conversion rate (defined for the product as the applicable Rate Type) is applied to carry out a conversion if the repayment account is in a different currency.
Category	If the interest rate type is Fixed or Floating, specify the type of balance that has to be considered for interest application. It could be any one of the following: • **Expected** • **Overdue** • **Normal** • **Outstanding**
Accruals	Check this box to indicate that accruals have to be carried out for the accruable components.
Bulk Amount	When a contract gets rolled over, you may wish to split it into two contracts - one for the interest amount (I) and the other for the principal amount (P). If you want the floating rate pickup for both the new contracts (tenor/amount) to be based on P+I of the original contract, check this box.
Allow Amendment	If you would like to allow amendment of the interest amount calculated by the system as per the charge rule, check this box.
Stop Application	Check this box to indicate that collection should stop for the interest component.
Grace Period	Specify the number of grace days, beyond the main interest due date, after which that interest component becomes applicable.
Prepayment Method	Select the method for actual prepayment penalty computation from the adjoining drop-down list. The options available are: • Oracle Banking Treasury Management - This option is used where pre-payment has to be applied on the deposit contract for contract elapsed days. • Custom - If the Prepayment Method is Custom, then the prepayment penalty in this case will be the minimum of prepayment penalty and Gross interest on the premature withdrawal amount. The system computes the interest amount to be liquidated due to prepayment of principal. You will not be allowed to specify the interest amount during the Payment input in such a case. **Note:** Here, the system does not include the Acquired interest for processing. Also, if you have chosen the prepayment method as Custom, you cannot prepay or manually liquidate either the interest or the principal component. This option is used where pre-payment has to be applied on the deposit contract for contract remaining days.

Table 1-1 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
Main Component	Check this box to indicate that the component should be treated as the main interest component.
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". The following fields under 'Limits' block allow negative input value, if you have checked the 'Negative Interest Allowed' checkbox for the class code: • **Minimum Rate** • **Maximum Rate** • **Default Rate** • **Minimum Spread** • **Maximum Spread** • **Default Spread**
Negative Class Code	The system displays the negative class code.
Link Contract as Rate code	Check this box to indicate that a fixed rate contract may be linked to the floating rate component, instead of a rate code.
Propagation Required	Check this option to indicate that the charge collected from the borrower must be passed on to the participants of the contract.
Consider as Discount	Check this box to indicate that the fee component should be considered as part of discount accrual.
Alternative Risk Free Rate	Identifies if the interest class is enabled for RFR.
Alternative Rate Revision 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** • **Index Value** • **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 **Note:** For more information on RFR calculation method for each type, refer to the RFR Calculation Method.

Table 1-1 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
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	Check this box to indicate that interest rollover is allowed. Interest Rollover method can be used as a combined method along with one each of In-arrears & In-advance methods. 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. The adjustment payment can be made a few days later or at the end of the next accrual period. Interest rollover with negative interest rate is allowed for In-arrear method.
Plain	This field will only be relevant if Rate Method is In-Arrears or bearing and RFR method is Plain. System uses averaged RFR over current interest period, paid on first day of next interest period.
Last Reset	This field will only be relevant if 'Rate Method' is 'In-Advance' and 'Rate Convention' is Last reset. In this option, interest payments are determined on the basis of the averaged RFR of the previous period.
Last Recent	This field will only be relevant if 'Rate Method' is 'In-Advance' and 'Rate Convention' is Last recent. In this option, a single RFR or an averaged RFR for a short number of days, are applied for the entire interest period
Computation Calendar	Select the Computation Calendar from the drop-down list, when RFR is selected for interest calculation. The available options are: • **Currency** • **Financial Calendar**

Table 1-1 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
Financial Center	This field is mandatory if the financial center is selected as a computation calendar. Select the code of the financial center from the displayed list of values
Base Computation Method	It is either simple or compounded
Spread\ Margin Computation Method	Spread\ Margin computation method can be maintained as either Simple or compounded.
Spread Adjustment Method	Spread adjustment method is either as either Simple or compounded
Rate Compounding	User can select the rate compounding to be applied for each calculation period. When enabled, system opts for rate compounding instead of amount compounding, the amount difference comes into effect only if any pre-payment is done. **Note:** For more information on RFR Index value calculation, refer to the attached RFR Rate Compounding calculation worksheet.
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 preferences: Arrear Method • **Lookback** • **Lockout** • **Payment Delay** • **Plain**

Table 1-1 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
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: **Arrear Method** • Lookback • Lockout • Payment Delay • Plain **Advance Method** • Last Reset • Last Recent For more information on RFR Index value calculation, refer to the attached 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, refer to the attached RFR Observation Shift calculation worksheet.
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.
Rate Type	Indicate whether the interest is a Fixed Rate, a Floating Rate or a Special amount. If the Rate Type is a Floating Rate, you should also specify the Rate Code.
Rate Code	Each Rate Code corresponds to a rate defined for a combination of Currency, Amount (if it is necessary) and an Effective Date. These details are maintained in the 'Floating Rates Input' screen. This rate will be applied to all contracts under products linked to the class. Standard overnight RFR rate codes maintained from the core screen can also me mapped.
Code Usage	Specify the method in which the floating rates have to be applied. It could either be automatic application (meaning the rate has to be applied every time it changes), or periodic application (meaning the rate has to be applied at a regular frequency, defined for each contract involving the product linked to this class).
Reset Tenor	Floating interest rates are defined for specific amount slabs and tenor combinations. If you are defining a floating interest component or a fixed type with rate code attached, you can indicate the reset tenor for which floating rates need to be picked up. The tenor that you specify for the component is defaulted to all contracts with which the floating interest component is associated.

Table 1-1 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
Borrow Lend Indicator	Indicate the nature of the floating rate that needs to be picked up for the interest component. The options available are: • **Borrow** • **Lend** • **Mid**
Rate Calculation Type	For floating type of interest components and fixed type with rate code attached, you can indicate the manner in which floating rates should be applied. The preference that you specify here is used when an interest component does not fit into any direct parameter defined for the floating rate code. The options available are: • **Up** – Choose this option to indicate that the rate of the upper tenor slab should be used. • **Down** - Choose this option to indicate that the rate of the lower tenor slab should be used. • **Interpolate** - Choose this option to indicate that the rate should be interpolated between the rates of the upper and lower slabs. • **Round Off** - Choose this option to indicate that the tenor of the component should be rounded off to the nearest whole number. The rate defined for the derived tenor will be applied to the component.
Margin Application	Indicate the frequency of margin application by choosing one of the following options from the drop-down list.
Margin Basis	Indicate the basis for the interest margin and the method for applying the interest margin on the selected interest component. The available options are: • **Facility** – The system defaults the margin from the borrower facility contract with which the drawdown is linked. • **Tranche** – The system defaults the margin from the borrower tranche contract with which the drawdown is associated. • **Drawdown** – If this option is chosen, you must enter the applicable margin when the interest rate is fixed. – This component which you select is excluded from all the processing including liquidation and this calculation type is only used for margin application. – After defining this component, booked formula for main interest component needs to be modified by replacing INTEREST_RATE with INTEREST_RATE + MARGIN_RATE. By doing this the interest gets calculated based on resolved interest rate (i.e. including floating rate and spread if applicable) and the margin. • Customer – If this option is chosen, then the margin will be applicable to all drawdown contracts under the selected customer.
Currency	Specify the currency of interest rate application. The adjoining option list displays all valid currency codes maintained in the system. You can choose the appropriate one. For a Risk Free Rate interest component systems allows saving of record for RFR mapped rate code currency only. The currency chosen for limits should be a RFR code currency. For Example for RFR code SOFR (Secured Overnight Financing Rate) only USD currency record should be mapped. If in case any other currency is maintained, system validates accordingly upon save.

Table 1-1 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
Rate Fixing Days	Specify the Rate fixing days as per the requirement. Rate fixing days can have the values from zero or greater. if no values are entered system defaults it to zero.
Fixing Date Movement	Specify the Movement as Forward, Backward or None as per the requirement from the effective revision date. If rate fixing days is greater than zero, movement is selected either as forward or backward. If rate fixing days is zero, the Reset date movement will remain blank.
Default Rate	Specify the default rate that should be applied for on contracts under the products linked to this class. Default rate allows negative values if the negative interest is allowed for the class.
Minimum Rate	Specify the minimum interest rate that can be applied on contracts under the products linked to this class. Minimum rate allows negative values if the negative interest is allowed for the class.
Maximum Rate	Specify the maximum interest rate that can be applied on contracts under the products linked to this class. Maximum rate allows negative values if the negative interest is allowed for the class.
Default Spread	You are allowed to specify both positive and negative spread as default for the class you are maintaining. The system validates this spread against the maximum and minimum spread you have specified for the currency. Subsequently, the spread will be defaulted to the contract under the products linked to this class.
Minimum Spread	Specify the minimum spread that can be applied on the rate for the currency.
Maximum Spread	Specify the maximum spread that can be applied on the rate for the currency.
Base Computation	It is either simple or compounded.
Spread\ Margin Computation	Spread\ Margin computation method can be maintained as either Simple or compounded.
Spread Adjustment	Spread adjustment method is kept as either Simple or compounded

Table 1-1 (Cont.) Treasury Interest Class Definition - 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: **Figure 1-2 Weighted Average Formula** $$AvgRate = \left[\sum_{i=1}^{d_b}\left(\frac{r_i \times n_i}{N}\right)\right] \times \frac{N}{d_c}$$ $$InterestAmt = Principal \times AvgRate \times \frac{d_c}{N}$$ 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 on WAC calculation, refer to the RFR WAC sheet.

1.2 Interest Class Maintenance

This topic describes the systematic instruction to maintaing interest class and rates.

This topic contains the following topics:

- Interest Class Maintenance
  This section explains the systematic instructions to maintain interest classes and how attributes are defined for Securities, Derivatives products, and contracts.
- Rates
  This topic explains the systematic instructions to enter the details in the Rates sub-screen.

1.2.1 Interest Class Maintenance

This section explains the systematic instructions to maintain interest classes and how attributes are defined for Securities, Derivatives products, and contracts.

You need to maintain an Interest class specific to the Securities module. For instance, for a Security, you can build an interest class with the attributes of a specific type of coupon, the quarterly coupon paid on the current face value.
Before defining the attributes of an interest class, you should assign the class a unique identifier, called the Class Code and briefly describe the class. A description would help you easily identify a class.

1. On the Homepage, enter **CFDTRINT** in the text field and then click the next arrow.

   The **Treasury Interest Maintenance** screen is displayed.

Figure 1-3 Treasury Interest Maintenance

2. On the **Treasury Interest Maintenance** screen, specify the fields.

   For field details and description, refer to the below table.

Table 1-2 Treasury Interest Maintenance- Field Description

Field	Description
Module	An interest class is built for use in a specific module. This is because; an interest component would be applied on different basis amounts, in different modules. **Note** The Basis Amount Tags available would depend on the module for which you build the class.
Interest Type	While building an Interest Class, you can define two kinds of interest: • Primary Interest • Coupon
Events and the Basis Amount	The term Event can be explained with reference to 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 an interest is calculated is referred to as the Basis Amount. For instance, a coupon can be on the basis of the current face value of a security. When building an interest class, you have to specify the tag associated with the Basis Amount. The attributes defined for an interest class, will default to all products with which you associate the class. When maintaining interest details for a product, you can change these default attributes. Contracts maintained under a product will acquire the attributes defined for the securities product.
Accrual Required	You can choose to accrue the interests due on a contract. To accrue the interest payable on a contract, choose the ‘Accrual Required’ option. The accrual details that you define for an interest class will default to all products with which you associate the class. When maintaining interest accrual details for a product, you can change these default details. Contracts maintained under a product will acquire the accrual details defined for the product. However, you can define unique accrual details for a contract.
Rate Type	The interests paid on contracts can be at a Fixed Rate, or on the basis of a Floating Rate. If you indicate that interests should be calculated on the basis of 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.

Table 1-2 (Cont.) Treasury Interest Maintenance- Field Description

<table>
<tr><th>Field</th><th>Description</th></tr>
<tr><td>Default Rate Code</td><td>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.
The details defined for an interest class will default to all products with which the class is associated. When maintaining interest details for a product, you can change this default information. Contracts maintained under a product will acquire the interest details defined for the contract product. However, you can define unique interest details specific to a contract.
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 rate code amendment after the association event. You can also allow the amendment of the rate value (corresponding to a rate code).</td></tr>
<tr><td>Default Tenor</td><td>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><tr><th>Tenor Code</th><th>Description</th></tr><tr><td>1W</td><td>One week rate</td></tr><tr><td>2W</td><td>Two week rate</td></tr><tr><td>2M</td><td>Two months rate</td></tr><tr><td>6M</td><td>Six months rate</td></tr><tr><td>1Y</td><td>One year rate</td></tr></table>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 with which you associate the class) will be calculated using the rate corresponding to the Rate Code and the Tenor Code.</td></tr>
<tr><td>Default Waiver</td><td>Check this box to indicate that even if charge is computed, it should not be liquidated.</td></tr>
<tr><td>Allow Rate Type Amendment</td><td>Check this box, to allow rate type amendment.</td></tr>
<tr><td>Allow Rate Code Amendment</td><td>Check this box, to allow rate code amendment.</td></tr>
<tr><td>Negative Class Code</td><td>The system displays the negative class code.
When you save the record, the system updates the ‘Negative Class Code’ field with the name of the auto-generated Negative class code. If any interest class already exists with the same class code as the negative class code being auto-generated, then the system displays an appropriate error message on saving the main interest class code itself.
In such cases, specify the ‘Negative Class Code’ field manually and save the record. Any operation on Negative class codes generated by system will be restricted.</td></tr>
</table>

Table 1-2 (Cont.) Treasury Interest Maintenance- Field Description

Field	Description
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 indicate the negative rate must be allowed for DV and SR modules.
Interpolation Method	Select the required interpolation method from the adjoining drop-down list. The list displays the following values: • Not Applicable • Linear If the option Linear is selected, then the system uses Interpolation formula. Rounding Rule and Precision is mandatory in this case.
Rounding Rule	Select the required rounding rule from the adjoining drop-down list. The list displays the following values: • Blank • Up • Down • Trunc • Round Near **Note** Rounding Rule is applicable only when interpolation method is linear.
Rounding Units	Specify the decimal value that must be used for interest rate calculation.
Rate Revision Preferences	Specify the Rate Revision Preferences.
Lookback Months	Specify the number of months to look back to capture the Lag. **Note** • For Inflation type interest class, Lookback Days must be disabled. • For RFR rate type, Lookback Months must be disabled. 2-14 Compounding Preferences
Compounding Preferences	Specify the Compounding Preferences.

Table 1-2 Treasury Interest Maintenance- Field Description

Field	Description
Frequency	Select the compounding frequency of the interest from the adjoining drop-down list. The list displays the following values: • Daily • Weekly • Monthly • Quarterly • Half Yearly • Yearly • Bullet
Unit	Specify the frequency for compounding interest.
Compound on Holidays	Check this box to indicate that the compounding must be done on holidays. The system allows to check this box only if the Frequency is Daily. During save, the system performs the following validations: • Lookback Days and Months can be greater than or equal to zero and can be only positive values. • When Look back days defined is greater than zero, then Reset date movement should be selected. • Only the below fields gets enabled for inflation rate type component: – Lookback – Lookback Months – Payment Delay – Payment Delay Days – Payment Date Movement – Payment Delay Calendar
Payment Preferences	Specify the Payament Preferences details.
Payment Date Movement	Specify the date on when the payment movement is to be done. The adjoining drop-down list displays the following values: • Lead • Lag If the option LEAD is selected, then the payment is preponed. If the option LAG is selected, then the payment is deferred.
Payment Movement Calendar	Specify the payment movement calendar from the adjoining drop-down list. The list displays the following values: • Calendar • Business If the option Calendar is selected, then the ‘Payment Date Movement’ ignores holiday maintenance at contract level. If the option Business is selected, then the ‘Payment Date Movement’ considers holiday maintenance at contract level.

1.2.2 Rates

This topic explains the systematic instructions to enter the details in the Rates sub-screen.

System generates a negative interest component on saving the interest class, if negative interest is allowed for an 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”.

1. Click **Rates** in the **Treasury Interest Maintenance** scree.
2. Specify the fields in the displayed screen.

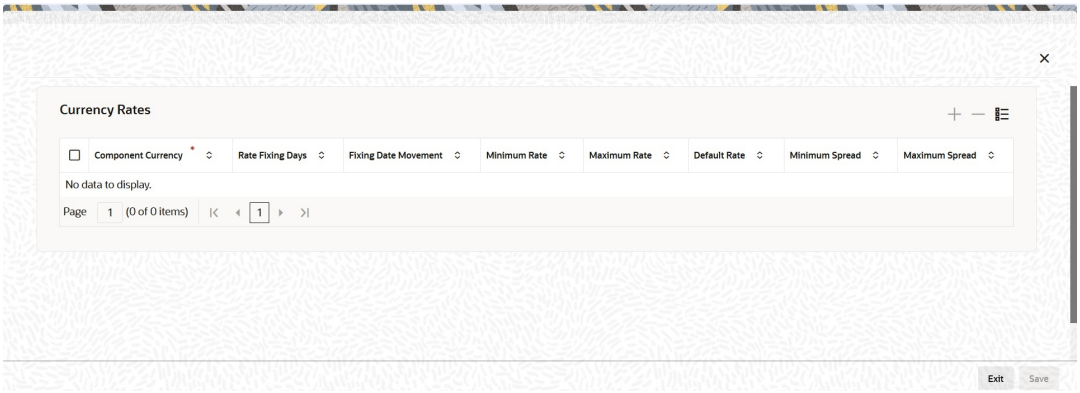


Table 1-3 Rates - Field Description

Field	Description
Component Currency	Select the component currency from the displayed list of values.
Rate Fixing Days	Enter the rate fixing days as per the requirement. Rate fixing days can have the values from zero or greater. If no values are entered system defaults it to zero. By default, the system displays 0 value.
Fixing Date Movement	Select the Fixing Date Movement from the drop-down list as per the requirement from the effective revision date. The available options are: • Forward • Backward **Note** If rate fixing days is greater than zero, movement is selected either as forward or backward. If rate fixing days is zero then Reset date movement will remain blank. The Values of the Rate fixing days and Rate fixing movement are defaulted from Treasury Maintenance screen (Refer to section 2.4) for the currency and rate code combination. Based on the requirement, user can change these values.
Minimum Rate	Specify the minimum rate which must be applied to the contract under the products linked to this class. Minimum rate allows negative values if the negative interest is allowed for the class..
Maximum Rate	Specify the maximum rate which must be applied to the contract under the products linked to this class. Maximum rate allows negative values if the negative interest is allowed for the class.
Default Rate	Specify the default rate that should be applied for on contracts under the products linked to this class. Default rate allows negative values if the negative interest is allowed for the class.
Minimum Spread	Specify the minimum spread which must be applied to the contract.
Maximum Spread	Specify the maximum spread which must be applied to the contract.

1.3 Accrual Fee Class Maintenance

This topic describes the systematic instruction to maintain accrual class and field details.

This section contains the following topics:

- Accrual Fee Class Maintenance
  This topic explains the systematic instructions to maintain the accrual fee class.
- Field Details Maintenance
  This topic describes the systematic instruction to maintain the field details in the **Treasury Fee Class Maintenance**.

1.3.1 Accrual Fee Class Maintenance

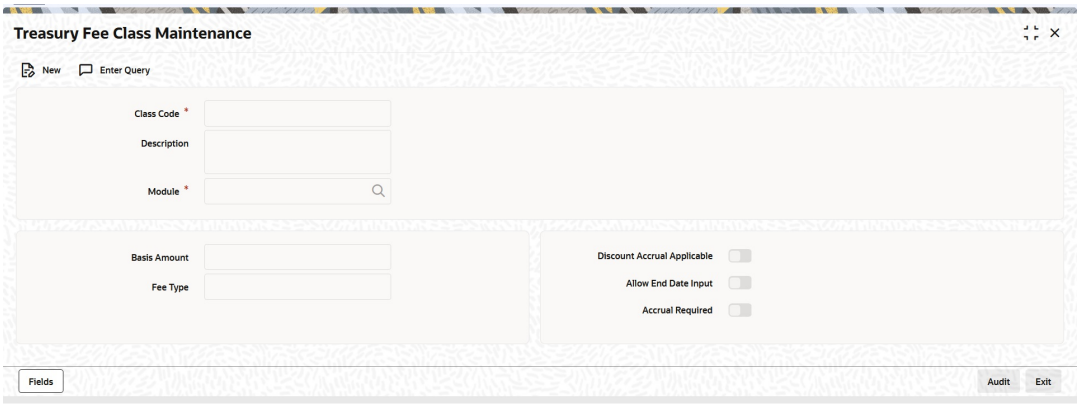
This topic explains the systematic instructions to maintain the accrual fee class.

You need to define the attributes of an accrual fee class in the 'Treasury Fee Class Maintenance' screen, invoked from the Application Browser.

1. On the Homepage, enter **CFDTRAFC** in the text field and then click the next arrow.

   The **Treasury Fee Class Maintenance** screen is displayed.

Figure 1-4 Treasury Fee Class Maintenance



2. On the **Treasury Interest Class Definition** screen, specify the fields.

   For field details and description, refer to the below table.

Table 1-4 Treasury Interest Class Definition - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Description	Specify a brief description for the class.
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.

Table 1-4 (Cont.) Treasury Interest Class Definition - Field Description

Field	Description
Basis Amount	Select the basis amount from the adjoining drop-down list: • **Expected Outstanding Balance** • **Expected Balance**
Fee Type	Select the fee type from the adjoining drop-down list: • **Income** • **Expense**
Allow End Date Input	Check this box to indicate that the end date for accrual can be entered at the time of entering the fee details for a particular class. Otherwise, the maturity date of the associated contract will get defaulted as the end date for accrual.
Accrual Required	Check this box to indicate that accrual of fees is required.
Discount Accrual Applicable	Check this box to indicate that the fee component should be considered as part of discount accrual.

1.3.2 Field Details Maintenance

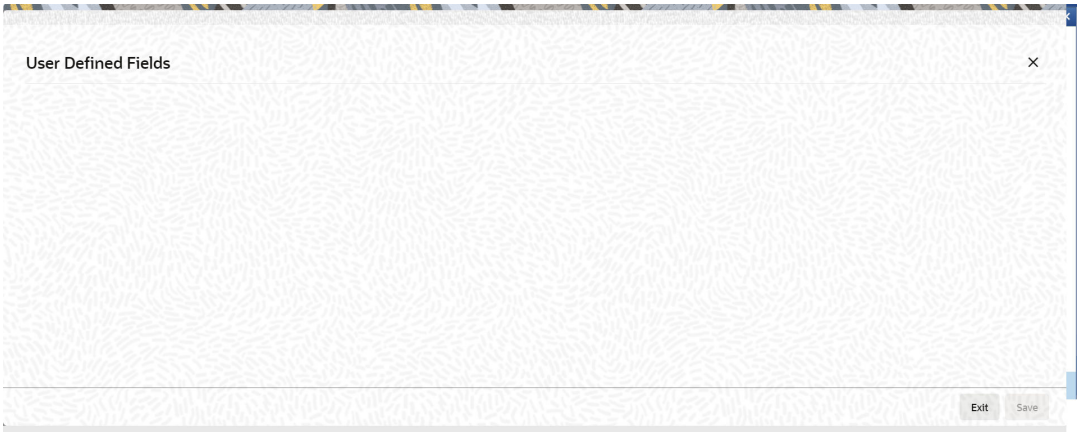
This topic describes the systematic instruction to maintain the field details in the **Treasury Fee Class Maintenance**.

You can capture user-defined fields (UDFs) in the **User Defined Fields** screen.

1. Click **Fields** in the **Treasury Fee Class Maintenance**

   The system displays the **User Defined Fields** screen.

Figure 1-5 User Defined Fields



2. Specify the fields in the **User Defined Fields**.

Table 1-5 Treasury Interest Class Definition - Field Description

Field	Description
Field Name	The system displays the UDFs.
Value	Specify the value for each UDF.

1.4 Charge Class Maintenance

This topic describes the systematic instructions to maintain Charge Class.

When building a charge class, you define certain attributes such as:

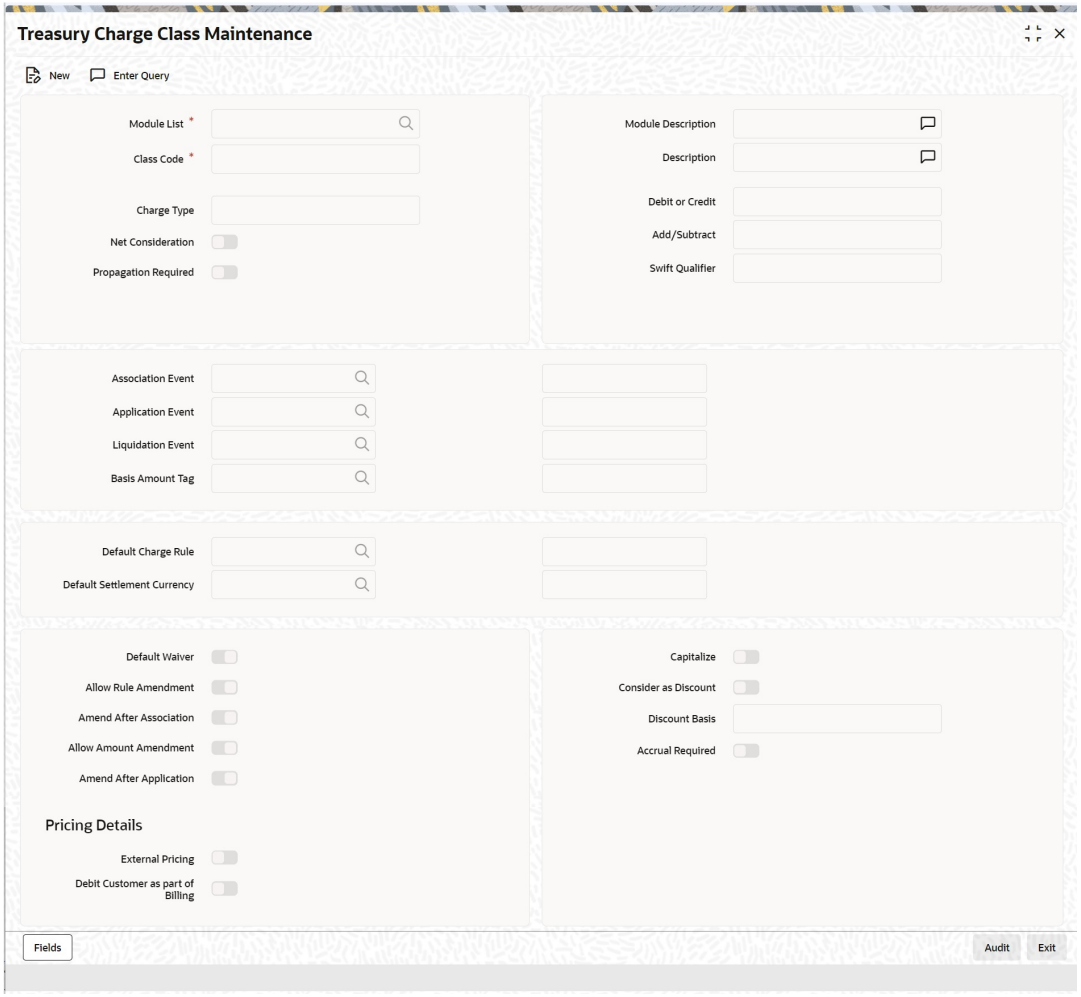
- The module in which you would use the class
- The charge type (whether borne by the counterparty or by the bank)
- The association event
- The application event
- The liquidation event
- The default settlement currency
- The default charge rule
- The basis amount on which the charge is calculated

You have to build a charge class, for instance, with the attributes of a specific type of charge, such as ‘Charges for amending the terms of a transaction’, or ‘Charges for provision of services’. To recall, a charge rule is built to calculate a specific type of charge component. Once such a rule is built, you can define attributes like what should be the basis amount on which the charge rule is applied, when the charge should be associated to the contract and when the charge should be calculated and collected.

1. On the Homepage, enter **CFDTRCCM** in the text field and then click the next arrow.

   The **Treasury Charge Class Maintenance** screen is displayed.

Figure 1-6 Treasury Charge Class Maintenance



2. On the **Treasury Charge Class Definition** screen, specify the fields.

   For field details and description, refer to the below table.

Table 1-6 Treasury Charge Class Definition - Field Description

Field	Description
Class Code	Before defining the attributes of a charge class, you should assign the class a unique identifier, called the Class Code and briefly describe the class. A description would help you easily identify the class.

Table 1-6 (Cont.) Treasury Charge Class Definition - Field Description

Field	Description
Module	A charge class is built for use in a specific module. As a charge component would be applied on different basis amounts, in different modules. In the Securities module, you could levy a flat charge or fee on portfolios that you maintain on behalf of a customer. The basis on which the component is applied is different, in these two cases. **Note** The Basis Amount Tags available would depend on the module for which you build the class.
Charge Type	Charges can be collected from the counter party or from a third party. You can select one of the following values from the adjoining drop-down list: • Counter Party – This indicates that the customer is captured as part of the contract. • Third Party – This indicates that the charges are levied on another entity on behalf of customer (Eg: Custodian) • Their Charges – This indicates that your bank is collecting other bank's charges. The charges or fee that you levy will be recovered, typically, from the counterparty involved. Therefore, when building a charge class, you may indicate the charge to be of 'Counterparty' type.
Debit /Credit	Choose the Debit option in this field, if the charge component associated with the product is to be debited to the customer. If you would bear the charge component, choose the 'Credit' option.
Propagation Required	Check this option to indicate that the charge collected from the borrower must be passed on to the participants of the contract.
Net Consideration	The sum of the different components of a contract determines the net value of the contract. You can indicate that a charge component should be taken into account when determining the net value of a contract by choosing the Net Consideration option. **Note** The Net Consideration option is applicable if you are defining a charge class for Securities module.
Add/Subtract	If you choose to include the charge component in the net value, you should indicate if the charge component is to be added, while calculating the net consideration amount, or subtracted.
SWIFT Qualifier	You can report the charge component of a contract in the SWIFT messages that you generate. To do this, identify the component, when building it in the 'Charge Class Maintenance' screen, with the appropriate SWIFT code.

Table 1-6 (Cont.) Treasury Charge Class Definition - Field Description

Field	Description
Events	A contract goes through different stages in its life cycle, such as: • Initiation • Amendment • Rollover Each of these stages is referred to as an 'Event' in Oracle Banking Treasury Management. At any of these events, you can choose to apply a charge or fee. When defining a charge class, you should specify: • The association event • The application event • Liquidation event The event at which you would like to associate a charge component to a contract is referred to as the Association Event. At this event, no accounting entry (for the charge component) is passed. The event at which the charge component is actually calculated is referred to as the Application Event. At this event, no accounting entry (for the charge component) is passed. The charge or fee is liquidated at the Liquidation event that you specify. If the event chosen for the liquidation of the charge component at the charge class and the event chosen for liquidating the same charge component at the 'Product Events and Accounting Entries' screen are different, the charge will not be liquidated and accounting entries will not be posted. In FX modules, the concept of association, application and liquidation events is not applicable. The charge component is liquidated at the event chosen in the product. Hence, charge class for these three modules are defined under Old Charge Class (The Old Charge Class is found under product class. The charge classes for FX, have to be defined under this.). The charge components are linked to three different events. This mapping gives you the option to change the charge amount before it is liquidated.
Basis Amount Tag	The basis on which interest, charge, fee, or tax is calculated is referred to as the Basis Amount. (A charge or fee can be on the basis of the contract amount, for instance.) The different basis amounts, available in a module, are associated with a unique 'tag'. When building a charge component, you have to specify the tag associated with the Basis Amount. When charge or fee is calculated for a contract, the basis amount corresponding to the tag will be picked up automatically. Basis amount refers to: • Principal amount or commitment • Buy/Sell amount in the case of an FX deal • Deal Nominal amount for a Security Deal

Table 1-6 (Cont.) Treasury Charge Class Definition - Field Description

Field	Description
Default Charge Rule	You can link a charge rule that you have defined to the charge component that you are building. When you link a rule to a component, the attributes that you have defined for the rule will default to the component. To recall, a charge rule identifies the method in which charge or fee of a particular type is to be calculated. A rule is built with, amongst others, the following attributes: • The charge currency • Whether the charge or fee is to be a flat amount or calculated on a rate basis • The minimum and maximum charge that can be applied • The tier or slab structure on which the charge is to be applied • The customer and currency restrictions, etc. The charge component to which you link a rule acquires these properties. Charges for the product with which you associate a charge component will be calculated, by default, according to the rule linked to the component. However, when processing a contract, you can choose to waive the rule altogether. When building a charge class, you can choose to allow the amendment of the rule linked to it, in the following conditions: • You can choose to allow amendment after the association event • You can choose to allow amendment after the application event • You can choose to allow amendment of the charge amount.

Table 1-6 (Cont.) Treasury Charge Class Definition - Field Description

Field	Description
Default Settlement Currency	Charges or fees levied on a contract will be settled in the Settlement Currency that you specify for the charge class associated with the product (under which the contract is processed). However, when processing a contract, you can choose to settle the charge in another currency. The charge currency defined for the rule is used only for booking charges. The actual settlement is done in the default settlement currency' maintained for the charge class. The final charge is computed based on preferences defined in the charge rule set-up. The amount is converted to the settlement currency in case the charge currency is different from the contract currency. **Note** • For the liquidation of charge components with a charge currency not equal to the contract currency during discounting, the charge amount is calculated in the contract currency based on the exchange rate between the settlement currency and the contract currency as on the discounting date. The charge amount in contract currency is used for accounting. • If the charge currency is different from the contract currency and the contract currency is same as the settlement account currency, the exchange rate maintained for the settlement account through the **Settlement Message Details** > **Account Details** screen is used to convert the charge amount into the contract currency amount. When you associate a charge component with a product, you can choose to allow the amendment of the rule linked to it, under the following conditions:
Allow Rule Amendments	If you would like to allow the amendment of a rule for a charge component when linked to a contract, check this box
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 Amount Amendment	If you would like to allow amendment of the charge amount calculated by the system as per the charge rule, check this box.
Amend After Application	If you would like to allow the amendment of the charge amount after application of a rule for a charge component, check this box. Once checked the system will allow you to modify the charge amount after the application event is triggered for the linked contract.
Default Waiver	Check this box to indicate that even if charge is computed, it should not be liquidated.

Table 1-6 (Cont.) Treasury Charge Class Definition - Field Description

Field	Description
Capitalize	You can capitalize the payment of charges and fees. If the charge is not paid on a scheduled date, the outstanding charge amount will be added to the outstanding principal and this becomes the principal for the next schedule. If a partial payment has been made, the unpaid amount will be capitalized (the unpaid charge is added to the unpaid principal and this becomes the principal for the next schedule). **Note** If the 'Capitalize' option is not checked for the broker, deal, product and currency combination, then the option 'Consider as discount' cannot be checked for the securities module.
Consider as Discount	While defining a charge class for either the securities or the bills module, you can indicate whether the charge component is to be considered for discount accrual on a constant yield basis. If you select this option the charge received against the component is used in the computation of the constant yield and subsequently amortized over the tenor of the associated contract. Checking this option also indicates that the component is to be used for IRR calculation. **Note** IRR, the Internal Rate of Return is the annualized effective compounded return rate which can be earned on the invested capital, i.e. the yield on the investment.
Accrual Required	Checking this indicates that the charges have to be accrued. Subsequently, the charges are accrued using the upfront fee system.
Discount Basis	While defining a charge class for the bills module, you can define the discount basis for the purpose of IRR computation. You can choose either of the following as discount basis: • **Inflow** – If you choose Inflow, the charge will be considered as an inflow for IRR computation • **Outflow** – If you choose Outflow, the charge will be treated as an outflow for IRR computation You can define discount basis only if the '**Consider as Discount**' option is enabled. If you have not opted for '**Consider as Discount**', the **Discount Basis** field will be disabled. If the '**Consider as Discount**' option is enabled Discount basis has to be defined. On enabling the '**Consider as Discount**', the default value of Discount Basis will be '**Inflow**' and you will have to change it to '**Outflow**' if required.

1.5 Old Charges Class Maintenance

This topic contains the following topics:

- Charge Class Maintenance
  This topic describes the systematic instruction to maintenance the Charge Class
- User Defined Fields
  This topic describes the systematic instructions to capture the user defined fields.

1.5.1 Charge Class Maintenance

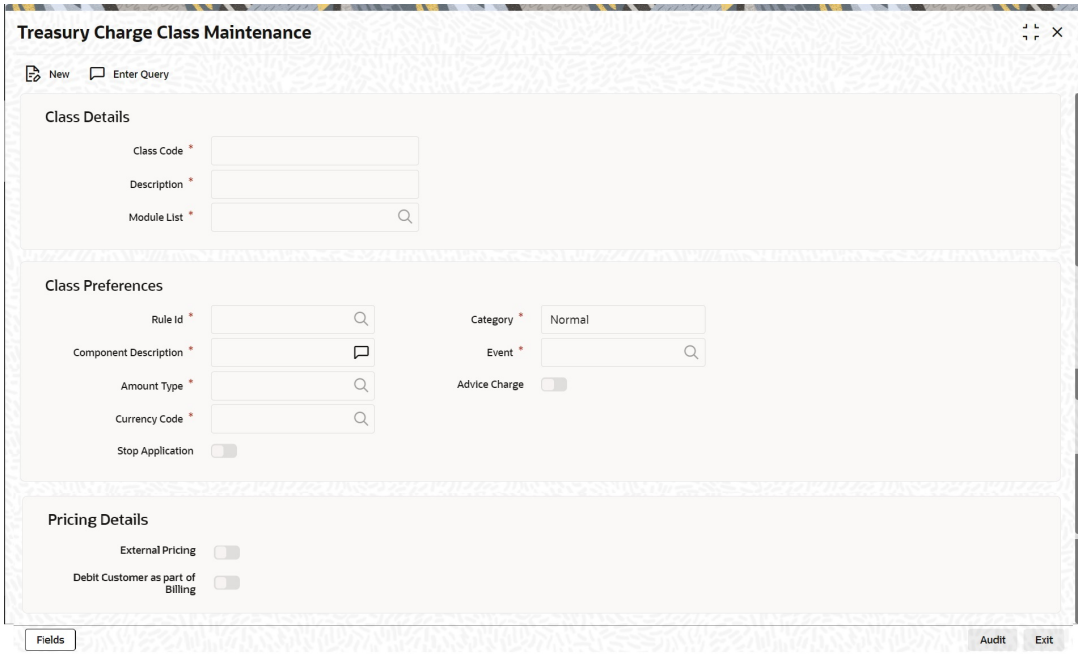
This topic describes the systematic instruction to maintenance the Charge Class

You have to define a charge class for transactions in FX modules using the 'Charge Class Maintenance' screen, invoked from the Application Browser.

1. On the Homepage, enter **CFDTROCH** in the text field and then click the next arrow.

   The **Treasury Charge Class Maintenance** screen is displayed.

Figure 1-7 Treasury Charge Class Maintenance



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

   For field details and description, refer to the below table.

Table 1-7 Treasury Charge Class Maintenance - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Description	Specify a brief description for the class.
Module List	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.
Class Preferences	Specify the Class Preferences details.

Table 1-7 (Cont.) Treasury Charge Class Maintenance - Field Description

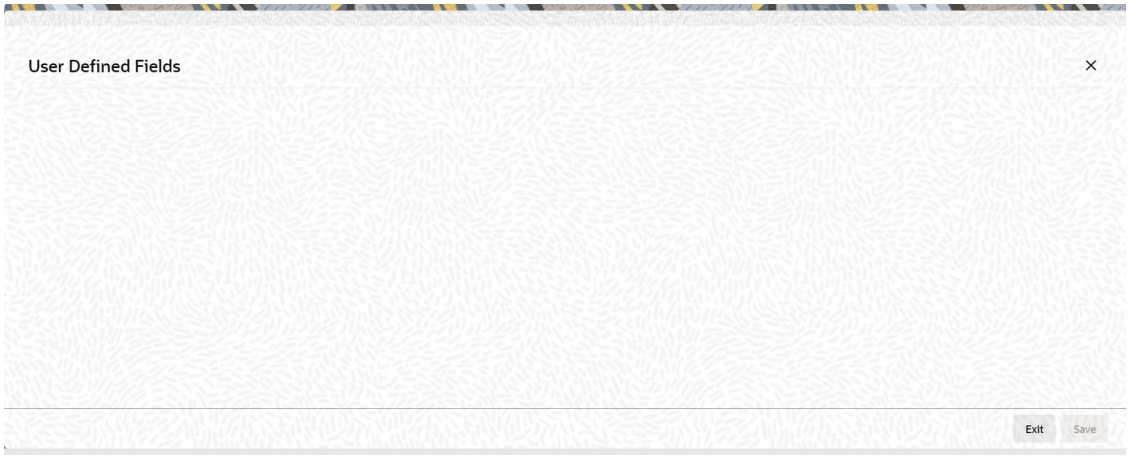
Field	Description
Rule ID	Specify the rule that should be linked to the class. The adjoining option list displays all valid rules maintained in the system. You can choose the appropriate one.
Component Description	Define a component here for the rule. Based on this component, six corresponding accounting roles will be generated by the system.
Amount Type	Specify the basis amount type for collection of charge. The adjoining option list displays all valid basis amount types available in the system. You can choose the appropriate one.
Currency Code	Specify the currency for collection of the charge. The adjoining option list displays all valid currency codes maintained in the system. You can choose the appropriate one.
Stop Application	Check this box to indicate that collection should stop for the charge component.
Category	Select **Normal** as the category of the basis amount on which charge should be collected. The available options are: • **Normal** • **Outstanding** • **Overdue** • **Expected**
Event	Specify the event at which collection of the charge should be triggered, The adjoining option list displays all events available in the system for the module specified. You can choose the appropriate one.
Advice Charge	Check this box to indicate that charge should be collected for dispatching the customer advice.
Pricing Details	Specify the Pricing Details
External Pricing	Check this box to indicate that external charges can be fetched from external pricing and billing engine for contracts created under this product.
Debit Customer as part of Billing	Check this box to indicate that the configured charge will be debited from customer account as part of billing feed from external pricing and billing engine.

1.5.2 User Defined Fields

This topic describes the systematic instructions to capture the user defined fields.

You can capture user-defined fields (UDFs) in the **User Defined Fields** screen.

Figure 1-8 User Defined Fields



The system displays the user defined fields and value for each user defined fields in this screen.

1.6 Tax Class Maintenance

This topic describes the systematic instructions to maintain the tax and issuer tax as classes.

This section contains the following topics:

- Tax Class Maintenance
  This topic describes the systematic instructions to maintain the Tax Class.
- Define Issuer Taxes as Classes
  This topic describes the systematic instruction to define issuer taxes as classes.

1.6.1 Tax Class Maintenance

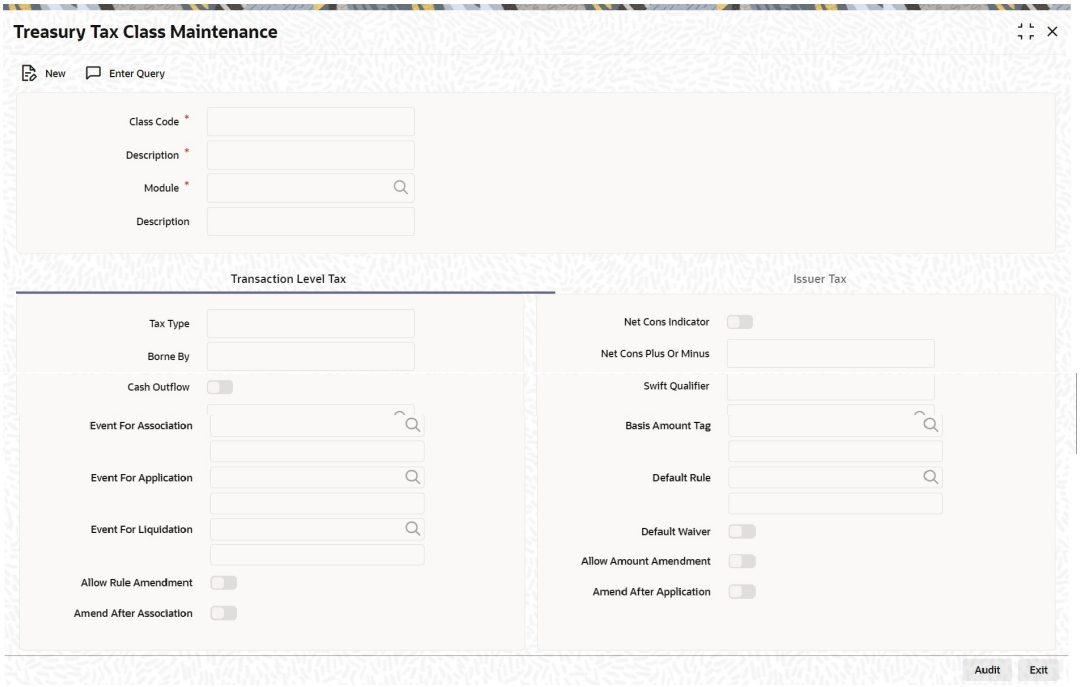
This topic describes the systematic instructions to maintain the Tax Class.

You can define the attributes of a transaction level tax under the corresponding section of the ‘Treasury Tax Class Maintenance’ screen. Before defining the attributes of a Transaction Tax Class, assign the class a unique identifier, called the Class Code, and briefly describe the class. A description would help easily identify a class.

1. On the Homepage, enter **TADTRTXC** in the text field and then click the next arrow.

   The **Treasury Tax Class Maintenance** screen is displayed.

Figure 1-9 Treasury Tax Class Maintenance



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

   For field details and description, refer to the below table.

Table 1-8 Treasury Tax Class Maintenance - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Description	Specify a brief description for the class.
Module	A tax class is built for use in a specific module. This is because the basis amounts on which the tax is applied could vary with the modules. In the Foreign Exchange module, for instance, you might want to levy tax on the brokerage paid. In the Securities module, you might have to pay a tax on the value of a security that you purchase. The basis on which the tax component is calculated is different in these two cases. **Note** The Basis Amount Tags available, in this screen, would depend on the module for which you build the class.
Description	The system displays description of the module.

Table 1-8 (Cont.) Treasury Tax Class Maintenance - Field Description

Field	Description
Tax Type	Select the Tax Type from the drop-down list. The available options are: • **Withholding** • **Others** Withholding type tax is borne by the beneficiary on an income (either the bank or the customer). For example, the tax on the brokerage paid would be borne by the broker. You withhold this component in a Tax Payable account, by debiting the customer account (since brokers are defined as Customers in Oracle Banking Treasury Management) and later paying the tax to the government on behalf of the broker.
Borne By	Select the Borne by from the drop-down list. The available options are: • Bank • Customer
Cash Outflow	Select the Cash Outflow check box.
Event For Association	Select the code of Event for Association from the displayed list of values.
Event For Application	Select the code of Event for Application from the displayed list of values.
Event For Liquidation	Select the code of Event for Liquidation from the displayed list of values.
Allow Rule Amendment	Specify the event at which collection of the charge should be triggered, The adjoining option list displays all events available in the system for the module specified. You can choose the appropriate one.
Amend After Association	Check this box to indicate that charge should be collected for dispatching the customer advice.
External Pricing	Check this box to indicate that external charges can be fetched from external pricing and billing engine for contracts created under this product.
Debit Customer as part of Billing	Check this box to indicate that the configured charge will be debited from customer account as part of billing feed from external pricing and billing engine.

1.6.2 Define Issuer Taxes as Classes

This topic describes the systematic instruction to define issuer taxes as classes.

An issuer tax can be levied on the coupon paid, or on a cash dividend. The issuer of a security determines the tax. To process the tax levied on a security, you have to maintain Issuer Tax classes. An Issuer Tax class can be maintained in its corresponding section of the Tax Class Maintenance screen invoked from the Application Browser.

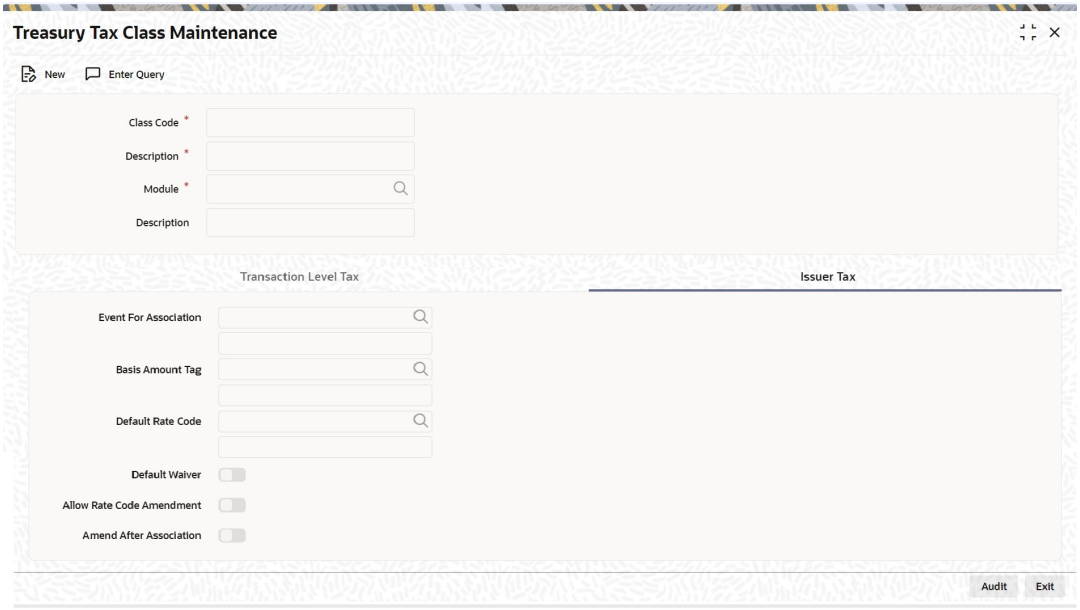
> **Note**
>
> It is not necessary to associate tax rules to an Issuer Tax class. For an Issuer Tax component, you only have to furnish the following details:
>
> - The Association Event
> - The Basis Amount
> - The Rate Code
> - Other operational controls

(Optional) Enter task prerequisites here.

1. On the **Treasury Tax Class Maintenance** screen, click **Issuer Tax**.

   The **Treasury Tax Class Maintenance- Issuer Tax** page is displayed.

Figure 1-10 Treasury Tax Class Maintenance- Issuer Tax



2. Specify the fields.

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

   - Booking
   - Interest Accrual
   - Liquidation, etc.

   Each stage is referred to as an Event, in Oracle Banking Treasury Management. When defining an Issuer Tax class, you should specify the following:

   - The Association Event
   - Basis Amount

   The event at which you would like to associate a tax component to a security is referred to as the Association Event. The basis on which interest, charge or tax is calculated or levied is referred to as the Basis Amount. (An Issuer Tax can be on the basis of the coupon paid,

or on a cash dividend.) The different basis amounts available in the Securities module are associated with a unique ‘tag’. When building a tax component, you have to specify the tag associated with the Basis Amount. When tax is calculated for a security, the basis amount corresponding to the tag will be picked up automatically.

1.7 Discount Accrual Class Maintenance

This topic describes the systematic instruction to maintain discount accrual class.

A discount accrual fee class specifies the accrual parameters for interest, charges and fees. Before defining the attributes of a discount accrual fee class, you should assign the class a unique identifier, called the Class Code and briefly describe the class. A description would help you easily identify the class.
When building a discount accrual fee class, you define certain attributes such as:

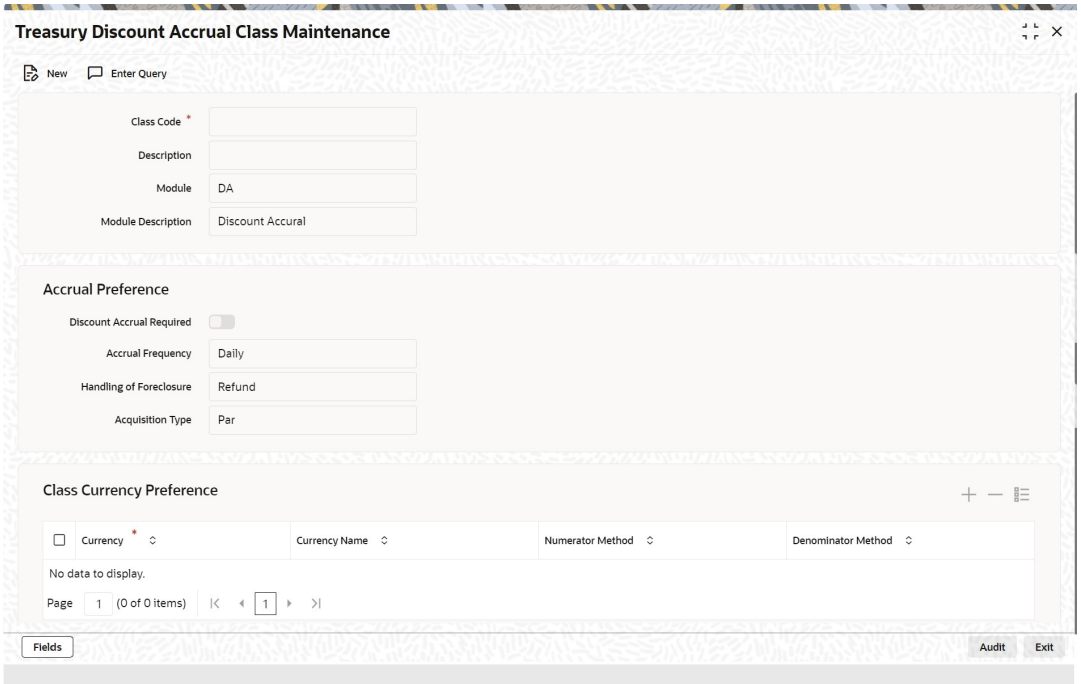
- Whether Discount accrual should be performed for the class.
- The frequency at which discount accrual should be performed. This can be either Daily or Monthly. For monthly accruals, the discount accrual will be done on the last day of the month.
- How foreclosures in respect of the contracts using the class, must be handled. You can opt for complete accruals, or refund.
- The day count methods for each currency using the class.

You can define the day count methods for both the numerator and the denominator. You can define the attributes of a discount accrual fee class in the **Treasury Discount Accrual Class Maintenance** screen.

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

   The **Treasury Discount Accrual Class Maintenance** screen is displayed.

Figure 1-11 Treasury Discount Accrual Class Maintenance



2. In the **Treasury Discount Accrual Class Maintenance** screen, specify the fields.

Table 1-9 Treasury Discount Accrual Class Maintenance- Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Description	Specify a brief description for the class.
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.
Actual Preference	Specify the details.
Discount Accrual Required	Check this box to indicate that discount accrual is required.
Accrual Frequency	If you check the box 'Accrual Required', you will have to select the accrual frequency from the adjoining drop-down list: • **Daily** • **Weekly** • **Monthly** • **Half-Yearly** • **Annual**
Handling of Foreclosure	Select the method of handling foreclosure from the adjoining drop-down list: • **Complete Accrual** • **Refund**
Acquisition Type	The Acquisition Type is determined by the cash flows of Interest, charges and fees for which 'Consider as Discount' option is checked. The drop down list comprises of the following values: • **Par** • **Par/Discount** • **Par/Premium** • **Par/Discount/Premium** If the incoming cash flows of all the above components are greater than outgoing cash flows considering Incoming flow as Positive (In case of Loans) then acquisition type is considered as Discount. If the incoming cash flows of all the above components are less than outgoing cash flows considering Incoming flow as Positive (In case of Loan) then acquisition type is considered as Premium. If the incoming cash flows of all the above components are equal to outgoing cash flows considering Incoming flow as Positive (In case of Loan) then acquisition type is considered as Par.
Class Currency Preference	Specify the following fields.
Currency	Specify the currency code. The adjoining option list displays all currency codes available in the system. You can choose the appropriate one.
Currency Name	The system displays the name of the currency.
Numerator Method	Specify the numerator method.
Denominator Method	Specify the denominator method. You can maintain multiple currency codes.

1.8 Events Class Maintenance

This topic describes the systematic instruction to maintain event class, accounting entries, advices, fields, and event class for account intial funding.

This topic has the following sub-topics:

- Process Event Class Maintenance Screen
  This topic describes the systematic instruction to process event class maintenance screen.
- Accounting Entries
  This topic describes the systematic instruction to maintain accounting entries.
- Advices
  This topic describes the systematic instructions to maintain advices.
- Fields Button
  This topic describes the fields maintenance option.
- Maintain Event Class for Account Initial Funding
  This topic describes the systematic instruction to maintain the event class for account initial funding.

1.8.1 Process Event Class Maintenance Screen

This topic describes the systematic instruction to process event class maintenance screen.

You can build a charge class, for instance, with the attributes of a specific type of charge, such as Charges for provision of services. Similarly, you can build an event class with the attributes of a specific type of events, such as a Booking a Transaction, Collecting Charges, Cancellation and so on.

You can identify an Events Class with a unique Code and Description. When you define an Events Class, you choose, first of all, the set of events that would belong to the class. Events are, typically, unique to a module.

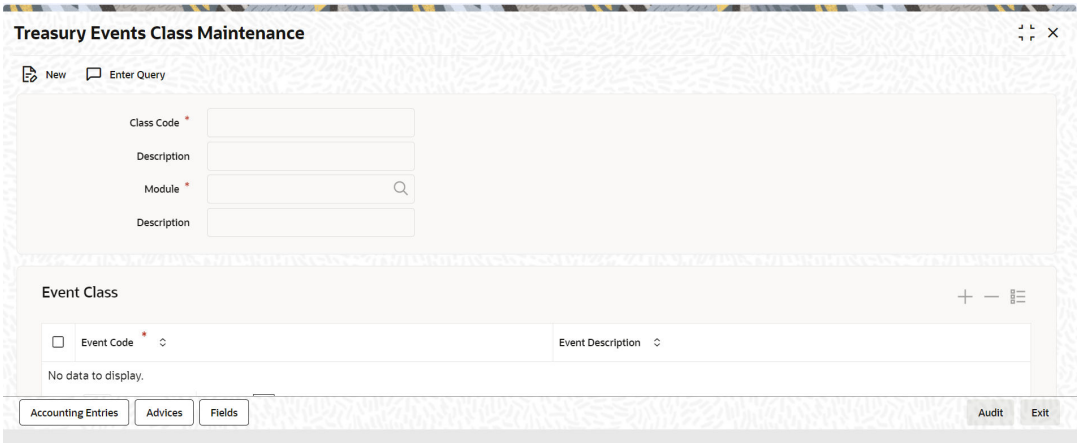
You can build the events that you would like to include in an Events Class in the **Events Class Maintenance** screen.

Specify **User ID** and **Password** and login to **Home** screen.

1. On **Home** screen, type **CSDTREVM** in the text box, and click next.

   Treasury Events Class Maintenance screen displayed.

Figure 1-12 Treasury Events Class Maintenance



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

> **Note**
>
> The fields which are marked in red asterisk are mandatory.

For more information on fields, refer to the field description table.

Table 1-10 Events Class Maintenance - Field Description

Field	Description
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one. Based on the module chose, the corresponding events will be available for selection.
Module Description	The system displays a brief description of the chosen module.
Class Code	Specify a unique code to identify the class.
Class Description	Specify a brief description for the class.
Event Class	You can specify the event class code and the event class description.

3. Click the **Exit** button to close the screen.

1.8.2 Accounting Entries

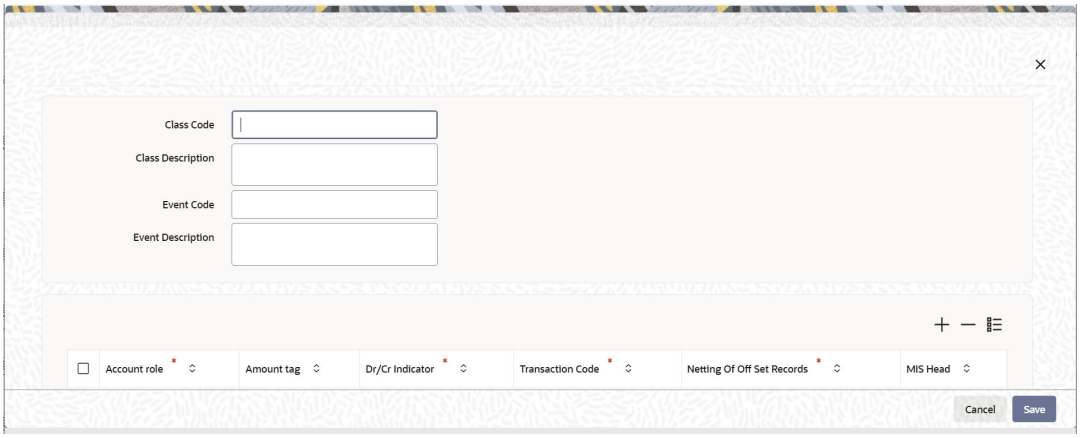
This topic describes the systematic instruction to maintain accounting entries.

For every event constituting the class that you are building, you have to specify the accounting entries that should be passed (if any), and the advices that should be generated. You can do this through the **Accounting Entries** screen.

1. On **Events Class Maintenance** screen, click **Accounting Entries**.

   Accounting Entries screen displays.

Figure 1-13 Accounting Entries



The system displays the following details from the main screen:

- **Class Code**
- **Class Description**
- **Event Code**
- **Event Description**

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

> **Note**
>
> The fields which are marked in red asterisk are mandatory.

For more information on fields, refer to the field description table.

Table 1-11 Accounting Entries - Field Description

Field	Description
Accounting Role	Select the accounting role from the option list.
Amount Tag	Select the amount tag from the option list.
Dr/Cr	Select debit or credit from the drop-down list.
Transaction Code	Select the transaction code from the option list.
Netting Indicator	Select the netting indiactor from the drop-down list.
MIS Head	Select the MIS head from the option list.

3. Click the **Ok** button to close the screen.

1.8.3 Advices

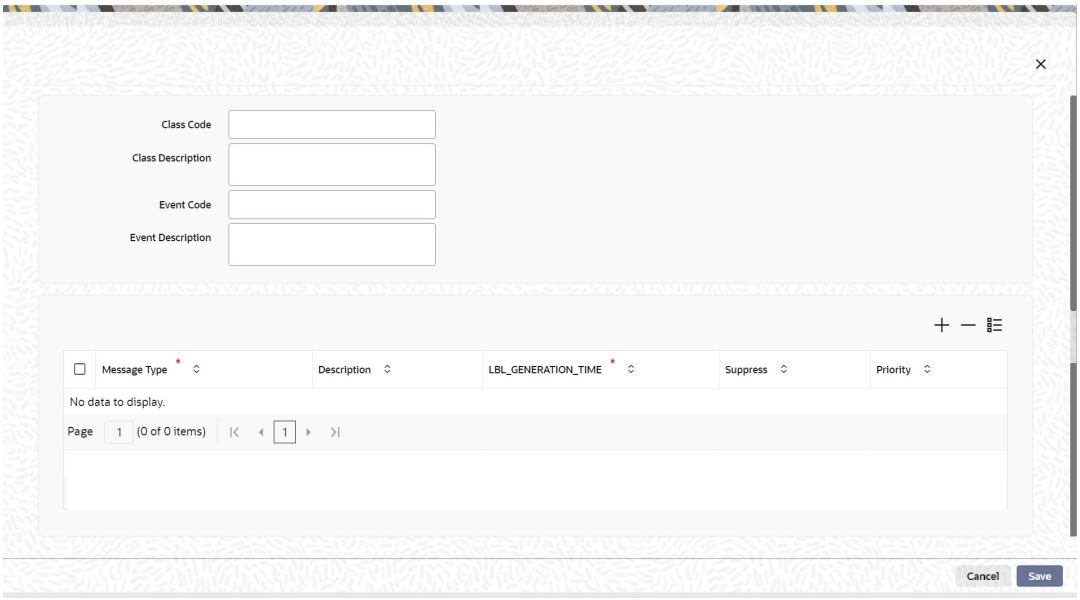
This topic describes the systematic instructions to maintain advices.

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

1. On **Events Class Maintenance** screen, Click **Advices** button.

Advice screen displays.

Figure 1-14 Advice



The system displays the following details from the main screen:

- **Class Code**
- **Class Description**
- **Event Code**
- **Event Description**

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

> **Note**
>
> The fields which are marked in red asterisk are mandatory.

For more information on fields, refer to the field description table.

Table 1-12 Advice - Field Description

Field	Description
Advice Name	Specify the advices that you would like to generate. The adjoining option list displays all advices that can be generated at an event. You can choose the appropriate one.
Description	The system displays a brief description of the advice.
Generation Time	Specify the time of generation.
Suppress	Select this option to suppress this message.
Priority	You can indicate the order of importance in the Priority field.

3. Click the **Ok** button to close the screen.

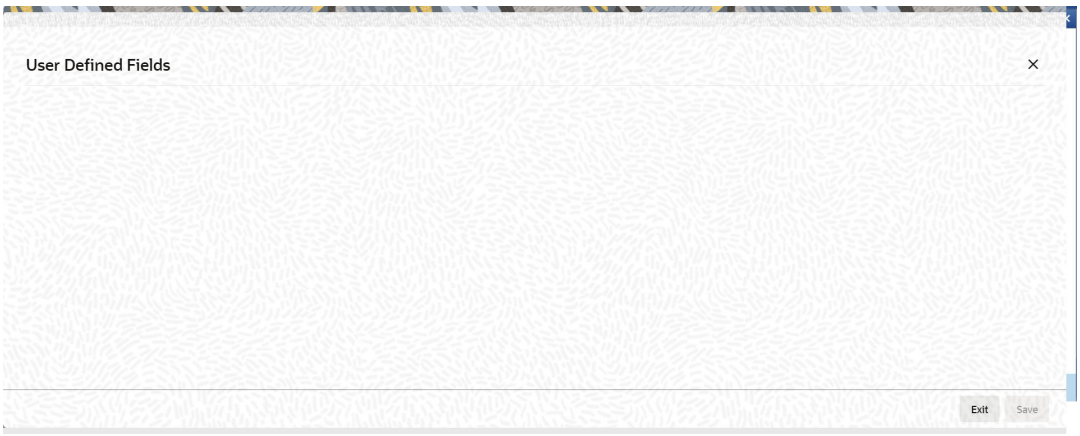
1.8.4 Fields Button

This topic describes the fields maintenance option.

1. On **Accrual Fee Class Maintenance** screen, click the **Fields** button.

   User Defined Fields screen is displayed.

Figure 1-15 User Defined Fields



2. On **User Defined Fields** screen, specify the fields.

> **Note**
>
> The fields which are marked in red asterisk are mandatory.

For more information on fields, refer to the field description table.

Table 1-13 User Defined Fields - Field Description

Field	Description
Field Name	The system displays the UDFs.
Value	Specify the value for each UDF.
Value Description	The System displays the value description.

3. Click the **Ok** button to close the screen.

1.8.5 Maintain Event Class for Account Initial Funding

This topic describes the systematic instruction to maintain the event class for account initial funding.

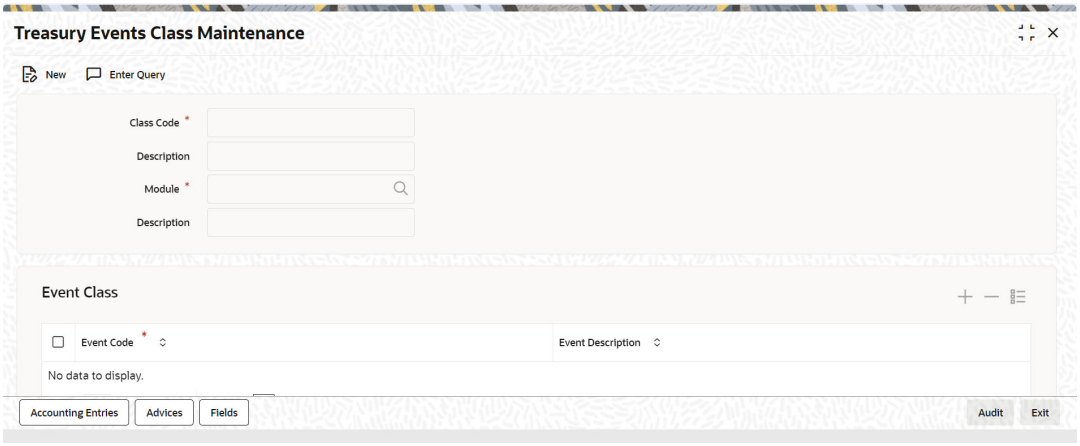
You can create an event class to define accounting entries that should be posted for initial funding on a customer account. Similarly, you can also define accounting entries for charges that should be collected on account opening.

Specify **User ID** and **Password** and login to **Home** screen.

1. On **Home** screen, type **CSDTREVM** in the text box, and click next.

   Treasury Events Class Maintenance screen is displayed.

Figure 1-16 Treasury Events Class Maintenance



2. On **Events Class Maintenance** screen, specify the fields.

> **Note**
>
> The fields which are marked in red asterisk are mandatory.

For more information on fields, refer to the field description table.

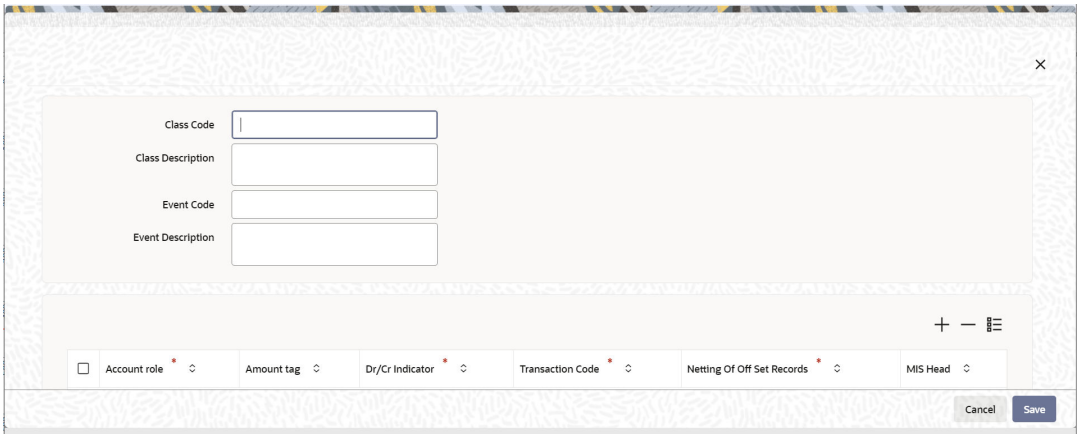
Table 1-14 Events Class Maintenance - Field Description

Field	Description
Class Code	Specify a unique identifier for the class code.
Description	Give a brief description to identify the class code.
Module	Specify ‘DE’ as the module code for the event class.
Module Description	The system displays the description as ‘Data Entry’ on specifying ‘DE’ as the module.
Event Code	Specify ‘INIT’.
Event Description	The system displays the event description.

3. Click **Accounting Entries** button.

   Accounting Entries screen displays.

Figure 1-17 Accounting Entries



You need to maintain the following accounting entries.

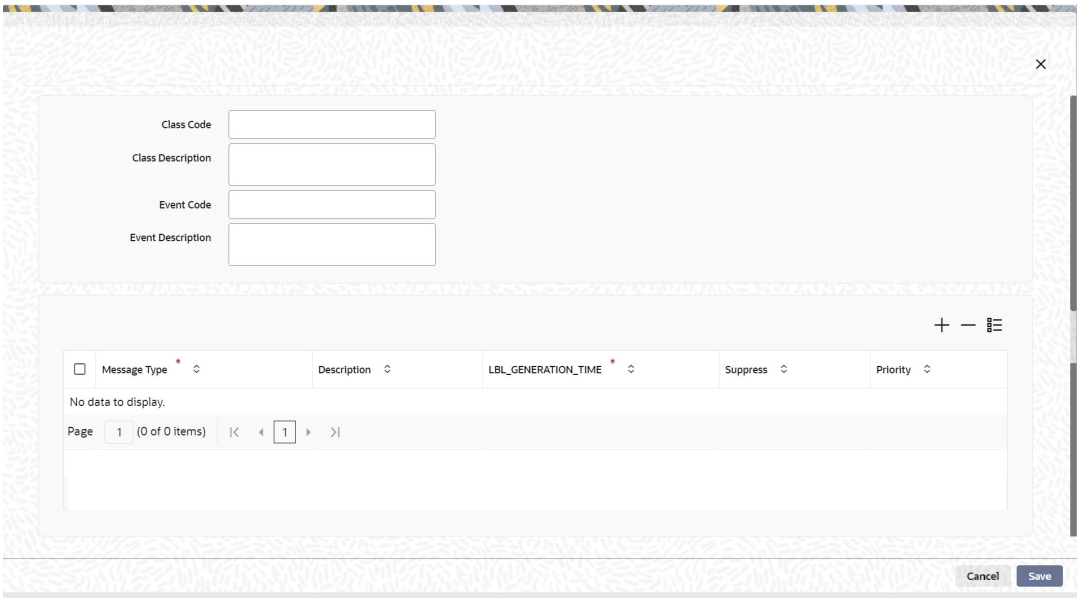
Table 1-15 Accounting Entries Definition

Accounting Role	Amount Tag	Dr/Cr	Description
OFS_ACC	TXN_AMT	Debit	Offset Account
OFS_ACC_USER	TXN_AMT	Credit	Customer Account
CHARGEINC	CHG-AMT	Credit	Charge Income
OFS_ACC_USER	CHG-AMT	Debit	Customer Account.

4. Click **Advices** button.

   Advice screen displays.

Figure 1-18 Advice



You need to associate the message ‘ACC_OPADV’ to the event ‘INIT’.

5. Click the **Exit** button to close the screen.

1.9 Process Role to Head Mapping Class Maintenance Screen

This topic describes the systematic instruction to process role to head mapping class maintenance screen.

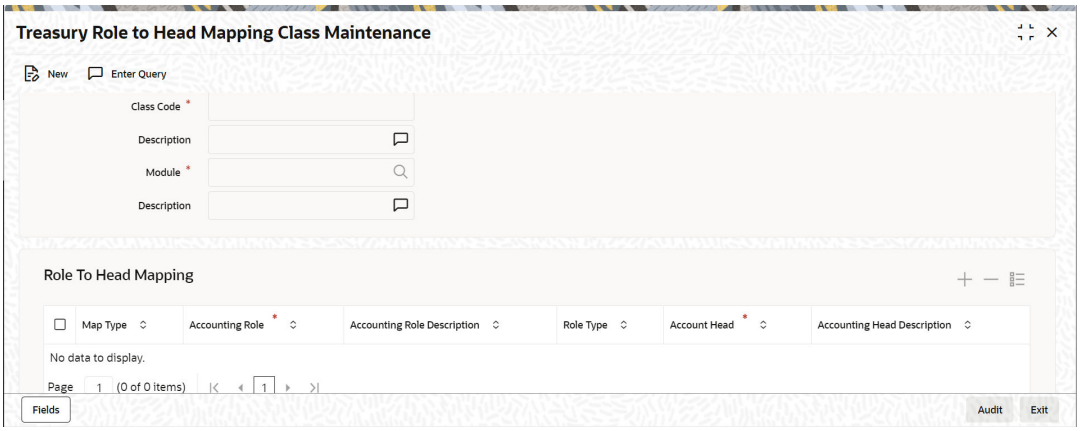
Invoking Role to Head Mapping Class Maintenance Screen You can build a role to head mapping class in the **Role to Head Mapping Class Maintenance** screen.

Specify **User ID** and **Password** and login to **Home** screen.

1. On **Home** screen, type **CSDTRRHM** in the text box, and click next.

   Treasury Role to Head Mapping Class Maintenance screen displays.

Figure 1-19 Treasury Role to Head Mapping Class Maintenance



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

> **Note**
>
> The fields which are marked in red asterisk are mandatory.

For more information on fields, refer to the field description table.

Table 1-16 Role to Head Mapping Class Maintenance - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Class Description	Specify a brief description for the class.
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.
Module Description	The system displays a brief description of the chosen module.

Table 1-16 (Cont.) Role to Head Mapping Class Maintenance - Field Description

Field	Description
Accounting Role	Specify an Accounting Role. The adjoining option list displays all roles available in the system. You can select the appropriate one by double clicking on it. Next, in the Account Head column, select an accounting head from the adjoining option list.
Accounting Role Description	A brief description of each accounting role that you choose is displayed.
Account Head	If you choose not to associate the product with a class, you have to specify the account heads for the product, in this field. You can invoke a list of the accounting heads that you have maintained from the option list positioned next to this field. Choose a head by double clicking on it.
Map Type	Select the map type from the drop-down list.
Role Type	Specify the role type.
Accounting Head Description	A brief description of each accounting head that you choose is displayed.

3. Click the **Exit** button to close the screen.

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