Oracle® Banking Treasury Management

Trade Instruments User Guide

Release 14.8.2.0.0
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Oracle Banking Treasury Management Trade Instruments User Guide, Release 14.8.2.0.0

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Contents

Preface

This topic contains the following sub-topics:

Purpose

This manual is designed to help you to quickly get acquainted with the Trade Instruments Module.

Before You Begin

Refer to the Getting Started User Guide for information on common functionalities like login, navigation, and general settings. Reviewing that guide is advisable before proceeding with this document.

Module Pre-requisite

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

Audience

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

Acronyms and Abbreviations

The acronyms and abbreviations are listed in this below table:

Table Acronyms and Abbreviations

Abbreviations or Acronyms	Description
ILB	Inflation Linked Bond
CPI	Consumer Price Index

Basic Actions

Table Basic Actions

Action	Description
Approve	Used to approve the initiated report. This button is displayed, once the user click **Authorize**.
Audit	Used to view the maker details, checker details, and report status.
Authorize	Used to authorize the report created. A maker of the screen is not allowed to authorize the report. Only a checker can authorize a report, created by a maker.
Close	Used to close a record. This action is available only when a record is created.
Confirm	Used to confirm the performed action.
Cancel	Used to cancel the performed action.
Compare	Used 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	Used to hide the details in the sections. This button is displayed, once the user click **Compare**.
Expand All	Used to expand and view all the details in the sections. This button is displayed, once the user click **Compare**.
New	Used to add a new record. When the user click **New**, the system displays a new record enabling to specify the required data.
OK	Used to confirm the details in the screen.
Save	Used to save the details entered or selected in the screen.
View	Used 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	Used 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**.
Unlock	Used to update the details of an existing record. System displays an existing record in editable mode.

Critical Patches

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 ensure effective security, as strongly recommended by Oracle Software Security Assurance.

Conventions

The following text conventions are used in this document:

Table Conventions

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.

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.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at https://www.oracle.com/corporate/accessibility/.

Access to Oracle Support

Oracle customer access to and use of Oracle support services will be pursuant to the terms and conditions specified in their Oracle order for the applicable services.

Icons

The following icons are used in the screens.

Table Icons - Common

Icon	Function
	Minimize
	Maximize

Table (Cont.) Icons - Common

Icon	Function
	Close
	Perform Search
	Open a list
	Add a new record
	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 an existing row.

Table (Cont.) Icons - Common

Icon	Function
	Click to view the created record.
	Click to modify the fields.
	Click to unlock, delete, authorize or view the created record.

Table Icons - Audit Details

Icon	Function
	A user
	Date and time
	Unauthorized or Closed status
	Authorized or Open status

Table Icons - Widget

Icon	Function
	Open status
	Unauthorized status

Table (Cont.) Icons - Widget

Icon	Function
	Closed status
	Authorized status

Related Resources

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

- Securities User Guide

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.

Module Post-requisite

After finishing all the requirements, log out from the **Home** screen.

1

Overview of Trade Instruments

The Traded Instruments module provides functionality to define, process, and manage financial securities that are actively traded in the market. These instruments include standard fixed income securities as well as advanced structures that require dynamic processing and corporate action handling.

This document covers Inflation linked Bonds and Securities Conversion - Splits and Mergers

- Introduction of Inflation Linked Bonds
  This topic describes about the overview of inflation linked bonds.
- Introduction of Securities Conversion - Splits and Mergers
  This topic describes about the overview of securities conversions.

1.1 Introduction of Inflation Linked Bonds

This topic describes about the overview of inflation linked bonds.

Inflation-linked bonds (ILBs) are fixed-income securities designed to protect investors from inflation risk. Unlike traditional bonds that pay fixed interest and return a fixed principal, inflation-linked bonds adjust either their principal, interest payments, or both based on a recognized inflation index (such as the Consumer Price Index – CPI). The primary objective of these bonds is to preserve the real purchasing power of an investor’s money.

How Inflation Linked Bonds work:

- Bonds are tied to an official inflation index (example: CPI).
- Adjust the principal amount according to inflation.
- Pay interest based on the adjusted principal.
- Return the inflation-adjusted principal at maturity.

Types of Inflation Bonds:

- **Capital-Indexed Bonds**
  - Principal increases according to inflation
  - Interest paid on adjusted principal
  - Common in several countries (UK, Australia, India, etc.)
- **Interest-Indexed Bonds**
  - Interest payments adjust with inflation
  - Principal remains fixed
  - Less common than capital-indexed bonds

This topic contains the following sub-topics:

- Instrument Product Definition
  This topic provides systematic instructions to instrument product definition.

- Instrument Master
  This topic provides systematic instructions to instrument master.
- Instrument Corporate Action
  This topic provides systematic instructions to instrument corporate action.
- Credit Rating Maintenance
  This topic provides systematic instructions to credit rating maintenance.
- Redemption Blotter
  This topic provides systematic instructions to redemption blotter.
- Inflation Linked Bond Process
  This topic provides systematic instructions to inflation linked bond process.

1.1.1 Instrument Product Definition

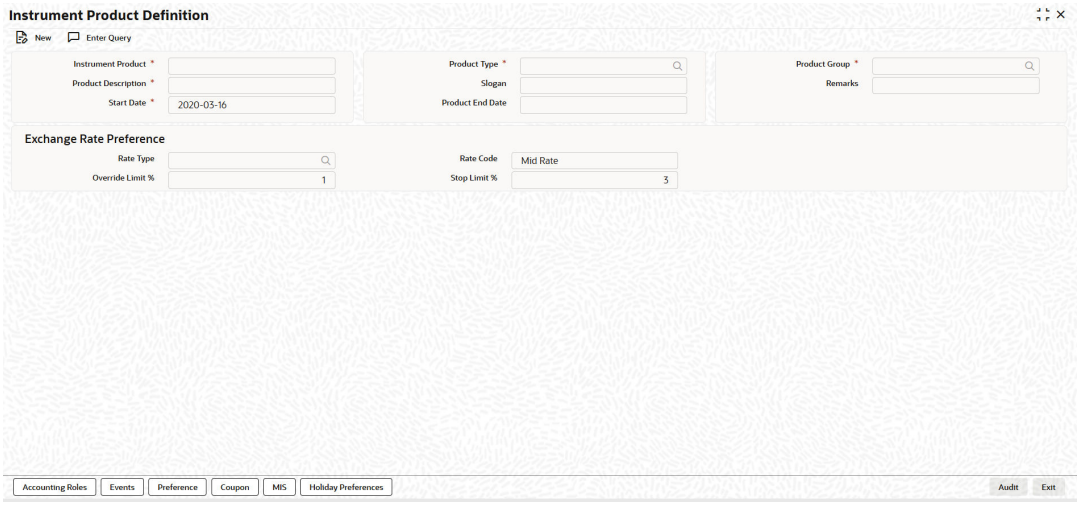
This topic provides systematic instructions to instrument product definition.

In this screen user will be able to create instrument product for inflation linked bond with preference classification segregated properly for bonds, equity and so on.

1. On the **Home** screen, type **TIDINPRD** in the text box, and click **Next**.

   The **Instrument Product Definition** screen displays.

Figure 1-1 Instrument Product Definition



2. On the **Instrument Product Definition** screen, Click **New**.
3. On the **Instrument Conversion Maintenance** screen, Specify the details as required.

Table 1-1 Instrument Product Definition - Field Description

Field	Description
Instrument Product	Enter the product code of the settlement product to be created.
Product Description	Enter the description of the product code of the instrument to be created.
Product Type	Enter the specific type to which the product belongs.
Slogan	Enter the short marketing/internal sentence for the product.

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

Field	Description
Start Date	Enter the date from which the product can be used.
Product End Date	Enter the date up to which the product can be used.
Product Group	Enter the details of the group to which the product is associated with.
Remarks	Enter information about the product intended for bank's internal reference.
Rate Type	Enter the exchange rate type for getting the exchange rate to be used for market price variance for the instrument product.
Rate Code	Select the exchange rate code for getting the exchange rate to be used for market price variance.
Override Limit %	Enter the normal variance (as %) allowed for the exchange rate used for the instrument.
Stop Limit %	Enter the maximum variance (as %) allowed for the exchange rate used for the Instrument.

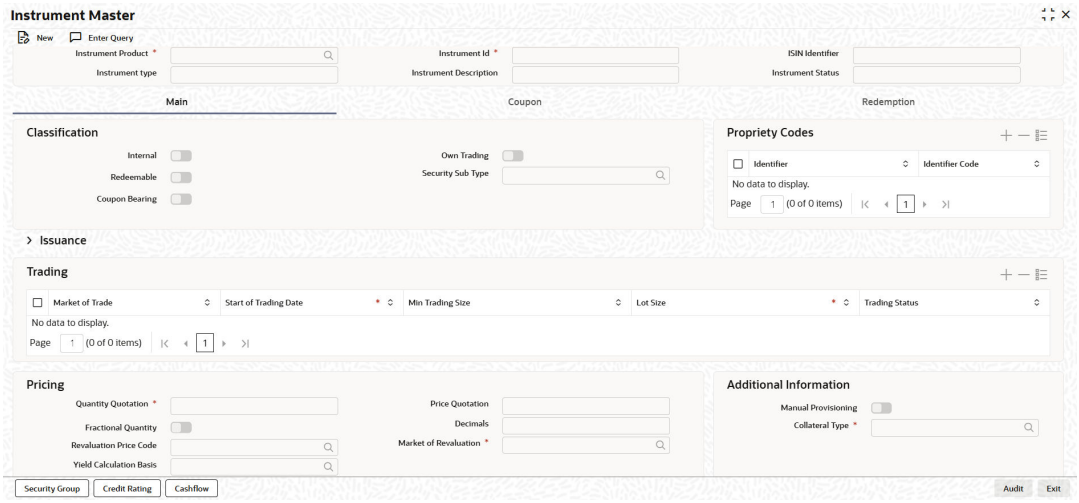
1.1.2 Instrument Master

This topic provides systematic instructions to instrument master.

1. On the **Home** screen, type **TIDINSDF** in the text box, and click **Next**.

   The **Instrument Master** screen displays.

Figure 1-2 Instrument Master



2. On the **Instrument Master** screen, Click **New**.
3. On the **Instrument Master** screen, Specify the details as required.

Table 1-2 Instrument Master - Field Description

Field	Description
Instrument Product	Select the Instrument product from the List.
Instrument ID	Enter the instrument ID.

Table 1-2 (Cont.) Instrument Master - Field Description

Field	Description
ISIN Identifier	Enter the International Securities Identification Number (ISIN) number allotted for the instrument.
Instrument Type	Displays Instrument Product Type.
Instrument Description	Enter the instrument description.
Instrument Status	Enter the status to know states whether the security is of Primary type (new issue) or Secondary type.
Internal	Select the flag if instruments flagged for internal purpose.
Own Trading	Select the flag if its used for banks own trading.
Redeemable	Select the flag if instrument is redeemable .
Security Sub Type	Enter the security sub type.
Coupon Bearing	Select the flag if its bond is a coupon bearing bond.
Identifiers	Displays the unique identifiers for the instrument.
Identifier Code	Displays the input proper uniquealhanumeric identifier code.
Market of Trade	Select valid market of issue from the list. This is the market where instrument is issued.
Issuer Code	Select Issuer CIF ID from why has issued the instrument.
Registered/Bearer	The Holder of Instrument can be either Registered or Bearer. The Registered security is issued in the name of a specific owner, whose details are recorded on the books of the issuer. The Bearer security is owned by whoever physically holds it (the "bearer"). No registration of ownership is maintained.
Form Type	Select the form type from the drop-down list. The available options are: • **Scrip Based** - Issued in a paper format. • **Immobilized** - Securities in lieu of which proxies are traded. • **Dematerialized** - Issued in a electronic format. • **Combination** - Issued in one or more of the above formats. • **SGL**
Issue Date	Select the date originally issued in the primary market.
Redemption Date	Select the date when issuer repays the principal amount to the investors.
Issue 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.
Redemption Price	Enter the price at which an issuer redeems a security is referred to as the redemption price.
Initial Face Value	Enter 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.
Current Face Value	Enter the system-generated value, giving the current face value of the security.
Issue Size	Enter the size it represents the total amount the issuer intends to raise at the time of issuance.
Outstanding Issue Size	Enter the outstanding issue size refers to the number or value of securities that are currently in the hands of investors and actively trading in the market.
Instrument Currency	Enter the currency in which instrument is issued.

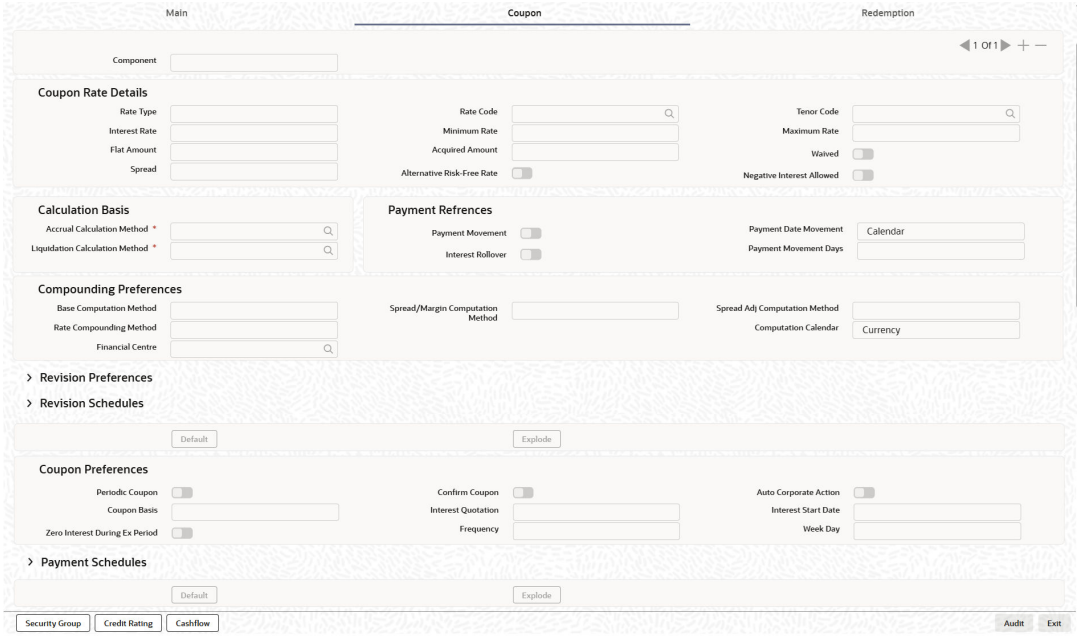
Table 1-2 (Cont.) Instrument Master - Field Description

Field	Description
Payment Currency	Enter the currency in which instrument pays corporate actions.
Issuer Agent Code	Displays the issuer agent code.
Issue Price	Displays the issue price.
Market of Trade	Displays the market in which security is traded.
Start of Trading Date	Displays the date on which security is started to be available for trading.
Min Trading Size	Displays the minimum quantity in which a security should be traded.
Lot Size	Displays the lot size is the standardized quantity of shares, contracts, or units bought or sold in a single transaction, acting as the minimum order size.
Trading Status	Displays whether the trade is Active, Closed (Suspended) or Redeemed.
Quantity Quotation	This field indicates how the securities is quoted.
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.
Fractional Quantity	Indicates security quantity can be quoted in fraction for units.
Decimals	Enter decimal points of a fractional unit of a security.
Revaluation Price Code	Enter the price code assigned to each security is used to identify the particular market price of the security for revaluation.
Market of Revaluation	Enter 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.
Yield Calculation Basis	Enter yield calculation basis for a bond.
Manual Provisioning	Select this check box to allow the manual provision during the instrument-life-cycle.
Collateral Type	Select the appropriate collateral type for the instrument.

4. On the **Instrument Master** screen, click **Coupon**.

   The **Coupon** tab displays.

Figure 1-3 Instrument Master - Coupon



5. On the Coupon tab, specify the fields.

Table 1-3 Coupon - Field Description

Field	Description
Component	Enter the component for the coupon.
Rate Type	Enter the rate type for the coupon.
Rate Code	Enter the rate code for a floating rate type coupon.
Tenor Code	Enter the tenor code for a floating rate type.
Interest Rate	Enter the rate of the interest for the coupon.
Minimum Rate	Enter minimum interest rate allowed for the instrument.
Maximum Rate	Enter maximum interest rate allowed for the instrument.
Flat Amount	Specify the flat amount.
Acquired Amount	Specify the acquired amount.
Waived	Select the waived flag if user does not want to collect coupon for the component.
Spread	Enter the spread for the coupon.
Alternative Rist-Free Rate	Select the alternative risk-free rate, if the interest class is enabled for RFR.
Negative Interest allowed	Select the negative interest allowed flag for coupon with negative interest.
Accrual Calculation Master	Enter calculation basis for coupon accrual.
Liquidation Calculation Master	Enter calculation basis for liquidation.
Payment Movement	Select this flag, if Interest payments are delayed by a certain number of days and are due a few days after the end of an interest period.

Table 1-3 (Cont.) Coupon - Field Description

Field	Description
Interest Rollover	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.
Payment Date Movement	Select the payment movement calendar. If the option Calendar is selected, then the system skips the Holiday Preferences selected at the contract level. If the option Business is selected, it considers holiday treatment specified for schedule as per the Holiday Preferences selected at the contract level.
Payment Movement 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.
Base Computation Master	Enter the base computation method for coupon calculation.
Spread/Margin Computation Master	Enter the Spread/Margin computation method, it can be either Simple or Compound.
Spread Adj Computation Master	Enter the Spread Adj Computation Master, it can be either Simple or Compound.
Rate Compounding Method	Enter the rate compounding method, it can be either CCR or 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.
Computation Calender	Select the computation calendar from the drop-down list for interest calculation when RFR method is selected. It can be either Currency or Financial Center.
Financial Center	Enter the financial center name. This field is mandatory if the Financial Center is selected as a computation calendar.
Periodic Revision	Enter the rate revision, it indicates as periodic and it has predefined schedule.
Confirm Revision	Enter the confirm revision, it indicates as confirmed for corporate action.
Revision Frequency	Select the revision frequency for rate revision from drop-down list. The available options are: • **Daily** • **Weekly** • **Monthly** • **Quarterly** • **Half-yearly** • **Yearly**
Last Reset	Check this check box to indicate that the last reset method is allowed. This field is relevant only if rate method is In-Advance. In this option, the system determines the interest payments on the basis of the averaged RFR of the previous period.

Table 1-3 (Cont.) Coupon - 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.
Lookback Days	Specify the lookback days.
Last Recent	last recent uses a shorter, more recent observation period than the full interest period.
Lockout	Lockout means that the RFR is frozen for a certain number of days prior to the end of an interest period (lockout period).
Lockout Days	Specify the lockout days.
Index Value	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
Plain	This field will only be relevant if rate method is In-Arrears or bearing and RFR method is Plain. System will use averaged SOFR over current interest period, paid on first day of next interest period.
Rate Compounding	Select if rate compounding should be applied for the instrument for calculation.
Observation Shift	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
Weighted Average	Select this check box to use weighted average calculation (WAC) as the RFR calculation method.
Spread Adjustment	Specify the rate code spread adjustment.
Rate Fixing Days	Specify the rate fixing days. 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.
Fixing Date Movement	Specify the fixing date movement. Rate fixing date movement indicates how a rate fixing schedule to be moved during fixing. The rate fixing schedules is build based on the rate revision dates, rate fixing days and fixing date movement.
Base Start Date	Specify the start of coupon schedule.

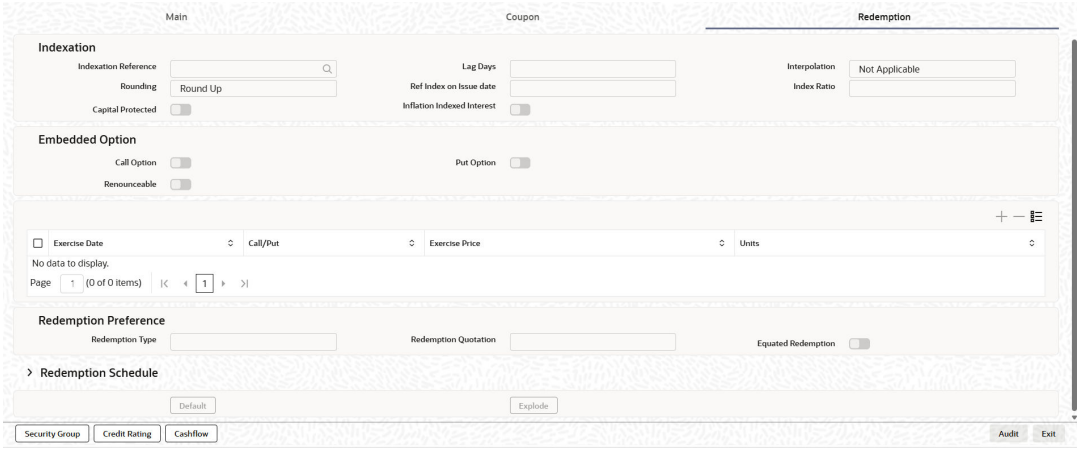
Table 1-3 (Cont.) Coupon - Field Description

Field	Description
Discrete/Continuous	If user choose the continuous option, the system calculates all intermediate coupon due dates, based on the frequency specified. For the Discrete / Irregular coupon schedule definition, you will have to set the coupon dates.
Base End date	Specify the end of coupon schedule.
Base Frequency	Select the frequency for a coupon that will determine the repayment schedule.
Unit	Specify the unit of frequency to set the frequency the component.
Adhere to Month End	If the schedule frequency is in terms of a month, you choose to indicate that the schedule days must adhere to Month - Ends.

6. On the **Instrument Master** screen, click **Redemption**.

   The **Redemption** tab displays.

Figure 1-4 Instrument Master - Redemption



7. On the **Redemption** tab, specify the fields.

Table 1-4 Redemption - Field Description

Field	Description
Redemption Type	Specify the redemption type. This field indicates mode of redemption that an issuer can redeem. 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 (On Maturity) or Quantity (% of the Nominal on different schedule).
Redemption Quotation	Specify the Quotation type of redemption.
Equated Redemption	Select this check box to indicate instrument can be redeem on equal installments over period of time.
Indexation Reference	Specify the indexation reference.
Lag Days	Enter number of lag days used for index reference rate pick up.
Interpolation	Specify the interpolation method.

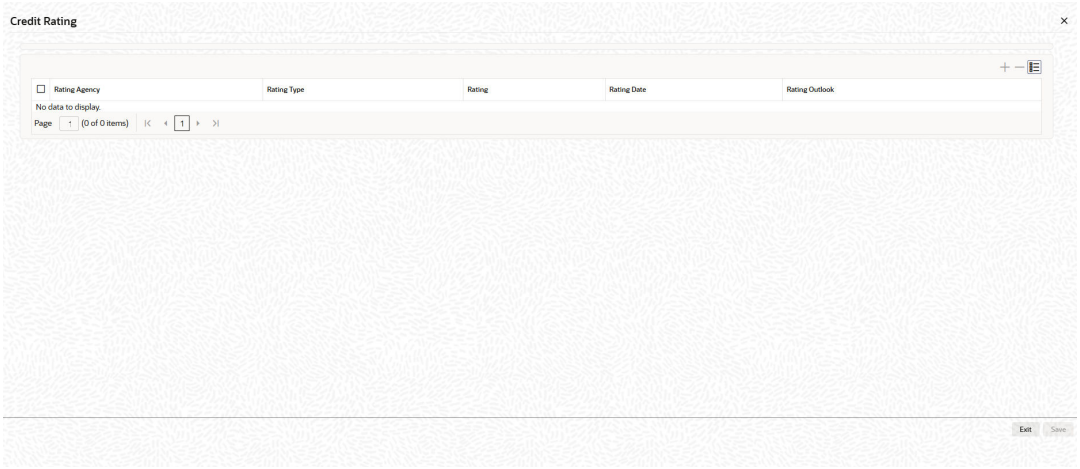
Table 1-4 (Cont.) Redemption - Field Description

Field	Description
Rounding	Select the rounding method used for interpolation from the drop-down list. The available options are: • **Up** • **Down** • **Truncate** • **Round Near**
Ref Index on Issue Date	Displays ref index value for issue date of an instrument.
Index Ratio	Displays ref index ration on issue date.
Capital Protected	Select if bond's principal is indexed.
Inflation Indexed Interest	Select if coupon is indexed.
Call Option	A bond call option is a contractual right for the issuer to redeem a bond before its maturity date, allowing them to pay back the principal early.
Put Option	A put option in a bond, known as a callable bond, gives the bondholder the right to sell the bond back to the issuer at a specific price and on certain dates before the maturity date.
Renounceable	Indicates that an existing shareholders have the option to sell or transfer their right to purchase new shares to another investor, rather than exercising the right themselves.
Exercise Date	Displays the date of redemption.
Call/Put	Displays call or put option.
Exercise Price	Displays the redemption price.
Units	Displays the units which are redeemed.
Event Date	Specify the redemption date.
Redemption Factor/ Cashflow/Percentage	Enter the %/amount/factor for redemption.
Redemption Price	Enter the redemption price.
Disposition of Fractions	Enter the rounding of decimals.
Call Indicator	Enable this flag if issuer calls the repayment of the bond.
Current Face Value	Displays the current face value.
Redemption Details	This section follows the below fields.
Rating Agency	Select the agency which is used for credit rating.
Rating Type	Select the rating type, whether it is **Entity** or **Instrument**.
Rating	Select the rating for the issuer or issue.
Rating Date	Select the rating date.
Rating Outlook	Select rating outlook which gives the direction of the credit rating from the drop-down. • **Positive** • **Negative** • **Stable** • **Developing**

8. On **Instrument Monitor** screen, click **Credit Rating**.

   The **Credit Rating** screen displays.

Figure 1-5 Credit Rating



9. On the **Credit Rating** tab, specify the fields.

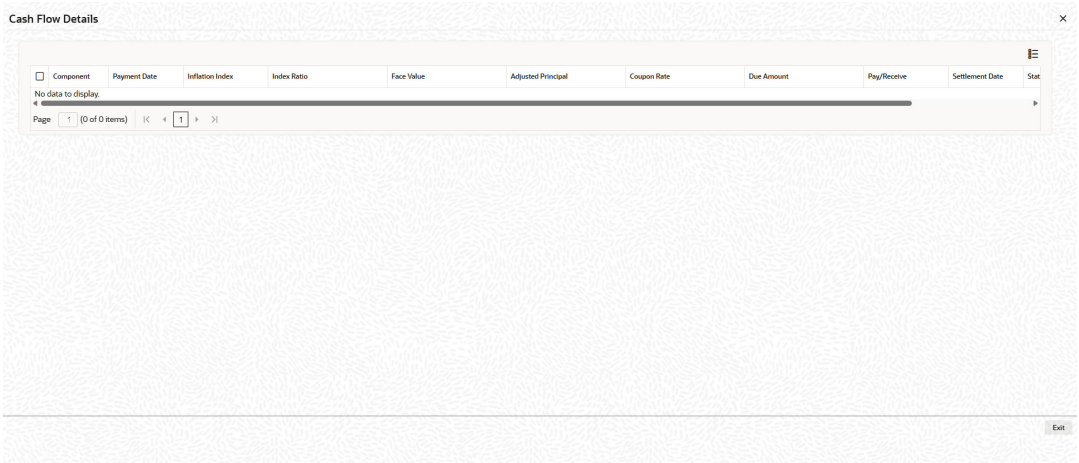
Table 1-5 Credit Rating - Field Description

Field	Description
Rating Agency	Displays the organization that issued the credit rating.
Rating Type	Displays category/scale of rating being recorded.
Rating	Displays actual credit rating value assigned by the agency under the selected rating type.
Rating Date	Displays the effective date of the rating.
Rating Outlook	Displays the agency's forward-looking view associated with the rating.

10. On **Instrument Monitor** screen, click **Cash Flow Details**.

    The **Cash Flow Details** screen displays.

Figure 1-6 Cash Flow Details



11. On the **Cash Flow Details** tab, specify the fields.

Table 1-6 Cash Flow Details - Field Description

Field	Description
Component	Displays the cash flow component/type for the line item.
Payment Date	Displays the scheduled date the cash flow is due per the instrument/ contract schedule.
Inflation Index	Displays the reference inflation index used for indexed instruments .
Index Ratio	Displays the multiplier derived from the inflation index (typically current index ÷ base index) used to adjust principal/cash flows.
Face Value	Displays the original nominal/principal amount on which cash flows are based.
Adjusted Principal	Displays the principal amount after applying the index ratio used for calculating payments on indexed instruments.
Coupon Rate	Displays the interest rate applied to the principal for the period, per terms of the instrument.
Due Amount	Displays the amount scheduled to be paid/received for this cash flow line before settlement processing.
Pay/Receive	Indicates the direction of the cash flow for the entity: **Pay** (outflow) or **Receive** (inflow).
Settlement Date	Displays the actual or expected date the cash flow is settled.
Status	Displays the processing state of the cash flow line.

1.1.3 Instrument Corporate Action

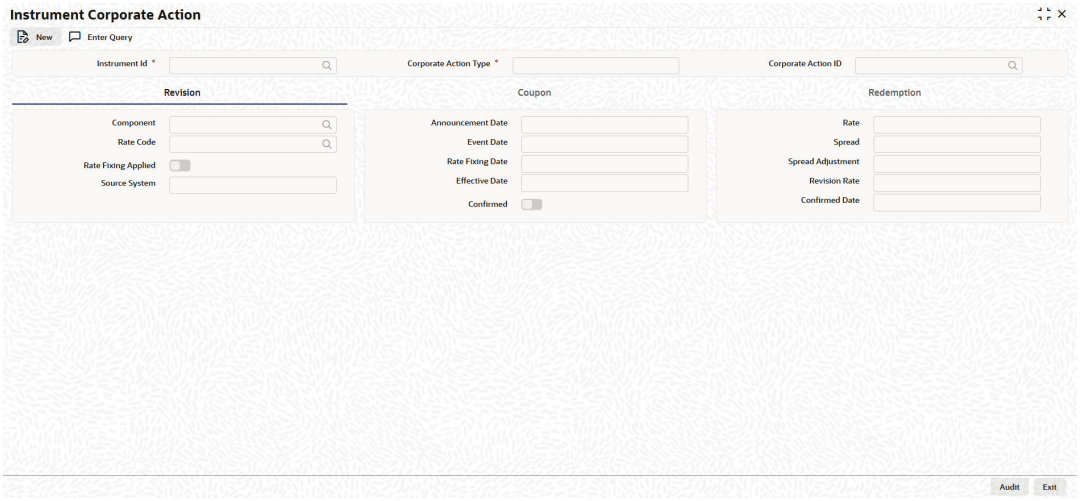
This topic provides systematic instructions to instrument corporate action.

This screen is used for modifying revision, coupon and redemption schedules.

1. On the **Home** screen, type **TIDICADF** in the text box, and click **Next**.

   The **Instrument Corporate Action** screen displays.

Figure 1-7 Instrument Corporate Action



2. On the **Instrument Corporate Action** screen, Click **New**.
3. On the **Instrument Corporate Action** screen, Specify the details as required.

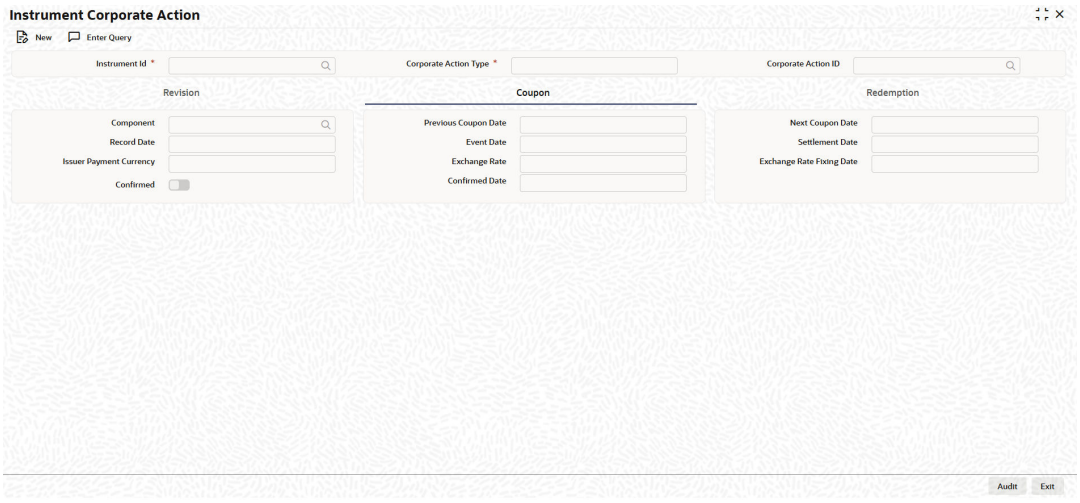
Table 1-7 Instrument Corporate Action - Field Description

Field	Description
Instrument ID	Specify the Instrument product.
Corporate Action Type	Specify the corporate action type.
Corporate Action ID	Specify the unique ID for corporate action processing.
Component	Specify the revision details can be filtered based on components.
Announcement Date	Enter the date on which the issuer would have declared the interest revision event.
Rate	Enter the final rate after applying the margins to the benchmark rate.
Rate Code	Enter floating rate code for a coupon.
Event Date	Enter the 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.
Spread	Enter the spread float rate, it is the additional margin or percentage points added to a benchmark interest rate to determine the final floating rate.
Rate Fixing Applied	Switch the toggle on, if rate has been received and fixed for a schedule.
Rate Fixing Date	Specify the date on which rate is fixed for a schedule.
Spread Adjustment	Specify the spread adjustment during the transaction period of RFR.
Source System	Specify the source system from where we have received the revision rate.
Effective Date	Specify 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.
Revision Date	Specify the revision rate that you enter here will be effective as of the value date defined.
Confirmed	Switch this toggle on to indicate if the occurrence of the event is confirmed.
Confirmed Date	When you switch on the confirmed toggle and save the record the confirmation date will be defaulted with the current date.

4. On the **Instrument Corporate Action** screen, click **Coupon**.

   The **Coupon** tab displays.

Figure 1-8 Instrument Corporate Action - Coupon



5. On the Coupon tab, specify the fields.

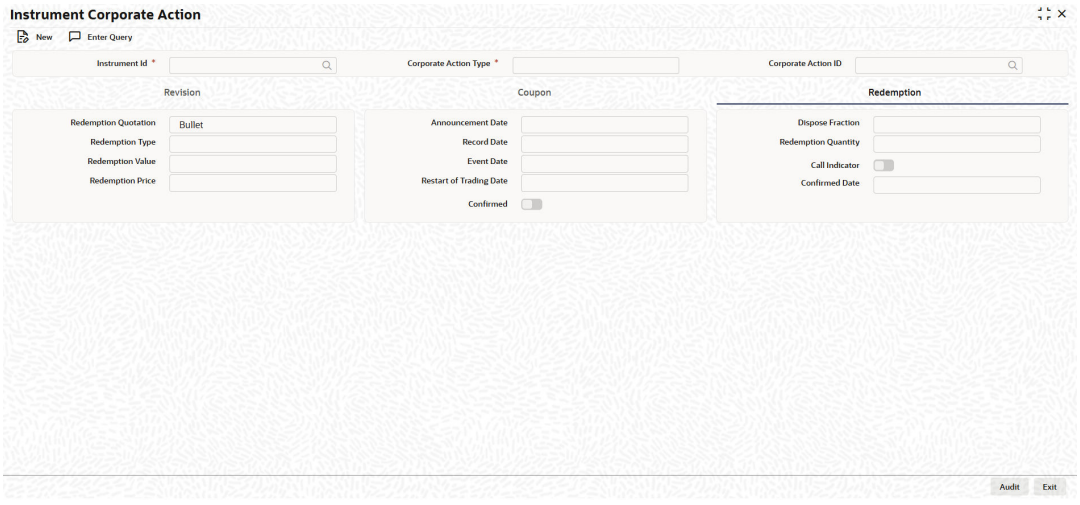
Table 1-8 Coupon - Field Description

Field	Description
Component	Specify the component associated to the instrument.
Previous Coupon Date	Specify the previous coupon settled date.
Next Coupon Date	Specify the next or upcoming coupon schedule date.
Record Date	Specify the date on which the issuer determines the beneficiary eligible for the coupon 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. Holdings are considered for coupon calculation as on record date.
Event Date	Specify the event date, which is the actual date when the issuer pays the coupon interest.
Settlement Date	Specify the actual settlement happens for the coupon.
Issuer Payment Currency	Specify the currency used for settlement.
Exchange Rate	Specify the 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.
Exchange Rate Fixing Date	Specify the date on which the exchange rate will be announced. Indicate the exchange rate announcement date.
Confirmed	Switch this toggle on to indicate that the occurrence of the event is confirmed.
Confirmed Date	When you switch on the confirmed toggle and save the record the confirmation date will be defaulted with the current date.

6. On the **Instrument Corporate Action** screen, click **Redemption**.

   The **Redemption** tab displays.

Figure 1-9 Instrument Corporate Action - Redemption



7. On the Redemption tab, specify the fields.

Table 1-9 Redemption - Field Description

Field	Description
Redemption Quotation	Specify the quotation type of redemption.
Announcement Date	Specify the date on which the bond issuer officially declares their intention to redeem the bond. In the case of callable bonds, this is when the issuer exercises their option to repay the principal early.
Dispose Fraction	Specify the dispose fraction from the drop-down list. The available options are: • **Retain** • **Round Up** • **Round** • **Down** • **Round** • **Standard** • **Null**
Redemption Type	Enter the price of the redemption.
Record Date	Specify the record date that is the cutoff date on which the issuer determines which bondholders are eligible to receive the redemption proceeds.
Redemption Quality	Enter the redemption quality.
Redemption Value	Specify the redemption value.
Event Date	Specify the actual date on which the issuer repays the principal amount (face value) of the bond to the bondholders of record. Any final interest payments are also typically settled on this date. For bonds with a call option, this is the date the early repayment occurs.
Call Indicator	Switch this toggle on for issuer can call the repayment.
Redemption Price	Enter the redemption price.
Restart of Trading Date	Specify 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.
Confirmed Date	When you switch on the confirmed toggle and save the record the confirmation date will be defaulted with the current date.
Confirmed	Switch this toggle on to indicate that the occurrence of the event is confirmed.

1.1.4 Credit Rating Maintenance

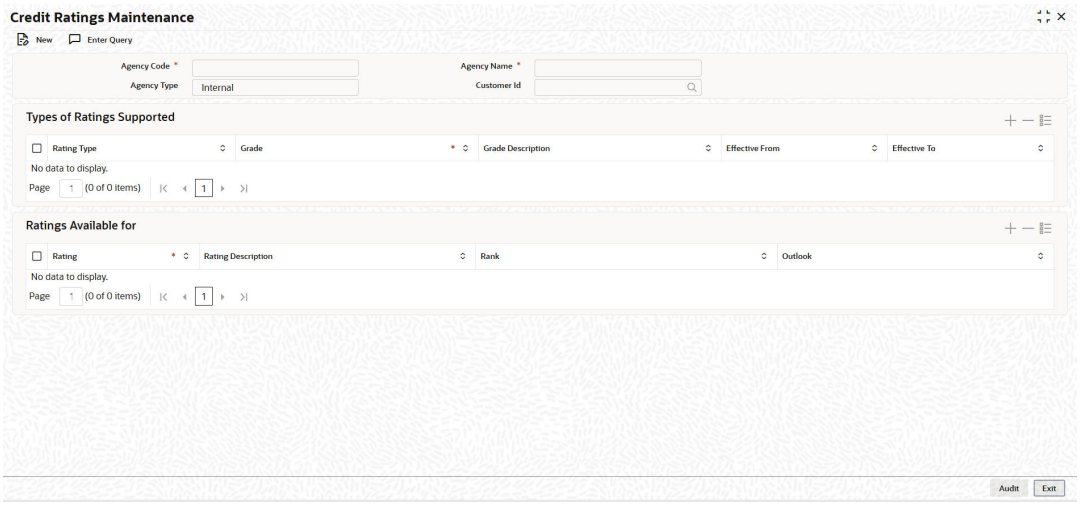
This topic provides systematic instructions to credit rating maintenance.

This screen allows user to configure the rating scales for various credit rating agencies and define the obligations (debt instruments) that fall under different grades, such as investment-grade, non-investment-grade, or speculative-grade. This setup helps in aligning user internal systems with the grading structure used by agencies like **S&P**, **Moody's**, **Fitch**, and others.

1. On the **Home** screen, type **TRDCRERT** in the text box, and click **Next**.

   The **Credit Rating Maintenance** screen displays.

Figure 1-10 Credit Rating Maintenance



2. On the **Credit Rating Maintenance** screen, Click **New**.
3. On the **Credit Rating Maintenance**, Specify the details as required.

Table 1-10 Credit Rating Maintenance - Field Description

Field	Description
Agency Code	Specify the agency code.
Agency Name	Specify the credit rating agency who gives the rating for a instrument.
Agency Type	Specify the agency type, whether it can be Internal or External.
Customer ID	Specify the Agency CIF ID.
Grade	Displays the grade for rating scale or category for rating scale.
Grade Description	Displays the grade description.
Effective From	Displays the start of the date.
Effective To	Displays the end of the date.
Rating	Displays the rating scale for each grade for a agency.
Rating Description	Displays the description for the rating scale.

1.1.5 Redemption Blotter

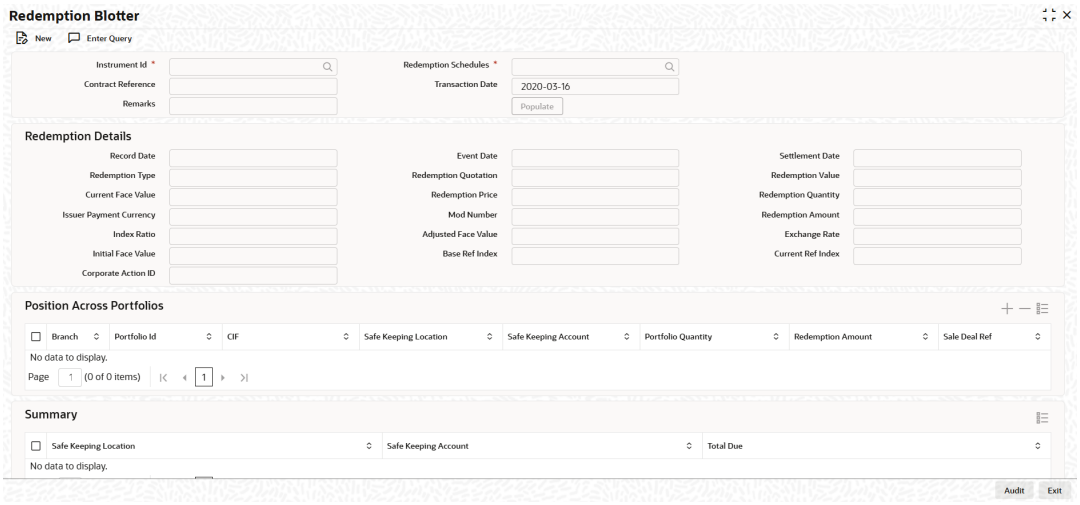
This topic provides systematic instructions to redemption blotter.

This screen ensures that principal payments are made accurately, and that inflation adjustments are reflected properly. It also provides important operational details like redemption value, status, settlement date, portfolio position and consolidated SK amount to be redeemed, all of which contribute to the transparency and efficiency of the bond redemption process.

1. On the **Home** screen, type **TIDRDBTR** in the text box, and click **Next**.

   The **Redemption Blotter** screen displays.

Figure 1-11 Redemption Blotter



2. On the **Redemption Blotter** screen, Click **New**.
3. On the **Redemption Blotter**, Specify the details as required.

Table 1-11 Redemption Blotter - Field Description

Field	Description
Instrument Id	Specify the ILB instrument which are redeemable.
Redemption Schedules	Specify the available redemption schedule for the instrument.
Contract Reference	Specify the contract reference.
Transaction Date	Select the date of the transaction.
Remarks	Enter the remarks if any.
Record Date	Specify the cutoff date on which the issuer determines which bondholders are eligible to receive the redemption proceeds.
Event Date	Specify the date on which the issuer repays the principal amount (face value) of the bond to the bondholders of record. Any final interest payments are also typically settled on this date. For bonds with a call option, this is the date the early repayment occurs.
Settlement Date	Specify the date when bond gets redeemed by creating a sale deal.
Redemption Type	Specify the whether the redemption type is to be Bullet (On Maturity), Quantity (% of the Nominal on different schedule).
Redemption Quotation	Specify the quotation type, whether its percentage/factor or cashflow.
Redemption Value	Specify the value of the quotation(like how much % redeemed or what is the factor).
Current Face Value	Specify the current face value of the instrument.
Redemption Price	Specify the price in which the instrument will be redeemed. Also used as input price for sale deal creation on redemption.
Redemption Quantity	Specify the total quantity of the instrument redeemed across portfolio.
Issuer Payment Currency	Specify the issuer payment currency.
Mod Number	Specify the mod number.
Redemption Amount	Specify the redemption nominal amount.
Index Ratio	Specify the calculated index ratio.
Adjusted Face Value	Specify the inflation adjusted face value.

Table 1-11 (Cont.) Redemption Blotter - Field Description

Field	Description
Exchange Rate	Specify the exchange rate.
Initial Face Value	Specify the inflation a initial face value.
Base Ref Index	Specify the base reference index price on bond issue date.
Current Ref Index	Specify the current period reference index price.
Corporate Action ID	Specify the corporate action ID.
Position Across Portfolio	This section explains about following fields.
Portfolio ID	Displays the portfolio which has the bond position to be redeemed.
Safe keeping Location	Displays the safe keeping location of the portfolio.
Safe Keeping Account	Displays the safe keeping account of the portfolio.
Portfolio Quantity	Displays the quantity of the instrument for the portfolio which is getting redeemed.
Redemption Amount	Displays redemption amount of the instrument in the portfolio.
Sale Deal Ref	Displays sale deal created on redemption of the instrument.
Summary	This section explains about following fields.
Safe keeping Location	Displays the safe keeping location across portfolio.
Safe keeping Account	Displays the safe keeping account.
Total Due	Displays the total due amount.

1.1.6 Inflation Linked Bond Process

This topic provides systematic instructions to inflation linked bond process.

To create an Inflation-Linked Bond (ILB) instrument, navigate to the Instrument Management module within the system and select the option to create a new instrument. Choose **ILB** as the instrument type. In the Instrument Creation screen, provide the required details by selecting the appropriate index reference code for inflation (e.g., Consumer Price Index – CPI), specifying the lag period in months (e.g., 3 months) between the index reporting and its application to the bond, and selecting an interpolation method if applicable (e.g., linear interpolation between two index data points). Next, enter the nominal amount (face value) of the ILB instrument. Once all details are completed, click **Save** or **Create** to finalize and store the ILB instrument.

1. Navigate to the relevant ILB instrument to review how inflation adjustments are applied.
2. The system adjusts the principal automatically based on the movement of the configured inflation index.
3. The adjusted principal is calculated using the index ratio derived from the base index and the current index for the valuation date.

   The calculation is performed as follows:

   - Index Ratio = Current Index / Base Index
   - Adjusted Principal = Face Value × Index Ratio
4. The system determines the current index using the index lag defined at the instrument level and applies the index corresponding to the lag-adjusted date.
5. The latest available index (based on the defined lag) is used to calculate the adjusted principal.

6. If a principal floor is defined, the system ensures that the adjusted principal does not fall below the original face value.

> **Note**
>
> Index values are maintained in the system as part of market data. If index data is unavailable for a given date, the system uses the last available index or applies interpolation logic based on configuration.

- **Coupon Processing for ILB**:
  Coupon payments for ILB securities are processed based on the adjusted principal applicable on the coupon date.

  The coupon amount is computed as follows: **Coupon Amount = Adjusted Principal × Coupon Rate × Period Fraction**
- **Redemption Processing for ILB**:
  At maturity, the redemption amount is determined using the adjusted principal derived from the final applicable index.

  The redemption amount is calculated as follows: **Redemption Amount = Face Value × Final Index Ratio**

  Where, Final Index Ratio = Index at maturity (considering lag) / Base Index

7. At redemption, if a principal floor applies, the redemption amount will not be less than the face value.
8. For partial or intermediate redemptions (if applicable), the system calculates amounts using the adjusted principal corresponding to the relevant schedule date.

   Core calculations for the linked bonds:

   Adjusted Principal = Nominal × (Reference Index / Base Index)

   Coupon = Adjusted Principal × Coupon Rate × Day Count Fraction

   Redemption = Nominal × (Final Index / Base Index)

   Redemption = Max (Nominal, Adjusted Principal)

   Follow the below process to create inflation linked bonds.

1.2 Introduction of Securities Conversion - Splits and Mergers

This topic describes about the overview of securities conversions.

Securities conversion refers to corporate actions in which a security held by an investor is transformed into another security, as per predefined terms and regulatory guidelines. Two of the most common types of securities conversions are stock splits and mergers.

Stock Split

A stock split is a corporate action where a company increases the number of its outstanding shares by issuing additional shares to existing shareholders according to a specified ratio. The price per share decreases proportionally, so the total value of each shareholder's investment remains unchanged. The overall company value (market capitalization) also remains constant after the split.

- When a security splits, its static data including ISIN, face value, and the number of outstanding shares is adjusted.

- The system automatically updates securities positions and investor records based on the split ratio.

Example: If a shareholder holds 100 shares and the company announces a 2-for-1 split, the system will update the portfolio to reflect 200 shares, with the same total investment value as before the split.

Merger

A merger occurs when two or more companies consolidate into a new entity or one company absorbs another. As a result, shareholders receive new securities in exchange for their current holdings based on a predetermined conversion ratio. This ensures all shareholders receive the appropriate value according to the merger agreement.

- The system will automatically update investor records, adjust entitlements, and manage the conversion ratios as outlined in the merger terms.
- Mergers may reduce the number of shares and increase the per-share price, often to help maintain or boost the market value per share.

For both stock splits and mergers, the system automatically updates investor records, adjusts entitlements, and manages conversion ratios.

Within the context of a security conversion, the following terms are used:

- **Source Securities**: The original securities held before the corporate action (split or merger).
- **Target Securities**: The new securities that result after the conversion.

This topic contains the following sub-topics:

- Instrument Conversion Maintenance
  This topic provides systematic instructions to instrument conversion maintenance.
- Security Conversion Maintenance Summary
  This topic provides the systematic instruction to security conversion maintenance summary.
- Instrument Conversion Deal Input
  This topic provides systematic instructions to instrument conversion deal input.
- Securities Bank Parameter Maintenance
  This topic describes about the securities bank parameters maintenance.
- Securities Instrument Definition
  This topic describes about the securities instrument definition
- Securities deal input
  This topic describes about the securities deal input.
- Settlement/Liquidation and completion
  This topic describes about the settlement/liquidation and completion.
- Instrument Conversion Monitor
  This topic provides systematic instructions to instrument conversion monitor.
- BEP and Premium\ Discount Accrual
  This topic describes about BEP and premium\ discount accrual.

1.2.1 Instrument Conversion Maintenance

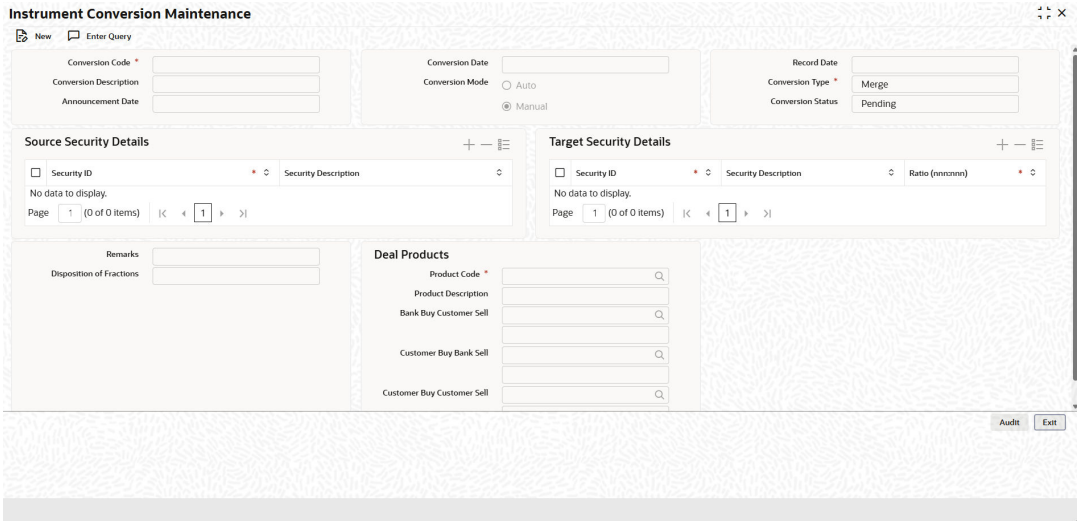
This topic provides systematic instructions to instrument conversion maintenance.

This screen will allow users to enter and update key details related to securities conversion such as the Effective date, Split ratio, Source and Target securities, Conversion Mode, Conversion Type and Conversion Status.

1. On the **Home** screen, type **TIDCNVMT** in the text box, and click **Next**.

   The **Instrument Conversion Maintenance** screen displays.

Figure 1-12 Instrument Conversion Maintenance



2. On the **Instrument Conversion Maintenance** screen, Click **New**.
3. On the **Instrument Conversion Maintenance**, Specify the details as required.

Table 1-12 Instrument Conversion Maintenance - Field Description

Field	Description
Conversion Code	Enter the unique Id of the security conversion.
Conversion Description	Enter the description for conversion.
Conversion Date	Enter the effective date of securities conversion.
Record date	Select the record date which indicates the date on which the company identifies the eligible shareholders.
Announcement Date	Select the date on which securities conversion is announced.
Conversion Mode	It indicates how the instrument conversion deal input record will be booked.
Conversion type	Select the type of the conversion from the drop-down list. It indicates if the maintenance is for security split or merger.
Conversion Status	Displays the status of the conversion.
Security ID	Displays the source security ID.
Security Description	Displays the source security description.
Security ID	Displays the target source security ID.

Table 1-12 (Cont.) Instrument Conversion Maintenance - Field Description

Field	Description
Security Description	Displays the target security description.
Ratio (nnn:nnn)	Displays the split/merger ration.
Remarks	Enter the remarks if any.
Disposition of Fractions	Enter the rounding fraction, it will indicate how the fractional entitlements will be handled.
Product Code	Enter the conversion product code.
Product Description	Enter the product description.
Bank Buy Customer Sell	Enter the product code and product description for the bank buy customer sell.
Customer Buy Bank Sell	Enter the product code and product description for the customer buy bank sell.
Customer Buy Customer Sell	Enter the product code and product description for the customer buy customer sell.

User can create an Instrument Conversion Maintenance record with Source/Target securities, conversion type (Split/Merger), conversion ratio, and key dates (Announcement Date, Record Date, Conversion Effective Date). Conversion Mode can be **Manual** or **Auto (EOD batch)** and conversion status starts as **Pending**.

This topic contains the following sub-topics:

- Conversion Mode Processing (Auto vs Manual)
  This topic describes about the conversion mode processing.

1.2.1.1 Conversion Mode Processing (Auto vs Manual)

This topic describes about the conversion mode processing.

Manual Processing

User must manually create the **Instrument Conversion Deal Input (TIDCNVTR)** record any time after **Instrument Conversion Maintenance**. On authorization, the system triggers the sell deal for source redemption and Buy deals for target holdings (online SE batch).

Auto Processing

System automatically creates the **TIDCNVTR** record at **EOD on the Record Date**. The auto-created record is unauthorized, users can unlock it to adjust required values before authorizing. After authorization, the system triggers the source sell and target buy deals through the online SE batch.

Conversion Contract/Record status is initiated on save and moves to completed after liquidation of:

- Source **Sell** Deal
- Target **Buy** Deal

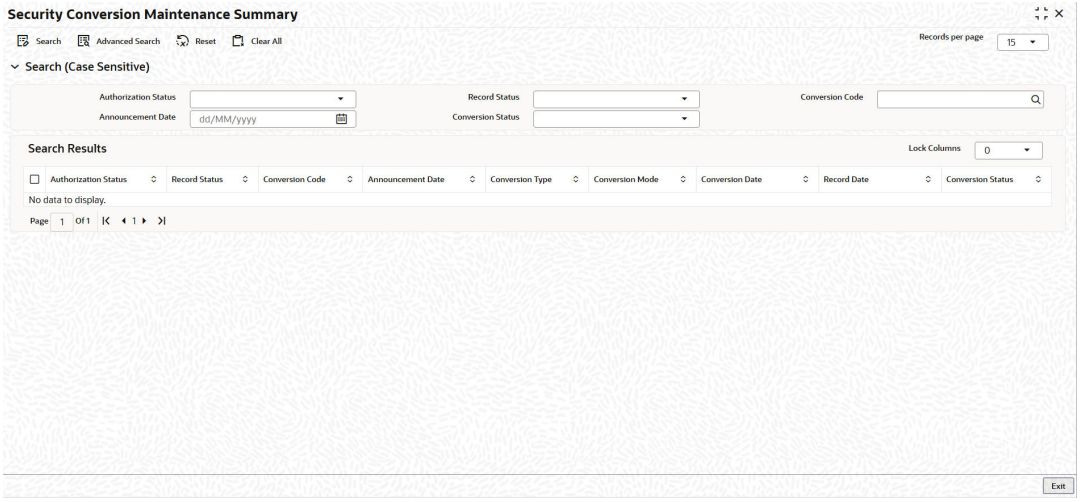
1.2.2 Security Conversion Maintenance Summary

This topic provides the systematic instruction to security conversion maintenance summary.

1. On the **Home** screen, type **TISCNVMT** in the text box, and click **Next**.

The **Security Conversion Maintenance Summary** screen displays.

Figure 1-13 Security Conversion Maintenance Summary



2. On the **Security Conversion Maintenance Summary** screen, specify the details as required.

   The following fields are displayed in this screen:

   - **Authorization Status**
   - **Announcement Date**
   - **Record Status**
   - **Conversion Status**
   - **Conversion Code**

1.2.3 Instrument Conversion Deal Input

This topic provides systematic instructions to instrument conversion deal input.

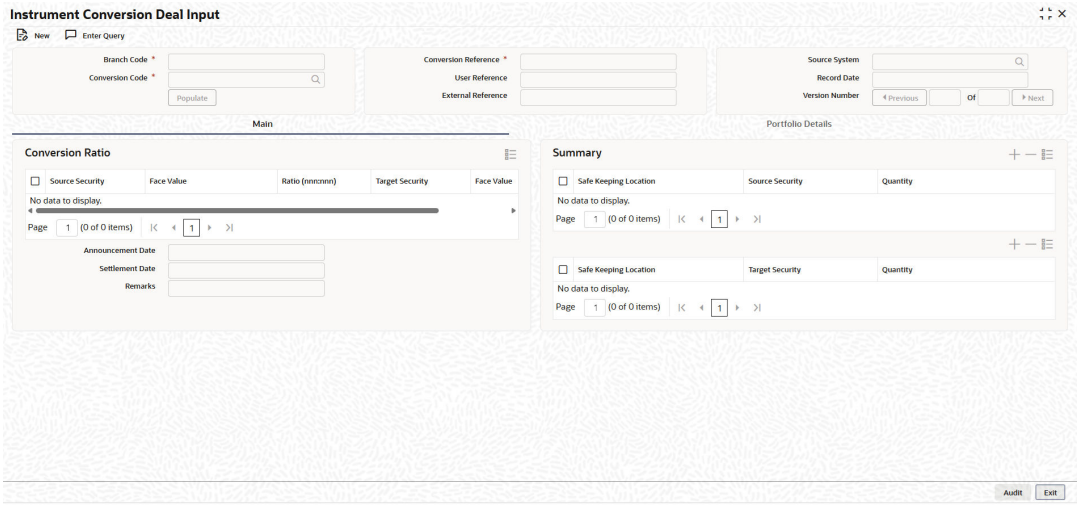
This screen is designed to facilitate the recording and management of corporate actions involving the conversion of securities, such as splits, mergers. By capturing this information, the system can accurately process securities conversion transactions, and update source and target positions.

In this screen user selects the active conversion code, which was already maintained. Upon selecting, the details for the conversion maintenance default. This screen also lists the existing position balances of the source security. When the calculate button is clicked the target side position updates, and other details like new quantity, nominal, face value, and price are displayed.

1. On the **Home** screen, type **TIDCNVTR** in the text box, and click **Next**.

   The **Instrument Conversion Deal Input** screen displays.

Figure 1-14 Instrument Conversion Deal Input



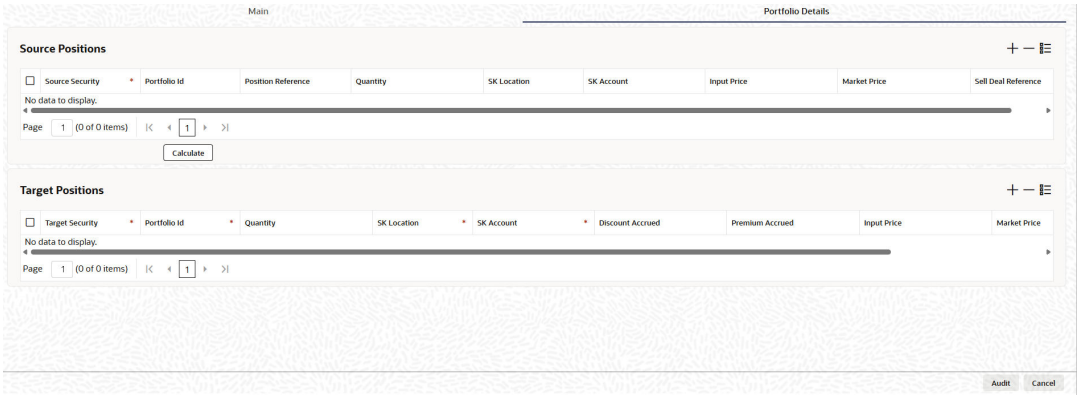
2. On the **Instrument Conversion Deal Input** screen, Click **New**.
3. On the **Instrument Conversion Deal Input**, specify the details as required.

Table 1-13 Instrument Conversion Deal Input - Field Description

Field	Description
Branch Code	Enter the conversion transaction branch code.
Conversion Code	Enter the conversion code maintained at **TIDCNVMT**.
Conversion Reference	Enter the unique identifier assigned to the conversion.
User Reference	Enter the reference provided by the user for the conversion.
External Reference	Enter the unique identifier provided by an external system or source for the conversion transaction.
Source System	Enter the source system from which the conversion is initiated.
Record Date	Select the date on which the conversion deal is saved.
Source Security	Displays the source security.
Face Value	Displays the face value of source security.
Ratio (nnn:nnn)	Displays the split \ merger ration.
Target Security	Displays the target security.
Face Value	Displays the face value of target security.
Announcement Date	Displays the date on which securities conversion is announced.
Settlement Date	Displays the conversion effective date.
Safe Keeping Location	Displays the location where the source security is maintained for safekeeping.
Source Security	Displays the original security involved in the conversion transaction.
Quantity	Displays the number of units involved in the conversion transaction.
Safe Keeping Location	Displays the location where the target security is maintained for safekeeping.
Target Security	Displays the security that results from the conversion transaction.
Quantity	Displays the number of units involved in the conversion transaction.

4. On the **Instrument Conversion Deal Input**, click **Portfolio Details**

   The **Portfolio Details** tab displays.



5. On the **Portfolio Details** tab, specify the details as required.

Table 1-14 Portfolio Details - Field Description

Field	Description
Source Security	Displays the original security involved in the conversion transaction.
Portfolio Id	Displays the source portfolio associated with the conversion transaction.
Position Reference	Displays the specific position involved in the conversion transaction.
Quantity	Displays the number of units involved in the conversion transaction.
SK Location	Displays the safekeeping location where the source security is maintained.
SK Account	Displays the safekeeping account where the security is maintained.
Input Price	Displays the price entered for the source security during the conversion transaction.
Market Price	Displays the current price of the security in the market at the time of the conversion transaction.
Sell Deal Reference	Displays the reference number of the source sell deal linked to the conversion transaction.
Target Security	Displays the security that results from the conversion transaction.
Portfolio Id	Displays the target portfolio associated with the conversion transaction.
Quantity	Displays the number of units involved in the conversion transaction.
SK Location	Displays the safekeeping location where the target security is maintained.
SK Account	Displays the safekeeping account where the security is maintained.
Discount Accrued	Displays the amount of discount accumulated up to the date of the conversion transaction.
Premium Accrued	Displays the amount of premium accumulated up to the date of the conversion transaction.
Input Price	Displays the price entered for the target security during the conversion transaction.
Market Price	Displays the current price of the security in the market at the time of the conversion transaction.
Buy Deal Reference	Displays the reference number of the target buy deal linked to the conversion transaction.

This topic contains the following sub-topics:

- Conversion Transaction Creation
  This topic provides the systematic instructions to create the conversion transaction.
- Authorize Conversion Transaction
  This topic describes about the authorize the conversion transaction.
- Key User Actions
  This topic describes about the key for actions for TIDCNVTR.

1.2.3.1 Conversion Transaction Creation

This topic provides the systematic instructions to create the conversion transaction.

1. Branch users select an active **Conversion Code** and click **Populate**.
2. System generates the **Conversion Reference**, defaults header values (User Ref, Source System, Transaction Code) and shows source positions and users can amend quantity only.
3. Then users click **Calculate** to derive/display target position details.

1.2.3.2 Authorize Conversion Transaction

This topic describes about the authorize the conversion transaction.

On authorization, the system triggers creation of **Securities Sell (source) and Buy (target) deals** in **SEDXDLNL** (via online SE batch).

- Trade date = Record Date
- DSTL date = Conversion Effective Date
- MSTL not applicable

1.2.3.3 Key User Actions

This topic describes about the key for actions for TIDCNVTR.

Populate

- System defaults maintenance details (source/target, ratio, dates).
- System lists Source position details: Portfolio Id, Position Ref, Quantity, SKL/SKA, and generated Sell Deal Reference (for redemption).

Amend Quantity

- Users may amend only Quantity; multiple conversion deals can be created for the same conversion code until the full source quantity is utilized.

Calculate

- System computes and displays target position results: target security, portfolio (same as source), derived quantity per ratio, SKL/SKA, premium/discount accruals, input/market price, and generated Buy Deal Reference.

1.2.4 Securities Bank Parameter Maintenance

This topic describes about the securities bank parameters maintenance.

The existing **Securities Bank Parameter Maintenance (SEDXBNPM)** under deal products will include newly introduced fields to capture conversion products for the following combinations:

- Bank Buy Customer Sell
- Customer Buy Bank Sell
- Customer Buy Customer Sell

For more information on the **Securities Bank Parameter Maintenance (SEDXBNPM)**, refer Securities User Guide

1.2.5 Securities Instrument Definition

This topic describes about the securities instrument definition

A new subsystem called **Linked Entities** will be introduced on the **Securities Instrument Definition SEDTRONL**. This read-only view will display conversion details linked to both source and target securities.

Upon authorization of a conversion maintenance transaction, the details will be automatically reflected in the Linked Instruments view. If the conversion maintenance is closed prior to creating the conversion transaction, these changes will also be updated in the Linked Instrument sub-system.

For more information on the **Securities Instrument Definition SEDTRONL**, refer Securities User Guide

- Instrument Status Update / Trading Impact
  This topic describes about the instrument status update and trading impact.

1.2.5.1 Instrument Status Update / Trading Impact

This topic describes about the instrument status update and trading impact.

- **EOD of Record Date**: conversion processing begins, source becomes non-tradable (conversion ongoing).
- **On Conversion Completion**: source marked converted/closed, target becomes active for trading per final state.
- **Conversion History**: It is displayed in the **Linked Instruments** subsystem on the **Securities Instrument Definition** screen for both source and target securities.

1.2.6 Securities deal input

This topic describes about the securities deal input.

Upon authorization of a record from the **Instrument Conversion Deal Input** screen, the system will automatically trigger securities Sell and Buy deals for the source and target positions in the **SEDXDLNL** screen. The deal products will be sourced from Conversion Maintenance. The trade date for these deals will be the record date, and the DSTL date will be the conversion effective date. MSTL will not be applicable to these deals.

For more information on the **Securities Instrument Definition SEDTRONL**, refer Securities User Guide

- Downstream Deal Booking
  This topic describes about the downstream deal booking in SEDXDLNL.

1.2.6.1 Downstream Deal Booking

This topic describes about the downstream deal booking in SEDXDLNL.

After TIDCNVTR authorization, the system books:

Sell deal (Source Security)

- Treated like a **redemption** of the source security.
- Input/Market price derivations (include nominal/quantity and premium/discount allocation).

Buy Deal(s) (Target Security)

- Updates new holdings on DSTL (effective) date.
- For each SKL/SKA combination, a buy deal is booked.
- Target quantity/nominal/price/premium-discount are derived using the formulas (example, Target Qty = Source Qty * Conversion Ratio, etc.).

New Header Fields

- SEDXDLNL header includes **Parent Deal Type** instead of **Conversion** and **Parent Deal Reference** captures the Conversion Reference (from TIDCNVTR).

Security Position Updates: On the conversion effective date, system updates security positions based on the conversion ratio. When Source security positions goes zero, and target security positions will be increased.

1.2.7 Settlement/Liquidation and completion

This topic describes about the settlement/liquidation and completion.

1. After the associated buy/sell deals are successfully liquidated, the conversion is treated as completed.
2. The conversion status at **TIDCNVMT** is designed to move from **Pending** to **Ongoing** and to **Completed**.
3. Initially it will be as **Pending**.
4. Then it becomes **Ongoing** once the **Conversion Deal Input (TIDCNVTR)** is saved/ initiated.
5. And becomes **Completed** after all related **Buy/Sell deals** are liquidated.

1.2.8 Instrument Conversion Monitor

This topic provides systematic instructions to instrument conversion monitor.

This screen is introduced to track the Conversion Status , Converted Nominal & Custodian wise Conversions.

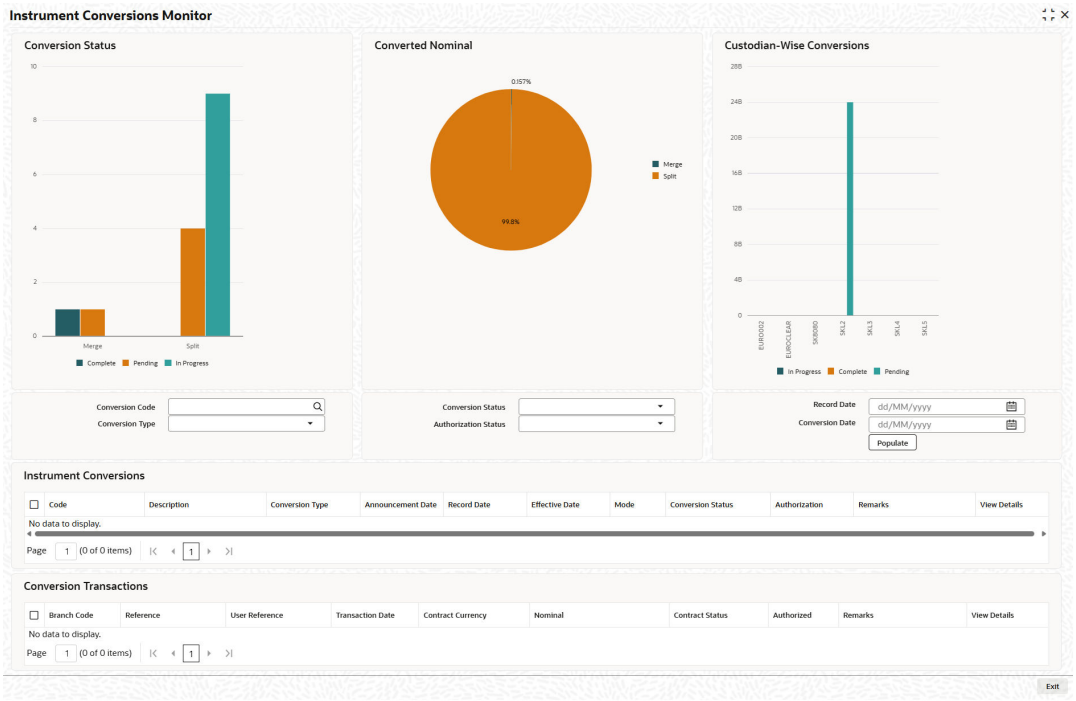
Conversion Status: This chart visualizes the conversion status across three types of events: **Merger**, **Others**, and **Split**. Each bar represents the number of conversion cases, further broken down into different status categories: Pending, In Progress, Completed, and Unknown.

Converted Nominal: This pie chart illustrates the Converted Nominal values (in millions LCY) for three categories: **Split**, **Merger**, and **Others**.

Custodian-Wise Conversions: This bar chart displays the **custodian-wise conversion amounts** (in millions), categorized by conversion status: **Pending**, **In Progress**, **Completed**, and **Unknown**.

1. On the **Home** screen, type **TIDCNVBT** in the text box, and click **Next**.

   The **Instrument Conversion Monitor** screen displays.



2. On the **Instrument Conversion Monitor** screen, Click **New**.
3. On the **Instrument Conversion Monitor**, Specify the details as required.

Table 1-15 Instrument Conversion Monitor - Field Description

Field	Description
Conversion Code	Enter the unique Id of the security conversion.
Conversion Type	Select the conversion type from drop-down list. The available options are: • **Merge** • **Split** • **Others**
Conversion Status	Select the conversion status from the drop-down list. The available options are: • **Pending** • **In Progress** • **Complete**
Authorization Status	Select the authorization status from the drop-down list. The available options are: • **Authorized** • **Un Authorized**
Record Date	Select the date on which the conversion deal is saved.
Conversion Date	Enter the effective date of securities conversion.

Table 1-15 (Cont.) Instrument Conversion Monitor - Field Description

Field	Description
Code	Displays the code for conversion.
Description	Displays the description of the conversion.
Conversion Type	Displays the conversion type it indicates if the maintenance is for security split or merger.
Announcement Date	Displays the date on which securities conversion is announced.
Record Date	Displays the date on which the conversion deal is saved.
Effective Date	Displays the effective date.
Conversion Status	Displays the status of the conversion.
Authorization	Displays the status of the authorization.
View Details	Click on the hyper link to see additional details of the Instrument Conversion Monitor.
Branch Code	Displays the branch code.
User Reference	Displays the user reference.
Transaction Date	Displays the transaction date.
Contact Currency	Displays the currency of contact.
Nominal	Displays the nominal of the conversion.
Contract Status	Displays the status of the contract.
Authorized	Displays the status of authorization.
View Details	Click on the hyper link to see additional details of the Instrument Conversion Monitor.

1.2.9 BEP and Premium\ Discount Accrual

This topic describes about BEP and premium\ discount accrual.

The handling of BEP ,premium, and discount accrual in the target security during a securities conversion involves proportionate adjustments based on the conversion ratio and nominal values.

- Premium and Discount Accrual:
  The premium and discount accruals on the source security are appropriately proportioned and transferred to the target security.
- BEP:
  System takes the closing BEP of the source as the input price for the Sell deal and splits this BEP in the split ratio for the buy deal

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