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# Contents

<b>1. Preface .....</b>	<b>1-1</b>
1.1 Introduction.....	1-1
1.2 Audience.....	1-1
1.3 Documentation Accessibility.....	1-1
1.4 Organization .....	1-1
1.5 Related Documents.....	1-3
1.6 Glossary of Icons.....	1-4
<b>2. Securities Domain .....</b>	<b>2-1</b>
2.1 Overview of Securities Domain .....	2-1
2.1.1 <i>Financial Markets</i> .....	2-1
2.1.2 <i>Characteristic Features of the Financial Markets</i> .....	2-2
2.1.3 <i>Financial Intermediaries</i> .....	2-2
2.1.4 <i>Intermediaries Operating in Financial Markets</i> .....	2-3
2.1.5 <i>Financial Assets (Securities)</i> .....	2-3
2.1.6 <i>Equities</i> .....	2-3
2.1.7 <i>Preference Shares</i> .....	2-4
2.1.8 <i>Fixed Income Securities</i> .....	2-4
2.1.9 <i>Rights and Warrants</i> .....	2-6
2.1.10 <i>Trading in Equities</i> .....	2-7
2.1.11 <i>Trading in Bonds / Fixed Income securities</i> .....	2-7
2.1.12 <i>Corporate Actions on Securities</i> .....	2-9
<b>3. Securities - an Overview .....</b>	<b>3-1</b>
3.1 Introduction.....	3-1
3.2 A Snapshot of the Module .....	3-2
3.3 Processing at the Portfolio Level - at the Beginning or End of Day.....	3-4
3.4 Getting Started with the Module .....	3-4
3.4.1 <i>Building Classes</i> .....	3-4
3.4.2 <i>Defining Products</i> .....	3-5
3.4.3 <i>Handling Interest, Charge and Tax Components</i> .....	3-6
3.4.4 <i>Building a Transaction Tax Scheme</i> .....	3-7
3.4.5 <i>Building an Issuer Tax Scheme</i> .....	3-7
3.4.6 <i>Handling Brokerage</i> .....	3-8
3.4.7 <i>Tracking Limits</i> .....	3-8
3.4.8 <i>Settling Deals</i> .....	3-8
3.4.9 <i>Querying the System for Details</i> .....	3-8
<b>4. General Maintenance .....</b>	<b>4-1</b>
4.1 Introduction.....	4-1
4.2 Maintaining Bank Parameters .....	4-1
4.2.1 <i>Maintaining Deal Products</i> .....	4-2
4.2.2 <i>Maintaining Nominal Based Yield Computation</i> .....	4-3
4.3 Defining Branch Parameters .....	4-4
4.3.1 <i>Specifying the Batch Processing Parameter</i> .....	4-4
4.3.2 <i>Specifying Revaluation Level</i> .....	4-4
4.3.3 <i>Specifying whether Coupon Dates can Move across Months</i> .....	4-5

4.3.4	<i>Specifying whether Accounting Value Date can Move across Months</i> .....	4-5
4.3.5	<i>Specifying Interest Accrual level</i> .....	4-6
4.4	Defining Floating Rate Codes.....	4-10
4.4.1	<i>Defining Rate Sources</i> .....	4-13
4.4.2	<i>Defining Rate Type</i> .....	4-16
4.4.3	<i>Defining Floating Rates</i> .....	4-17
4.5	Maintaining Market Details.....	4-17
4.5.1	<i>Specifying 'Main' details</i> .....	4-18
4.5.2	<i>EIM for Treasury Bills and Security Bonds</i> .....	4-20
4.5.3	<i>Specifying Interest Details</i> .....	4-24
4.6	Interest Method for Computing Coupon Interest.....	4-25
4.6.1	<i>Exempting Interest for the Ex Period</i> .....	4-29
4.6.2	<i>Specifying Spot Date</i> .....	4-30
4.6.3	<i>Specifying Ex date</i> .....	4-31
4.7	Specifying Tax Details.....	4-32
4.7.1	<i>Associating Scheme with Issuer Tax</i> .....	4-32
4.7.2	<i>Indicating Stop Association</i> .....	4-32
<b>5.</b>	<b>Maintaining Price Details</b> .....	<b>5-1</b>
5.1	Introduction.....	5-1
5.1.1	<i>Price Quotation Method</i> .....	5-2
<b>6.</b>	<b>Maintaining Market Price Codes</b> .....	<b>6-1</b>
6.1	Introduction.....	6-1
<b>7.</b>	<b>Maintaining Safe Keeping Locations</b> .....	<b>7-1</b>
7.1	Introduction.....	7-1
7.1.1	<i>Exposure Line</i> .....	7-2
7.1.2	<i>Specifying SK Location Account</i> .....	7-3
7.1.3	<i>Making Query</i> .....	7-3
7.2	Computation of KEST.....	7-3
7.2.1	<i>Defining KESTYPE as a User Defined Field</i> .....	7-3
7.2.2	<i>Calculation of KEST for 'Customer Sell' Type of Transactions</i> .....	7-4
7.2.3	<i>Calculation of KEST for Customer Buy Type of Transactions</i> .....	7-4
7.2.4	<i>Specifying KEST Type for a Customer</i> .....	7-4
7.2.5	<i>Specifying KEST Rates in the Securities Price Definition Maintenance Screen</i> .....	7-5
7.3	Specifying Generation of New SWIFT Messages.....	7-5
<b>8.</b>	<b>Building Branch &amp; Currency Restriction Classes</b> .....	<b>8-1</b>
8.1	Maintaining Restrictions as Classes.....	8-1
8.1.1	<i>The Advantage of Defining Restrictions as Classes</i> .....	8-1
8.2	The Branch and Currency Restrictions Class Screen.....	8-1
8.2.1	<i>Maintaining Branch Restrictions</i> .....	8-2
8.2.2	<i>Maintaining Currency Restrictions</i> .....	8-3
8.3	Specifying the Customer Category Restrictions Class.....	8-3
8.3.1	<i>The Customer Category Restrictions Class screen</i> .....	8-3
<b>9.</b>	<b>The Accounting Role to Head Mapping Class</b> .....	<b>9-1</b>
9.1	Introduction.....	9-1
9.2	General Ledger Types.....	9-1
9.3	The Accounting Roles and Heads Class.....	9-2
9.3.1	<i>The advantage of Building Accounting Roles and Heads Classes</i> .....	9-2
9.3.2	<i>Maintaining an Accounting Roles and Heads Class</i> .....	9-2



9.3.3	<i>Mapping Roles to Heads</i> .....	9-3
9.4	The Event Class .....	9-3
9.4.1	<i>Maintaining an Event Accounting Entries and Advices Class</i> .....	9-4
9.4.2	<i>Specifying the Advices to be Generated</i> .....	9-6
<b>10.</b>	<b>Defining Security Preference Classes</b> .....	<b>10-1</b>
10.1	Introduction .....	10-1
10.2	Specifying Security Product Preference Classes .....	10-1
10.2.1	<i>The Market of Issue</i> .....	10-2
10.2.2	<i>Defining Interest Details for a Bond</i> .....	10-3
10.2.3	<i>Capturing Information Specific to a Security Type</i> .....	10-4
10.2.4	<i>Indicating Banker's Acceptance</i> .....	10-5
10.2.5	<i>Capturing Trade-Related Information</i> .....	10-5
10.2.6	<i>Identifying the Holder</i> .....	10-6
10.2.7	<i>Specifying the Material of a Security</i> .....	10-7
10.2.8	<i>Indicating the Collateral Type</i> .....	10-7
10.2.9	<i>Opting for Automatic Initiation of Corporate Actions</i> .....	10-7
10.2.10	<i>Indicating the Price Code for Revaluation</i> .....	10-7
10.2.11	<i>Tenor Details</i> .....	10-7
10.2.12	<i>Capturing SWIFT Related Information</i> .....	10-8
10.3	Defining Deal Limits for a Preference Class .....	10-8
10.4	Defining Securities Conversion Rule .....	10-9
<b>11.</b>	<b>Maintaining Portfolio Preference Class</b> .....	<b>11-1</b>
11.1	Introduction .....	11-1
11.2	Specifying Portfolio Preferences Classes .....	11-1
11.2.1	<i>Identifying Portfolio Preference Class</i> .....	11-2
11.2.2	<i>Portfolio Type</i> .....	11-2
11.2.3	<i>Costing Method</i> .....	11-3
11.2.4	<i>Processing</i> .....	11-5
11.2.5	<i>Book Discount Premium</i> .....	11-6
11.2.6	<i>Book Intrinsic Value</i> .....	11-7
11.2.7	<i>Rekey for Authorization</i> .....	11-7
11.2.8	<i>Rekey Fields</i> .....	11-7
11.2.9	<i>Corporate Action Notice</i> .....	11-8
11.2.10	<i>Treasury Bills Accrual</i> .....	11-9
11.2.11	<i>Purchase Interest</i> .....	11-10
11.2.12	<i>Holdings Statement</i> .....	11-10
11.2.13	<i>Transaction Statement</i> .....	11-11
11.2.14	<i>Contra Holding</i> .....	11-11
11.3	Specifying Detailed Preferences .....	11-12
11.3.1	<i>Premium/Discount Accrual</i> .....	11-13
11.3.2	<i>Limit Tracking</i> .....	11-15
11.3.3	<i>Forward Profit and Loss Accrual</i> .....	11-16
11.3.4	<i>Redemption Premium Accrual</i> .....	11-18
11.3.5	<i>Revaluation of Positions</i> .....	11-20
11.3.6	<i>Interest Accrual Preferences</i> .....	11-23
11.3.7	<i>Revaluation Exchange Rate Code</i> .....	11-24
11.4	Yield Accrual for Deals bought on Par .....	11-24
<b>12.</b>	<b>Defining a Deal Preference Class</b> .....	<b>12-1</b>
12.1	Introduction .....	12-1

12.1.1	<i>Specifying the Deal Preferences Class</i> .....	12-1
12.2	Features of the Screen .....	12-2
12.2.1	<i>Identifying a Deal Preference Class</i> .....	12-2
12.2.2	<i>Exchange Rate Type</i> .....	12-3
12.2.3	<i>Brokerage Allowed</i> .....	12-3
12.2.4	<i>Automatic Money Settlement</i> .....	12-3
12.2.5	<i>Extension Allowed</i> .....	12-4
12.2.6	<i>Rekey Requirements</i> .....	12-4
12.2.7	<i>Specifying Other Preferences</i> .....	12-5
<b>13.</b>	<b>Security Restriction Classes</b> .....	<b>13-1</b>
13.1	Introduction .....	13-1
13.2	Specifying the Security Restrictions .....	13-1
13.2.1	<i>Identifying a Security Restrictions Class</i> .....	13-2
13.2.2	<i>Security Restriction</i> .....	13-3
13.2.3	<i>Security Access</i> .....	13-3
<b>14.</b>	<b>Maintaining Portfolio Restriction Classes</b> .....	<b>14-1</b>
14.1	Introduction .....	14-1
14.2	Specifying the Portfolio Restriction Classes .....	14-1
14.2.1	<i>Portfolio Access</i> .....	14-3
14.3	Viewing Securities - Portfolio Safe Keeping Location Balances Summary .....	14-3
14.4	Viewing Securities - Portfolio Safe Keeping Location Movements Summary .....	14-5
<b>15.</b>	<b>Defining Attributes of a Securities Product</b> .....	<b>15-1</b>
15.1	Introduction .....	15-1
15.1.1	<i>Product Type</i> .....	15-2
15.1.2	<i>Exchange Rate Variance</i> .....	15-2
15.2	Specifying Preferences for a Product .....	15-2
15.3	Coupon Processing .....	15-3
15.4	Capturing Interest Details .....	15-5
15.4.1	<i>Specifying Interest Type Details</i> .....	15-5
15.4.2	<i>Specifying Event Details</i> .....	15-5
<b>16.</b>	<b>Defining Attributes of a Portfolio Product</b> .....	<b>16-1</b>
16.1	Introduction .....	16-1
16.1.1	<i>Exchange Rate Variance</i> .....	16-2
16.2	Indicating 'Preferences' for a Product .....	16-2
<b>17.</b>	<b>Defining Attributes of a Deal Product</b> .....	<b>17-1</b>
17.1	Introduction .....	17-1
17.1.1	<i>Product Type</i> .....	17-2
17.1.2	<i>Exchange Rate Variance</i> .....	17-2
17.2	Specifying Preferences for a Product .....	17-2
17.2.1	<i>Specifying User Defined Fields</i> .....	17-3
17.2.2	<i>Specifying accounting entries for KEST computation</i> .....	17-4
<b>18.</b>	<b>Defining a Product Combination</b> .....	<b>18-1</b>
18.1	Introduction .....	18-1
18.2	Creating a Combination Product .....	18-1
18.2.1	<i>Creating a Combination Product</i> .....	18-2
<b>19.</b>	<b>Maintaining a Security</b> .....	<b>19-1</b>
19.1	Introduction .....	19-1
19.1.1	<i>A description of the Security Instrument Definition Screen</i> .....	19-1
19.2	Entering the Details of a Security .....	19-2

19.2.1	Identifying a Security .....	19-2
19.2.2	Entering the Main Details .....	19-4
19.2.3	Identifying the Market and the Issuer .....	19-5
19.2.4	Specifying the material of a security.....	19-5
19.2.5	Specifying Redemption Quotation Method .....	19-5
19.2.6	Indicating Corporate Action Preference.....	19-6
19.2.7	Capturing Trade-Related Information .....	19-6
19.2.8	Specifying Type of Price Quotation .....	19-6
19.2.9	Capturing Information Specific to the Security Type .....	19-7
19.2.10	Indicating Banker's Acceptance .....	19-9
19.2.11	Specifying Currencies.....	19-10
19.2.12	Specifying Relevant Dates .....	19-10
19.2.13	Specifying Price Details.....	19-10
19.2.14	Entering Interest Details for a Bond.....	19-11
19.2.15	Opting for Automatic Initiation of Corporate Actions .....	19-16
19.2.16	Indicating a Revaluation Price Code .....	19-16
19.2.17	Indicating the Collateral Type .....	19-16
19.2.18	Specifying the Market for Revaluation.....	19-16
19.2.19	Specifying the Yield Calculation Parameters for a Security .....	19-17
19.3	Interest Method for Computing Coupon Interest .....	19-20
19.4	Uploading Security Instruments for Amendment .....	19-21
19.5	Bulk Upload- Security Instruments & Market Security Price.....	19-22
19.5.1	Specifying Contract Interest Details .....	19-23
19.6	Reassigning Securities Deal Contract .....	19-25
<b>20.</b>	<b>Maintaining and Processing Corporate Actions .....</b>	<b>20-1</b>
20.1	Introduction.....	20-1
20.1.1	Stages in the Processing of a Corporate Action Event.....	20-1
20.2	Defining Rights and Warrants.....	20-2
20.2.1	Indicating Rights Ratio and Rounding Fractions .....	20-3
20.2.2	Specifying Event Narrative .....	20-4
20.2.3	Saving Rights/Warrants Record .....	20-4
20.3	Processing Rights And Warrants.....	20-5
20.4	Processing Rights.....	20-5
20.4.1	Rights Tear-Off.....	20-5
20.4.2	Rights Exercise.....	20-5
20.4.3	Warrants Tear Off.....	20-6
20.4.4	Warrants Exercise .....	20-6
20.5	Maintaining Rights and Warrants Expiry Details .....	20-6
20.5.1	Specifying End of Trading Date .....	20-7
20.5.2	Event Narrative.....	20-7
20.5.3	Processing a Rights Expiry Event .....	20-8
20.5.4	Processing a Warrants Expiry Event.....	20-8
20.6	Maintaining Security Redemption Details.....	20-8
20.6.1	Specifying Redemption Schedules.....	20-9
20.7	Processing for Security Redemptions .....	20-11
20.7.1	Redemption Processing based on Quotation Type .....	20-12
20.7.2	End of Trading Processing .....	20-12
20.8	Processing of Amendment on Redemption Schedules .....	20-13
20.9	Maintaining Interest Coupon Details.....	20-13
20.9.1	Linking Interest Component to Tax Component.....	20-14

20.9.2	<i>Specifying Event Narrative</i> .....	20-15
20.10	Processing Interest Coupons .....	20-15
20.11	Maintaining Interest Rate Revision Details .....	20-16
20.12	Maintaining Stock Dividend Details .....	20-17
20.13	Maintaining Cash Dividend Details .....	20-20
20.14	Processing dividends .....	20-22
20.15	Maintaining Bonus to Cash Conversion Details .....	20-23
20.16	Processing Bonus to Cash Conversions .....	20-25
20.17	Manually Processing Corporate Action Events .....	20-25
20.18	Moving on to Other Screens .....	20-26
<b>21.</b>	<b>Defining Portfolios</b> .....	<b>21-1</b>
21.1	Introduction .....	21-1
21.2	Specifying Portfolio Definition Details .....	21-1
21.3	Entering the Details of a Portfolio .....	21-2
21.3.1	<i>Identifying a Portfolio</i> .....	21-2
21.4	Defining Preferences for a Portfolio .....	21-6
21.5	Specifying the Advices to be Generated .....	21-14
21.6	Viewing Event Details .....	21-16
21.7	Maintaining Security Restrictions for a Portfolio .....	21-17
21.7.1	<i>Features of the screen</i> .....	21-17
21.8	Mapping Accounts to a Safe Keeping Location .....	21-18
21.9	Specifying Accounting Role to Head Mapping Preferences .....	21-20
21.10	Maintaining Security Revaluation Prices for a Portfolio .....	21-21
21.11	Maintaining Risk Profile .....	21-21
21.12	Viewing Safe Keeping Location Portfolio Balances .....	21-22
<b>22.</b>	<b>Processing a Securities Deal</b> .....	<b>22-1</b>
22.1	Introduction .....	22-1
22.1.1	<i>Invoking the Securities Deal Input Screen</i> .....	22-2
22.1.2	<i>A Description of the Securities Deal Input Screen</i> .....	22-2
22.2	Entering the Details of a Deal .....	22-4
22.2.1	<i>Product</i> .....	22-4
22.2.2	<i>Indicating details of the security that is traded</i> .....	22-5
22.2.3	<i>Indicating Deal Details</i> .....	22-6
22.2.4	<i>Entering 'Additional Details' of a Deal</i> .....	22-13
22.2.5	<i>Price Details of the Deal</i> .....	22-15
22.3	Viewing Safe Keeping Location Balances .....	22-25
22.4	Deal Net Consideration .....	22-26
22.5	Specifying Details of the Parties Involved in a Deal .....	22-29
22.6	Maintaining Settlement Instructions for a Deal Leg .....	22-30
22.6.1	<i>Capturing Settlement Instructions</i> .....	22-30
22.6.2	<i>Capturing Account Details</i> .....	22-31
22.6.3	<i>Capturing Details of the Deal Output</i> .....	22-32
22.6.4	<i>Capturing Party Details</i> .....	22-33
22.7	Levying Tax on a Deal .....	22-35
22.7.1	<i>Features of the Tax Details Screen</i> .....	22-36
22.8	Processing Brokerage on a Deal .....	22-37
22.8.1	<i>Features of the Contract Brokerage Details Screen</i> .....	22-38
22.9	Uploading the Deals for Amendment .....	22-39
22.10	Liquidating a Deal .....	22-40
22.10.1	<i>Money settlement</i> .....	22-41

22.10.2	<i>Security settlement</i> .....	22-41
22.11	Reassigning a Deal to another User.....	22-41
<b>23.</b>	<b>Processing a Block Securities Deal .....</b>	<b>23-1</b>
23.1	Introduction.....	23-1
23.1.1	<i>Features of a Block Deal in Oracle FLEXCUBE</i> .....	23-1
23.1.2	<i>Invoking the Block Securities Deal Screen</i> .....	23-1
23.1.3	<i>A Description of the Block Securities Deal Screen</i> .....	23-2
23.2	Entering the Details of a Block Deal.....	23-3
23.2.1	<i>Indicating Details of the Security that is Traded</i> .....	23-4
23.2.2	<i>Indicating Deal Details</i> .....	23-5
23.2.3	<i>Specifying Details of the Single and Multiple Legs of a Deal</i> .....	23-8
23.2.4	<i>Specifying Details of the Multiple Leg of the Deal</i> .....	23-9
23.3	Entering 'Additional Details' of a Deal.....	23-9
23.3.1	<i>Specifying Additional Details for the Deal</i> .....	23-10
23.4	Uploading the Details of a Block Deal.....	23-11
<b>24.</b>	<b>Transferring Securities across Locations .....</b>	<b>24-1</b>
24.1	Introduction.....	24-1
24.1.1	<i>Specifying the SK locations and accounts</i> .....	24-3
24.2	Moving on to the Other Screens.....	24-4
<b>25.</b>	<b>Maintaining Block Security Details .....</b>	<b>25-1</b>
25.1	Introduction.....	25-1
<b>26.</b>	<b>Batch Processes .....</b>	<b>26-1</b>
26.1	Introduction.....	26-1
26.1.1	<i>Beginning of Day Processing</i> .....	26-1
26.1.2	<i>Processing Daily Events</i> .....	26-1
26.1.3	<i>Invoking the Automatic Daily Program</i> .....	26-2
26.2	Triggering Securities MSTL Batch.....	26-3
26.3	EOD Processing for Unrealized Revaluation.....	26-4
26.3.1	<i>Unrealized Revaluation for Unsettled Buy and Sell Deals</i> .....	26-4
26.3.2	<i>Unrealized Revaluation for Settled Deals</i> .....	26-7
26.3.3	<i>Illustrations</i> .....	26-10
<b>27.</b>	<b>Customer Correspondence .....</b>	<b>27-1</b>
27.1	Introduction.....	27-1
27.1.1	<i>Deal Related Advices</i> .....	27-1
27.1.2	<i>Corporate action related advices</i> .....	27-3
27.1.3	<i>Statement related advices</i> .....	27-3
27.2	Sample of all the Advices.....	27-4
27.2.1	<i>Securities Trade Confirmation Affirmation Message</i> .....	27-4
27.2.2	<i>Securities Market-Side Trade Confirmation</i> .....	27-7
27.2.3	<i>Securities Receive Free Instruction</i> .....	27-10
27.2.4	<i>Securities Receive Against Payment Instruction</i> .....	27-11
27.2.5	<i>Securities Deliver Free Instruction</i> .....	27-13
27.2.6	<i>Securities Deliver Against Payment Instruction</i> .....	27-14
27.2.7	<i>Securities Receipt Free Confirmation</i> .....	27-16
27.2.8	<i>Securities Receipt Against Payment Confirmation</i> .....	27-18
27.2.9	<i>Securities Deliver Free Confirmation</i> .....	27-19
27.2.10	<i>Securities Delivery Against Payment Confirmation</i> .....	27-21
27.2.11	<i>Securities Notice of Rights Message</i> .....	27-23
27.2.12	<i>Securities Notice of Event Message</i> .....	27-24

27.2.13	<i>Securities Advice of Money Income</i>	27-25
27.2.14	<i>Securities Advice of Income in the Form of Securities</i>	27-26
27.2.15	<i>Securities Advice of Redemption</i>	27-27
27.2.16	<i>Securities Request for Statement Message</i>	27-28
27.2.17	<i>Securities Statement of Holdings</i>	27-29
27.2.18	<i>Securities Statement of Transactions</i>	27-31
27.2.19	<i>Securities Statement of Pending Transactions</i>	27-33
<b>28.</b>	<b>Making Queries</b>	<b>28-1</b>
28.1	Introduction	28-1
28.1.1	<i>Querying Details of Securities Safe keeping Movements</i>	28-1
28.1.2	<i>The Other Query Screens</i>	28-2
28.1.3	<i>Ordering</i>	28-2
28.2	Viewing Portfolio Securities Movements	28-3
<b>29.</b>	<b>Handling Repos</b>	<b>29-1</b>
29.1	Introduction	29-1
29.2	Maintaining Products	29-1
29.2.1	<i>Specifying Securities Repo Product Definition Details</i>	29-1
29.2.2	<i>Setting Product Preferences</i>	29-2
29.2.3	<i>Specifying Interest Details for Product</i>	29-3
29.2.4	<i>Associating Discount Accrual Components to Products</i>	29-5
29.3	Capturing Details of Repo Contract	29-6
29.3.1	<i>Specifying Interest Details</i>	29-8
29.4	Uploading Deals for Amendment	29-9
29.4.1	<i>Specifying Interest Details</i>	29-11
29.5	Maintaining Asset –Liability Linkage	29-12
<b>30.</b>	<b>Printing Subsidiary General Ledger Form- Repo and Reverse Repo Deals</b>	<b>30-1</b>
30.1	Introduction	30-1
30.1.1	<i>SGL Form Maintenance</i>	30-1
30.2	Maintaining Security Repo Payment	30-3
<b>31.</b>	<b>Error Codes and Messages for Securities</b>	<b>31-1</b>
31.1	Error Codes and Messages	31-1
31.2	Error Codes and Messages for Securities Online	31-17
31.3	Error Codes and Messages for Batches	31-24
31.4	Error Codes and Messages for Deal Input	31-35
31.5	Error Codes And Messages for Non-Securities	31-47
31.6	Error Codes and Messages for Portfolio Online	31-50
31.7	Error Codes and Messages for Others	31-52
<b>32.</b>	<b>Annexure A - Accounting Entries and Advices</b>	<b>32-1</b>
32.1	Accounting Entries for Securities Module	32-1
32.2	Securities Events	32-1
32.2.1	<i>Portfolio Type of Products</i>	32-2
32.2.2	<i>Customer Buy/Sell Type of Products</i>	32-3
32.3	Amount Tags	32-3
32.4	Accounting Roles	32-7
32.4.1	<i>List 1 – Acct Roles for a Portfolio Type of Product</i>	32-8
32.4.2	<i>List 2 – Acct Roles for a Customer Buy/Sell Type of Product</i>	32-10
32.4.3	<i>SS Deal with a Portfolio Type Of Product: Bank Portfolio</i>	32-13
32.4.4	<i>SS deal with a Customer Buy/Sell type of product</i>	32-36

<b>33. Glossary .....</b>	<b>33-1</b>
33.1 Securities Terms.....	33-1
<b>34. Reports .....</b>	<b>34-1</b>
34.1 Introduction.....	34-1
34.2 Corporate Action Tracking (Coupon EXDATE) .....	34-2
34.2.1 Contents of Report .....	34-2
34.3 Coupon Flipping .....	34-3
34.3.1 Report Options .....	34-4
34.3.2 Contents of Report .....	34-4
34.4 Securities Activity Report.....	34-4
34.4.1 Contents of Report .....	34-5
34.5 Backdated Deals Report.....	34-6
34.5.1 Contents of Report .....	34-6
34.6 Corporate Action Tracking (Ex-Date) Report.....	34-7
34.6.1 Contents of Report .....	34-8
34.7 Corporate Action Pending .....	34-9
34.7.1 Contents of the Report .....	34-9
34.8 Confirmed/Unconfirmed Report.....	34-11
34.8.1 Contents of Report .....	34-11
34.9 Security Disposition Report .....	34-12
34.9.1 Contents of Report .....	34-13
34.10 Deal Settlement Report .....	34-14
34.10.1 Contents of Report .....	34-14
34.11 Securities with Short Positions Report .....	34-15
34.11.1 Selection Criteria .....	34-15
34.11.2 Contents of Report .....	34-15
34.12 Portfolio To Portfolio Deals Report.....	34-16
34.12.1 Contents of Report .....	34-17
34.13 Matched/Unmatched Confirmation Message Report.....	34-17
34.14 Forward Profit and Loss (PnL) Accrual Report.....	34-19
34.14.1 Selection Options .....	34-19
34.14.2 Contents of Report .....	34-19
34.15 Securities Maturity Report .....	34-20
34.15.1 Selection Options .....	34-20
34.15.2 Contents of Report .....	34-21
34.16 Securities Contracts Overrides Report.....	34-22
34.16.1 Contents of Report .....	34-22
34.17 Securities Exception Report.....	34-23
34.17.1 Selection Options .....	34-23
34.17.2 Contents of Report .....	34-23
34.18 Securities Activity Report.....	34-24
34.18.1 Contents of Report .....	34-24
34.19 Corporate Action - Events Processed Report.....	34-25
34.20 Coupon Pending.....	34-27
34.20.1 Contents of Report .....	34-27
34.21 Statement of Holdings Report .....	34-28
<b>35. Function ID Glossary .....</b>	<b>35-1</b>

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# 1. Preface

## 1.1 Introduction

This manual is designed to help acquaint you with the Securities Module of Oracle FLEXCUBE.

It provides an overview to the module and takes you through the various steps involved in maintaining securities, portfolios, and deals. It also covers all the corporate actions that can be performed on Securities.

Information specific to a particular field can be obtained by placing the cursor on the relevant field and striking the <F1> key on the keyboard.

## 1.2 Audience

This manual is intended for the following User/User Roles:

Role	Function
Back office data entry Clerks	Input functions for deals/queries
Back office Managers/Officers	Authorization functions/queries
Product Managers	Product definition and authorization
End of Day Operators	Processing during End of Day/ beginning of day
Financial Controller/Product Managers	Generation of queries/reports

## 1.3 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>.

## 1.4 Organization

This manual is organized into the following chapters:

<b>Chapter 1</b>	<i>About this Manual</i> gives information on the intended audience. It also lists the various chapters covered in this User Manual.
<b>Chapter 2</b>	<i>Securities Domain</i> gives an overview of the securities domain.
<b>Chapter 3</b>	<i>Securities -an overview</i> explains the snapshot of the features and functionality offered by the module.
<b>Chapter 4</b>	<i>General Maintenance</i> deals with setting up and maintaining basic information, before the Securities module becomes operational.
<b>Chapter 5</b>	<i>Maintaining Price Details</i> deals with updating the current market price of various securities maintained in the system.



<b>Chapter 6</b>	<i>Maintaining Market Price Codes</i> deals with maintaining codes for the market price of securities including multiple price codes on account of trading in different markets.
<b>Chapter 7</b>	<i>Maintaining Safe Keeping Locations</i> deals with defining Safe Keeping locations and maintaining Safe Keeping accounts for trading securities.
<b>Chapter 8</b>	<i>Building Branch &amp; Currency Restriction Classes</i> details on the parameters to be defined and maintained governing the rules of processing securities, and define Branch, Currency, and Customer Restrictions as Classes.
<b>Chapter 9</b>	<i>The Accounting Role to Head Mapping Class</i> discusses the concept of Accounting Roles and Accounting Heads. Also described is the building of Accounting Role to Head Mapping Classes.
<b>Chapter 10</b>	<i>Defining Security Preference Classes</i> are the options available for defining the attributes of a security. This chapter explains the building of a Security Preference Class.
<b>Chapter 11</b>	<i>Maintaining Portfolio Preference Class</i> explains the building of a Portfolio Preference Class.
<b>Chapter 12</b>	<i>Defining a Deal Preference Class</i> explains the building of a Deal Preference Class.
<b>Chapter 13</b>	<i>Security Restriction Classes</i> details the concept of a Security Restrictions Class and the procedure of building one.
<b>Chapter 14</b>	<i>Maintaining Portfolio Restriction Classes</i> discusses the concept of, a Portfolio Restrictions Class and the procedure involved in building one
<b>Chapter 15</b>	<i>Defining Attributes of a Securities Product</i> - describes the concept of a product and the building of a Securities Product in Oracle FLEXCUBE.
<b>Chapter 16</b>	<i>Defining Attributes of a Portfolio Product</i> explains how you can build a Portfolio Product.
<b>Chapter 17</b>	<i>Defining Attributes of a Deal Product</i> - explained in this chapter is the procedure of building a Deal Product.
<b>Chapter 18</b>	<i>Defining a Product Combination</i> chapter deals with setting up products that cater to deal combinations.
<b>Chapter 19</b>	<i>Maintaining a Security</i> explains the details that you need to enter to maintain a security.
<b>Chapter 20</b>	<i>Maintaining and Processing Corporate Actions</i> enables you to understand the maintenance of corporate actions and the processing of corporate action events.
<b>Chapter 21</b>	<i>Defining Portfolios</i> deals with setting up of Portfolios for the Bank, your customers and for an Issuer of securities.

<b>Chapter 22</b>	<p><i>Processing a Securities Deal</i> deals with processing the following types of Securities deals:</p> <ul style="list-style-type: none"> <li>• Bank portfolio buys and sells</li> <li>• Customer buys and sells</li> <li>• Standalone lodge and withdraw</li> <li>• Safe keeping location (SKL) to SKL transfer</li> <li>• Block securities</li> </ul>
<b>Chapter 23</b>	<p><i>Processing a Block Securities Deal</i> explains the manner in which block deals are processed in Oracle FLEXCUBE.</p>
<b>Chapter 24</b>	<p><i>Transferring Securities across Locations</i> explains how to transfer securities from one Safe Keeping location to another or from one account to another within the same location. In addition it also tells you how to stop, a specified quantity of securities from being traded in the market.</p>
<b>Chapter 25</b>	<p><i>Maintaining Block Security Details</i> deals with specifying a quantity of securities to be stopped from being traded in the market</p>
<b>Chapter 26</b>	<p><i>Batch Processes</i> documents the Beginning and End of Day functions that are processed by the system.</p>
<b>Chapter 27</b>	<p><i>Customer Correspondence</i> explains the various types of advices generated at each stage, for the Securities module.</p>
<b>Chapter 28</b>	<p><i>Making Queries</i> tells you how to make queries for specific information. The steps to be followed to build a query are also detailed here</p>
<b>Chapter 29</b>	<p><i>Handling Repos</i> discusses the details that you need to maintain in the Securities module to process Repo and Reverse Repo deals.</p>
<b>Chapter 30</b>	<p><i>Printing Subsidiary General Ledger Form- Repo and Reverse Repo Deals</i> explains the process to track and maintain the subsidiary general ledger form and Security Repo Payment.</p>
<b>Chapter 31</b>	<p><i>Error codes and Messages for Securities</i> lists the error messages that you may encounter, while working with Oracle FLEXCUBE.</p>
<b>Chapter 32</b>	<p><i>Annexure A - Accounting Entries and Advices</i> for the Securities module lists the suggested event-wise accounting entries and advices for the Securities module.</p>
<b>Chapter 33</b>	<p><i>Glossary</i> provides the list the important terms and its definition.</p>
<b>Chapter 34</b>	<p><i>Reports</i> explains the various report programs and reporting features available under the Securities module.</p>
<b>Chapter 35</b>	<p><i>Function ID Glossary</i> has alphabetical listing of Function/Screen ID's used in the module with page references for quick navigation.</p>

## 1.5 Related Documents





You may need to refer to any or all of the User Manuals while working on the Securities module:

- Procedures
- Messaging System

- Management Information System
- Central Liability
- Products
- Settlements
- Interest
- Charges and Fees
- Tax
- User Defined Fields

## 1.6 Glossary of Icons

This User Manual may refer to all or some of the following icons:

Icons	Function
	Exit
	Add row
	Delete row
	Option List

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## 2. Securities Domain

### 2.1 Overview of Securities Domain

The role of the financial system can be broadly classified into the following:

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

Financial system evolved due to certain complexities associated in performing these functions.

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

#### 2.1.1 Financial Markets

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

##### 2.1.1.1 Types of Markets

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

###### **Money Market**

The money market is a wholesale debt market for low-risk, highly- liquid, short-term instruments. Funds are available in this market for periods ranging from a single day up to a year. Government, banks and financial institutions dominate this market.

###### **Capital Markets**

The capital market is designed to finance long-term investments. The transactions taking place in this market are for periods over a year.

###### **Forex Market**

The forex market deals with multi-currency requirements, which are met by the exchange of currency. Depending on the exchange rate that is applicable, the transfer of funds takes place in this market. This is one of the most developed and integrated markets across the globe.

###### **Credit Market**

Credit market is a place where banks, financial institutions and NBFCs purvey short, medium and long-term loans to corporates and individuals.

Such a segregation of the financial market into various subgroups has enhanced the efficiency of resource allocation. Each market is unique in terms of the nature of participants, instruments etc.

## 2.1.2 Characteristic Features of the Financial Markets

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

Within the above mentioned sub-markets, based on the transactions, financial markets can further be classified into open markets and negotiated markets. The basic distinction between these two types of markets is based on how the securities are bought and sold. In an open market, the securities will be offered to a large number of investors who can buy and sell them any number of times before the maturity period. The public issue of securities takes place in an open market. On the other hand, the negotiated market will have only a selected group of investors to whom the securities are offered and sold. It will generally be a private contract between the seller and the buyer. A bought-out deal and a car loan are good examples of transactions in a negotiated market.

Another useful and important distinction between markets in the financial system is the primary market and the secondary market. The primary market is a place for the fresh issue of securities. Corporates, banks, FIs and government can issue new securities and raise funds for investment purposes. The secondary market deals in securities previously issued in the primary market thereby providing liquidity to the investors. Investors can buy and sell securities in the secondary market on a continuous basis. Due to this the volume of transactions taking place in the secondary market are far greater than those taking place in the primary markets. Except for the capital market, the other sub-markets present in the financial system either do not have a secondary market or their operations in the same are negligible. The secondary market transactions of the capital market take place at the stock exchanges. All securities that are issued in the primary market will have to be listed on the stock exchanges to enable trading activity. The secondary market helps in undertaking 'maturity intermediation' by bringing together savers and users with conflicting maturity targets.

## 2.1.3 Financial Intermediaries

Having designed the instrument the issuer should ensure that these financial assets reach the ultimate investor in order to garner the required amount. When the borrower of funds approaches the financial market to raise funds, mere issue of securities may not suffice. Adequate information of the issue, issuer and the security should be passed on the supplier of funds for the exchange of funds to take place. To serve this purpose, financial intermediaries came into existence. Major changes have been witnessed in the type of issuers and investors participating in the market. Financial innovations, technological up gradations and most importantly changing regulatory mechanism made the process of raising funds from the market place a complex task. Investors' preferences for financial assets have also changed. Designing instruments that catch the investors' attention has now become a specialized service. Likewise, proper expertise is also necessary for establishing transactions

in the financial markets. Large volume of transactions taking place in the markets will have to be recorded promptly and accurately.

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

#### 2.1.4 **Intermediaries Operating in Financial Markets**

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

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

#### 2.1.5 **Financial Assets (Securities)**

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

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

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

#### 2.1.6 **Equities**

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

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

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

### 2.1.7 **Preference Shares**

Preference shares are also shares with certain variations.

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

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

### 2.1.8 **Fixed Income Securities**

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

#### 2.1.8.1 **Bonds**

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

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

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

#### **Bond Features**

- *Callable* As with preferred stocks, bonds may be callable. Issuers have the ability to retire the issue before maturity, if they want to, under set conditions.
- *Convertible* Usually this convertible feature allows the bond to be converted into equity, thereby reducing the corporate debt.

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

Bonds may be retired / redeemed by three methods:

- In redemption, the bonds are retired and the bondholders are paid cash. Here again, the bonds are retired completely in one stroke or in a logical sequence of the series.
- In a conversion, the bondholders exchange their bonds for shares of common stock.
- In a refunding, the corporation retires one bond issue by issuing another.

#### **2.1.8.2 T Bills (Issued on Behalf of the Government)**

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

#### **2.1.8.3 T Notes and T Bonds (Issued on Behalf of the Government)**

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

#### **2.1.8.4 Treasury Strips (Issued on Behalf of the Government)**

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

#### **2.1.8.5 Certificates of Deposit (CDs)**

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

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



### **2.1.8.6 Commercial Paper**

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

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

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

### **2.1.8.7 Banker's Acceptances (BAs)**

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

### **2.1.8.8 Municipal Bonds And Notes**

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

### **2.1.9 Rights and Warrants**

From time to time a company may need to raise additional capital by issuing common stock. It may do so either through the usual underwriting methods or through the issuance of rights or warrants to current stockholders.

Rights and warrants are similar in that both permit their holders to subscribe to the new shares. They differ in that rights are generally short term whereas warrants have much longer lives. Also a corporation may have several warrant issues outstanding at one time, but it may offer only one rights issue at a time.

#### **2.1.9.1 Rights**

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

#### **2.1.9.2 Warrants**

A warrant, attached to another security, entitles the holder to convert the security into common stock or some other instrument at a set price during a specified period of time. The price set in the warrant is usually lower than the current market value of the common stock.

Warrants are longer-term issues than rights. They generally come to the marketplace as part of a *unit*, which is comprised of two or more issues. For example, a corporation may issue a

combination of bonds and warrants. The bonds are in regular form, and the warrants are used to make the offering more attractive.

*The 'Certificate'* In the case of either a right or warrant, *the certificate* itself is referred to as a right or as a warrant. Actually, 'a' right certificate could represent 100 rights, and 'a' warrant certificate could represent 100 warrants. The term causes confusion and is a source of errors in the brokerage community. Operations personnel should always make certain whether the term means the right or warrant certificate or the quantity of rights or warrants represented thereon.

## 2.1.10 Trading in Equities

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

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

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

Typical settlement periods that stock exchanges follow are:

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

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

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

## 2.1.11 Trading in Bonds / Fixed Income securities

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

- Units
- Nominal value

In the 'units' scenario, bonds are bought in units and are quoted at a nominal price. Since fixed income securities usually mature at the face value, the prices of such securities are always quoted at discount. Years to maturity and interest rate of the fixed income security are the two primary factors, which determine the price of the security. Here again, the price at which it is quoted can be either Clean price or it can be Flat price. Clean price is the basic price of the security and flat price contains the basic price plus the accrued interest on the security from the last interest payment date. In the first case, the buyer will pay the seller the accrued interest from the last interest payment date separately. Even though, the outflow for the buyer is same in both the cases, the important thing is from the accounting point of view.

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

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

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

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

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

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

- Nominal Yield
- Current Yield
- Yield to maturity

Nominal Yield - This is the percentage of interest paid on the face value of the instrument.

For instance, a \$1000 bond with an interest obligation of 7% has a nominal yield of 7% (.07 x \$1000). It pays \$70 interest per year on each \$1000 bond.

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

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

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

For instance, a \$1000 bond paying 7% interest will mature in 30 years. When the investor purchases it for \$1200, the bond has twenty years of life left. At the end of the 20 years (at maturity), the corporation is obligated to retire the debt for \$1000 (face value). If the investor paid \$1200 today for the bond, he will receive only \$1000 at maturity. Divide the \$200 loss (or amortize it) over the 20 remaining years: \$200 divided by 20 years equals \$10 per year. The investor is losing \$10 per year, which accumulates on this transaction. Yet the bond is going to pay him \$70 per year in interest. So over 20 years, the investor actually earned an average of \$60 per year every year he owns the bond. In dollars, this is the yield to maturity.

Yield to maturity = Interest received +/- amortized figure

$(\text{Face value} + \text{cost}) / 2$

For example,

$\$70 - \$10 = 0.0545$

$(\$1000 + \$1200) / 2$

The yield to maturity is 5.45%

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

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

## 2.1.12 Corporate Actions on Securities

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

### **Investors' returns:**

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

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

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

- Stock splits
- Mergers and acquisitions

### **2.1.12.1 Cash Dividend**

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

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

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

### **2.1.12.2 Stock Dividend**

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

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

### **2.1.12.3 Interest on Fixed Income Securities**

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

### **2.1.12.4 Redemption on Fixed Income Securities**

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

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

### **2.1.12.5 Rights / Warrants**

Rights offerings give existing shareholders an opportunity to purchase (or subscribe to) additional shares of stock at a discount from the public offering price when the company prepares to issue new shares. These shares, which are also called subscription rights, are transferable securities. The existing investors have the option to allow the rights to expire, renounce (where they sell the rights offer to another person) or exercise the options.

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

#### **2.1.12.6 Stock Splits**

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

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

#### **2.1.12.7 Mergers and Spin-offs**

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

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

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## 3. Securities - an Overview

### 3.1 Introduction

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

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

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

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

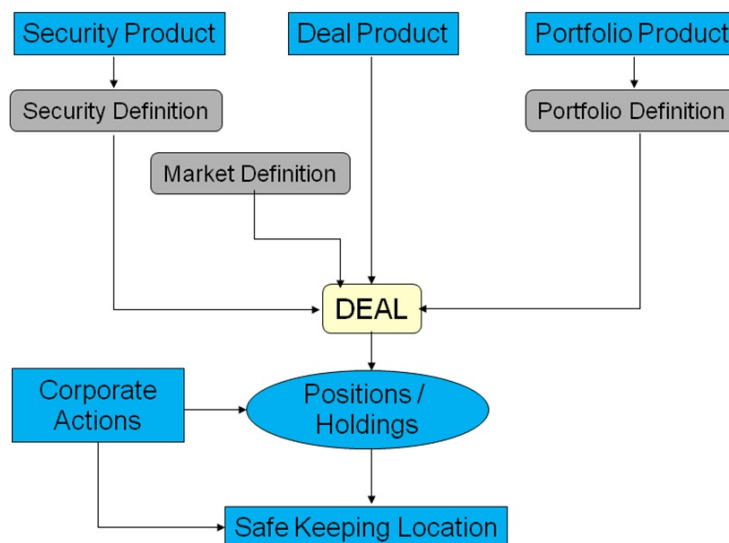
The Securities module gives you the *flexibility* to define, upfront, components (such as interest, charge, and tax), restrictions (such as branch, currency, customer, security, and portfolio), preferences, and events and accounting entries into 'Classes'. When defining a product, you merely need to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

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



## 3.2 A Snapshot of the Module

Architecture



### The instruments supported

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

### Corporate Actions processing supported

Bonds:

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

Equities:

- Cash Dividend (as rate per face value, or value per unit) collected and disbursed, by batch, from the safe keeping location of the holding, for each portfolio.
- Stock Dividend (Bonus) with user-defined resultant security processed, by batch, as a 'buy' deal from the location of holding of the parent security, for each portfolio.



- Partial or full cash conversion, at user-defined encashment price, collected by batch from the safe keeping location of the holding, for each portfolio.
- Rights events are processed as appropriate auto buy or sell deals between the portfolio and the SK location of the holding.

#### Rights and Warrants:

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

#### Portfolio features supported:

##### Bank Portfolio

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

##### Issuer Portfolio

- Costing basis is always WAC and the portfolio is always short in the issued security.
- Independent option for accruing interest and discount on zero coupon bonds, issued by the portfolio, at a user-defined frequency.
- Flexible user-defined accounting entries and advices for each event.

##### Customer Portfolio

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

#### Deal Product Types

The following deal types are supported:

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

#### Activities Supported through Deal Online

- Purchase and sale of securities between bank and customer portfolios, bank and standalone customers, bank and bank, and customer and customer.
- Spot and forward deals can be processed using user specified market details, rates, trade and settlement dates, bought or sold interest, and deal currency. Most likely values available as defaults for aiding faster inputs.

- Money settlement, on auto or manual basis, according to pre-defined settlement instructions.
- Deal level messaging based on the parties specified
- Customer portfolio deals, with accompany withdraw/lodge options, to capture deals by customer portfolio outside bank's custodial interest.
- Standalone Withdraw/Lodge for customer to handle customer deals struck independently from holdings managed by the bank.
- Repo by bank portfolio/Reverse Repo by bank to customer with portfolio (auto blocking in portfolio of securities and with tracking of the market value of the blocked securities vis-à-vis the contract amount outstanding).
- Block Release Block
- Transfer across Safe Keeping Locations
- Facility to change the format of the security

### **3.3 Processing at the Portfolio Level - at the Beginning or End of Day**

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

### **3.4 Getting Started with the Module**

Oracle FLEXCUBE's Securities module helps you streamline your operations to a remarkable degree. This is borne out by the following maintenance features.

The maintenance functions can be broken into the following categories:

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

#### **3.4.1 Building Classes**

In Oracle FLEXCUBE, a 'Class' embodies a generic set of attributes. A class could represent:

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

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

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

This feature eliminates redundancy, and saves processing time.

### 3.4.2 **Defining Products**

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

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

A portfolio product can *also represent a specific service that you offer*. You can define a customer portfolio maintenance service, 'Clean, Safe and Fast Buck', for example, as a product.

Similarly, you can define a *category* of securities (such as the t-bills issued by your government) as a product, and a category of security deals as a product.

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

#### **The Advantage of Defining a Portfolio Product**

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

- You would not deal in long-term Zero Coupon Bonds.
- You would not deal in securities issued by alcoholic beverage companies.
- You would not deal in securities issued by industries blacklisted by Greenpeace.

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

- The securities that you are *not* allowed to deal in (long term zero coupon bonds, securities issued by alcoholic beverage companies and companies blacklisted by Greenpeace).
- If you would like to provide Transaction, Corporate Action, and Holdings Statements (and if so, the frequency, the start date and the start month)
- The GLs that would be impacted.
- The advices that need to be generated.
- The charges that you would levy.
- The taxes that would apply.

- If you would like to *auto* liquidate for Corporate Actions.
- The MIS Heads under which you would like to report the portfolio.

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

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

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

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

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

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

### **3.4.3 Handling Interest, Charge and Tax Components**

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

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

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

A Stock Exchange tax

Local tax 1 - applicable on the deal amount

Local tax 2 – an additional tax

In Oracle FLEXCUBE, each of these taxes is referred to as a 'component' of the deals that you enter into.

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

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

#### **Building Interest and Charge Classes**

A class is a specific type of Interest or Charge component. A 'quarterly coupon paid on the current face value' is an example of an interest component. A charge levied on every extra

'Statement of Holdings provided' is an example of a charge component. When building a class, you can identify:

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

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

### **Building Tax Classes**

With the Securities module of Oracle FLEXCUBE, you can process two kinds of tax:

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

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

#### **3.4.4 Building a Transaction Tax Scheme**

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

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

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

#### **3.4.5 Building an Issuer Tax Scheme**

When building an Issuer tax class, you associate it with a Rate Code, and *not* a Tax Rule. (A code uniquely identifies a rate value.) You can group the Issuer tax classes that you have built

into an issuer tax *scheme*. When maintaining a security product, you can associate it with an issuer tax scheme that you have built. Issuer taxes for securities associated with the product will be calculated, by default, according to the issuer tax components built into the scheme.

### **3.4.6 Handling Brokerage**

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

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

### **3.4.7 Tracking Limits**

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

- A counterparty in a securities deal
- An Issuer

Oracle FLEXCUBE also provides you the facility to track your exposure in an SK Location.

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

### **3.4.8 Settling Deals**

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

Settlements are effected by way of a funds transfer. The seamless interface with the Funds Transfer module of Oracle FLEXCUBE allows you to effect a transfer effortlessly.

### **3.4.9 Querying the System for Details**

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

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

The Securities module offers you a Query screen to locate each of the above types of information. In the query screen, specific to the type of information you are looking for, you can enter the *criteria* by which you would like to filter data. Only data that satisfies the criteria that you specify will be displayed for your reference.

*The chapter 'Querying the System for details' discusses this feature elaborately.*

## 4. General Maintenance

### 4.1 Introduction

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

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

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

#### Note

The basic information, necessary for the successful operation of the securities module, should be periodically reviewed and updated to reflect the latest changes.

### 4.2 Maintaining Bank Parameters

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

You can invoke the 'Securities Bank Parameters Maintenance' screen by typing 'SEDXBNPM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot displays the 'Securities Bank Parameter Maintenance' application window. The interface includes a top toolbar with 'New' and 'Enter Query' buttons. The main content area is divided into several sections. At the top, there are input fields for 'Bank Code \*', 'Bank Name', 'Exposure Tracking' (with radio buttons for 'Undelivered Exposure' and 'Total Exposure'), 'Yield to Maturity Display Decimals', 'Security MIS Parameter' (set to 5), and a checkbox for 'Propagate Market Price Across Branches'. Below this, there are four tabs: 'Rights & Bonus', 'Warrants & Redemption', 'Deal Products', and 'Rights & Bonus' (selected). Each tab has sub-sections for 'Rights Exercise Product', 'Rights Expiry Product', 'Rights Tear off Product', and 'Bonus Product', each with 'Bank Portfolio \*' and 'Customer Portfolio \*' fields. At the bottom, there is a 'Fields' section with labels for 'Maker', 'Checker', 'Mod No', 'Date Time:', 'Record Status', and 'Authorization Status'. An 'Exit' button is located in the bottom right corner.



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

### **Security MIS parameter**

In Oracle FLEXCUBE, a maximum of 10 transaction classes can be maintained for a security and portfolio.

By specifying the security MIS parameter, you can indicate how the MIS transaction classes for a security position (Portfolio plus Security combination), is built from the respective transaction classes of the security and portfolio.

The number that you enter in this field denotes the number of MIS transaction classes of the security that should be picked up, to determine the MIS transaction of the security position.

### **Year to Month Display Decimals**

The YTM values, which you can view through the Yield to Maturity details sub-screen of the Deal Online screen, are rounded off to the number of decimal places that you specify in this screen.

You can indicate the deal combination product code, which should be picked up, in case of declaration of one of the following:

- Rights
  - Tear-off
  - Exercise
  - Expiry
- Bonus
- Warrants
  - Tear-off
  - Exercise
  - Expiry
- Redemption

Deal combination product codes are maintained in the Deal Combination Product definition screen. All the product codes defined in that screen will be reflected in the picklist available. The attributes defined for a particular deal combination product, will be inherited by the auto deal to which it is linked. The parameters maintained in this screen are applicable across the bank.

## **4.2.1 Maintaining Deal Products**

### **Specifying Banker's Acceptance for a Placement/Loan Product**

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

In a Banker's Acceptance deal, you fund the issuer of a security by creating a loan or a money market placement.

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

- In case of an LD product, the product type should be: 'Loans'
- In case of an MM product, the type should be: 'Placement'

- The rate type should be: 'Special'
- The payment type should be: 'Discounted'
- The Loan / MM product can have only one interest component attached.

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

#### 4.2.2 **Maintaining Nominal Based Yield Computation**

For your bank you can specify whether the yield computation for securities should be based on Nominal Cash Flows or Face value (per unit). You can maintain this parameter in the CSTB\_PARAM (Bank Level Parameters) table. Maintain the parameter COMMON\_YLD\_ACCR as 'Y'.

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

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

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

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

## 4.3 Defining Branch Parameters

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

You can invoke the 'Securities Branch Parameters' screen by typing 'SEDXBRPM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows the 'Securities Branch Parameters' application window. It features a top menu bar with 'New' and 'Enter Query' options. The main area is divided into several sections: 'Branch Details' with input fields for 'Branch Code \*' and 'Branch Name'; 'Batch Processing' with a checkbox for 'Process Till Next Working day' and radio buttons for 'Revaluation Level' (Portfolio, Holding), 'Interest Accrual Level' (Deal, Position), and 'Accrual Level' (Portfolio, Holding); and 'Coupon Processing For Holidays Move Across Months' with dropdowns for 'Accounting Value Date' (Yes) and 'Coupon Plotting' (No). A 'Fields' section at the bottom lists 'Maker', 'Checker', 'Mod No', 'Date Time:', 'Record Status', and 'Authorization Status'. An 'Exit' button is positioned in the bottom right corner.

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

### 4.3.1 Specifying the Batch Processing Parameter

You have the option to specify when the batch process, should process automatic events falling due on a holiday. It could be either:

- As part of the EOD on the last working date before the holiday
- As part of the BOD process on the next working day after the holiday

### 4.3.2 Specifying Revaluation Level

Revaluation entries can be passed at the portfolio level or at the holding level.

- Portfolio: At the portfolio level, revaluation entries will be passed for the portfolio and currency combination.
- Holding: At the holdings level entries will be passed for the net holdings for a portfolio and security across SK locations and SK location accounts.

For example, consider the following securities held in a portfolio at your bank:

Portfolio	Security ID
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PF1	SE01
PF1	SE02
PF1	SE03
PF1	SE04

The security currency for SE01, SE02 and SE03 is USD. The security currency for SE04 is GBP.

If you indicate that revaluation should be passed at the holdings level, entries will be passes exclusively for the following combinations:

1. PF1 + SE01
2. PF1 + SE02
3. PF1 + SE03
4. PF1 + SE04

If you specify that entries should be passed at the portfolio level, then the revaluation entries will be made in the following manner:

PF1 + SE01 + SE02 + SE03

PF1 + SE04

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**Note**

If you indicate that revaluation should be performed at the Holdings level, you have the option of selecting between Deal level revaluation and Position level revaluation while defining a portfolio.

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*See the 'Maintaining a Portfolio Preference class' chapter of this User Manual for more details.*

**Specifying the Accrual level**

- Portfolio: At the portfolio level accruals will be passed for the portfolio and currency combination.
- Holding: At the holdings level entries will be passed for net holdings of a portfolio and for security across SK locations and SK location accounts.

**4.3.3 Specifying whether Coupon Dates can Move across Months**

In the Security Definition screen, you can define whether a coupon payment falling due on a holiday should be shifted backward or forward. In the Securities Branch Parameters screen, you can specify if such a forward/backward shift shall be allowed when it involves a movement across months. In the Coupon Plotting field in the Holiday Treatment – Move Across Months area, you have to select either 'Yes' or 'No' accordingly.

**4.3.4 Specifying whether Accounting Value Date can Move across Months**

Interest calculations and accruals are done till the coupon event date. However, if the coupon event date is a holiday, the accounting entries are processed as part of the batch process on the next working day or the previous working day, depending upon your specification. Select 'Yes' or 'No' in the Accounting field in the Holiday Treatment – Move Across Months area.

If the coupon plotting date itself has moved to a working day, then this field becomes irrelevant.

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**Note**

For both Coupon Details and Accounting Value Date, if movement across months is allowed, then such movement takes place (subject to necessity and as per other preferences maintained) even if this entails a movement across accounting periods or across financial years.

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### 4.3.5 Specifying Interest Accrual level

You can opt to accrue interest at a position level or at a deal level.

- Position: At the position level, accrual happens for a combination of security and portfolio
- Deal Matching: Deal level interest accrual is done for every individual buy deal for the same combination of security and portfolio

Interest accrual at deal level is for Bank Portfolios only.

**Deal Level Interest Accrual**

The interest accrual process pickups all the settled buy deals and pass accrual entries for each of them.

The deal level interest accrual will be done only for portfolios with the following costing methods:

- Deal Matching (DM)
- First in First Out (FIFO)
- Last in First Out (LIFO)

Deal level interest accrual cannot be done for portfolios with Weighted Average Costing (WAC) method since it would not be possible to determine the deals for which interest accrual should be stopped.

Consider the following example.

The following buy deals for '1year EURODOLLAR Bonds' (S1) have been struck for the Trading Portfolio (P1):

Leg Ref. No	Purchase date	Deal	No of units
Deal 1 (D1)	1 <sup>st</sup> January	Buy	10
Deal 2 (D2)	2 <sup>nd</sup> January	Buy	15
Deal 3 (D3)	5 <sup>th</sup> January	Sell	12

If P1 were maintained as a WAC portfolio, it would not be known from which deal the 12 units of '10-Year RBI Bond' are being sold. It could be 6 units each from D1 and D2 or 12 units entirely from D2. Therefore, for WAC portfolios, interest accrual will be done at the position level rather than at individual deal level.

However, if P1 were of type FIFO, it would be easy to determine that the 12 units that are sold comprise of 10 units from D1 and 2 from D2. Therefore, once the sell deal, D3 is settled,

interest accrual will be stopped for D1 as all the 10 units are sold. For D2, interest accrual will happen for the remaining units (i.e.  $15 - 2 = 13$ ).

### Revaluation

Though interest accrual occurs at deal level, the revaluation (REVL) entries will continue to be posted at the position level. The revaluation process will compare the current book value (cost of assets in your books) with the book value at the market place.

The price quote at the market place can be:

- Plus Accrued, in which case the value will be devoid of interest, which will be subsequently accrued.
- Flat Value, where the interest is built into the value. In this case, the system will arrive at the clean price of the asset.

### Capitalization

Capitalization or compounding of interest (interest on interest) will result in a new deal and the face value would be considered as the coupon amount for the previous coupon period. Therefore, IACR for the new deal would be done with the new face value.

### For Back Dated Deals

In the case of back dated deals, adjusted entries will be posted. As the IACR will be at a deal level, for a back dated buy deal, a consolidated IACR entry will be posted. For a back dated sell deal, an adjustment IACR entry will be posted for the matched buy deals(s).

On reversal of a sell deal, the interest accrual process will pass an adjustment entry for the relevant matched buy deals. This is illustrated in the example below.

Let us continue with the example discussed above. You have struck 3 deals (2 buy + 1 sell) for '10-year RBI Bonds' (S1) for the Trading Portfolio (P1). Further, the 12 units sold comprise of 10 units from D1 and 2 units from D2. The other details of the deal are as follows:

- Coupon Period – 1<sup>st</sup> Jan to 30<sup>th</sup> Jan
- Coupon Amt – 1 USD per day per unit
- Interest Accrual Frequency - Daily

Coupon Accrued on D1 till 4<sup>th</sup> Jan = 40 USD (10 units \* 1 USD \* 4 days)

Accrual will not happen for D1 after 4<sup>th</sup> January as all the 10 units are sold out on 5<sup>th</sup> January.

Coupon Accrued on D2 till 4<sup>th</sup> January = 45 USD (15 units \* 1 USD \* 3 days)

After 4<sup>th</sup> January, for D2, accrual will happen only for the remaining 13 units ( $15 - 2$  units sold = 13).

Now, on 10<sup>th</sup> January, the sell deal, D3 is reversed.

Between, 5<sup>th</sup> and 10<sup>th</sup> Jan, coupon accrued on D2 = 65 USD (13 units \* 1 USD \* 5 days)

Due to the reversal of the sell deal, the interest accrual process will pass accrual entries for the period 5<sup>th</sup> Jan to 10<sup>th</sup> Jan for the buy deals (D1 and D2):

D1 = 60 USD (10 units \* 1 USD \* 6 days)

D2 = 12 USD (2 units \* 1 USD \* 6 days)

Subsequently, interest accrual will continue for deals D1 and D2 till redemption/CPLQ.

The accrual process will be zero based i.e. at deal level, the accrual process will do the following:

5. Identify all the BUY deals
6. Determine the current quantity (buy quantity – the sold quantity)
7. Find the amount to be accrued from the Previous Coupon Date (PCD) to the accrual date i.e. if the PCD is 1st Jan and the accrual date is 10th Jan, it will calculate interest to be accrued for the period 1st Jan to 10th Jan. This amount is, say A1.
8. Find the amount already accrued for the deal i.e. interest accrued for the period 1st Jan to 9th Jan i.e. before the actual accrual date, 10th Jan. The interest accrued is say, A2.
9. Pass the accrual entry for A1-A2.

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**Note**

For a deal level interest accrual, the accrual of the Withholding Tax will also happen at the deal level. However, interest accrual will not happen for unsettled deals. For deal level interest accrual, the IACR (Interest Accrual) event and the associated accounting entries will continue to be maintained at the portfolio product level.

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You have to maintain the accounting entries as shown below:

**For the Events SPLP & SPSP**

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

**For the Events SSLP & SSSP**

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

**For the Event IACR**

Accounting Roles	Amount Tags	Debit/Credit Indicator
iccfcomp01_RCPY	iccfcomp01_IA	Dr
iccfcomp01_I	iccfcomp01_IA	Cr

**For the Event CPLQ**

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

At the end of the coupon liquidation event, CPLQ, the balance in the interest receivable head (iccfcomp01\_RCPY) would be zero. The following example will illustrate this.

The following deal details are available:

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

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

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

Dr	<b>IntComp_Rcpy (Interest Receivable)</b>	<b>200 \$</b>
Cr	Sec Bridge GL	200 \$

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

The following entries will be passed for this amount as part of event IACR (amount tag IntComp\_IA):

Dr	<b>IntComp_Rcpy (Interest Receivable)</b>	<b>320 \$</b>
Cr	IntComp_IA (Accrued Interest)	320 \$

On 27<sup>th</sup> Jan, you decide to sell 15 units at SOEX amount of 60 \$. This is the sold interest after the Ex. Date/Record Date i.e. the interest on 15 units for the period from 27<sup>th</sup> Jan to 30<sup>th</sup> Jan.

The following entries will be passed for this amount as part of event SSLP (amount tag IntComp\_SOEX):

Dr	<b>IntComp_Rcpy (Interest Receivable)</b>	<b>60 \$</b>
Cr	Sec Bridge GL (Intcomp_SOEX)	60 \$

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

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



The following entries are passed for the 5 units at a daily frequency for 4 days:

<b>Dr</b>	<b>IntComp_Rcpy (Interest Receivable)</b>	<b>5 \$</b>
Cr	IntComp_Rcpy	5 \$

The total interest receivable = 200 + 320 + 60 + 20 = 600 USD

The Coupon Liquidation event will pass an entry of 600 USD (20 units \* 1 USD \* 30 days)

<b>Dr</b>	<b>Payable</b>	<b>600 \$</b>
Cr	IntComp_Rcpy	600 \$

Therefore, at the end of the Coupon Liquidation, the net balance in the IntComp\_Rcpy head will become zero.

## 4.4 Defining Floating Rate Codes

You can define rate codes using the 'Rate Code Maintenance' screen. You can invoke this screen by typing 'CFDRTCD' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

You can enter the following details:

### **Rate Code**

Enter a code to identify the rate you are defining. You can associate several currencies to the rate code and specify rates for each currency. While processing a contract, you need to indicate this code to make the rate applicable to the contract. The code cannot exceed 10 characters.

**Description**

Enter a brief description to identify the rate code being defined.

**Holiday Currency**

Specify the holiday currency for this rate code. You can choose the appropriate one from the adjoining option list that displays all valid currency codes maintained in the system.

**Propagate Across Branches**

Check this option to indicate that the rate code should be available across all branches.

**Indicating Tenor Code Details**

Here you need to indicate the following:

**Tenor Code**

Specify a unique code to identify the tenor for which this rate code should be applicable.

**Tenor Code Description**

Enter a brief description for the tenor code.

You can add multiple tenor codes for the rate code by clicking the add row button. Similarly, you can delete a tenor code by selecting the desired row and then clicking delete row button.

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

- AONIA
- BBR-AUBBSW
- BBR-BBSW
- SWAPRATE
- BA-CDOR
- BA
- CORRA
- TBILL
- ISDAFIX
- CLICP
- CIBOR
- DKKOIS
- ANNSR
- ANNUALSR
- EONIA
- EURIBOR
- TEC10-CNO
- HIBOR
- HONIX
- ISDA
- IDMA
- IDREFIX
- SBI
- SOR
- TELBOR01

- TELBOR
- BMK
- CMT
- INBMK
- MIBOR
- MIFOR
- MIOIS
- MITOR
- RFRCBANKS
- BBSF
- LIBOR
- MUTANCALL
- TIBOR
- TONA
- TSR
- CD3220
- CD-KSDA
- TIIE-BANXICO
- NIBOR-NIBR
- BBR
- NZIONA
- WIBOR
- WIBOR
- ANNUAL
- STIBOR
- SIBOR
- SONAR
- SOR
- BRIBOR
- SOR
- THBFIX
- CMS
- COF11
- FEDFUND
- FEDFUND
- ISDAFIX3
- SANDPINDEX
- SIFMA
- TREASURYRATE
- TRSYRATE
- TRSYRATE
- BBR
- BA
- BA

- TBILL
- TBILL
- LIBOR
- EURIBOR
- TAM
- TMM
- LIBOR
- HIBOR
- SOR
- LIBOR
- TSR
- BBR
- WIBOR
- SIBOR
- SOR
- BRIBOR
- SOR
- CMS
- COF11
- ISDA
- LIBOR
- TIBOR

#### 4.4.1 Defining Rate Sources

You can maintain rate sources using the 'Rate Source Definition' screen. You can invoke this screen by typing 'CFDRTSRC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screenshot shows the 'Rate Source Definition' application window. The title bar reads 'Rate Source Definition'. Below the title bar is a toolbar with two buttons: 'New' and 'Enter Query'. The main content area contains two input fields: 'Rate Source \*' and 'Description'. At the bottom of the window, there is a 'Fields' section with three labels: 'Input By Date Time', 'Authorized By Date Time', and 'Modification Number'. Below these labels are two checkboxes: 'Authorized' and 'Open'.

Here you can capture the following details:

**Rate Source**

Specify a unique code to identify the rate source you wish to maintain. The code cannot exceed 10 characters.

**Description**

Enter a brief description for the rate source.

In order to process MT340, MT 360 and MT361 you need to maintain the following rate sources:

- SWPMKR
- AUBBSW
- BLBG
- 10:00-SWPMKR
- 11:00-BLBG
- 11:00-SWPMKR
- 3M-SWPMKR
- COMP-BLBG
- 365-BLBG
- BLBG
- SWAPRATE-11:00
- SWAPRATE-4:00
- RFRCBANKS
- BLOOMBERG-10:00
- BLOOMBERG-15:00
- FRASETT
- TONAR
- 17096
- 17097
- BLBG
- REUTERS-10:00
- REUTERS-15:00
- CD3220
- BLBG
- BID
- RFRCBANKS
- WIBO
- COMPOUND
- BLOOMBERG
- OIS-COMPOUND
- NBSK07
- ICAPSP
- REUTERS
- H.15-BLBG
- H.15-OIS-CPD

- FIX3SR-3:00
- SWAPRATE
- SWAPRATE-3:00
- BBA-BLOOMBERG
- HIGHGRADE
- MCPLSWAPINDEX
- ICAPBKT
- SWPMKR100
- SWPMKR99
- ISDC
- ISDD
- TELERATE
- ISDD
- TELERATE
- ISDA
- TELERATE
- CDC
- CDC-COMPOUND
- ISDA
- ISDC
- TELERATE
- ISDA
- TELERATE-10:00
- TELERATE-15:00
- TELERATE
- RFRCBANKS
- WIBO
- TELERATE
- TELERATE
- BRBO
- TELERATE
- TELERATE
- TELERATE
- SWAP RATE

## 4.4.2 Defining Rate Type

You can maintain rate types using the 'Rate Type Definition' screen. You can invoke this screen by typing 'CFDRTTYP' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screenshot shows the 'Rate Type Definition' application window. The window title is 'Rate Type Definition'. The toolbar contains 'New' and 'Enter Query' buttons. The main area has two input fields: 'Rate Type \*' and 'Rate Type Description'. Below the main area is a 'Fields' section with a table of fields: 'Input By Date Time', 'Authorized By Date Time', and 'Modification Number'. There are checkboxes for 'Authorized' and 'Open', and an 'Exit' button.

Here you can capture the following details:

### Rate Type

Specify a unique code to identify the rate type you wish to maintain. The code cannot exceed 10 characters.

### Description

Enter a brief description for the rate type.

### 4.4.3 Defining Floating Rates

You can maintain floating rates using the 'Floating Rate Maintenance' screen. You can invoke this screen by typing 'CFDFLRAT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Rate Type *	Rate Type Description	Interest Rate

Here you can capture the following details:

#### Rate Code

Select the Appropriate Rate Code from the List of Values Available.

#### Rate Source

Select the Appropriate Rate Source from the List of Values Available.

#### Tenor Code

Select the Tenor Code created as part of Rate Code Maintenance from the List of Values Available.

#### Currency Code

Select the Currency Code from the List of Values Available for which the Interest Rates are to be maintained.

#### Rate Details

Update the Interest Rate by adding the required rate types maintained and providing the Interest rates pertaining to the particular rate type selected.

## 4.5 Maintaining Market Details

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



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

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

You can invoke the 'Market Definition' screen by typing 'SEDXMTCD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

If you are maintaining details of a new market place choose New from the Actions Menu or click on new icon from the tool bar. The Market Definition detailed screen will be displayed.

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

#### 4.5.1 **Specifying 'Main' details**

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

##### **Country Code**

You need to specify the country to which the market belongs.

##### **Local Currency**

You need to specify the local currency of the country in which the market is situated.

##### **Safe Keeping Location Id**

The Safe Keeping location to and from which the securities will be delivered.

### Price Code

You need to specify the price code from which the security price is to be picked up for this market.

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

#### 4.5.1.1 Specifying Yield Calculation Parameters

Apart from the other 'main' details you can specify the Yield Calculation Parameters for Bonds and T-bills for each market definition record that you maintain.

##### YTM method for T-Bills

The basis for YTM calculation for T-Bills can either be:

- Simple interest
- Effective (Compound) interest

##### Use Bond Formula

If you enable the Use Bond Formula option, YTM is calculated using the effective interest formula (typically used for bonds).

For Bonds and for T-Bills with the effective interest method of YTM calculation you need to specify the following details:

##### Reinvestment Period

The effective interest formula assumes that payments are reinvested at the same rate as the yield of the T-Bill/Bond (coupon schedules) till the maturity of the security. You have to specify this period in terms of days.

##### Annualizing Method

For Bonds and for T-Bills, with effective interest you need to specify the annualizing method. This is the method by which the System computes the periodic YTM.

The options available are:

- Simple
- Compound

If the Annualizing method is Compound, the Annual YTM is computed as follows:

$$Y_0 = \left[ \left( 1 + y_0 \right)^{\frac{A}{P}} - 1 \right]$$

If the Annualizing method is Simple, the annual YTM is computed as follows:

$$Y_0 = \left[ y_0 \left( \frac{A}{P} \right) \right]$$

Where

- $y_0$  is the Periodic YTM
- $Y_0$  is the Annual Deal YTM

- A is the Day Count Method – Denominator (this is picked up from your maintenance in the Security Definition screen).
- P is the Period of Reinvestment. If Null, defaulted to A/n

Apart from these details you need to specify the Day Count Denominator and Numerator methods for all Bonds and T-Bills.

## 4.5.2 EIM for Treasury Bills and Security Bonds

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

### 4.5.2.1 Processing for Bonds

If the parameter 'COMMON\_YLD\_ACCR' is set to 'Y', the initial cash flow for yield computation will be based on the net considerations of the deal. Yield will be calculated based on the actual cash flows instead of the face value.

The formula used for computation of YTM for Bonds is the same.

$$P_0 = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\Delta d_i}{P}\right)}} + \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d_n}{P}\right)}} - AI \right]$$

Where,

$$Y_0 = \left[ (1 + y_0)^{\frac{A}{P}} - 1 \right]$$

('Annualizing Method' is COMPOUND in this case)

Notation:

Value	Description
P <sub>0</sub>	Purchase price of the Bond
N	Total number of coupons
C <sub>i</sub>	Coupon payment for coupon i
y <sub>0</sub>	Periodic YTM
Y <sub>0</sub>	Annualized Deal YTM
A	Day Count Method – Denominator
n	Number of coupons in a year
P	Period of Reinvestment (Defaulted to A/n if null)

Value	Description
P <sub>0</sub>	Purchase price of the Bond
R.P.	Redemption Price
A <sub>i</sub>	Accrued Interest
Ad <sub>i</sub>	Coupon date – Value date
Ad <sub>n</sub>	Redemption date – Value date

#### 4.5.2.2 Processing for Treasury Bills

The YTM is computed using O/S Deal Nominal if 'COMMON\_YLD\_ACCR' is set to 'Y'. During Revaluation of T-Bills and Accrual of Discount for T-Bills, the O/S Deal Nominal is also used to compute the Net Present Value (NPV).

The formula used for computation of YTM for T-Bills is the same.

$$P_0 = \left[ \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d}{P}\right)}} \right]$$

Where,,

$$Y_0 = \left[ y_0 \left( \frac{A}{P} \right) \right]$$

('Annualizing Method' is SIMPLE in this case)

Notation:

Value	Description
P <sub>0</sub>	Purchase price of the T-Bill
R.P.	Redemption Price
y <sub>0</sub>	Periodic YTM
▲d	Redemption Date – Value Date
P	Period of Reinvestment
Y <sub>0</sub>	Deal YTM
A	Day Count Method – Denominator

---

**Note**

If the parameter 'COMMON\_YLD\_ACCR' is set to 'Y', discount accrual is calculated at nominal value and no scale up would be done during the discount accrual process. This is applicable to both, T Bills and Bonds.

---

**Day Count Method Numerator**

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

- 30 Euro
- 30 US
- Actual

**Day Count Method Denominator**

Select the day count method to be used for calculating yield from the adjoining drop-down list. This list displays the following values:

- 360
- 365
- 364

**Yield Calculation Parameters for T-Bills**

In case of T-Bills, you have to select the numerator and denominator methods, which will be used to arrive at the day, count method for calculating yield for T-Bills.

The options available for calculating the Numerator are:

- 30 Euro
- 30 US
- Actual

The options available for calculating the Denominator are:

- 360
- 365
- 364

You can select the appropriate.

---

**Note**

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

---

Consider the following example for 364 Days Interest Method:

For a given bond security (SEC364M2) schedules are generated as shown below:

Security Instrument : SEC364M2

Quantity : 100

Security Face Value : 100

Interest Rate : 2%

Denom Method : Actual/364

Deal Value Date : 2-Sep-2008

Deal Maturity : 23-Nov-2008

Coupon Schedule : Weekly

No	Coupon Due Date	Days	Interest Amount
1	9-Sep-2008	7	3.89
2	16-Sep-2008	7	3.89
3	23-Sep-2008	7	3.89
4	30-Sep-2008	7	3.89
5	7-Oct-2008	7	3.89
6	14-Oct-2008	7	3.89
7	21-Oct-2008	7	3.89
8	28-Oct-2008	7	3.89
9	4-Nov-2008	7	3.89
10	11-Nov-2008	7	3.89
11	18-Nov-2008	7	3.89
12	23-Nov-2008	5	2.74

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

Security Instrument: SEC364M2

Deal Input Price: 100

Redemption Price: 120

Denom Method: 364

DSTL Date: 2-Sep-2008

Deal Maturity: 23-Nov-2008

Formula used for Yield Calculation:

Discounted:

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

True discount (Return):

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

Days between DSTL and Maturity Date = 81

For Discounted:

Yield = ((120-100)/120)\*(364/81) = 0.748971193415638

True discount (Return):

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

### Premium/Discount for Current Interest Period

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

## 4.5.3 Specifying Interest Details

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

Click on the Interest tab to maintain interest related details.

The screenshot displays the 'Market Definition' window with the 'Interest' tab selected. The window is divided into several sections: 'Market Code \*', 'Market Description \*', 'Market Type', 'Market Identifier Code', and 'Category'. Below these are tabs for 'Main', 'Interest', 'Spot Date', and 'Ex Date'. The 'Interest' tab is active, showing options for 'Allow Asynchronous Revision', 'Periodic Coupon', and 'Periodic Revision'. The 'Coupon Details' section includes 'Frequency', 'Week Day', 'Adhere To Month End', 'Rounding Basis', and 'Rate Denomination Basis'. The 'Day Count' section includes 'Accrual' and 'Liquidation' methods, 'Numerator Method', 'Denominator Method', 'Denominator Basis', and '366 Basis'. The bottom of the window shows fields for 'Maker/Checker', 'Date Time', 'Mod No', 'Record Status', and 'Authorization Status', along with an 'Exit' button.

The details maintained here are specific to the interest calculation methods, applied during accruals and liquidation.

It is not necessary to specify, the same day count method for calculating interest on accruals as well as on liquidation. The system allows you to specify two different day count methods for calculating interest, one for accruals and the other for liquidation.

The following combinations are allowed for calculating interest:

<b>Actual / Actual</b>	The Actual number of days in the period/ The Actual number of days in that year. Click on Actuals in Numerator Method field, click on Actuals in 'Denominator Method' field.
<b>Actual / 365</b>	The number of actual calendar days for which calculation is done / 365 days in a year. Click on Actuals in Numerator Method field; click on 365 days in Denominator Method field.
<b>Actual / 365 – Japanese</b>	This is similar to the Actual/365 method except that leap days are always ignored, in the numerator day count calculation. Click on Actual Japanese in Numerator Method field; click on 365 in Denominator Method field.
<b>Actual / 365 – ISDA</b>	Sum of (A) and (B) where: A = Interest accrual days falling within the leap year / 366 B = Interest accrual Days not falling within the leap year/ 365 The denominator is the actual number of days in a year. Click on 365 ISDA in Numerator Method field; click on Actual in Denominator Method field.
<b>Actual / 360</b>	The actual number of calendar days for which calculation is done / 360 days. Click on Actual in Numerator Method field; click on 360 in 'Denominator Method' field.

#### Denominator Method

Select the denominator method from the adjoining drop-down list. This list displays the following values:

- 360
- 365
- 364

## 4.6 Interest Method for Computing Coupon Interest

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

#### ACT/ACT-ISMA Interest Method

The *ACT/ACT-FRF Interest Method* is applied for periodic coupons using the following coupon:

Coupon Interest = Nominal x (Coupon Rate/Number of Coupons) x (Number of elapsed Days/ Number of days in coupon period)

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



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

Let us understand the above with the following example:

Consider the following facts:

A security purchased for 10 million at a rate of 5% p.a with the coupon date of 15<sup>th</sup> Jan.

**In case the frequency of the coupon is Yearly:**

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

Amount x  $5/100 \times 365/365 \times 1$

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

Amount x  $5/100 \times 366/366 \times 1$

**In case the frequency of the coupon is Half yearly:**

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

Amount x  $5/100 \times 184/184 \times 2$

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

For a non leap year:

Amount x  $5/100 \times 181/181 \times 2$

For a leap year the formula is:

Amount x  $5/100 \times 182/182 \times 2$

**In case the frequency of the coupon is Quarterly:**

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

Amount x  $5/100 \times 92/92 \times 4$

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

For a non leap year:

Amount x  $5/100 \times 90/90 \times 4$

For a leap year the formula is:

Amount x  $5/100 \times 91/91 \times 4$

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

Amount x  $5/100 \times 92/92 \times 4$

### **366 Basis**

You need to specify the whether the system should use leap year or leap date for calculating the interest.

- **Leap Year (Y)** – Indicates that the system will compute the interest based on the number of calendar days in the year.
- **Leap Date (D)** – Indicates that the system will use the ACT/ACT–FRF Interest Method to compute the interest.

---

#### Note

This field is enabled only if the Denominator Basis value is Per Annum and the Denominator Method is ACTUAL.

---

#### ACT/ACT–FRF Interest Method

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

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

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

Consider the following facts:

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

#### Case 1:

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

- Nominal - 10,000,000
- Interest Rate – 5% per Annum
- Coupon Frequency – Annual
- Previous Coupon Date – 15/01/1999
- Next Coupon Date – 15/01/2000
- Numerator Method – ACTUAL
- Denominator Method – ACTUAL
- Denominator Basis – Per Annum

#### In case 366 basis is Leap Year:

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

$$10,000,000 \times 5/100 \times 350/365 + 10,000,000 \times 5/100 \times 15/366$$

#### In case 366 basis is Leap Date:

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

$$10,000,000 \times 5/100 \times 365/365$$

**Case 2:**

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

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

**In case 366 basis is Leap Year:**

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

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

$$10,000,000 \times 5/100 \times 169/365 + 10,000,000 \times 5/100 \times 15/366$$

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

$$10,000,000 \times 5/100 \times 182/366$$

**In case 366 basis is Leap Date:**

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

$$10,000,000 \times 5/100 \times 184/365$$

This period does not include 29<sup>th</sup> February.

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

$$10,000,000 \times 5/100 \times 182/366$$

29<sup>th</sup> February falls in this period.

**Case 2:**

Assume the following parameters are maintained for a **Quarterly** coupon:

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

**In case 366 basis is Leap Year:**

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

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

$$10,000,000 \times 5/100 \times 77/365 + 10,000,000 \times 5/100 \times 15/366$$

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

$$10,000,000 \times 5/100 \times 91/366$$

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

$$10,000,000 \times 5/100 \times 91/366$$

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

$$10,000,000 \times 5/100 \times 92/366$$

**In case 366 basis is Leap Date:**

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

$$10,000,000 \times 5/100 \times 92/365$$

This period does not include 29<sup>th</sup> February.

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

$$10,000,000 \times 5/100 \times 91/365$$

29<sup>th</sup> February falls in this period.

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

$$10,000,000 \times 5/100 \times 91/365$$

This period does not include 29<sup>th</sup> February.

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

$$10,000,000 \times 5/100 \times 92/365$$

This period does not include 29<sup>th</sup> February.

**4.6.1 Exempting Interest for the Ex Period**

For Purchase Deals and Sell Deals booked in the Ex Period, you can specify whether you want to calculate the interest for that period. If you check this box, the system will not apply interest for such deals. In addition, the system accrues the holdings as of the ex date and will not pass any interest related accounting entries related to the deals booked in the Ex period.

In case you do not opt for zero interest facility, the system accrues the actual holdings during the accrual period including the buy/sell deals booked in the Ex period.

Consider the following example.

Let us consider a security with:

Coupon Start Date – 01 Aug

Next Coupon Date – 08 Aug

Record Date –05 Aug

Coupon Interest – 3.65 % (Per Annum)

Interest Accrual Frequency – Daily

Now let us assume that on 06 Aug 5000 Units are sold -

**Case 1: If you do not opt for Zero interest**

Accounting entries are passed for event SSLP (Interest Only)

Dr IntComp\_RCPY- 100 (IntComp\_SOEX)

Dr Sec Bridge GL - 100 (IntComp\_SOEX)

**Case 2: If you opt for Zero interest**

For interest, the system does not pass any accounting entries

## 4.6.2 Specifying Spot Date

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

The screenshot displays the 'Market Definition' window with the 'Spot Date' tab selected. The 'Spot Date Method' is set to 'Rolling Method'. Under 'Rolling Method', 'Spot Days Count Basis' and 'Weekday of Spot Date' are dropdown menus, while 'Spot Days' and 'Holiday Treatment' are text input fields. The 'Fixed Method' section below is empty. The bottom status bar shows fields for 'Maker', 'Checker', 'Date Time', 'Mod No', 'Record Status', and 'Authorization Status', with an 'Exit' button on the right.

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

## Rolling

If the spot date calculation method indicated is rolling, then you can specify the spot day count basis.

### Spot Day Count Basis

There are two options available for this field:

- Calendar days – spot days will be expressed as calendar days
- Working days - spot days will be expressed as working days

### Weekday of Spot Date

You can indicate your preference of weekday for the spot date if you have specified the calculation method as rolling.

If the weekday of the spot date computed, is different from the preferred weekday then, the spot date computed will be moved forward to the preferred weekday.

### Holiday Treatment

Once you indicate a preferred weekday for the spot date, you are required to specify the holiday treatment for the preferred weekday. If you choose to ignore this option, the spot date will be retained on the holiday. If not, as specified by you, it will be moved forward to the next working day or moved backward to the previous working day.

When the spot day method specified is Fixed, indicate the details relating to the range of trade dates and the corresponding spot date for each slab. You also have to specify whether the spot date lies in the current month or in a future month. You can select the relevant option from the picklist available for the month indicator.

## 4.6.3 Specifying Ex date

The Ex date referred to here, is the same as the Record date. You need to specify the ex date to keep a track of corporate events for securities that are using this market place as the default market. Click on the Ex Date tab, to go to this section of the screen.

The screenshot shows the 'Market Definition' application window with the 'Ex Date' tab selected. The interface includes the following elements:

- Market Code \*** (text input)
- Market Description \*** (text input)
- Market Type** (dropdown menu)
- Market Identifier Code** (text input)
- Category** (dropdown menu)
- Over The Counter Option** (checkbox)
- System Narrative** (text area)
- Ex Date Method** (dropdown menu)
- Rolling Method** section:
  - Ex Days Count Basis** (dropdown menu)
  - Ex Days** (text input)
  - Weekday of Ex Date** (dropdown menu)
  - Holiday Treatment** (dropdown menu)
- Fixed Method** section:
  - From Day \*** (text input)
  - To Day \*** (text input)
  - Month Indicator** (dropdown menu)
  - Previous Months** (checkbox)
  - Ex Date** (text input)
  - Weekday of Ex Date** (dropdown menu)
  - Holiday Treatment** (checkbox)
- Tax | Fields** (tabbed interface)
- Maker** and **Checker** (text inputs)
- Date Time:** (text input)
- Mod No** (text input)
- Record Status** (text input)
- Authorization Status** (text input)
- Exit** button

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

#### **4.6.3.1 Rolling Method**

##### **Expiry Date Method**

If the expiry date calculation method indicated, is rolling then you can specify the expiry date count basis.

##### **Expiry Days Count Basis**

You can express the expiry days as calendar days or as weekdays.

##### **Weekday of Expiry Date**

You can also specify your preference of the weekday for the ex date. The concept of weekday, of the ex date and of the holiday treatment, is the same as that of Spot date.

#### **4.6.3.2 Fixed Method**

If the ex date specified is fixed then you need to maintain certain mandatory details such as the From and To dates, the month indicator and the holiday treatment. The information that you maintain here, is similar to the information entered for the spot date. This is so only if the spot date method specified, is fixed. However in such a case, the ex date will be prior to the event date.

## **4.7 Specifying Tax Details**

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

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### **Note**

Please note that at the market definition level you can only maintain the Issuer tax details. You can however change these details at the security definition level.

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

#### **4.7.1 Associating Scheme with Issuer Tax**

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

To change the tax scheme which has already been linked to a market code, in the Market Definition screen, click on the unlock button in the toolbar.

#### **4.7.2 Indicating Stop Association**

The tax components linked to a tax scheme will be automatically applied to all deals involving the security associated with the particular market code. However if you want to stop applying one or more of these components to new contracts that are initiated, you can do so by checking the Stop Association field.

Stopping the application, of a tax component for a market code would be equivalent to deleting the component for all deals involving the security. However you have the option of using the definition made for the component, once again. To do so, uncheck this field. Deals that are subsequently input, will pick up the components.

---

**Note**

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

---



## 5. Maintaining Price Details

### 5.1 Introduction

From time to time, you need to update the current market price of various securities maintained in the system. Through the Market Price Definition screen, you can update the market price of the securities that you maintain.

On selecting a market code for the security being defined, the price code details maintained in this screen, will be picked up and defaulted to the Security Definition screen. You have the option of changing these details at the security definition level.

Thus, at the time of entering a deal, all you need to do is select the code assigned to the security. All other details such as the market to which it belongs, the interest quotation method and the price quote, will be automatically picked up from the Security Definition screen.

You can invoke the 'Securities Price Definition Maintenance' screen by typing 'SEDXMRAT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Market Price Code *	Value Date	Price Quotation	Interest Quotation	Deal Price *	Local Currency Price
---------------------	------------	-----------------	--------------------	--------------	----------------------

If you are maintaining details of the market price for a new security, click on new from the tool bar. The Market Definition detailed screen will be displayed without any details. To modify or update the existing prices as of different Value dates, click on the unlock button. Enter the value date and the new price in the respective fields and save the record.

If you are calling a market price maintenance record that has already been defined, choose the Summary option under Market Price. From the Summary screen, double click on a record to open it.

#### Price Code

The price code indicates the price of a market place. Each price code you define is unique. If the security is quoted in different markets, its value would be different in each market. You can capture these prices using different price codes.

The price code assigned to each security, is used to identify the particular market price of the security for the purpose of revaluation. All the price codes defined in this screen are picked up and displayed in the picklist available for Revaluation Price Code field, of the Security Definition screen. You can specify the revaluation price code for each security while defining it.

For example, the following security has been quoted in four different markets at varying prices:

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

If you are defining the revaluation price for the security, you can choose any one of the price codes as the revaluation code. Let's assume you choose SERL03. This code will be picked up exclusively for the purpose of revaluation.

Each security code is associated with a market code. At the time of entering a deal, specify the security code and the price code linked to the market will be picked up and defaulted.

### 5.1.1 Price Quotation Method

You can specify the price quotation method to be used, for the security for which you are defining the price. The details that you maintain here are specific to the price quotation method used for the particular security.

You can choose any of the following methods for calculating the price:

<b>Absolute price</b>	Here the market value of the security is quoted as the actual price of the security.
<b>%Price</b>	Here the security price is quoted as, % Price = (Market price / Face value) x 100

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

For the same security, if you choose to apply the % Price method, then the price of the security will be:

$$900 / 1000) \times 100 = 90\%$$

You will quote the %price of the security as 90.

Premium/Discount is the differential between the face value of the bond and the price at which it is sold.

If you were to specify the Discount/Premium method then the security would be quoted at a discount of USD100 (USD1000 – USD900 = USD100). If the market price of the security were to be USD1100 then the security would be quoting at a premium of USD100.

In the %Discount/% Premium method the percentage of the discounted price is quoted. In the case of the above example it would be a 10% discount or a 10% premium.

The YTM price is quoted on the basis of its yield to maturity. This price quotation method is applicable only for Zero coupon bonds.

The yield on discounted instruments is measured by the yield to maturity (YTM) which is the return on a security bought at current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price increases above the straight discounted price YTM would decrease and vice versa.

In the Yield to Maturity quotation method the price is calculated as follows:

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

### **Interest Quotation Method**

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

The interest quotation method could be either:

- Flat or
- Plus accrued

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

### **Price**

This is the price at which the security is to be traded. The price of the security keeps on fluctuating depending on the market rates. Hence, the updating of the price of the security at regular intervals is necessary.

To define a new price for an existing security, click add button and enter the new price. This price will be associated with the particular security when it is traded. To delete an existing price, highlight the old price and click on the delete button.

Each time you change the price details of an existing security, the old details will automatically get stored into a history file maintained internally.

---

## 6. Maintaining Market Price Codes

### 6.1 Introduction

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

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

You can invoke the 'Securities Market Price Codes Maintenance' by typing 'SEDXMPCD' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screenshot shows a software window titled "Securities Market Price Code". At the top, there is a toolbar with a "New" button (represented by a document icon) and an "Enter Query" button (represented by a magnifying glass icon). Below the toolbar, the main area contains two input fields: "Market Price Code \*" and "Price Code Description \*", both with red asterisks indicating they are required. Below these fields is a section titled "Fields" which lists several attributes: "Maker", "Checker", "Mod No", "Date Time:", "Date Time:", "Record Status", and "Authorization Status". In the bottom right corner of the window, there is an "Exit" button.

If you are maintaining details of a new market price code click on new from the tool bar. The Market Definition detailed screen will be displayed without any details.

If you are calling a market price code maintenance record that has already been defined, choose the Summary option under Market Price Code. From the Summary screen, double click on a record to open it.

# 7. Maintaining Safe Keeping Locations

## 7.1 Introduction

As a part of the maintenance function, you can define the various Safe Keeping (SK) Locations where securities can be lodged or withdrawn, as and when they are traded with. For every safe keeping location that you define, you have to maintain SK accounts. Therefore to record the movements of a security held at a particular location, simply debit or credit the SK account, depending on whether the security is being lodged, withdrawn, bought or sold.

Safe keeping locations can either be internal or external. An internal location is one where the bank acts as the custodian. While maintaining details of safe keeping locations you are required to indicate whether the SK location is your bank or an external location.

Basic details, of every customer of your bank is maintained in the Customer Information Maintenance screen. Here you assign a unique CIF number to each customer, so that the limit lines can be set for each customer. While defining external SK locations, indicate the CIF code assigned to the particular customer. This aids in tracking limits for every SK location.

The safe keeping locations you have maintained and authorised in this screen are in turn linked to different portfolios, through the Portfolio Definition screen. The picklist containing the location ID's of the various SK locations, in the Deal On-Line screen, will reflect only those SK location ID's associated with the particular portfolio.

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

You can invoke the 'Safe Keeping Location Maintenance' screen by typing 'SEDXSKLC' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

◆ Securities Safe Keeping Location Maintenance

New Enter Query

Safe Keeping Location Id \*  
Safe Keeping Location \*  
Description  
Customer ID  
Customer Name  
Exposure Line  
 Banker's Acceptance Issue

Safe Keeping Location Type  
Internal or External \* Internal  
External Type

Safe Keeping Location Account  
1 Of 1  
Go

Corporation Action Collection  
 Manual  
 Auto  
 Message to Incident Command System

Fields  
Maker  
Checker  
Mod No  
Date Time:  
Date Time:  
Record Status  
Authorization Status  
Exit

If you are maintaining details of a new safe keeping location, click on new icon from the tool bar. The Safe Keeping Location detailed screen, will be displayed without any details.

If you are calling a safe keeping location maintenance record that has already been defined choose, the Summary option under SK Location Maintenance. From the Summary screen, double click on a record to open it.

### **Safe Keeping location Identification**

Every safe keeping location that you define needs to be assigned a unique identification code. This ID is in turn linked to a single or to multiple accounts depending on the number of accounts you want to link, to a specific safe keeping location.

#### **Description**

In addition to the SK Location ID, you can also specify a title or a short description of the SK location you are defining. This will enable you to identify the SK location quickly.

The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

#### **Customer Identification**

You might be holding securities on behalf of your customer therefore it becomes necessary to maintain a customer profile with respect to the securities held. This information can be maintained in the Customer Information Maintenance (CIF) screen, which is part of the Core Entities module of Oracle FLEXCUBE.

The Customer Ids available in the picklist are defaulted from the CIF maintenance screen. By linking a Credit Line to a Liability Number, you actually assign a limit, to the customer linked to the line. Every credit-seeking customer is linked to a liability number and the credit facilities granted to him are tracked against this liability number.

---

#### **Note**

In the Customer Information Maintenance screen, you need to link customers to specific SK Locations. For this purpose you can create a customer category called Safe Keeping Locations. This can be created through the Customer Category detail screen. All the SK Locations that you have maintained can come under this category.

---

After defining the category, you only need to associate the liability number of the customer with the customer category. The customers thus defined can be linked to a credit line through the Limits maintenance screen.

*For further details on the Customer Information Maintenance screen please refer to the Oracle FLEXCUBE user manual Core Entities.*

### **7.1.1 Exposure Line**

To track the maximum limit up to which securities can be held in each SK location you can specify the exposure line for SK location.

After defining the customer ID in the CIF maintenance screen, click on the Limits button and maintain an overall limit for each SK location. You can also specify the limit beyond which you would not like to expose yourself or your customer, to a particular SK location. By defining a limit for each SK location, you can limit your exposure to the particular SK location.

#### **Banker's Acceptance**

You can indicate whether or not the SK location can be used for a Banker's Acceptance portfolio. The settlement account maintained for this SK customer should be a GL

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

### **7.1.2 Specifying SK Location Account**

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

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

### **7.1.3 Making Query**

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

## **7.2 Computation of KEST**

KEST is a scheme of levying withholding tax on the income earned by the customers of your bank. This type of withholding tax is applicable only on incomes earned from securities.

Some of the customers might directly pay the KEST amount to the Government. Under such circumstances, your bank need not calculate the KEST amount.

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

- KEST A
- KEST B

The difference between KEST A and KEST B is that the rate of KEST B is slightly higher than KEST A.

The rate of KEST depends on the type of transaction:

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

### **7.2.1 Defining KESTYTPE as a User Defined Field**

For every customer that you maintain in Oracle FLEXCUBE, you need to specify:

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

In Oracle FLEXCUBE, factory shipped UDF's like KESTTYPE, KEST A and KEST B are available to capture the KEST type of a customer and KEST rates for each type.

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

### 7.2.2 Calculation of KEST for 'Customer Sell' Type of Transactions

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

- For normal securities, the rate will be a pre-maintained fixed percentage (This is discussed in the subsequent sections of this document).
- In case of mutual funds, the rates are announced on a day-to-day basis. Therefore, the percentage will be provided by an external application 'Data Provider' to Oracle FLEXCUBE through an interface.

### 7.2.3 Calculation of KEST for Customer Buy Type of Transactions

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

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

### 7.2.4 Specifying KEST Type for a Customer

This is specified in the 'Field Name to Value Definition' screen, invoked by clicking on 'Fields' button in the 'Customer Information Maintenance' screen.



Here, you need to specify whether:

- the customer is directly paying the KEST to the Government
- the customer has to be exempted from paying KEST
- the KEST type is A or B

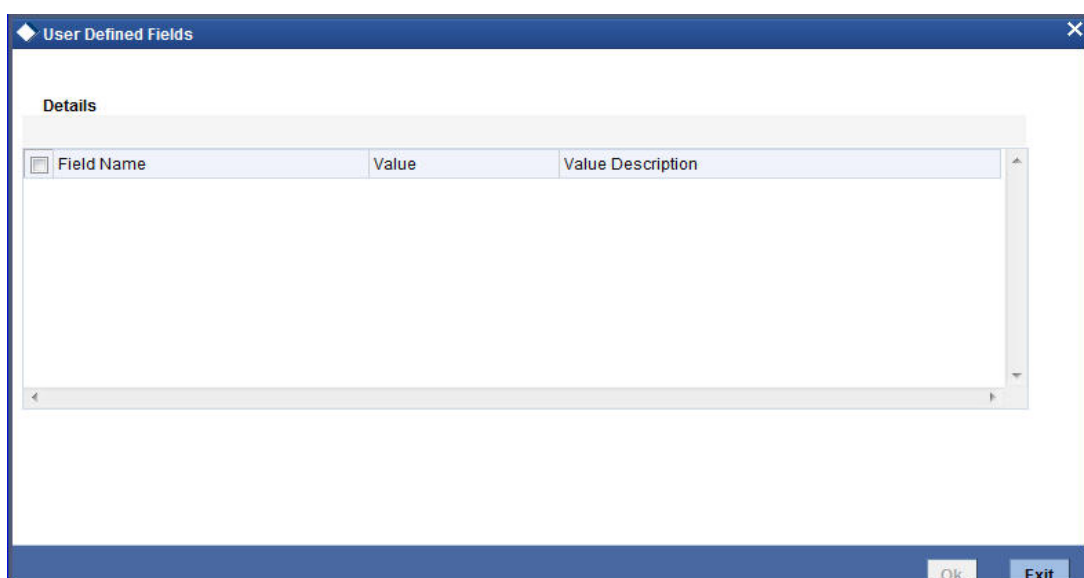


## 7.2.5 Specifying KEST Rates in the Securities Price Definition Maintenance Screen

The current market price of various securities is maintained in the 'Market Price Definition' screen. Further, you can update the market price of the securities through this screen.

You need to specify the rates for KEST A and KEST B at the time of maintaining market prices. Therefore, at the time of defining a customer, you need to specify the type of KEST (whether A or B). During market price maintenance for a particular security, you indicate the actual rate for KEST A and KEST B.

Click on 'Fields' button in the 'Securities Price Definition Maintenance' screen to indicate the rates for KEST A and KEST B. The 'Field Name to Value Definition' screen is displayed.



The system will display the user defined fields KEST A and KEST B, if you have maintained these UDF's. Here, you need to indicate the actual rates for the two KEST types.

Consequently, at the time of processing a security deal for a customer, the system will pick up the KEST rate from the market price maintenance based on the KEST type specified for the customer for a particular security code.

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### Note

The system will display the override 'KEST Rates are not entered' if you try to save the market price details without specifying the KEST rates.

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## 7.3 Specifying Generation of New SWIFT Messages

If you need to generate new SWIFT messages MT 540, 541, 542 or 543 for any transactions involving the transfer (receipt or delivery) of securities, for a counterparty, you must indicate this when you are maintaining the counterparty BIC codes, in the BIC Code Details screen. You can indicate this by checking the ISO15022 box on the screen.

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

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## 8. Building Branch & Currency Restriction Classes

### 8.1 Maintaining Restrictions as Classes

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

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

A set of restrictions grouped together is referred to in Oracle FLEXCUBE as a Restriction Class. You can maintain several restriction classes of branch and currency and several classes of customer restrictions.

To every product created, you can attach these restriction classes. If restricted, a product can only be used by those branches and offered only in those currencies that you allow. Only those customers that you allow, can avail a service.

For example, suppose that you offer a special portfolio management facility, christened Safe Fast Buck.

Requirement:

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

Set up:

You can maintain the restrictions as follows:

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

You can associate these classes (Class\_A and Class\_B) with the product, Safe Fast Buck.

Result:

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

#### 8.1.1 The Advantage of Defining Restrictions as Classes

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

### 8.2 The Branch and Currency Restrictions Class Screen

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

You can invoke the 'Branch Currency Restrictions Class Maintenance' screen by typing 'CSDCBRL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

A Branch and Currency Restrictions Class, is identified by a unique Code and a Description.

The branch and currency restriction classes that you maintain have to be specific to a module in Oracle FLEXCUBE. This is because a class maintained for one module would be unsuitable for another. For instance, you may choose to allow loan facilities in some branches, but disallow these branches from trading in securities.

## 8.2.1 Maintaining Branch Restrictions

A branch restriction class identifies a unique list of allowed or disallowed branches. At your head office, you can associate a product that you propose to offer with any Branch and Currency Restriction Class that you have maintained. The branch and currency restrictions defined for the class will apply to the service.

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### Note

Please note that any product that your bank offers is available to all branches, by default, unless you specifically restrict its availability.

---

### Choosing the List Type

You can specify branch restrictions either in the form of an allowed list, or in the form of a disallowed list.

When you associate a restriction class, defined as an allowed list, with a product, those branches that do not figure in the list *cannot* offer the service. If you have maintained a disallowed list for a class, branches that do not figure in it *can* offer the service.

For example, suppose that you have a network of twenty branches. You would like to exclude six branches from trading in securities. You would like all other branches to deal in securities.

Since there are more branches that can offer the facility than those that cannot, you can opt to maintain a disallowed list, and include the six disallowed branches in it.

You indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option.

Specifying a Branch to be Allowed/Disallowed

Under Branch Restriction, click add icon to display the list of available Branch Codes and Its Descriptions through its option list. From this option list you can select the Branch Code to be Allowed/Disallowed.

## **8.2.2 Maintaining Currency Restrictions**

A currency restriction identifies a unique list of allowed or disallowed currencies. When creating a product at your head office, you can associate it with any Branch and Currency Restriction Class that you have maintained. The branch and currency restrictions defined for the class will apply to the product.

### **Choosing the List Type**

You can specify currency restrictions either in the form of an allowed or a disallowed list.

Branches can deal only in products that figure in the allowed list. Branches cannot deal in products that figure in a disallowed list.

Specifying a Currency to be Allowed/Disallowed

Under Currency Restrictions, click add icon to display the list of available Currency Codes and Its Descriptions through its option list. From this option list you can select the Currency Code to be Allowed/Disallowed.

Click 'Cancel' to delete your specifications.

## **8.3 Specifying the Customer Category Restrictions Class**

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

- Banks
- Corporates
- Financial Institutions (excluding banks)
- Individuals

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

### **8.3.1 The Customer Category Restrictions Class screen**

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

You can invoke the 'Customer Restrictions Class Maintenance' screen by typing 'CSDCUCCL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

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

### Restriction Type

You can specify customer restrictions in the form of either an allowed list or a disallowed list.

Customer categories that do not figure in an allowed list, cannot avail that service (associated with the customer restrictions class). Customer categories that do not figure in a disallowed list can avail the service.

### Exempting Specific Customers belonging to a Category

You can exempt customers, belonging to a particular category, from the allowed or disallowed list.

For example, suppose that you have maintained Financial Institutions as a customer category and you do not want Financial Institutions to avail a service that you offer.

You can maintain a disallowed list, in the Customer Category Restrictions Class screen, and include Financial Institutions in the list.

However, you would like Cavillieri and Barrett Inc., a financial institution, to avail this service.

---

## 9. The Accounting Role to Head Mapping Class

### 9.1 Introduction

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

Name of the GL	GL Code in Oracle FLEXCUBE
Outright Asset GL	OUTASSTGL
Outright Liability GL	OUTLIABTY
Realised Trading Profit	RETRP0001
Realised Trading Loss	RETRL0001
Unrealised Revaluation Profit	RELREVP01
Unrealised Revaluation Loss	RELREVL01

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

Name of the SL	SL Code in Oracle FLEXCUBE
Long Term Bonds	OUTASST01
Medium Term Bonds	OUTASST02
Short Term Bonds	OUTASST03

In Oracle FLEXCUBE, GL/SLs are broadly referred to as Account Heads.

### 9.2 General Ledger Types

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

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

These categories are referred to as 'Accounting Roles' in Oracle FLEXCUBE.

## 9.3 The Accounting Roles and Heads Class

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

You can identify all the heads specific to a product and indicate their roles, individually, when you build a Class of Accounting Roles and Heads. A class in this case, identifies the body of GLs unique to a product.

A class of accounting heads can be associated to a product that you have maintained. All deals and portfolios involving the product will be reported under the heads that you specify.

### 9.3.1 The advantage of Building Accounting Roles and Heads Classes

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

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

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

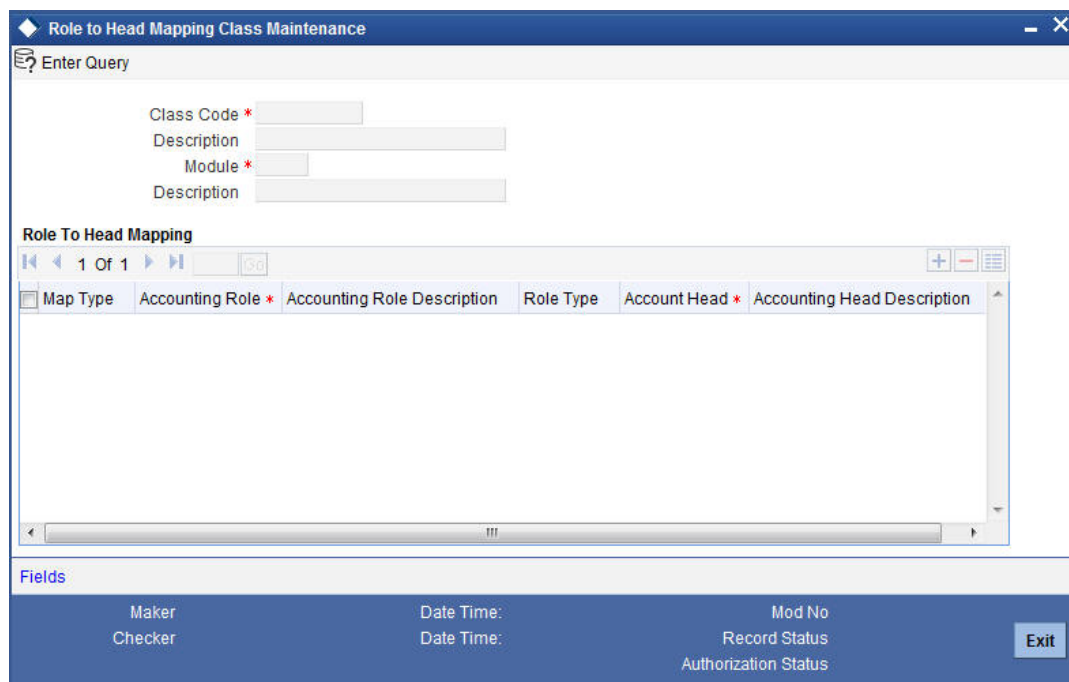
### 9.3.2 Maintaining an Accounting Roles and Heads Class

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

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



You can invoke the 'Accounting Role to Head Mapping Class Maintenance' screen by typing 'CSDRHCLM' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



Each class that you maintain can be identified by a unique Class Code and a brief description. Ideally, this description facility would be used to specify the product for which you are building the class. This would help you easily associate a product with the class built for it.

For example, suppose that you offer a portfolio maintenance facility to individuals.

An accounting role and head class can be built specifically for this service. When building the class you can assign it a unique code, Port\_In\_01 and describe this Accounting Role and Head class as: Class for Portfolio Maintenance of Individuals. You can indicate that this class is specifically for the Securities module.

When defining the accounting roles and heads for the portfolio service in the Securities module, Port\_In\_01 will be available to you. You can associate the service with Port\_In\_01.

### 9.3.3 Mapping Roles to Heads

You can choose a role by double clicking on it. Now, you have to associate the role with an account head (a GL).

You can choose a particular head, by double clicking on it. Choosing add icon confirms the association of a role with the corresponding head in the Accounting Head column. If you would like to disassociate a role and a head, choose the delete icon.

In a similar fashion, you can associate all heads, which you would like to include in a class, with a role.

## 9.4 The Event Class

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

- Deal Booking
- Money Settlement of Securities Deal

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

Each stage is referred to as an Event, in Oracle FLEXCUBE.

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

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

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

- Pass the requisite entries
- Print a payment advice

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

#### **9.4.1 Maintaining an Event Accounting Entries and Advices Class**

An Events Class is identified with a unique Code and a Description. When you define an Events Class, you choose, first of all, the set of events that would belong to the class.

Events are, usually, unique to a module. For instance, events like Securities Purchase from Long Position and Accrual of Securities Discount Earned are specific to Portfolios in the Securities module. Therefore, to build an Events Class that you would associate with a service offered in the Securities (Portfolio) module, choose the event from a list of events specific to the Securities (Portfolio) module.

The events that you would like to include in an Events Class can be identified through the Events Accounting Entries and Advices Class Maintenance screen. This screen is invoked from the Application Browser.

You can invoke the 'Event Class Maintenance' screen by typing 'CSDACTCL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

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

### Defining Accounting Entries for the Event

You can indicate the accounting entries that should be passed at an event in the Accounting Entries section of the Events Class screen.

The Accounting Entries section is invoked by clicking the 'Accounting Entries' button.

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

- The accounting role

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

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

### **Specifying the Amount Tag**

The amount (i.e. the principal, the brokerage, the charge amount, etc.) that is to be posted for an event, is referred to as the Amount Item. The tag associated with an Amount Item is the Amount Tag.

Invoke a list of the amount tags that are maintained in the Amount Tag field. You can choose a tag by double clicking on it.

### **Indicating if a debit or credit**

You have already specified the type of account to which an entry should be passed, and the tag which identifies the amount (principal, brokerage, charge amount, etc.) that should be passed.

In this field, you must indicate if the amount is to be debited from credited to the specified account. Choose the Debit or Credit indicator.

### **Transaction Codes**

Every accounting entry in Oracle FLEXCUBE involves a Transaction Code that describes the nature of the entry. This code and its description are available whenever you retrieve contract information in reports such as the Transaction Journal.

The transaction code must be indicated in this field. Click the adjoining option list icon, to invoke a list of the transaction codes that are maintained. Double click on the Code that you would like to enter in this field.

The Transaction Code for both legs of the transaction would be the same.

### **Netting**

If two or more accounting entries for a particular event are to be passed to the same account and on the same Value Date, these entries can be netted while posting to the account.

You can specify whether such entries should be netted in this field by choosing either the 'Yes' or the 'No' indicator.

Clicking the add icon confirms the association of an accounting role with the corresponding Amount Tag, Transaction Code, MIS Head, and the Debit/Credit and Netting indicators. If you would like to disassociate a role from the other details, click the delete icon.

## **9.4.2 Specifying the Advices to be Generated**

After defining the accounting entries that should be passed at an Event, you can define the advices that you would like to print for the event.

Click 'Advices', to define the advices that you would like to print at an event.

Class Code

Class Description

Event Code

Event Description

Event Advice Class

Advice Name *	Description	Generation Time *	Suppress *	Priority *
		Authorize	No	High

### Indicating the Advices to be Generated

You can define the advices that you would like to generate for an event, in the Advice Name column.

### Indicating when the Advice is to be Generated

You now need to indicate when, the advice that you have chosen needs to be generated. To do this, you have to choose either the Input or the Authorize option from the Generation Time Field.

You can also set the priority with which the advice should be generated. To suppress an advice, choose the Yes option in the Suppress column.

---

# 10. Defining Security Preference Classes

## 10.1 Introduction

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

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

It is your preferences that give a security its distinctiveness.

You can maintain several sets or classes of security preferences. Thus, you can maintain a class of preferences for short-term zero coupon bonds, another for medium-term zero-coupon bonds, a third for long-term zero coupon bonds, and so on.

When defining a security product of a certain type, say short-term zero coupon bonds, you only need to associate it with the appropriate preference class defined. The product will acquire, by default, all the attributes defined for the class associated with it. You can change these default attributes to suit specific security product.

## 10.2 Specifying Security Product Preference Classes

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

You can invoke the 'Security Product preference Class Definition' screen by typing 'SEDXSECL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

### Class Code

You can identify a security preference class that you build with a unique ten-character Class Code. You can follow your own convention for devising the code.

### Description

You can briefly describe the Security Preference Class that you are defining. The description that you specify is for information purposes only and will not be printed on any customer correspondence.

## 10.2.1 The Market of Issue

For a Securities Preference class, you can identify a Market of Issue. Only a market maintained in the Markets Maintenance screen can be specified. Your specification here will default to the security products associated with the class. However, when defining a product, while retaining the other preferences that default from the associated class, you can change the default market.

All securities maintained under a product, by default, will also be associated with the market specified for the product. However, when maintaining securities under a product, in the Securities Definition screen, you can identify different markets.

### Security Type

The first preference defined for a class is the Security Type. Securities can be broadly classified into the following types:

- Bonds
- Zero Coupon Bonds
- Equities
- Rights
- Warrants

By indicating the security type, you restrict the application of a class on the products of a particular type. For instance, you can associate a Security Preference Class with the Security Type defined as Bonds, only on products maintained for bonds.

The security type specified also determines the other preferences that you can define, for a preference class. For example, if you indicate the security type as Bond, you can also define details relating to interest.

## 10.2.2 **Defining Interest Details for a Bond**

When maintaining a preference class for bonds, you must define interest-related details. These interest details will default to the security (bond) product with which you associate the class. These default interest details can be modified to suit the product.

### **Interest Type**

If you have indicated the security type for a preference class as Bond, you should also indicate the Type of Interest. It could be one of the following:

- Fixed
- Floating

After defining the interest details, you can indicate the Coupon and Interest Rate Revision details.

### **The Interest Quotation Method**

The Interest Quotation Method for a bond can be either of the following:

- Flat
- Plus Accrued

When the interest component is included in the market price of a security, the quotation method is referred to as Flat. A flat price of a security is also referred to as the 'Dirty Price'.

When the interest component is excluded from the market price of a security, the quotation method is referred to as Plus Accrued.

### **Specifying the Coupon Frequency**

When building a class of preferences, you can indicate if the coupons due for a bond are periodic. Coupons for bonds (maintained under the products with which you associate the preference class) will be calculated according to the periodicity that you specify.

For an interest-bearing bond, with a periodic coupon, you must indicate the Coupon Frequency. Some coupon frequencies are listed below:

- Weekly
- Monthly
- Once in two months
- Quarterly
- Once in four months

If you indicate that the coupon frequency is weekly, you should also indicate the day on which the coupon is due. For instance, you can have a bond with a weekly coupon that is due on Wednesdays.

If the coupon frequency is in terms of a month, you can choose to indicate that the coupon days should adhere to Month Ends. The implication of this option is explained in the following example.



The coupon due dates for all securities maintained under the product (with which you associate the preference class) will be calculated in a similar manner, depending on the option you choose.

### **Specifying the Interest Rate Revision Frequency**

You can revise the interest rates for bonds with floating interest. The revision frequency can be different from the coupon frequency and is referred to as Asynchronous (interest rate) Revision.

Asynchronous revision can be:

- Periodic
- Non-periodic

As part of your preferences for a Security Class, you can indicate Interest Rate Revision details. The revision details defined for the class will apply on all securities maintained under a product (with which you associate the class).

By default, interest rates will be revised according to the coupon frequency defined for a bond. If you would like to revise the interest rates at a different frequency, choose the Allow Asynchronous Revision option.

If the asynchronous revision of rates is periodic, click on the Periodic Revision option, and specify the Revision Frequency. For a frequency that is weekly, indicate the day on which the revision is due. (For instance, you could indicate that the interest rates for securities should be revised every Monday.)

If the revision frequency is in terms of a month, you can choose to indicate that the revision days should adhere to Month-Ends. The implication of this option is explained in the following example.

The rate revision dates for all securities maintained under the product (with which you associate the preference class) will be calculated in a similar manner.

If the interest rates for securities should be revised on a non-periodic basis, you should leave the Periodic Revision option blank. You can capture the revision details for a security with non-periodic rate revision, in the Security Online Definition screen.

## **10.2.3 Capturing Information Specific to a Security Type**

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

### **If the Security Type is 'Bond'**

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

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

### **Redemption Type**

You can also indicate the mode of redemption. An issuer can redeem bonds in three ways:

- Series
- Quantity
- Bullet

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

#### **If the Security Type is equity**

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

#### **If the Security Type is Right or Warrant**

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

### **10.2.4 Indicating Banker's Acceptance**

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

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

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

### **10.2.5 Capturing Trade-Related Information**

#### **The minimum trade quantity**

You can define the minimum quantity in which a security should be traded, when building a Security Preference class. In the Lot Size field, you can enter your specifications.

Your specification will apply, by default, to all products with which you associate the class (and, in turn, to all securities maintained under the product). However, this default attribute can be changed, when defining the preferences for a security product.

#### **Quantity Quotation**

Securities can be quoted in the following terms:

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

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

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

#### **Price Quotation**

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

**Price** – in this method, the total price of the security is quoted. The total price can be expressed as:

(Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is 'Flat')

**% Price** — the price is quoted as a percentage. The same is expressed as follows:

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

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

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

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

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

**YTM** - the price is quoted on the basis of its yield to maturity. In Oracle FLEXCUBE, this price quotation method applies only on Zero Coupon Bonds.

The yield on a discounted instrument is measured by its yield to maturity (YTM). YTM is the yield on a security calculated from the purchase date to its maturity. The YTM changes with the market price. In case the market price increases above the straight discounted price, YTM would decrease, and vice versa.

Using this quotation method, the price is calculated as follows:

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

The deal amount is determined based on the deal quantity and the price quotation method. Irrespective of the price quotation method used, the net result is always the same.

For a Security Preference Class, you can identify a Price Quotation method. During trade, the securities maintained under a product (with which you associate the Preference Class) will, by default, be quoted in the manner that you specify. However, when maintaining a security, you can identify its price quotation method.

## 10.2.6 Identifying the Holder

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

- The Registered
- The Bearer

If you would like the securities maintained under a product (with which you associate the Securities Preference Class you are defining) to be 'Bearer' type securities, choose the 'Bearer' option. Else, choose the 'Registered' option.

However, when defining a product, while retaining the other preferences that default from the associated class, you can change the default Registered/Bearer indicator. While maintaining

a security under a product, in the Securities Definition screen, you could choose to retain the defaulted Registered/Bearer indicator.

## 10.2.7 Specifying the Material of a Security

Securities can be in different formats:

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

## 10.2.8 Indicating the Collateral Type

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

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

## 10.2.9 Opting for Automatic Initiation of Corporate Actions

Check against the option Auto Initiation of Corporate Action, to indicate that corporate action for securities should be automatically initiated. On choosing this option, corporate actions for a security will be automatically initiated on the due dates that you specified.

If you do not choose this option, you have to manually initiate all corporate actions required for a security.

## 10.2.10 Indicating the Price Code for Revaluation

Every security that you deal in must be associated with a Price Code. A Price Code identifies the price of a security in a specific market.

To ascertain the value of a security, with reference to the prevailing market rates, you need to constantly revalue it. When defining a Preference class, specify the Price Code that you would like to use, to revalue securities. The value of a security in a market, will be determined with respect to the current rates of the corresponding price codes.

## 10.2.11 Tenor Details

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

- Days
- Months
- Years

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

### 10.2.12 Capturing SWIFT Related Information

#### **If trade is restricted**

Ownership or transfer of a security can be subject to restrictions imposed by the Issuer or Market. You can indicate if trade involving the securities maintained under a product is Restricted. You can choose the Restricted option to indicate this.

Securities with trade restrictions will be reported as such, in the SWIFT messages generated for deals. In Field 22F of the Market-Side Securities Trade.

#### **If the position has been covered...**

You can allow or disallow selling (of a security) from a short position. Enter this information when building a Preference Class. Your specification will default to all securities maintained under products. This default can be changed.

Choose the Covered option if your positions (on securities) should be covered. By not choosing the 'Covered' option, you indicate that securities (maintained under products with which you associate the class) can be sold from a short position.

This attribute of a security will be reported in Field 17B of the Market-Side Securities Trade Confirmation message (MT 518), generated for deals involving the security.

## 10.3 Defining Deal Limits for a Preference Class

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

You can invoke the Currency Wise Limits Definition screen by clicking 'Limits' button in the Security Product Preference Class screen.

Currency	Positive Override	Negative Override	Positive Exception	Negative Exception
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## Currency

When building a Security Preference Class, you can define deal price limits in several currencies. Deals involving securities in a currency will be governed by the limits that you define for the currency.

In this screen, you can express deal price limits in terms of:

- Positive and Negative Overrides (percentage)
- Positive and Negative Exceptions (percentage)

### Positive Override

This indicates the upper override limit.

### Negative Override

This indicates the lower override limit.

With respect to the market price, if the deal price of a security varies beyond the Override Limits (positive and negative), you can save the deal by providing an 'override'. All overrides provided at deal-time will be included in the reports that you generate for the deal.

With respect to the market price, if the deal price of a security varies beyond the Exception Limits, you cannot save the deal.

## 10.4 Defining Securities Conversion Rule

You can define securities conversion rule in 'Securities Conversion Rule Definition' screen. To invoke the screen, type 'SEDXCNRL' in the field at the top right corner of the application toolbar and click the adjoining arrow button.

The screenshot shows the 'Securities Conversion Rule Definition' application window. At the top, there is a 'Save' button and a 'Process Status' dropdown menu set to 'Unprocessed'. Below this, there is a 'Conversion Rule Id \*' text field and a 'Conversion Type' section with radio buttons for 'Split' and 'Merge'. The main area is divided into two sections: 'Conversion from' and 'Conversion To'. Each section contains a table with columns for 'Security Id \*' and 'Ratio'. The 'Conversion from' table has one row with a checkmark in the first column and an empty text field in the second. The 'Conversion To' table also has one row with a checkmark in the first column and an empty text field in the second. At the bottom of the window, there are fields for 'Maker', 'Checker', 'Mod No', 'Date Time:', 'Record Status', and 'Authorization Status'. A 'Cancel' button is located in the bottom right corner.

You can capture the following in this screen:

**Conversion Rule Id**

Enter the conversion rule Id.

**Conversion Type**

Indicate the type of conversion that you are effecting. This release of Oracle FLEXCUBE supports only securities splits. This implies that you can convert an existing security into one or several units of a new security.

While re-denominating In currency securities to Euro, choose split as the conversion type. In Oracle FLEXCUBE, the re-denomination of and In currency security to Euro is handled in the same way as a split.

**Process Status**

Specify the process status from the drop-down. The options available are;

- Processed
- Unprocessed
- Repair

**Conversion from**

**Security Id**

Specify the security ID from which the conversion is required.

**Ratio**

Specify the ratio from which the security needs to be converted.

**Conversion To**

**Security Id**

Specify the security ID to which the conversion is required.

**Ratio**

Specify the ratio from which the security needs to be converted.

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# 11. Maintaining Portfolio Preference Class

## 11.1 Introduction

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

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

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

### **The Advantage of Defining a Portfolio Preference Class**

While creating a portfolio product, instead of specifying preferences for each product, you need to just associate the appropriate portfolio preference class to the product. All the attributes defined for the class will be made applicable to the portfolio product. You can change the defaulted preferences to suit the product.

The preferences that you specify for a portfolio are comprehensive and cover all types of securities that can constitute it. Depending on the type of security the preferences will apply.

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#### **Note**

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

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## 11.2 Specifying Portfolio Preferences Classes

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

You can invoke the 'Securities Portfolio Product Preference Class Maintenance' screen by typing 'SEDXPFCL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

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



From the Summary screen double-click a class of your choice to open it.

## 11.2.1 Identifying Portfolio Preference Class

### Class Code

You can specify a code to identify a class. In Oracle FLEXCUBE, each portfolio preference class that you maintain is identified by a unique ten-character code called a Class Code. One of the characters of the code should necessarily be a letter of the English alphabet. You can follow your own convention for devising this code.

### Description

You can specify a short description that will enable you to identify the portfolio preference class quickly.

The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

## 11.2.2 Portfolio Type

An important detail in defining a portfolio class is to specify the *type* of portfolio for which you are defining preferences. The portfolio type identifies the basic nature of a portfolio. In Oracle FLEXCUBE you can set up the following type of portfolios:

- A bank portfolio
- A customer portfolio and
- An issuer portfolio

This is the basic feature of a portfolio and will determine the subsequent entries that you make. This preference will be defaulted to a portfolio product and subsequently to the securities portfolios to which the product is associated.

### 11.2.3 Costing Method

A costing method is used to determine your holding cost in a portfolio. While trading in the securities that constitute a portfolio, you can arrive at the profitable price at which you can trade, using one of the costing methods.

You can indicate a costing method only if you are setting preferences for a *bank type* of portfolio. This is because you maintain the books of accounts only for a bank portfolio. Based on the preference of your bank you can select an option from the picklist.

The costing methods that you can use includes:

- Weighted Average Cost (WAC)
- Last in first out (LIFO)
- First in first out (FIFO)
- Deal matching

For an Issuer type of portfolio the Weighted Average Cost (WAC) method will be applicable.

The costing method preference does not apply to a customer portfolio as you merely perform a custodial function and are not involved with maintaining a book of accounts for the customer.

To understand the accounting methods mentioned above we will examine an example and apply all the costing methods to it.

The following deals have been struck for a bank portfolio:

Sequence	Purchase Date	Deal	Asset Cost	Number of Units	Proceeds
A	1 January	Buy	\$95	100	\$ 9500
B	1 January	Buy	\$96	100	\$ 9600
C	15 January	Buy	\$96.5	100	\$9650
D	1 February	Sell	\$97	150	\$14550

#### Weighted Average Cost (WAC)

The acquired cost of each security in a portfolio is maintained as an average cost. So the realised profit in this case would be computed as follows:

<b>Total Cost of the securities</b>	\$28750 for 300 units
<b>Average cost</b>	\$95.83
<b>Total cost price of the securities sold</b>	\$14374.5 for 150 units
<b>Total sale proceeds</b>	\$14550 for 150 units
<b>Realised profit</b>	\$175.5

The remaining 150 securities would be held at an average cost of \$95.83

### Last in first out (LIFO)

In this method of cost accounting, the securities that have been *bought last* by a portfolio would be *sold first*. In this case the cost of the securities that have been sold would be \$96.

<b>Total cost price of the securities sold</b>	\$96 arrived at thus: \$9650 for 100 units and \$4800 for 50 units
<b>Total sale proceeds</b>	\$14550 for 150 units
<b>Realized profit</b>	\$100

The remaining securities would be held at:

- 50 remaining out of deal B @ \$96
- 100 remaining out of deal A @ \$95

### First in first out

In this case the securities that have been *bought first* by a portfolio would be *sold first*. In this case the computation of accrued interest would remain the same but the cost of the securities that have been sold would be \$96.

<b>Total cost of the securities sold</b>	\$96 arrived at thus: \$9500 for 100 units \$4800 for 50 units
<b>Total sale proceeds</b>	\$14550 for 150 units
<b>Realised profit</b>	\$205

The remaining securities would be held at:

- 50 remaining out of deal B @ \$96
- 100 remaining out of deal C @ \$96.5

### Deal matching

In the case of deal matching you can indicate against which of the earlier buy deals the sell deal is to be matched. Thus the realised profit would change depending on the deals selected as the matched deals. We will consider one possibility, but in reality the number of combinations is infinite.

Match 150 sold as 50 to each of the buys:

<b>Total cost price of the securities sold</b>	\$14375 arrived at thus: \$4750 for 50 @ 95 \$4800 for 50 @ 96 \$4825 for 50 @ 96.5
<b>Total sale proceeds</b>	\$14550 for 150
<b>Realized profit</b>	\$175

The remaining securities would be held as

- 50 remaining out of deal A @ \$95
- 50 remaining out of deal B @ \$96
- 50 remaining out of deal C @ \$96.5

## 11.2.4 **Processing**

Processing preferences refer to specifications that you indicate for the functioning of Oracle FLEXCUBE. Based on the preferences that you indicate, Oracle FLEXCUBE will validate or perform functions.

The processing preferences that you can specify include:

### **Automatic Liquidation of Corporate Actions**

The corporate actions that are applicable for securities in the portfolio can be automatically liquidated on the Event date (the date on which the corporate action is due).

Check against this option to indicate that the corporate actions applicable to securities in a portfolio should be automatically liquidated on the due date.

Leave it unchecked to indicate that it should be manually liquidated.

If you select the automatic option, the corporate action will be automatically liquidated on the liquidation date as part of the automatic processes run as part of beginning of day (BOD) or End of day (EOD).

### **Short Positions Allowed**

A short position is selling a security without sufficient holdings. As a preference you can indicate whether while trading in securities of a portfolio you can have a short position.

Check against the option 'short positions allowed' to allow short positions for the portfolio. This check box works in combination with the value in the field 'Contra Holdings Validation'. If you check this box, you have to select a value for 'Contra Holding Validation'.

While creating a Repo deal in a portfolio, you should uncheck this box.

If 'Repo on Today's Projected Holdings' is checked, you should not check this box.

### **Contra Holdings**

Contra Holdings is value dated projected holdings based on the unsettled deals.

### **Contra Holdings Validation**

Select the method of validating the position. The drop-down list displays the following options:

- Online - Select 'Online' to validate the position online. If you select this, the system will allow you to create securities deal with value dated projected holdings.
- EOTI - Select 'EOTI' to validate the position during EOTI (End of Transaction Input) stage. If you select this, the system will allow you to create a securities deal without sufficient position. The position will be validated during EOTI stage.
- No Check - Unlimited - the system will allow you to sell more than the holdings in a portfolio for a security without restrictions on quantity and value date

It is mandatory to specify the validation method if you have checked the box 'Short Position Allowed'. If that check box is not checked, then you need not specify the validation method.

If Short Position Allowed is unchecked, then the value of this field has to be null.

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**Note**

For a contract with the sell quantity greater than the value dated holdings for a particular security code, if you check 'Short Position Allowed' and set 'Contra Holding Validation' to 'No Check - Unlimited' or 'EOTI', then the system will display an override message when you save or modify the contract

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**Banker's Acceptance**

You can indicate whether or not the portfolio that is defined under the product, which is based on this class, can be used for a Banker's Acceptance deal.

You will be allowed to select this option only for 'Issuer' type portfolios.

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

**Repo on Today's Projected Holdings**

Check this box to enable Repo on projected holdings for the day. If you check this, the system will allow you to create a Repo deal based on the projected holdings for the day.

However, this option does not allow you to create a Repo deal based on future dated projected holdings.

If you check this box, you should leave the box 'Short Positions allowed' unchecked.

**11.2.5 Book Discount Premium**

You can indicate how an asset belonging to a portfolio should be booked. In other words, the basis for asset accounting in a portfolio.

In Oracle FLEXCUBE an asset can be booked on the following basis:

- Non-accrual basis
- Accrual basis

To understand these asset accounting methods, we will examine an example and apply each basis method to it.

You have purchased a USD 10 bond for USD 15 on 1 January from a customer portfolio. You have paid a premium of USD 5 for the bond. On 30 January, you sell the bond for USD 20.

**Non-accrual basis**

Using the non-accrual basis, the following accounting entries will need to be passed:

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

On 1 March, when you sell the bond:

Dr	Customer	USD 20
Cr	Asset	USD 10
Cr	Premium	USD 5

Dr	Customer	USD 20
Cr	Profit and Loss	USD 5

**Accrual basis**

If you select this accrual basis for asset accounting, then on 1 January you would:

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

On 30 January the amount to be accrued is USD 1. The following entries will need to be passed:

Cr	PTBA	USD 1
Dr	Expense	USD 1

When you sell the unit at USD 20

Dr	Customer	USD 20
Cr	Asset	USD 10
Cr	PTBA	USD 4
Cr	Profit and Loss	USD 6

**11.2.6 Book Intrinsic Value**

A warrant or right attached to a security entitles the holder to convert it into common stock at a set price during a specified period. Thus rights and warrants attached to a security have a hidden or intrinsic value. To recall, you have already defined the intrinsic value of a right or warrant in the Securities Warrants Definition screen.

As a portfolio preference you can choose to book or ignore the intrinsic value of rights and warrants for asset accounting purposes.

**11.2.7 Rekey for Authorization**

Authorisation is a way of checking the entries made by a user. All operations on a portfolio, except placing it on hold, should be authorised before the end-of-day operation is begun.

When a portfolio is invoked for authorisation - as a cross-checking mechanism, to ensure that you are calling the right portfolio – you can specify that the values of certain fields should be entered before the other details are displayed. The complete details of the portfolio will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the “re-key” fields.

**11.2.8 Rekey Fields**

You can specify any or all of the following as re-key fields:

- Portfolio ID
- Portfolio customer

- Portfolio currency

If no re-key fields have been defined, the details of the portfolio will be displayed immediately when the authoriser calls the portfolio for authorisation. The re-key option also serves as a means of ensuring the accuracy of inputs.

For example, suppose that you define a customer portfolio in the currency INR. The portfolio involves a product for which the re-key fields assigned are the portfolio customer and currency.

By mistake the portfolio currency is entered as USD instead of INR. When the authorizer selects the portfolio for authorization and indicates the re-key fields of portfolio currency as INR, the details of the portfolio will not be displayed.

The portfolio details will not be displayed if:

- The value in the field that has to be re-keyed has been entered wrongly at the time of portfolio definition, or
- The re-key value is input wrongly at the time of authorisation.

When you have correctly captured the currency of the portfolio as INR and the authorizer makes an error while entering the re-key value. In such a case also, the details of the portfolio will *not* be displayed for authorisation.

### **11.2.9 Corporate Action Notice**

When a corporate action is due for a security in a portfolio, you can generate Corporate Action notices to the holder of the security. You can indicate whether Corporate Action Notices should be generated for securities in a portfolio.

Check against the option 'Corporate Action notice required' to indicate that the notice should be generated. Leave it unchecked to indicate otherwise.

If you indicate that a corporate action notice should be generated, you can indicate preferences for its generation.

#### **Notice Days**

You can indicate the number of days before a corporate action is due on which the corporate action notice should be generated.

#### **Notice Days Type**

You can further indicate whether the number of days that you specified was expressed in calendar or working days.

For example, you have specified that a Corporate Action Notice should be generated ten days before a corporate action is due for securities in a portfolio.

Today's date is 15 December; a corporate action is due for a security that is part of this portfolio on 30 December. Your bank closes for a Christmas vacation on 25 and 26 December.

For calendar days:

A Corporate Action Notice will be generated on 20 December. Ten calendar days before the corporate action is due.

For working days:

Going by the calendar of the bank, the Corporate Action Notice will be generated on 18 December, ten working days before the corporate action is due.

## 11.2.10 Treasury Bills Accrual

### **Accrue Discount for Treasury Bills**

The discount on Zero Coupon Bonds or T-Bills can be accrued over its tenure. If you indicate that accrual of discount is applicable to a portfolio preference class you can indicate accrual preferences.

For example, you have purchased a 90-day T-Bill having a face value of USD 100,000 for USD 98,000. The difference between the purchase price and the face value USD 2000 can be accrued over the 90-day tenor of the T-Bill or can be realised on its maturity.

Check against the 'Accrue discount for Treasury bills' option to indicate that the discount on zero coupon bonds and T-Bills that form part of the portfolio should be accrued. In this case you can indicate accrual preferences like the:

- Accrual frequency
- Accrual start day
- Accrual start month

The accrual preferences that you specify will be made applicable to all portfolio products to which the class is associated.

### **Accrual Frequency**

The discount on T-Bills can be accrued over the tenor of the T-Bill. The frequency at which the discount has to be accrued is specified as a portfolio preference. Thus, the discount components of all T-Bill in a portfolio will be accrued at the same frequency.

The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

### **Accrual Start Day**

In the case of monthly, quarterly, half yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as "30", accruals will be carried out on that day of the month, depending on the frequency.

If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.

If you specify the frequency as **quarterly** and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works in a similar fashion for the half-yearly and yearly accrual frequency.

### **Accrual Start Month**

If you set the accrual frequency as quarterly, half yearly or yearly, you have to **specify the month** in which the first accrual has to begin, besides the date on which the accruals should be done.



For example, you have selected the half-yearly option and specified the start date as 31 and the start month as June. The first accrual will be done on 30 June for the period from January 1 to June 30 and the second one on 31 December for the period from 1 July to 31 December.

If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

### **11.2.11 Purchase Interest**

While defining non-WAC portfolios you can indicate the point at which Purchase Interest is to be adjusted. (For portfolios with WAC as the costing method, this option is always set to Sale and Coupon and the purchase interest is taken into accruals and not tracked separately). The options are:

- Sale and Coupon - indicates that the purchase (acquired) interest is to be netted during any sale in the first coupon of the purchase or on the first Coupon of Purchase (during Coupon liquidation against the coupon amount).
- Sale - indicates that purchase interest is to be held till redemption. When a sale is made, purchase interest is reduced proportionately during partial sale/ full sale/ redemption. If you select this option purchase interest is not netted during coupon liquidation.

This option can be overwritten at the product level.

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#### **Note**

The option of adjusting purchase interest at Sale is applicable only for purchase interest in the CUM period. You must handle adjustments for interest exchanged in the EX period operationally.

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Coupon liquidation takes place for a Portfolio + Security + SK Location combination. Therefore, for adjusting deal level purchase interest at the event CPLQ, the purchase interest of all deals contributing to the position are considered proportionately.

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#### **Note**

You have to maintain the accounting entries for the CPLQ and SSLP events keeping in mind whether you have set the Wipe Deal Purchase Event as Sale and Coupon or Sale.

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For Capitalized Bonds, purchase interest is wiped-off at the time of coupon liquidation as part of the SPLP (Security Purchase) event. You will need to maintain accounting entries for the same.

### **11.2.12 Holdings Statement**

#### **Statement of Holdings required**

You can indicate whether a statement of holding should be generated for portfolios associated to the portfolio preference class. Check against this option to indicate that it is applicable to the class. Leave it unchecked to indicate otherwise. If it is applicable to the class, you can indicate preferences for its generation.

#### **Statement Frequency**

You can indicate the frequency, with which a statement of holdings should be generated.

The frequency that you specify can be:

- Daily

- Monthly
- Quarterly
- Half-yearly or
- Yearly

#### **Statement Start Day**

Based on the frequency that you specify you can indicate the start date for the generation of the statement. The system generates a statement of holding automatically, as part of the end of cycle processing based on the preferences that you specified here.

If the statement generation date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

#### **Statement Start Month**

You can also indicate the start month for the generation of the statement.

### **11.2.13 Transaction Statement**

#### **Statement of Transactions Required**

You can indicate whether a transaction statement should be generated for portfolios associated to the class. Check against this option to indicate that it is applicable to the class. If it is applicable to the class, you can indicate preferences for its generation.

#### **Statement Frequency**

You can indicate the frequency, with which a transaction statement should be generated. The frequency that you specify can be:

- Daily
- Monthly
- Quarterly
- Half-yearly or
- Yearly

#### **Statement Start Day**

Based on the frequency that you specify you can indicate the start date for the generation of the statement. The system generates transaction statements for the portfolio, automatically as part of the end of cycle processing based on the preferences that you specified here.

If the statement generation date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

#### **Statement Start Month**

You can also indicate the start month for the generation of the statement.

### **11.2.14 Contra Holding**

A contra (short for Customer and Bank/long for Issuer) holding is when you sell more than your holdings in a security (buy back more than the issued quantity in case of issuer portfolios). As a preference you can indicate whether while trading in securities of a portfolio you can have a contra holding (negative projected holdings for bank portfolios and positive projected holdings for issuer portfolios).

#### **Contra Holding**

Contra holding is the value dated projected holdings based on the unsettled deals.

## Contra Holding Validation

While saving a securities deal, the system checks the holdings on the basis of the settlement date. You can choose to allow the holdings in a portfolio to go negative based on the projected holdings as per the Settlement Date by enabling the Contra Holdings validation option.

You need to indicate whether the projected holding can go negative for the portfolio. Select the Online option if you don't want the position to go negative at any point in time.

If you have selected the EOTI option, you will not be allowed to mark the EOTI stage if the projected holding in the portfolio is negative on any given settlement date.

In case of Buy Deals viz. Bank Buys, Customer Buys or Reversal of Sell Deals, the positions are updated on authorization of the respective buy deals. In case of Sale Deals viz. Bank Sells, Customer Sells or Reversal of Buy Deals, the positions are updated on saving the respective Sell deals. The settlement dated position checks are done for Sell Deals and Reversal of Buy Deals at the time of saving the deal and also during authorization of the deal.

For contra holdings of type 'Online', if the projected holdings on the settlement date are going short, then an error message will be displayed while saving a Sell deal or while reversing a Buy deal.

If the contra holding is of type 'EOTI', if the projected holdings on the settlement date are going short, then system throws up an override while saving a Sell deal or while reversing a Buy deal. The projected settlement date holdings are checked again at the time of marking EOTI for the branch. If the projected holdings have gone short for any of the settlement dates, system displays an error message and stops any further processing. You are not allowed to configure this error message as an override.

## 11.3 Specifying Detailed Preferences

Click on the tab tilted 'Details' from the Securities Portfolio product to define further preferences for the portfolio.

The screenshot displays the 'Securities Portfolio Product Preference Class Maintenance' window. The 'Details' tab is active, showing configuration options for various accrual and revaluation methods. The 'Premium/Discount Accrual' section includes checkboxes for 'Accrue Premium' and 'Accrue Discount', along with dropdowns for 'Accrual Method', 'Accrual Frequency', 'Accrual Start Day', 'Start Month', 'Accrue Premium Method', and 'Accrue Discount Method'. The 'Redemption Premium Accrual' section has a checked 'Accrue Redemption Premium' checkbox and dropdowns for 'Accrual Frequency', 'Accrual Method', 'Accrual Start Day', and 'Accrual Start Month'. The 'Interest Accrual' section features a checked 'Interest Accrual' checkbox, dropdowns for 'Accrual Frequency' and 'Accrual Start Month', and text boxes for 'Accrual Start Day' and 'Exchange Rate Type'. The 'Revaluation of Positions' section includes checkboxes for 'Revaluation Of Settled Positions', 'Revaluation Of Unsettled Positions', and 'Realized Revaluation', with dropdowns for 'Revaluation Method', 'Revaluation Frequency', 'Revaluation Start Day', 'Revaluation Start Month', 'LOCOM Basis', and 'Revaluation Start Month'. The 'Limits Tracking' section has dropdowns for 'Bonds', 'Equities', 'Rights', 'Warrants', and 'Treasury Bills'. The 'Forward Profit & Loss Accrual' section has a checked 'Forward Profit/Loss Accrual' checkbox and dropdowns for 'Accrual Method', 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'. At the bottom, there are fields for 'Maker', 'Checker', 'Date Time', 'Mod No', 'Record Status', and 'Authorization Status', along with a 'Cancel' button.

### 11.3.1 Premium/Discount Accrual

The premium or discount on coupon bearing instruments can be accrued over a period. If you indicate that accrual of discount or premium is applicable to a portfolio product preference class, you can indicate accrual preferences.

For example, you have purchased a USD1000 bond for USD 1200 and hold it for 5 years to maturity. You have paid a premium of USD 200 for the security.

You can choose to accrue the premium of USD 200 over the tenure of the bond or book it as a loss when the bond matures.

#### **Accrue Premium**

Check against this option to indicate that premium should be accrued.

#### **Accrue Discount**

Check against this option to indicate that discount should be accrued. You will also have to specify the method to be used to accrue the premium and discount. The options available are:

- Constant Yield Basis
- Exponential
- Straight Line Basis

However, if the Costing Method is 'WAC' (Weighted Average Cost), the accrual will be based on any one of the following methods:

- Constant Yield Basis
- Straight Line Basis

In addition, you should also ensure that accrual of both discount and premium is based on the same method i.e. either **Straight Line** or **Constant Yield** method. Yield for deals involving WAC portfolios with Constant Yield method of premium/discount accrual will not be calculated at deal input. Instead, it will be calculated on deal settlement as a part of the EOD batch process. This yield will be updated for all the deals in the particular holding. Yield for the holding will be calculated on settlement of Bank Buy deals for all WAC portfolios other than Issuer portfolios where in the yield will be calculated on settlement of Bank Sell deals. The computed yield will be stored at branch + portfolio + security level.

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#### **Note**

The yield computation for WAC portfolio will be triggered for the following events:

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- Buy Deal (Sell for Issuer)
- Reversal of a buy deal (Reversal of Sell for Issuer)
- Back dated Buy (Back dated Sell for Issuer)
- Reversal of Back dated buy (Reversal of Back dated Sell for Issuer)
- Maturity Date Extension

If you have chosen to accrue premium or discount, you need to specify the following accrual preferences also:

- Accrual method
- Accrual frequency
- Accrual start day
- Accrual start month

The accrual preferences that you specify will be made applicable to all portfolio products to which the class is associated.

### **Accrual Method**

Select the method to be used to calculate the amount of premium or discount to be accrued from the adjoining drop-down list. This list displays the following values:

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

### **Accrual Frequency**

The premium or discount on securities can be accrued over the tenor for which you hold the security. The frequency at which these components have to be accrued has to be specified as a Portfolio product preference. Thus, the premium or discount components of all securities in a portfolio will be accrued at the same frequency.

The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

### **Accrual Start Day**

In the case of monthly, quarterly, half yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as '30', accruals will be carried out on that day of the month, depending on the frequency.

If you want to fix the accrual date for the last working day of the month, you should specify the date as '31' and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.

If you specify the frequency as **quarterly** and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works in a similar fashion for half-yearly and yearly accrual frequency.

### **Accrual Start Month**

If you set the accrual frequency as quarterly, half yearly or yearly, you have to **specify the month** in which the first accrual has to begin, besides the date on which the accruals should be done.

For example, you have selected the half-yearly option and specified the start date as 31 and the start month as June.

The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December.

If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

### 11.3.2 **Limit Tracking**

Your liability in holding a security is tracked under a Credit Line. You have already specified security limits, which indicate the maximum limit upto, which you can trade in the security.

For limit tracking purpose you can indicate the basis on which your liability to the security should be determined. In Oracle FLEXCUBE you can use one of the following options:

- Face-value
- Market price
- Book price

If you indicate *face value*, then the face value of the instrument will be used to track your liability in holding security. Your liability using the face value is calculated thus:

**Liability = Face Value \* Number of units held**

The *market price* indicates the price at which the security is currently quoted in the market. Your liability to the security is calculated by using the current market value of the security; multiplied by the number of units held.

**Liability = Market Value \* Number of units held**

The *book price* refers to the price at which you hold a security. The book price of a security is derived using the costing method that you specified for the portfolio.

Your liability is the book price multiplied by the total number of units held:

**Liability = Book Price \* Number of units held**

For example, you enter a deal in Oracle FLEXCUBE to buy 100 units of equity for a bank portfolio. The face value of the equity is USD 10. Currently the equity is quoted in the market for USD 15. The book price of the security using the Weighted Average Costing method is USD 12.

For simplicity, assume that you have set up your exposure limit to the equity as USD 1200. You have indicated that an exposure beyond this amount is an exception and further processing of the deal should be stalled. If your exposure to the security reaches USD 1200 an override should be sought.

Face value

Your liability in holding 100 units of the security is:

Face Value \* Number of Units = Liability

USD 10 \* 100 = USD 1000

The deal will go through smoothly as it is below the security limit that you set up.

Market Value

Your liability in holding 100 units of the security is:

Market Value \* Number of Units = Liability

USD 15 \* 100 = 1500

In this case Oracle FLEXCUBE will not allow you to process the deal as you have exceeded the security limit that was set up.

Book value

Your liability in holding 100 units of the security is:

Book Price \* Number of Units = Liability

USD 12 \* 100 = USD 1200

When you save the deal, Oracle FLEXCUBE will prompt you with an override message. If you choose to ignore the override the deal will go through.

You can specify limit-tracking preferences for each of the following security types:

- Bonds
- Equities
- Rights
- Warrants
- Treasury Bills

---

**Note**

You can have different limit tracking methods for the same security type depending on the type of portfolio to which it belongs.

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### 11.3.3 **Forward Profit and Loss Accrual**

#### **Forward PL Accrual**

The forward profit or loss on a deal can be accrued over a period starting from the deal spot date to the settlement date of the deal. As a preference for a portfolio, you can indicate whether the forward profit or loss should be accrued.

Your profit or loss in a deal is determined thus:

- For a Buy deal if strike price is greater than spot price then it is a loss
- For a Buy deal if strike price is less than spot price then it is a profit
- For a Sell deal if strike price is greater than spot price then it is a profit
- For a Sell deal if strike price is less than spot price then it is a loss

Check against the 'Forward profit and loss accrual' option to indicate that the forward profit or loss should be accrued.

#### **Example**

You strike a forward deal on 1 January to buy 100 units of a security. The settlement date of the deal is 10 January. Your deal strike rate is USD 100 and the market price of the security stands at USD 120.

**Market Value (120) - Strike Rate (100) x No of units (100)= USD 2000 Profit**

You have made a profit of USD 2000. You can choose to accrue the USD 2000 over the 10 days or realise it as a profit on the settlement date of the deal.

If you indicate that accrual of profit or loss is applicable to a portfolio class you can indicate accrual preferences like the:

- Accrual method
- Accrual frequency
- Accrual start day
- Accrual start month

The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated.

---

**Note**

The forward profit or loss amount is accrued over the period starting from the deal spot date to the deal settlement date. We will call this the regular accrual cycle.

---

However, based on the accrual frequency preferences that you specify, the accrual start date can fall before or between the regular accrual cycle.

If the accrual start date that you specify falls before the spot date of the deal, no accrual will be carried out until the spot date.

If the accrual start date that you define falls between the spot date and the settlement date, accrual will begin on the start date that you specify. On the accrual start date accrual entries will be passed even for the lapsed period between the spot and the accrual start date.

**Example**

You strike a forward deal on 1 January to buy 100 units of a security. The settlement date of the deal is 20 January and the Spot date is 01 January. You have specified the following accrual preferences:

Start date: 10<sup>th</sup>.

Start month: January.

Based on the regular accrual cycle, accrual can start any time between 1 January and 20 January. Based on the accrual preferences that you specify accrual can start only on 10 January.

However when accrual is done on the 10 January it will be done also for the elapsed period (01 to 10 January).

**Accrual Method**

Select the method to be used to calculate the amount of forward profit or loss that is to be accrued from the adjoining drop-down list. This list displays the following values:

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



- 30 (US) / 364
- Actual / 364

### **Accrual Frequency**

The forward profit that you make or the loss that you incur while trading in securities of a portfolio can be accrued until the settlement date of the deal. The frequency with which these components have to be accrued has to be specified as a portfolio preference. Thus, the forward profit or loss will be accrued at the same frequency for all securities in the portfolio.

The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

### **Accrual Start Day**

In the case of monthly, quarterly, half yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as "30", accruals will be carried out on that day of the month, depending on the frequency.

If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.

If you specify the frequency as **quarterly** and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works in a similar fashion for half-yearly and yearly accrual frequency.

### **Accrual Start Month**

If you set the accrual frequency as quarterly, half yearly or yearly, you have to **specify the month** in which the first accrual has to begin, besides the date on which the accruals should be done.

#### **Example**

You have selected the half-yearly option and specified the start date as 31 and the start month as June.

The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December.

#### *If the accrual date falls on a holiday*

If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

## **11.3.4 Redemption Premium Accrual**

### **Accrual Redemption Premium**

For instruments like bonds, which bear a redemption premium, you can choose to accrue the redemption premium due to the security over its tenor. Check against the 'Accrue redemption premium' option to indicate that the premium on redemption premium bearing instruments in the portfolio should be accrued.

#### **Example**

You have purchased a USD 1000 bond with a redemption value of USD 1100. You hold it for 5 years to maturity.

At the end of five years, you are paid USD 1100, USD 100 more than what you paid for it. You can choose to accrue this USD 100 over its 5 year tenor or realise it as a whole on the redemption of the bond.

If you specified that redemption premium should be accrued you can indicate accrual preferences like the:

- Accrual method
- Accrual frequency
- Accrual start day
- Accrual start month

The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated.

### **Accrual Method**

Select the method to be used to calculate the amount of premium that is due for holding the bond from the adjoining drop-down list. This list displays the following values:

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

The values of accrual method maintained in this screen get defaulted in portfolio product



creation for the selected class code.

### **Accrual Frequency**

The redemption premium can be accrued over the tenor of a security. The frequency at which it has to be accrued has to be specified as a Portfolio Preference. Thus, the redemption premium of all redemption premium-bearing instruments in a portfolio will be accrued at the same frequency.

The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

### **Accrual Start Day**

In the case of monthly, quarterly, half yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as "30", accruals will be carried out on that day of the month, depending on the frequency.

If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.

If you specify the frequency as **quarterly** and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works in a similar fashion for half-yearly and yearly accrual frequency.

#### **Accrual Start Month**

If you set the accrual frequency as quarterly, half yearly or yearly, you have to **specify the month** in which the first accrual has to begin, besides the date on which the accruals should be done.

#### **Example**

You have selected the half-yearly option and specified the start date as 31 and the start month as June.

The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December.

#### ***If the accrual date falls on a holiday***

If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

### **11.3.5 Revaluation of Positions**

Market based securities are driven by market forces of demand and supply, the price of such securities tends to rise or fall in value. These fluctuations have a direct effect on the value of the portfolios to which a security belongs.

Oracle FLEXCUBE provides a feature to revalue a portfolio based on settled (Holdings) or unsettled positions (Positions). You can specify the revaluation method and the frequency at which the settled and unsettled positions of the portfolio should be revalued. Further, for settled positions, you can indicate whether realized revaluation should take place.

It is important to note that revaluation entries will be passed only for portfolios belonging to



the bank. For customer portfolios however, revaluation is done solely for reporting the performance of the portfolio.

#### **Indicating the Basis for Revaluation**

In Oracle FLEXCUBE, portfolio revaluation can be done based on the settled, unsettled position or both. However, while specifying revaluation preferences, you can choose to revalue only the settled positions or settled and unsettled positions in a portfolio. You will not be allowed to specify revaluation of only the unsettled positions in a portfolio.

Revaluation of settled positions in a portfolio can be of two types:

- Realized
- Unrealized

In the case of realized revaluation, the profit, or loss entries passed after the revaluation would be posted to the relevant GL. The next revaluation will pass entries based on the market price as of the last time the revaluation was done.

In the case of unrealized revaluation, the profit and loss entries passed after the revaluation will also be posted to the relevant GLs. The only difference is, that when the next revaluation entries are passed, profit or loss entries are based on the original value of the portfolio.

Let us take the example of a portfolio with a holding of 100 units of a security. Each unit was bought at the rate of USD 10 on 1 January 2000. The value of the holding in the portfolio is USD 1000.

The portfolio is defined with realized revaluation of settled positions. We will examine a case where the revaluation for the portfolio is done daily.

Unrealized revaluation:

On 2 January the value a unit of the security falls to USD 9. Consequently, the value of the portfolio is reduced to USD 900. The revaluation will post a loss to the tune of USD 100 to the relevant profit and loss GLs.

On 3 January the value of a unit of the security increases to USD 11. The value of the portfolio now stands at USD 1100. When the revaluation is run again, the loss of USD 100 that was registered on 2 January is reversed and profit entries for USD 100 is passed to profit GLs.

Realized revaluation:

On 2 January the value a unit of the security falls to USD 9. Consequently, the value of the portfolio is reduced to USD 900. When the revaluation is done the profit and loss GLs will reflect the loss of USD 100.

On 3 January the value of securities increases to USD 11. The value of the portfolio now stands at USD 1100. When the revaluation is run again, the loss of USD 100 that was registered is not reversed but the profit GLs will record an increase of USD 200. The profit as of 3 January is calculated based on the revalued portfolio value of USD 900 arrived at on 2 January.

### **Revaluation Method**

After you indicate the basis for revaluation, you can indicate the revaluation method to be used and the frequency with which revaluation should be carried out. The options available are:

- LOCOM (lower of cost or market) — This method can be used for realized and unrealized revaluation.
- MTM (marked to market) — This method can be used for realized and unrealized revaluation. MTM revaluation can be based on either the Book Value (MTM-BV) method, or the Effective Interest method (MTM-EIM).
- MTMLOCOM — This is a combination of the two methods LOCOM and MTM and can be used only for realized revaluation. Portfolios marked with this revaluation method will be revalued only if they register a loss. Revaluation entries are passed at the portfolio level.

The revaluation basis and method that you specify will determine the manner in which a portfolio is revalued.

You can select MTM – EIM method of revaluation for the portfolio that you are defining only if the following conditions are satisfied:

- The portfolio costing method is not WAC;
- Revaluation happens at the Deal level;
- The asset (security) is accounted for on accrual basis;

- The accrual method for Discount, Premium and Redemption Premium is Constant Yield; and
- No Short position is allowed.

### **Specifying the Revaluation Basis if the Revaluation Method is LOCOM**

For portfolios in respect of which you have opted for realized revaluation, and the revaluation method is 'LOCOM' and the costing method is 'WAC', you have two options with regard to revaluation basis (the basis for LOCOM):

- If you choose the LOCOM basis as 'Acquisition Cost', the revaluation profit is realized only to the extent of the accumulated realized loss – that is, revaluation profit goes towards offsetting accumulating revaluation loss.
- If you choose the LOCOM basis as 'Holding Cost', revaluation profit is not recognized, only the revaluation loss, if any, is realized.

If a portfolio product uses a preference class for which this specification has been made, the specification is defaulted from the class; you can change the default. If you do so, your specification here is defaulted to any portfolios using the product.

Realized revaluation using the LOCOM method, with the basis as 'Acquisition Cost' is done only for settled deals.

### **Revaluation Frequency**

The frequency with which a portfolio should be revalued is specified as a portfolio preference. Once you have indicated the basis and method for revaluation, you can specify the frequency with which a portfolio should be revalued. The revaluation frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

### **Revaluation Start Day**

In the case of monthly, quarterly, half yearly or yearly revaluation, you should specify the date on which the revaluation should be done during the month. For example, if you specify the date as "30", revaluation will be carried out on that day of the month, depending on the frequency.

If you want to fix the revaluation date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the revaluation will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.

If you specify the frequency as **quarterly** and fix the revaluation date as 31, the revaluation will be done on the last day of the month at the end of every quarter. It works in a similar fashion for half-yearly and yearly revaluation frequency.

### **Revaluation Start Month**

If you set the revaluation frequency as quarterly, half yearly or yearly, you have to **specify the month** in which the first revaluation has to begin, besides the date on which the revaluation should be done.

For example, you have selected the half-yearly option and specified the start date as 31 and the start month as June.

The system will do the first revaluation will be done on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December.

If the revaluation date falls on a holiday, the revaluation is done as per your holiday handling specifications in the Branch Parameters screen.

---

**Note**

Realized and unrealized revaluation for a portfolio can be done at different frequencies. It is important to note that if the realized and unrealized revaluation frequencies fall on the same day, realized revaluation always takes priority over unrealized revaluation.

---

For example, today's working date is 31 January. You have defined realized and unrealized revaluation for the portfolio. The realized revaluation frequency is monthly and the unrealized revaluation is daily. On 31 January, only realized revaluation of settled positions in the portfolio will be done.

### 11.3.6 **Interest Accrual Preferences**

The interest on coupon bearing instruments can be accrued over the tenure of the instrument. As a portfolio preference, you can indicate whether interest should be accrued over the tenure of coupon bearing instruments that constitute it.

**Interest Accrual**

Check against this option to indicate that interest should be accrued for coupon bearing instruments in the portfolio. Leave it unchecked to indicate that accrual is not applicable.

In Oracle FLEXCUBE interest accrual is done for all un-matured securities with primary date less than the accrual date.

If you specified that interest should be accrued you can indicate accrual preferences like the:

- Accrual frequency
- Accrual start day and
- Accrual start month

---

**Note**

Note that you do not specify the interest accrual method while defining preference classes. You can specify the same at the time you define a securities portfolio.

---

The accrual preferences that you specify will be made applicable to all portfolio products to which the preference class is associated.

**Accrual Frequency**

The frequency at which interest should to be accrued has to be specified as a portfolio preference. Thus, the interest components of all securities in a portfolio will be accrued at the same frequency.

The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly

- Yearly

### **Accrual Start Date**

In the case of monthly, quarterly, half yearly or yearly accruals, you should specify the date on which the accruals have to be done during the month. For example, if you specify the date as "30", accruals will be carried out on that day of the month, depending on the frequency.

If you want to fix the accrual date for the last working day of the month, you should specify the date as "31" and indicate the frequency. If you indicate the frequency as monthly, the accruals will be done at the end of every month -- that is, on 31st for months with 31 days, on 30th for months with 30 days and on 28th or 29th, as the case may be, for February.

If you specify the frequency as **quarterly** and fix the accrual date as 31, the accruals will be done on the last day of the month at the end of every quarter. It works in a similar fashion for half-yearly and yearly accrual frequency.

### **Accrual Start Month**

If you set the accrual frequency as quarterly, half yearly or yearly, you have to specify the month in which the first accrual has to begin, besides the date on which the accruals should be done.

For example, suppose that you have selected the half-yearly option and specified the start date as 31 and the start month as June.

The system will do the first accrual on 30 June for the period from January 1 to June 30, and the second one on 31 December for the period from 1 July to 31 December.

If the accrual date falls on a holiday, the accruals are done as per your holiday handling specifications in the Branch Parameters screen.

## **11.3.7 Revaluation Exchange Rate Code**

The revaluation profit and loss will be in the currency in which the cash flows are denominated.

### **Exchange Rate Code**

You can specify the exchange rate code to be used for converting the profit/loss into the local currency.

## **11.4 Yield Accrual for Deals bought on Par**

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

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

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

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

### Processing of the Yield accrual for deals bought on par

First, the system validates the Redemption Premium accrual frequency and Discount premium accrual frequency which needs to be same at the Portfolio Definition level. This condition is validated only if the bank level parameter **COMMON\_YLD\_ACCR** is set to 'Yes'.

Secondly, the effect of the redemption premium accrued is included in the NPV calculation and the Redemption premium accrual is done prior to Discount Premium accrual.

Then, the YACR event is triggered for accrual only if you have maintained the bank parameter 'COMMON\_YLD\_ACCR' as 'Y' and the security is a bond or a T Bill.

During IRR computation, the acquisition type should also be identified. Acquisition type can be:

- Discount,
- Premium, or
- Par

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

The NPV is computed as shown below:

$$\begin{aligned}
 \text{NPV} &= \text{O/S Deal Nominal} \\
 &+ \text{O/S Interest Accrual} \\
 &+ \text{O/S Redemption Premium Accrual} \\
 &+ (\text{Premium TBA} - \text{Premium Accrued}^*) \\
 &- (\text{Discount TBA} - \text{Discount Accrued}^*) \\
 &+ (\text{Interest Adjustment Accrued Already} + \text{Interest Adjustment Accrued}^*)
 \end{aligned}$$

---

#### Note

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

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### Trading P/L

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

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



- O/S Interest Adjustment Accrual

---

## 12. Defining a Deal Preference Class

### 12.1 Introduction

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

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

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

#### **The advantage of Defining a Portfolio Preference Class**

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

---

#### **Note**

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

---

#### 12.1.1 Specifying the Deal Preferences Class

You can invoke the Deal Preference Class Maintenance screen from the Application Browser. The Deal Preference Class Maintenance Detailed screen is displayed without any details.

If you are setting up a new deal preference class, click 'New' from the screen tool bar.

You can invoke the 'Securities Deal Product Preference Class Maintenance' screen by typing 'SEDXDPCL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

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

## 12.2 Features of the Screen

Screen features are explained below.

### 12.2.1 Identifying a Deal Preference Class

#### Class Code

In Oracle FLEXCUBE, each Deal Preference Class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your own convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.

#### Description

You can specify a short description that will enable you to identify the deal preference class easily.

The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

#### Deal Leg Type

Each deal type has characteristic features that are unique to the type. Certain deals also have two legs, a buy and a sell leg. A deal preference class that you set up can cater to a particular leg (buy or sell) of a deal. You can indicate the deal leg type for which you are setting up preferences.

You can select one of the following from the picklist:

- Bank sell
- Bank buy
- Customer sell
- Customer buy
- Standalone lodge
- Standalone withdraw
- SKL to SKL transfer
- Block securities

By indicating the leg type, you restrict the application of the class to products of the same type. For instance, you can associate a Deal Preference Class of the Leg Type Bank sell, only with products that cater to the selling of securities by the bank.

### **12.2.2 Exchange Rate Type**

You can specify the exchange rates that are to be used when a deal involving a foreign currency, is processed. This is done, by specifying the Rate Type to be used in a deal.

When a deal involves a currency conversion, the Rate Type that you defined will be picked up by default and applied. This defaulted rate type can be changed at the time of processing a deal.

You can define an exchange rate variance (the upper and lower limit), within which the exchange rate can differ from the rate type that is defaulted.

### **12.2.3 Brokerage Allowed**

You can choose to allow or disallow brokers, for a deal that you enter. Brokerage is applicable only for bank buy or sell type of deals. As a preference, you can indicate whether brokerage is applicable to the class you are defining. If you allow brokerage, you can enter deals that may or may not involve brokers. If you disallow brokerage for the product, then the product cannot be associated with deals that are struck through a broker.

To allow brokers, check against this option. To disallow brokers, leave it unchecked.

When a deal involving a broker is processed, the brokerage applicable to the broker will be picked up and applied from the Brokerage maintenance.

### **12.2.4 Automatic Money Settlement**

Money settlement for security deals can be liquidated automatically or manually. While setting up a deal preference class, you can indicate the mode of money settlement. It could be one of the following:

- Manual
- Automatic

Check against this option, to indicate that money settlement should be automatic. Leave it unchecked to indicate manual settlement.

If you specify the automatic mode of money settlement, deals involving a product to which the class is applied will be automatically settled, on the settlement date.

### **If the money settlement date falls on a holiday**

If the money settlement date of a deal falls on a holiday, the deal will be settled depending on your specifications, in the Branch Parameters screen.

## **12.2.5 Extension Allowed**

You can choose to allow extension of the Settlement Date for deals involving a product to which, a preference class is applied. Check against this option, to allow extension of the settlement date. Leave it unchecked to disallow extension.

This feature is useful when you need to extend the settlement date for the deal. You need not enter a new deal for the extension period but simply amend the settlement date of the deal to a future date.

For example, the settlement date of a deal is 1 April. You need to extend the settlement date of the deal by two days. If you have allowed extension of deal for the product, you can settle the contract on 3 April.

## **12.2.6 Rekey Requirements**

All operations on a deal, (input, amendment, modification, etc.) have to be authorised by a user other than the person who carried out the operation. They need to be authorized before the End of Day operation commences. Authorization is a method of checking the entries made by a user.

As a cross-checking mechanism to ensure that the right deal is invoked for authorization, you can specify that the values of certain fields should be entered, before the other details are displayed. The complete details of the deal will be displayed only after the values to these fields are entered. The fields for which the values have to be given are called the re-key fields.

You can specify any or all of the following as re-key fields:

- Trade date
- Security ID
- Deal price
- Settlement date
- Portfolio ID
- Money settlement date
- Nominal/Units

If no re-key fields have been defined, all details of the deal will be displayed when the authorizer calls the deal for authorisation. The re-key option also serves as a means of ensuring, the accuracy of inputs.

For example, suppose that a user enter a deal to sell 100 units of a bond that belongs to the customer portfolio PF01. The deal involves a product for which the re-key field assigned is the Portfolio ID.

Now, the user makes a mistake and enters the Portfolio ID as PF02.

The authorizer selects the deal for authorization and indicates the re-key field of Portfolio ID as PF01. The details of the deal will not be displayed.

When this happens, the authorizer can inform the user of the mistake and it can be rectified.

The deal details will not be displayed if:

- The value in the field that has to be rekeyed, has been entered wrongly at the time of deal definition.
- The re-key value is entered wrongly at the time of authorisation.

It could also be that the user had correctly captured the Portfolio ID as PF01 but the authorizer made an error while entering the re-key value. In such a case also, the details of the deal will not be displayed for authorisation.

### **12.2.7 Specifying Other Preferences**

Besides the above preferences, you can also specify the following:

- Forward deals allowed — whether forward deals can be entered into, by using a product to which the class is applied
- Cancellation allowed — whether deals entered using a product, to which the class is associated, can be cancelled
- Spot deals allowed — whether spot deals can be entered using a product, to which the class is applied
- Partial release allowed — whether partial delivery of securities is allowed, for the deals involving a product, to which the class is applied. This preference is applicable only if the leg type that you selected is Block securities.

---

# 13. Security Restriction Classes

## 13.1 Introduction

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

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

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

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

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

### **The Advantage of Defining Security Restrictions as Classes**

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

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

## 13.2 Specifying the Security Restrictions

You can maintain security restrictions in the Security Restrictions Class Maintenance screen, This is invoked from the Application Browser. If you are maintaining details of a new security restrictions class, or click new icon from the toolbar. The Security Restrictions Class Maintenance screen is displayed without any details.

You can invoke the 'Security Restrictions Class Maintenance' screen by typing 'SEDXSRCL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

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

On the Summary screen, double-click on a class to open it.

The screenshot shows the 'Securities Restrictions Class Maintenance' application window. It features a title bar with a diamond icon and the text 'Securities Restrictions Class Maintenance'. Below the title bar is a menu bar with 'New' and 'Enter Query' options. The main area contains several input fields: 'Class Code \*', 'Module \*', 'Description \*', and 'Module description'. There are also radio buttons for 'Branch restriction' with options 'Allowed' and 'Disallowed'. Below these are two data grids. The first grid, titled 'Security Restriction', has columns 'Code \*' and 'Description'. The second grid, titled 'Security Access', has columns 'Security Id \*', 'Security Description', 'Product', and 'Restriction Type'. At the bottom of the window is a 'Fields' section with labels for 'Maker', 'Checker', 'Mod No', 'Date Time:', 'Record Status', and 'Authorization Status'. An 'Exit' button is located in the bottom right corner.

### 13.2.1 Identifying a Security Restrictions Class

A Security Restrictions Class is identified with a unique Code and a Description.

#### Class Code

In Oracle FLEXCUBE, every Security Restrictions Class that you maintain, is identified by a unique ten-character code called a Class Code.

#### Description

You can briefly describe the Class that you are maintaining. The description helps you identify a class when you create a product. The description is for information purposes only and will not be part of any customer correspondence.

When maintaining a Security Restrictions Class, you have to specify the module for which you are maintaining the class. A class can be maintained either for the Securities (Portfolio) module or for the Securities (Deal) module. This is because, a restrictions class maintained for one module would be unsuitable for another. For instance, you can choose to allow deals in some securities, but disallow the same securities in a portfolio.

#### Restriction Type

You can specify security restrictions in the form of an allowed or a disallowed list.



You cannot deal in security products that are not listed in the allowed list of Security Restrictions Class. If you have maintained a disallowed list for a class, security products that do not figure in it can be involved in deals linked to the product (to which you associate the restrictions class).

You can indicate if you are maintaining an allowed or a disallowed list type by choosing the appropriate option under this field.

### 13.2.2 **Security Restriction**

A security restriction class identifies a unique list of allowed or disallowed security products.

#### **Code**

It represents the list of Security Product Code maintained under Securities Security Product Definition. Click add icon to display the list of Security Product Code through its option list which has been maintained under Securities Security Product Definition. You have to select one which you want to move to Allowed/Disallowed list.

#### **Description**

It is the Description of Security Product Code that you choose to Allowed/Disallowed list.

#### **Exempting specific securities from a list**

You can exempt specific securities, involving a securities product that you have listed, in the Allowed/Disallowed restrictions list.

### 13.2.3 **Security Access**

#### **Security Identification**

It is the Internal Security Id for which Security Product has been maintained under Securities Security Product Definition.

#### **Product**

It is the Security Product Code that has been maintained under Securities Security Product Definition.

#### **Security Description**

It is the description of Security Identification.

Click add icon to display the list of Security Ids through its option list which has been maintained under Securities Security Product Definition. You can choose to move them to the Allowed / Disallowed List.

For example, suppose that you have maintained a Securities Product for Short Term Zero Coupon Bonds. You assigned the product a code SZC1. You have entered five zero coupon bonds under this product, with the following Security IDs: SEC01, SEC02, SEC03, SEC04, and SEC05.

You are maintaining a Securities Restrictions Class, SE\_CUS\_PR1. You include SZC1 in the Allowed list that you maintain for the class. By default, all securities entered against this product will be allowed.

Requirement:

Assume that you would like to disallow a specific security, SEC05.

All securities maintained under the different security products will be displayed in the Security ID, column under Security Access.

Highlight the security SEC05 in the Security ID column.

In the Restriction Type column corresponding to SEC05, choose the Disallowed option.

Result:

When you associate the restrictions class SE\_CUS\_PR1 with a portfolio product, say CP01, you can deal in all securities involving SZC1, except the security SEC05.

---

## 14. Maintaining Portfolio Restriction Classes

### 14.1 Introduction

From the head office of your bank, you can establish certain controls over the portfolios that your branches can trade in. These controls can be achieved by specifying restrictions.

A set of restrictions can be grouped together, is called a Restriction Class in Oracle FLEXCUBE. You can maintain several portfolio restriction classes.

#### **The Advantage of Defining Restrictions as Classes**

While creating a product, instead of specifying restrictions for each product, you need to only associate the appropriate portfolio restriction class, to the product. All the attributes defined for the class will be applicable to the product. These defaulted restrictions can be changed to suit the product.

Thus, you need not define restrictions for each product that you create.

---

#### **Note**

Once defined, a portfolio restriction class can be made applicable to any number of products.

---

### 14.2 Specifying the Portfolio Restriction Classes

You can invoke the Portfolio Restriction Class Maintenance screen from the Application Browser. If you are maintaining details of a new portfolio restriction class, click new icon on the tool bar. The Portfolio Restrictions Class Maintenance screen is displayed without any details.

To invoke the 'Securities deal Portfolio Restrictions Class Maintenance' screen, type 'SEDXPRCL' in the field at the top right corner of the Application tool bar and click on the adjoining arrow button.

If you are calling a Portfolio Restriction Class record that has already been defined, choose the Portfolio Restriction Class Maintenance Summary screen.

From the Summary screen, double-click a class to open it.

### Class Code

In Oracle FLEXCUBE, each portfolio restriction class that you maintain is identified by a unique ten-character code called a Class Code. You can follow your own convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.

### Description

You can specify a short description that will enable you to identify the portfolio restriction class easily.

The short description that you specify is for information purposes only and will not be printed on any customer correspondence.

### Module

A portfolio restriction class that you maintain has to be for specific to a module in Oracle FLEXCUBE. This is because a class that is maintained for one module would be unsuited to another. For instance, you may choose to allow trading in securities in some branches, but disallow these branches from loan facilities.

### Restriction Type

You can specify portfolio restrictions in the form of an allowed, or disallowed list.

When you associate a restriction class with a product, the portfolios that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, portfolios that do not figure in the list can be involved in deals linked to the product.

You can indicate whether you are maintaining an allowed or a disallowed list type, by choosing the appropriate option under this field.

### **Exempting Specific Portfolios from a List**

You can exempt specific portfolios from the restriction specified for the product with which it is associated. Click add icon and select a portfolio code from the picklist. You can choose to Allow or Disallow the portfolio that you have selected by choosing the appropriate option under Restriction Type.

Click delete icon to remove a portfolio from the list.

For example, suppose that you have maintained a Portfolio Product to cater to Bank Portfolios. You assigned the product, a code PF01. You have entered five bank portfolios under this product, with the following Portfolio IDs: P001, P002, P003, P004, and P005.

You are maintaining Portfolio Restrictions for the product and include PF01 in the Allowed list. By default, all portfolios entered against this product will be allowed.

Requirement:

However, you would like to disallow a specific portfolio, P005.

Click add icon and select the ID of the Portfolio P005 from the picklist.

In the Restriction Type column corresponding to P005, choose the Disallowed option.

Result:

When you associate the restriction class with a product, you can deal in all portfolios involving PF01, except the portfolio P005.

## **14.2.1 Portfolio Access**

### **Portfolio Identification**

It is the Internal Security Id for which Security Portfolio has been maintained under Securities Security Portfolio Definition.

### **Product**

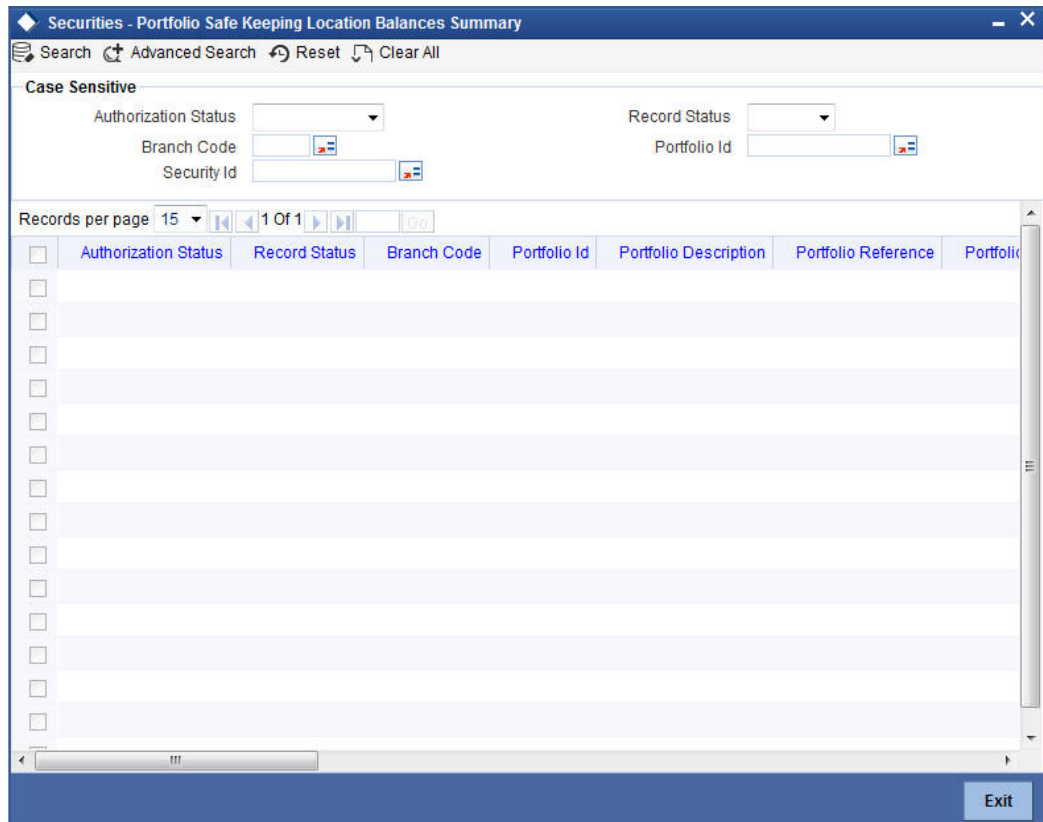
It is the Security Portfolio Code that has been maintained under Securities Security Portfolio Definition.

### **Portfolio Description**

It is the description of portfolio identification.

## **14.3 Viewing Securities - Portfolio Safe Keeping Location Balances Summary**

You can view the portfolio safe keeping location balances of securities in the 'Securities - Portfolio Safe Keeping Location Balances Summary' screen. You can invoke this screen by typing 'SESXPFSB' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Authorization Status
- Branch Code
- Record Status
- Portfolio Id
- Security Id

Select any or all of the above parameters for a query and click 'Search' button. The records meeting the selected criteria are displayed.

If you are allowed to query, then system displays the following details pertaining to the fetched records:

- Authorization Status
- Record Status
- Branch Code
- Portfolio Id
- Portfolio Description
- Portfolio Reference
- Portfolio Customer Id
- Customer Name
- Security Id
- Security Description
- Security Currency

- Currency Name
- Safe Keeping Location Id
- SK Location Description
- Safe Keeping Location Account
- Security Form
- Current Position
- Current Holdings
- Opening Position
- Opening Holdings
- Portfolio Type

## 14.4 Viewing Securities - Portfolio Safe Keeping Location Movements Summary

You can view the portfolio safe keeping location balances of securities in the 'Securities - Portfolio Safe Keeping Location Movements Summary' screen. You can invoke this screen by typing 'SESXPSMV' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch Code
- Value Date
- Portfolio Id
- Security Id

Select any or all of the above parameters for a query and click 'Search' button. The records meeting the selected criteria are displayed.

If you are allowed to query, then system displays the following details pertaining to the fetched records:

- Branch Code
- Value Date
- Portfolio Id
- Portfolio Description
- Portfolio Reference
- Security Id
- Security Description
- Security Currency
- Safe Keeping Location Id
- SK Location Description
- Safe Keeping Location Account
- Balance Type
- Opening Balance
- Closing Sec Balance
- Movements As Of Today



# 15. Defining Attributes of a Securities Product

## 15.1 Introduction

A Security Product is a category or a type of security. For instance, you can define short term zero coupon bonds in the local currency, as a product in Oracle FLEXCUBE. Similarly, you can define Rights as a product. A security product, thus, serves to classify the securities that you deal in.

In this chapter, we shall discuss the manner in which you can define attributes specific to a Securities (SP) product.

You can create a securities product in the SP Product Definition screen, invoked from the Application Browser. In this screen, you can enter basic information relating to a SP product such as the Product Code, the Description, etc.

You can invoke the 'Securities Security Product Definition' screen by typing 'SEDSEPRD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows the 'Security Product' definition screen. The form contains the following fields:

- Product Code \*
- Product Description \*
- Product Type \*
- Description
- Slogan
- Product Group \*
- Product Group Description
- Start Date
- End Date
- Remarks
- Exchange Rate Variance (%)
- Override Limit \*
- Stop Limit \*
- Rate Code \*
- Rate Type \*

Below the form is a menu with the following options: Branch Currency, Customer, Preferences, Interest, MIS, Fields.

At the bottom, there are fields for: Maker, Checker, Mod No, Date Time, Record Status, Authorization Status, and an Exit button.

For any product you create in Oracle FLEXCUBE, you can define generic attributes, such as branch, currency, and customer restrictions, interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter.

You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively.

*For further information on the generic attributes that you can define for a product, refer the following Oracle FLEXCUBE User Manuals:*

- *Products*
- *Interest*
- *User Defined Fields*
- *Settlements*

### **15.1.1 Product Type**

The product type identifies the basic nature of a product. A securities product that you create, can belong to any one of the following types:

- Bonds
- Zero Coupon Bonds
- Equities
- Rights
- Warrants

### **15.1.2 Exchange Rate Variance**

You can define the market price variance that you would like to allow for a security product. This variance is expressed in terms of a percentage.

For a special customer or in special cases, you may want to use an exchange rate (a special rate) that is greater than the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance.

When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all portfolios associated with the portfolio product.

#### **The Override Limit**

If the variance between the default rate and the rate input varies by a percentage that is between the Override Limit and the Rate Stop Limit, you can save the transaction (involving the portfolio) by providing an override.

#### **Stop Limit**

If the variance between the default rate and the rate input varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the transaction involving the portfolio.

## **15.2 Specifying Preferences for a Product**

Preferences are the options that are available for defining the attributes of a product. The preferences that you define for a product will be inherited by all securities that are associated with the product.

Click 'Preferences' button to invoke the 'Preferences' screen. Through this screen, you can define preferences for the product you are creating.

When defining a product, you can choose to specify preferences for the product by the following methods:

- Associating the product with a Security Preference Class.
- By defining these preferences specifically for the product.

If you would like to associate a Security Preference Class to a product, choose 'Default from Class' button from the Security Product Preferences screen. A list of the Security Preference Classes that you have maintained will be displayed. Choose the preference class that is applicable to the product that you are creating.

Click 'Floating Rate Fixing' button to display Floating Rate Fixing Parameter screen.

For detailed information on this screen refer to the section, 'Specifying the Interest Rate Revision Frequency' in the chapter, 'Defining Security Preference classes' of this User Manual.

Click 'Limits' button to display Currency Wise Limits screen.

*For detailed information on this screen, refer to the section 'Defining deal limits for a preference class' in the chapter, 'Defining Security Preference classes' of this User Manual.*

*For detailed information on each of the attributes please refer to the chapter called Defining Security Preference classes.*

## 15.3 Coupon Processing

### Coupon Plotting

You can specify whether coupon events that fall on holidays should be shifted forward or backward. You can also choose not to change the event date even if it is a holiday.

In the Coupon Plotting Holiday Treatment field, you can select from the following options:

- Forward
- Backward
- Ignore

The choice that you make here defaults to the specific securities that you define under this product.

Irrespective of the holiday treatment specified by you, the system will not perform any holiday adjustment if, in the Product Event Accounting Entries Maintenance, you select 'No' as the Holiday Treatment parameter. *A more detailed explanation is available in the Products manual.*

If the forward/backward shift in a coupon event date entails a movement across months, then the event date will be guided by whether you have allowed / disallowed movement across months in the Branch Parameters screen.

*For more details and an example, refer to the chapter on Bank and Branch Parameter Maintenance in this manual.*

### **Accounting Value Date**

Interest calculations and accruals are done till the coupon event date. However, if the coupon event date is a holiday, you can specify whether the actual processing of accounting entries should be shifted forward / backward. You can also choose that the accounting entries shall be passed as of the coupon processing date itself, even though it is a holiday.

In the Acct Val Dt Holiday Treatment screen, you can select from the following options:

- Forward
- Backward
- Ignore

The choice that you make here defaults to the specific securities that you define under this product.

If the forward/backward shift in an accounting value date entails a movement across months, then the value date will be guided by whether you have allowed/ disallowed movement across months in the Branch Parameters screen.

A coupon event date falling on a holiday may itself be shifted to the previous or following working day. In that case, holiday treatment for the accounting value date becomes irrelevant.

*For more details and an example, refer to the chapter on Bank and Branch Parameter Maintenance in this manual.*

### **Coupon Date Amendment Limit**

For continuous coupon schedules, the coupon payment dates are automatically populated according to the coupon frequency that you specify while defining a security. You can amend these dates within the limit that you specify in the Coupon Date Amendment Limit field.

*For more details on changing coupon dates for continuous schedules, refer to the Securities Online chapter in this manual.*

## 15.4 Capturing Interest Details

Click 'Interest' button and invoke the following screen.

The screenshot shows the 'Interest Details' window with the following fields and options:

- Product Code** and **Product Description** (text boxes)
- Component Details**: **Component \*** (text box), **Component Description** (text box), **1 Of 1** (dropdown), **Default From Class** (checkbox), **Stop Association** (checkbox)
- Interest Details**: **Leg Type** (dropdown), **Primary Interest** (checkbox), **Accrual Required** (checkbox), **Coupon** (checkbox)
- Event Details**: **Event For Association** (text box), **Event Description** (text box), **Basic Amount Tag** (text box), **Description** (text box), **Amount Category** (dropdown, set to 'Overdue'), **Rate Type** (dropdown, set to 'Fixed'), **Floating Rate Type** (dropdown), **Flat Amount Per Unit** (checkbox)
- Rate Details**: **Default Rate Code** (text box), **Default Rate Source** (text box), **Default Tenor** (text box), **Rate Code Description** (text box), **Rate Source Description** (text box), **Tenor Description** (text box)
- Other Details**: **Default Waiver** (checkbox), **Amend After Association** (checkbox), **Allow Rate Code Amendment** (checkbox), **Allow Rate Type Amendment** (checkbox), **Allow Rate Amend** (checkbox)

### 15.4.1 Specifying Interest Type Details

While building an Interest Component, you can define

- Primary Interest - Applicable only for Securities Module
- Coupon – Applicable only for Securities Module

### 15.4.2 Specifying Event Details

#### 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 FLEXCUBE.

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.

### **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.

### **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.

## **15.4.2.1 Specifying Rate Details**

### **Default Rate Code**

Interest payable on contracts would be calculated at specific rates. When building an interest component, you have to specify the rate at which the interest should be computed. When associating a rate code (that you have maintained in the Rate Codes Maintenance screen) with the interest component that you are building, the rates corresponding to the code will be used to compute interest.

When maintaining a contract, you can choose to waive the rate code altogether or amend the properties of the code to suit the security.

If you allow amendment of a rate code, you can specify if you would like to allow rate code amendment *after* the association event.

You can also allow the amendment of the rate value (corresponding to a rate code).

### **Default Tenor**

Each rate code is associated with a tenor. For instance you have a Rate Code 'LIBOR'. You can link any number of tenor codes to the same rate code.

<b>Tenor Code</b>	<b>Description</b>
1W	One week rate
2W	Two week rate
2M	Two months rate
6M	Six months rate
1Y	One year rate

When building an interest component, you can specify a Tenor Code that you would like to associate, with the Floating Interest Rate Code. Interests for contracts (maintained under a product) will be calculated using the rate corresponding to the Rate Code and the Tenor Code.

# 16. Defining Attributes of a Portfolio Product

## 16.1 Introduction

In this chapter, we shall discuss the manner in which you can define attributes specific to a Securities Portfolio product.

You can create a securities portfolio product in the Securities Portfolio Product Definition screen, invoked from the Application Browser. In this screen, you can enter basic information relating to a Portfolio product such as the Product Code, the Description, etc.

You can invoke the 'Securities Portfolio Product Definition' screen by typing 'SEDPFPRD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows the 'Securities Portfolio Product Definition' application window. The window title is 'Securities Portfolio Product Definition'. It features a toolbar with 'New' and 'Enter Query' buttons. The main area contains two columns of input fields. The left column includes: Product Code \*, Product Description \*, Product Type \*, Description, Slogan, Product Group \*, Product Group Description, Start Date, End Date, and Remarks. The right column includes: -Exchange Rate Variance (%), Override Limit \*, Stop Limit \*, Rate Code \* (with a dropdown arrow), and Rate Type \*. Below the input fields is a horizontal menu with options: Accounting Role, Events, Branch Currency, Customer, Instrument, Preferences, Charges, Tax, MIS, and Fields. At the bottom, there are fields for Maker, Checker, Mod No, Date Time, Record Status, and Authorization Status, along with an Exit button.

For any product you create in Oracle FLEXCUBE, you can define generic attributes, such as branch, currency, and customer restrictions, interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter.

You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively.

*For further information on the generic attributes that you can define for a product, refer the following Oracle FLEXCUBE User Manuals under Modularity:*

- *Product Definition*
- *Interest*
- *User Defined Fields*

- *Settlements*

### **Product Type**

The first attribute that you define for a portfolio product is its *type*. You can broadly classify portfolio products into three *types*:

- Customer Portfolio
- Bank Portfolio
- Issuer Portfolio

If the bank issues securities (e.g., Central Bank issuing government bonds), it can maintain a portfolio for the securities it issues. This is an Issuer Portfolio. Under each product type you can create any number of products.

#### **16.1.1 Exchange Rate Variance**

For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is *greater than* the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance.

When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all portfolios associated with the portfolio product.

#### **Override Limit**

If the variance between the default rate and the rate input varies by a percentage that is *between* the Override Limit and the Rate Stop Limit, you can save the transaction (involving the portfolio) by providing an override.

#### **Stop Limit**

If the variance between the default rate and the rate input varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the transaction involving the portfolio.

### **16.2 Indicating 'Preferences' for a Product**

Preferences are the options that are available to you for defining the attributes of a product. The following are examples of portfolio preferences.

- The Preferred Costing Method (Weighted Average, Deal Matching, FIFO, FILO)
- The Revaluation details (Basis, LOCOM Basis, Method, Frequency, and Start Date)
- The Forward Profit and Loss Accrual details
- The Premium/Discount Accrual details
- The Redemption Premium Accrual details
- Corporate Action Notice details

All portfolios maintained under a portfolio product will inherit the preferences that you define for the product.

Click 'Preferences' button to invoke the Portfolio Product Preferences screen. In the two tabs (titled 'Main' and 'Details') in this screen, you can define preferences for the product that you are creating.

The preferences that you can specify are spread over two screens:

- The Main preference screen



- The Detail preferences screen

The screenshot shows the 'Portfolio Preferences' window with the 'Main' tab selected. The window is divided into several sections:

- Product Information:** Product Code, Product Description, Class Code, and Description. A 'Default From Class' button is present.
- Processing:** Includes checkboxes for 'Auto Liquidate For Corporate Actions', 'Corpus Account', 'Short Position Allowed', 'Accrue Withholding Tax For Coupons', 'Bankers Acceptance Issue', and 'Repo On Today's Projected Holdings'.
- Treasury Bill Accrual:** Features dropdowns for 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'. It also includes checkboxes for 'Accrue Discount For Treasury Bills' and 'Accrue Withholding Tax For T Bill Disc', and a 'Wipe Deal Purchase Interest' dropdown.
- Holdings Statement:** Includes dropdowns for 'Holding Frequency', 'Holding Start Day', and 'Holding Start Month', and a checkbox for 'Statement of Holdings Required'.
- Book Discount/Premium:** Has an 'Accounting Basis' dropdown.
- Corporate Action Notice:** Includes a checkbox for 'Corporate Notice Action Required', 'Notice Day', and 'Notice Day Type' dropdown.
- Transaction Statement:** Includes a checkbox for 'Statement of Transaction Required', and dropdowns for 'Transaction Frequency', 'Transaction Month', and 'Transaction Start Day'.
- Rekey For Authorization:** A 'Required' section with radio buttons for 'Yes' and 'No'.
- Rekey Fields:** Checkboxes for 'Portfolio Id', 'Portfolio Customer', and 'Portfolio Currency'.
- Book Intrinsic Value:** Checkboxes for 'Warrants' and 'Rights'.
- Portfolio Type:** 'Portfolio Type' dropdown.
- Contra Holding:** 'Contra Holding Validation' dropdown.

Buttons for 'Ok' and 'Cancel' are located at the bottom right of the window.

The 'Main' Portfolio Product Preferences screen.

Specify the following details:

### Accrual Method

The accrual method refers to the method to be used to calculate the amount of premium or discount to be accrued. Select the accrual method from the adjoining drop-down list. This list displays the following values:

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

---

### Note

The values of accrual method maintained in this screen get defaulted in portfolio creation for the selected product.

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## The 'Other' Portfolio Product Preferences screen.

The screenshot displays the 'Portfolio Preferences' dialog box with the 'Other' tab selected. The dialog is organized into several sections:

- Product Information:** Fields for Product Code, Product Description, Class Code, and Description. A 'Default From Class' button is located to the right of the Class Code field.
- Premium/Discount:** Includes checkboxes for 'Accrue Premium' and 'Accrue Discount', and dropdown menus for 'Accrual Method', 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'. It also has dropdowns for 'Accrue Premium Method' and 'Accrue Discount Method'.
- Limits Tracking:** Features dropdown menus for 'Bonds', 'Equities', 'Rights', 'Warrants', and 'Treasury Bills'.
- Interest Accruals:** Includes a checkbox for 'Interest Accruals' and dropdowns for 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'.
- Redemption Premium:** Contains a checkbox for 'Accrue Redemption Flag' and dropdowns for 'Accrual Method', 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'.
- Revaluation of Positions:** Divided into two sub-sections: 'Revaluation of Settled Positions' and 'Revaluation of Unsettled Positions'. Each has checkboxes and dropdowns for 'Revaluation Method', 'Revaluation Frequency', 'Revaluation Start Day', and 'Revaluation Start Month'. The 'Realized Revaluation' section also includes a 'Revaluation Method' dropdown with 'LOCOM' selected.
- Forward Profit & Loss Accrual:** Includes a checkbox for 'Forward Profit/Loss Accrual' and dropdowns for 'Accrual Method', 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'.
- Revaluation Exchange Rate Code:** Features a dropdown for 'Exchange Rate Type' and a text field for 'Description'.

At the bottom right of the dialog are 'Ok' and 'Cancel' buttons.

When defining a portfolio product, you can choose to specify preferences for the product, either by

- Associating the product with a Portfolio Preference Class that you have defined
- Entering your preferences specifically for the portfolio product

If you would like to *associate a portfolio preference class* to a product, choose 'Default From Class' button in the Portfolio Product Preferences screen. A list of the Portfolio Preference Classes that you have maintained will be displayed. Choose the preference class that is applicable to the product that you are creating.

*For detailed information on each of the attributes, please refer to the chapter called 'Maintaining a Portfolio Preference Class' of this User Manual.*

# 17. Defining Attributes of a Deal Product

## 17.1 Introduction

In this chapter, we shall discuss the manner in which you can define attributes specific to a Securities (SP) Deal product.

You can create a securities deal product in the SP Product Definition screen, invoked from the Application Browser.

You can invoke the 'SD Product Definition' screen by typing 'SEDDLPRD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

In this screen, you can enter basic information relating to a SP product such as the Product Code, the Description, etc.

The screenshot shows the 'Product Definition' window with the following fields:

- Product Code \*
- Product Description \*
- Product Type \*
- Description
- Slogan
- Product Group \*
- Description
- Start Date
- End Date
- Remarks
- Exchange Rate Variance (%)
- Override Limit \*
- Stop Limit \*
- Rate Code \*
- Rate Type \*

Navigation bar: Accounting Roles | Events | Branch Currency | Customer | Instrument | Portfolio Restrictions | Preferences | Charges | Tax | MIS | Fields | Market Details

Bottom section: Maker, Checker, Mod No, Date Time, Record Status, Authorization Status, Exit

For any product you create in Oracle FLEXCUBE, you can define generic attributes, such as branch, currency, and customer restrictions, interest details, tax details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen. For a Portfolio product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this chapter.

You can define the attributes specific to a Portfolio product in the SP Product Definition Main screen and the SP Product Preferences screen. In these screens, you can specify the product type and set the product preferences respectively.

*For further information on the generic attributes that you can define for a product, please refer the following Oracle FLEXCUBE User Manuals under Modularity:*

- *Product Definition*
- *Interest*

- *User Defined Fields*
- *Settlements*

### 17.1.1 **Product Type**

An important detail in defining a product is to specify the type of product you are creating. The product type identifies the basic nature of a product.

A Securities Deal product that you create, can be of the following types:

- Bank buys
- Bank sells
- Customer buys
- Customer sells
- Standalone lodge
- Standalone withdraw
- Safe keeping location (SKL) to SKL transfer
- Block securities

The accounting entries that are passed, the messages that are generated and the processing of deals involving this product are determined by your entry to this field.

### 17.1.2 **Exchange Rate Variance**

For a special customer, or in special cases, you may want to use an exchange rate (a special rate) that is *greater than* the exchange rate maintained for a currency pair. The variance is referred to as the Exchange Rate Variance.

When creating a product, you can express an Exchange Rate Variance Limit in terms of a percentage. This variance limit would apply to all deals associated with the deal product.

Rate Override Limit: If the variance percentage between the default rate and the rate input is between the Rate Override Limit and the Rate Stop Limit, you can save the deal by providing an override.

Rate Stop Limit: If the variance between the defaulted rate and the rate that is entered varies by a percentage greater than or equal to the Rate Stop Limit, you cannot save the deal.

## 17.2 **Specifying Preferences for a Product**

### **Defining Preferences for a Product**

Preferences are the options available, for defining the attributes of a product. The preferences that you define for a product will be inherited by all security deals associated with the product.

Click 'Preferences' button to invoke the Deal Product Preferences screen. Through this screen you can define preferences for the product you are creating.

When defining a product, you can specify preferences for the product, by either of the following methods:

- Associating the product with a Deal Preference Class
- Defining these preferences specifically for the product

To associate a deal preference class to a product, click 'Default From Class' button on the Deal Product Preferences screen. A list of the deal preference classes that you have defined specifically for Securities module of Oracle FLEXCUBE will be displayed. Choose the deal preference class to be associated with the product, from the option list. All the details defined at the class get defaulted here. In addition, you can specify certain attributes for the deal.

#### **Consider Brokerage for Disc. Accrual**

Check this option to indicate whether the brokerage component is to be considered for discount accrual on a constant yield basis.

---

#### **Note**

This option is enabled only if you have allowed brokers for the deal.

---

Default fields, From and To leg Safe Keeping details.

*For detailed information on the other attributes please refer to the chapter called Defining a Deal Preference Class.*

### **17.2.1 Specifying User Defined Fields**

In the 'SD Product Definition' screen, click 'Fields' button to invoke the 'Field Name to Value Definition' screen. In this screen, you can specify user defined fields for a securities deal. For deals uploaded as unauthorized deals, it should be possible for any other user to amend them.

## 17.2.2 Specifying accounting entries for KEST computation

KEST is a scheme of levying withholding tax on the income earned by the customers of your bank. This type of withholding tax is applicable only on incomes earned from securities.

Some of the customers might directly pay the KEST amount to the Government. Under such circumstances, your bank need not calculate the KEST amount.

The system generates the accounting role KEST\_GL and the amount tags KEST\_BSINT\_AMT and KEST\_DEAL\_AMT for tax on bought sold accrued interest and tax on deal nominal amount respectively. At the time of defining a deal product, you need to specify the accounting entries that need to be passed for KEST calculation.

The accounting entries will be different for the sell and buy legs of a security deal.

You will have to define the following accounting entries to process KEST:

Accounting Role	Amount Tag	Debit/Credit Indicator
Sec Settlement	KEST_BSINT_AMT	Dr
KEST_GL	KEST_BSINT_AMT	Cr
Sec Settlement	KEST_DEAL_AMT	Dr
KEST_GL	KEST_DEAL_AMT	Cr

The accounting entries for the buy leg of a security deal will be:

Accounting Role	Amount Tag	Debit/Credit Indicator
Sec Settlement	KEST_BSINT_AMT	Cr You need to credit the customer account as the customer earns the KEST amount.
KEST_GL	KEST_BSINT_AMT	Dr
Sec Settlement	KEST_DEAL_AMT	Cr
KEST_GL	KEST_DEAL_AMT	Dr

These accounting entries have to be maintained for the event MSTL (Money Settlement of Securities Deal).

# 18. Defining a Product Combination

## 18.1 Introduction

Certain security deals that you enter can involve two legs - a buy and a sell leg. A product combination is an association of a buy and a sell product. To recall you have already defined products that caters specifically to either a buy or sells leg of a deal.

The advantage of creating a product combination is that, at the time of entering a deal, you only need to indicate the code assigned to the product combination. The attributes defined for the buy and sell products will automatically be applied to the buy and sell legs of deals.

---

### Note

You can create a product combination only after you have created buy and sell deal products.

---

## 18.2 Creating a Combination Product

The Securities Combination Product Maintenance screen is invoked from the Application Browser. To enter the details of a new deal, click new icon from the tool bar.

You can invoke the 'Securities Combination Product Maintenance' screen by typing 'SEDXCMBP' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button. If you are calling a product combination that has already been created, choose the Summary option.

From the Summary screen, you can to open an existing product combination, by double clicking on it.

◆ Securities Combination Product Maintenance

New Enter Query

Product Code \* Slogan

Slogan

Start Date End date

Product Group

Remarks

Combination Details

Rights Exercise Type Preferred Leg  Buy Leg  Sell Leg

Buy Product \* Buy Product Desc

Sell Product \* Sell Product Desc

Counter Product Counter Product Desc

Fields

Maker Date Time:

Checker Date Time:

Mod No Record Status

Authorization Status

Exit

## 18.2.1 Creating a Combination Product

### **Product Code**

In Oracle FLEXCUBE, each product combination that you create is identified by a unique four-character code called a product code. You can follow your own convention for devising this code, however, one of the characters of the code should necessarily be a letter of the English alphabet.

### **Description**

You can specify a short description that will enable you to identify the product combination easily.

The short description specified is for information purposes only and will not be printed on any customer correspondence.

### **Product Group**

Each product combination is classified under a specific group. The different groups are defined in the Product Group Definition screen. To indicate the group to which a product belongs, select a group code from the picklist.

### **Product Slogan**

You can specify a marketing punch line to be associated with the product combination. This slogan will be printed on all the advices that are sent to the customers involved in a deal involving this product combination.

### **Specifying the life-span of a product**

A product combination that is defined can be used over a specific period by defining a start and an end date. The settlement date of a deal involving a product should be:

- The same as or later than the Start Date
- The same as or earlier than the End Date of the product

The start and end date of a product combination is useful when you are defining a product combination for a specific period.

---

### **Note**

If you do not specify an End Date, a message is displayed prompting you to indicate whether you are creating an open-ended product combination. In this case the product combination can be used till it is closed.

---

### **Product Remarks**

You can enter information about the product combination, intended for the internal reference of your bank. Your remarks will not be printed on any correspondence with the customer.

### **Combining two deal products into a combination**

When you create a product combination, you should only associate two unique deal products. One, catering to the buy leg and the other to the sell leg of a deal. The combination could be between any of the types listed below:

- Bank buys
- Bank sells
- Customer buys
- Customer sells

For instance, you could create a combination for a bank buy and a customer sell. After this, indicate the sell product that constitutes the combination.



### **Indicating the preferred leg**

When creating a product combination, indicate the Preferred Leg of the combination, under the preferred leg option.

The attributes defined for the preferred leg will be inherited by all deals associated with the product combination.

### **Indicating that a product combination can cater to rights and warrants exercise**

You can create a product combination to cater to the exercise of rights or warrants. When you choose to exercise rights that arise out of your holding, you should make a combination product, with the rights exercise option applicable to the deal.

If you select the rights exercise option, you should also indicate the counter product that should be used, when rights are exercised. A counter product is a product combination (with a buy and sell leg) that will be applicable when rights are exercised. You can select a counter product from the option list available.

In Oracle FLEXCUBE, the exercise of rights involves four steps:

1. The selling of rights
2. The buying of rights
3. The buying of the resultant securities
4. The selling of resultant securities

The buy leg of the combination product will cater to the buying of resultant securities and the sell leg to the selling of the resultant securities by the SK location.

The sell leg of the counter product caters to the selling of rights from the portfolio, which is doing the exercise and the buy leg to the buying of rights from the SK location of the holding.

For example, suppose that you hold 100 units of equity in a bank portfolio. To the equity is attached 100 rights that can be exercised on 15, June to purchase 100 units of shares.

When you exercise the rights, you should associate with the deal, a product combination that caters to the exercise of rights. All the details that you specified for the product combination will be applicable to the deal.

# 19. Maintaining a Security

## 19.1 Introduction

In Oracle FLEXCUBE, you have to maintain all securities that you deal in. In other words, you can only enter into deals involving securities that you have maintained in the system. Maintaining a security involves various operations. They include specification of the following:

- Issuer details
- The Market of Issue
- The relevant dates (the Tear-off Date, the Start of Interest Date, etc.)
- The Price details
- The coupon details

When you enter into a deal, the details defined for a security will automatically be picked up. A security is maintained in the Security Definition screen, which is invoked from the Application Browser.

You can invoke the 'Securities Instrument Definition' screen by typing 'SEDTRONL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows the 'Security Definition' window with the following fields and options:

- Security Id\* (text box)
- ISIN Identifier (text box)
- Security Status (dropdown)
- Security Description (text box)
- Product (text box)
- Trading Status (dropdown)
- Security Type (dropdown)
- Security Reference (text box)
- Interest Type (dropdown)

Tabbed interface: Main | Interest | Others

Main Tab Fields:

- Market Of Issue (text box)
- Issuer Code (text box)
- Registered/Bearer (dropdown)
- Form Type (dropdown)
- Redemption Type (dropdown)
- Redemption Quotation (dropdown)
- Issue Size (text box)
- Outstanding Issue Size (text box)
- Min Trading Size (text box)
- Lot Size (text box)
- Issue Date (text box)
- Start of Interest Date (text box)
- Start of Trading Date (text box)
- Redemption Date (text box)
- Quantity Quotation (dropdown)
- Price Quotation (dropdown)
- Interest Quotation (dropdown)
- Renounceable (checkbox)
- Call Option (checkbox)
- Put Option (checkbox)
- Security Currency (text box)
- Payment Currency (text box)
- Face Value (text box)
- Issue Price (text box)
- Current Face Value (text box)
- Redemption Price (text box)
- Status (text box)

Options:  Fractional Quantity,  Equated Redemption,  Confirm Corp Action

Buttons: Yield

Footer: Series | Coupon | Revision | Redemption Schedule | Interest | Tax | MIS | Fields

Status Bar: Input By (Date Time), Authorized By (Date Time), Contract Status, Authorized

### 19.1.1 A description of the Security Instrument Definition Screen

The Securities Definition screen contains a header, a footer and a body of fields that capture information specific to the security that you are defining. The body of fields, in this screen, is divided into three tabs.

The three tabs are:

<b>Main</b>	Click this tab to enter the essential attributes of a security.
-------------	---

<b>Interest</b>	Click this tab to enter the interest details specific to the security that you are maintaining.
<b>Others</b>	Click this tab to enter additional information relating to the security that you are maintaining.

Also displayed on the screen is an array of icons. Clicking on an icon launches its screen. Details specific to an attribute can be captured on the screen.

These buttons are briefly described below:

<b>Series</b>	Click on this icon to invoke the Series details screen. If the redemption type of a bond is Series, you can enter the series details in this screen.
<b>Coupon</b>	Click on this icon to indicate the coupon details for the bond that you are maintaining.
<b>Revision</b>	For bonds defined with floating interest, and an asynchronous, periodic interest rate revision, you can define Revision details. Click on this icon to invoke the Revision Schedules screen.
<b>Redemption Schedule</b>	Click this icon to define redemption schedules for a security (with Quantity Redemption) that you are maintaining.
<b>Interest</b>	This button invokes the Interest service of Oracle FLEXCUBE. You can define interest details for a security in this screen.
<b>Tax</b>	This icon invokes the Tax services
<b>MIS</b>	Click this icon to define MIS details for the security.
<b>Fields</b>	Click this icon to invoke the User Defined Fields details screen.

## 19.2 Entering the Details of a Security

A security can be maintained in the Security Definition screen, which is invoked from the Application Browser.

In the Securities Definition screen, you can maintain details of the different kinds of securities that you deal in. They include Bonds, Zero Coupon Bonds, Treasury Bills, Equities, Rights, and Warrants. When dealing in a security, the details that you specified in this screen will be picked up automatically.

A security must be maintained under a Security Product, created by the Head Office. For instance, if your bank has defined a Short Term Zero Coupon Bonds security product, you would maintain all short-term zero coupon bonds that you deal in under this product.

A security inherits all the attributes defined for the product under which it is maintained. This enables efficient maintenance of security.

### 19.2.1 Identifying a Security

#### **Security Reference Number**

In Oracle FLEXCUBE, reference numbers are generated automatically and sequentially, by the system. This number tag is used to identify the security that you are maintaining. It is also

used in all the accounting entries generated by transactions involving the security. Thus, the system generates a unique number for each security.

The security reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number.

The Julian Date has the following format:

YYDDD

Here, YY stands for the last two digits of the year and DDD for the number of day (s) that have elapsed in the year.

For example, 31 January 1999 translates into the Julian date: 99031. Similarly, 05 February 1999 becomes 99036 in the Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).

### **Security Id**

You can identify a security that you are maintaining, with a unique identifier and a brief description. The identifier is referred to as the Security ID. A security will be identified by this number in addition to, the Security Reference No., generated by the system.

### **Description**

The description that you specify is for information purposes only, and will not be printed on any customer correspondence.

### **ISIN (International Security Identification Number) Identifier**

You can enter the ISIN reference, allotted to the security that you are maintaining. In the SWIFT messages that you generate, this number will identify a security.

### **Security Type**

The securities that you deal in can be broadly classified into the following types:

- Bonds
- Zero Coupon Bonds
- Equities
- Rights
- Warrants

You can maintain a security of a particular type, only under products defined for the type. For instance, you can only maintain bonds, under a product defined for Bonds.

The attributes that can be defined for a security depend on the Security Type. For example, if the security type is indicated as Bond, you can also define details relating to interest.

### **Trading Status**

This field is generated by the system, that states whether the trade is Active or Closed (Suspended).

### **Security Status**

This field is generated by the system, that states whether the security is of Primary type (new issue) or Secondary type.

### **Interest Type**

This is an auto populated field. This is populated by the system based on the security product preferences specified. The value can be:

- Fixed

- Floating

### Product Code

You can associate every security that you maintain with a Security Product that you have maintained in the Security Product Definition screen.

When you associate a security with a security product, it acquires the attributes defined for the product. This means, you do not have to define the attributes of a security, all over again, when maintaining it.

On choosing a product, you can view the type of security that you can associate with the product. The Security Type field displays this information. For instance, you can associate a bond that you are maintaining only with a product created for 'Security Type: Bond'.

### Description

In the adjacent field, you can view a brief description of the product (with which you have chosen to associate the security that you are maintaining).

## 19.2.2 Entering the Main Details

In the Main section of the Security Definition screen, you can maintain the basic details that mark for a security. They include details such as its face value, its tear-off date, start of interest date and expiry date.

The screenshot displays the 'Security Definition' window with the 'Main' tab selected. The interface includes several input fields and dropdown menus for defining security parameters. Key fields include:

- Identification:** Security Id \*, ISIN Identifier, Security Status, Security Description, Trading Status, Product, Security Type, Security Reference, Interest Type.
- Market and Issuer:** Market Of Issue, Issuer Code.
- Quotation and Redemption:** Registered/Bearer, Form Type, Redemption Type, Redemption Quotation, Quantity Quotation, Price Quotation, Interest Quotation, Decimals, Equated Redemption, Fractional Quantity.
- Options:** Renounceable, Call Option, Put Option.
- Currency and Values:** Security Currency, Payment Currency, Yield, Face Value, Issue Price, Current Face Value, Redemption Price.
- Dates and Sizes:** Issue Size, Outstanding Issue Size, Min Trading Size, Lot Size, Issue Date, Start of Interest Date, Start of Trading Date, Redemption Date.
- Other:** Status, Confirm Corp Action (checked).

At the bottom, there are tabs for Series, Coupon, Revision, Redemption Schedule, Interest, Tax, MIS, and Fields. A footer bar contains fields for Input By, Authorized By, Contract Status, and a checkbox for Authorized.

The following are some of the basic details that you can indicate for a security:

- The Market of Issue
- The Issuer ID
- The price details
- The relevant dates (Tear-off, Start of Interest, etc.)
- The quantity, price and interest quotation methods
- The currency of the security
- If there are Call and Put options associated with the security

- The Redemption Quotation (whether percentage, factor, or cashflow)
- The type of redemption (whether in quantity, series, or bullet)
- If you can trade the security in fractional quantities
- The minimum quantity in which the security can be traded

---

**Note**

Note that a security will acquire, by default, all the attributes defined for the product under which it is maintained. These default attributes can be changed to suit a particular security.

---

### 19.2.3 Identifying the Market and the Issuer

For a security, you can identify a Market of Issue. Only a market that you have maintained in the Markets Maintenance screen can be specified.

All securities maintained under a product, by default, will also be associated with the market specified, for the product. When maintaining a security, however, you can identify a unique market for the security.

An issuer of securities should have a valid CIF record, in the Core module of Oracle FLEXCUBE. When maintaining a security, you should identify the issuer. Your CIF specifications for the issuer, such as Limits, will automatically be picked up, for the security.

### 19.2.4 Specifying the material of a security

When maintaining a security, identify the manner in which it can be held, and the material of the security.

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

- Registered
- Bearer

Securities can be in different formats:

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

### 19.2.5 Specifying Redemption Quotation Method

The Redemption Quotation Method can be specified in the following ways:

- Percentage – In this case, the quantity to be redeemed is expressed in percentage.
- Factor – In this case, the quantity to be redeemed is expressed in fraction.
- Cashflow – Here, the quantity to be redeemed is expressed as an actual cash flow. This represents the amount per face value that will be received on the redemption date. The cashflow includes the coupon and the redemption amount.

---

**Note**

The Redemption Quotation types 'Factor' and 'Cashflow' are applicable only for the quantity redemption type securities.

---

### **19.2.6 Indicating Corporate Action Preference**

The 'Confirm Corp Action' box indicates whether the redemption and coupon schedules should be created as a confirmed corporate action or not. By default, this checkbox will be checked. However, you can uncheck it to indicate that all redemption and coupon schedules should be created in the corporate action maintenance as 'unconfirmed'.

### **19.2.7 Capturing Trade-Related Information**

You can define the minimum quantity in which a security should be traded. Enter the specification in the Lot Size field.

Note that the preferences defined for the product, under which you maintain the security, will default to this screen. These default attributes can be changed.

#### **The Quantity Quotation method**

Securities can be quoted in terms of:

- Units (500 units of a security)
- Nominal (securities worth USD 5000)

Specify the quantity quotation method for every security you maintain. A security maintained under a product acquires the quotation method specified for the product.

If you choose the Units Quotation option, you may also indicate whether the security can be traded in fractional units. Specify the fractional units in the Decimals field. Deals entered in fractional units of the security will be validated against the decimal value that you specify.

### **19.2.8 Specifying Type of Price Quotation**

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

Price - in this method, the total price of the security is quoted. The total price can be expressed as:

(Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is Flat)

% Price - the price is quoted as a percentage, as follows:

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

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

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

Premium - here, the price is quoted on the basis of the premium at which the security is bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

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

YTM - the price is quoted based on its yield to maturity.

The yield on a discounted instrument is measured by its yield to maturity (YTM). YTM is the yield on a security, calculated from the purchase date to its maturity. The YTM keeps changing with the market price. In case the market price increases above the straight discounted price, YTM would decrease and vice versa.

The price using this quotation method is calculated thus:

$$Y T M = \frac{(F a c e \ V a l u e - P u r c h a s e \ p r i c e) * D a y s \ i n \ a \ Y e a r}{P r i c e * D a y s \ t o \ m a t u r i t y}$$

Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same.

The price quotation specifications defined for the product, under which the security is maintained, will default in this screen. However, this quotation method can be specific for a security.

### **19.2.9 Capturing Information Specific to the Security Type**

You can capture information that is specific to the type of security you are maintaining.

#### **If the Security Type is bond**

You can indicate, if Call and Put options are available for the bond that you maintain in this screen.

The issuer of a bond may also offer the option of converting the bond into shares or equities. Such bonds are referred to as Convertible bonds. Choosing the Convertible option can capture this information.

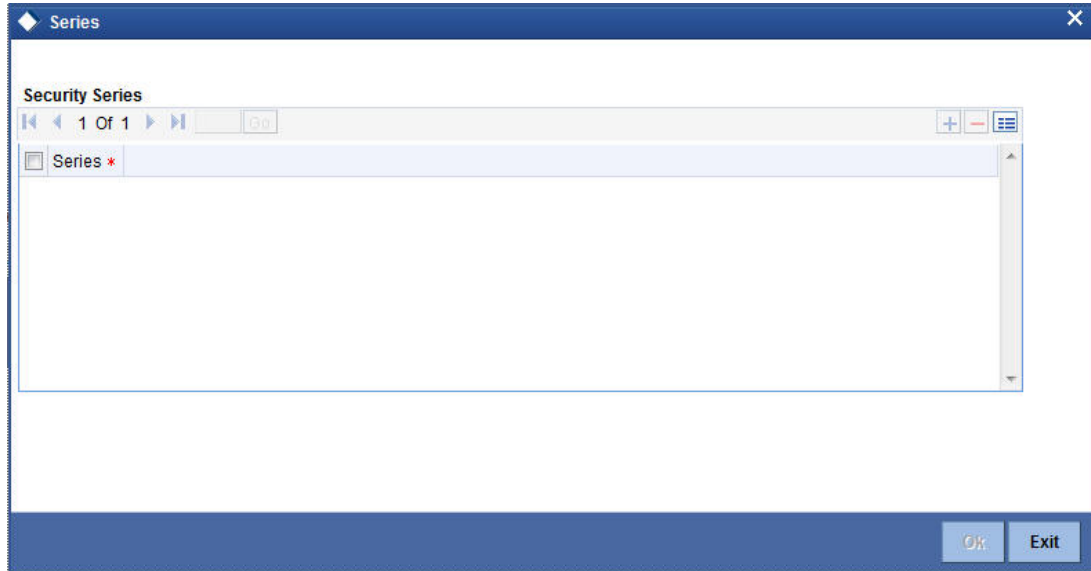
You can also indicate if the bonds would be Redeemable, and if so, the mode of redemption. An issuer can redeem bonds in three ways:

- Series
- Quantity
- Bullet

For bonds with the Redemption Type defined as Series, you can specify the Series details in the Security Definition - Series screen.

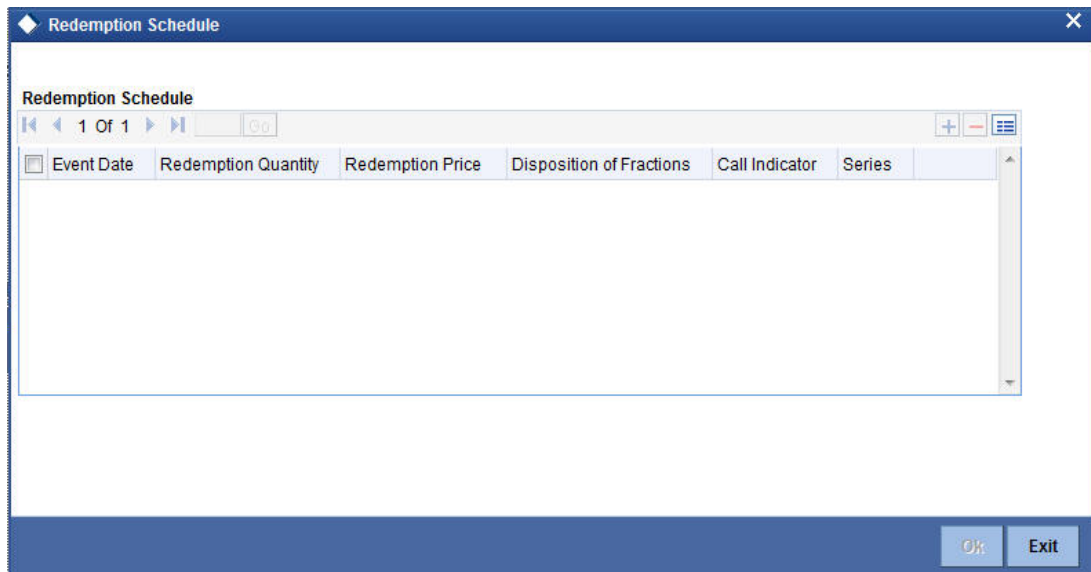


This screen is invoked by clicking 'Series' button.



The actual (series) redemption dates can be specified, in the Security Definition – Redemption Schedules screen.

For bonds with the Redemption Type, defined as Quantity and Series, you can specify the redemption details in the Security Definition - Redemption Schedules screen. This screen is invoked by clicking on the 'Redemption Schedule' button.



Specify the date(s) of redemption (in the Event Date field) and the quantity of redemption (in terms of a percentage/fraction/actual cashflow). If the redemption mode is series, specify the series that should be redeemed on an Event Date. If the redemption quotation is 'Cashflow', you should ensure that the quantity is not less than the interest for the period. Redemption price will be derived based on redemption quotation type. If the Redemption quotation is 'Factor', then the redemption price will be derived as follows:

$$RP_n = (F_{n-1} - F_n) * FV_0$$

Where

- **F<sub>n</sub>** is the redemption factor of the *n*th redemption schedule
- **F<sub>n-1</sub>** is the redemption factor of *n-1*<sup>th</sup> redemption schedule (this value will be 1 for the first redemption schedule)
- **RP<sub>n</sub>** is the redemption price of the *n*<sup>th</sup> redemption schedule
- **FV<sub>0</sub>** is the original face value of the security

---

**Note**

The factor for the final redemption date will be zero. During modification of redemption schedules, the system will validate whether the cumulative factor of all redemption schedules (previous period factor – current period factor) is equal to one or not. The factor for each redemption schedule cannot be greater than one.

---

If the Redemption quotation is 'Cashflow', then the redemption price will be derived as follows:

$$RP_n = (CF_n - C_n)$$

Where

- **CF<sub>n</sub>** is the cash flow of *n*th redemption schedule
- **C<sub>n</sub>** is the actual coupon cashflow for the *n*th coupon period
- **RP<sub>n</sub>** is the redemption price of the *n*<sup>th</sup> redemption schedule

In case the Redemption Quotation is 'Percentage', the system will allow you to define the percentage as zero for any intermediate schedule. However, it will validate whether the sum of all percentages is equal to 100 or not.

At the time of instrument definition for Factor/Cashflow type of securities, if the Factors/Cashflows are unknown, the final redemption price will be the initial face value. At any point in time, if the factor values/cash flows for redemption date(s) are specified, then the final redemption price will be calculated as the Face value – sum of redemption price of the intermediate schedules. If the total redemption price across all schedules is not equal to the initial face value for Factor/Cashflow type of securities, the system will display an error message upon saving the record.

---

**Note**

For Collateral Debt Obligations (CDOs), the sum of intermediate cash flows cannot be greater than the face value.

---

**If the Security Type is equity**

The issuer of equity can grant a holder voting rights. This information can be captured when maintaining a security, with the Security Type, Equity.

**If the Security Type is Right or Warrant**

Rights and Warrants can be renounced. You can capture this information when maintaining rights and warrants.

### **19.2.10 Indicating Banker's Acceptance**

You can indicate whether or not you intend to use the security you are defining for a Banker's Acceptance deal. If this option is checked, it implies that you can fund the issuer of the security through a loan contract or a money market placement deal. You can also trade in the security on your own behalf.

The value for this field defaults based on your specification in the Security – Product Preferences screen. If the default value is ‘Yes’, you can change it to ‘No’, but not the other way round.

The quantity quotation for this security has to be ‘Nominal’ if the Banker’s Acceptance option is enabled.

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

### **19.2.11 Specifying Currencies**

When maintaining a security, specify the currency in which it is issued. You can also indicate the currency in which, the issuer of the security (that you are maintaining) pays corporate actions, such as Coupon Payment. The currencies can be selected from the picklists available.

### **19.2.12 Specifying Relevant Dates**

You can capture the dates that are relevant to a security being maintained. The following are the dates that you should specify:

- The Issue/Tear-off Date
- The Start of Interest Date
- The Start of Trading Date
- The Redemption/Expiry/Maturity Date

The Start of Interest Date and the Start of Trading Date that you specify should be greater than the Issue Tear-off Date.

In case you want to extend the redemption date of the security after it is authorized, indicate a new redemption date in the Redemption/Expiry Date field. Once you extend the redemption date, you need to maintain a new coupon schedule for the newly extended period (between the previous redemption date and the new redemption date). In case you do not maintain a coupon schedule for the period, the system will, by default, apply the bullet schedule for the new period.

---

#### **Note**

No back dated buy/sell deal input or reversal of a deal is allowed before the transaction date of the security extension.

---

On extension of the security, YTM for all deals will be recomputed and the Discount/Premium accrual will be completed till the extension date (using the old redemption date). Discount/Premium accrual for only the unaccrued part will be done using the new redemption date after extension.

Additionally, you can also maintain a new interest revision schedule for the extended period.

### **19.2.13 Specifying Price Details**

You must specify the following price details for a security:

- The Initial Face Value
- The Issue Price
- The Redemption Price

### **Initial Face Value**

This is the actual unit face value of the security you are maintaining, as of the Issue Date. This price is also referred to as the par value of the security.

### **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.

---

#### **Note**

Note the Following

- You must capture the Issue Price of Zero Coupon Bonds
  - The issue price of Zero Coupon Bonds must be lower than the Redemption price
- 

### **Current Face Value**

This is a system generated value, giving the current Face value of the security. This is same as the Initial Face Value but may differ in case of split or reduction of face value by the issuer to increase the capital base.

When viewing the details of bonds, defined with quantity redemption, you can view the face value as of the current system date.

### **Redemption Price**

The price at which an issuer redeems a security is referred to, in Oracle FLEXCUBE, as the Redemption Price. Enter the Redemption Price of the security, when defining it in this screen.

## **19.2.14 Entering Interest Details for a Bond**

When maintaining a bond, you must define its interest details.

### **The Interest Quotation Method**

The Interest Quotation Method for a bond can be:

- Flat
- Plus Accrued

When the interest component is included in the market price of a security, the quotation method is referred to as Flat. A flat price of a security is also referred to as the Dirty Price.

When the interest component is excluded from the market price of a security, the quotation method is referred to as Plus Accrued.

### **Specifying the Coupon Frequency**

You can indicate if the coupons due for a bond are periodic. Choose the Periodic option, to indicate that the coupon is periodic. Coupons for a bond will be calculated according to the periodicity that you specify.

For an interest-bearing bond, with a periodic coupon, you must indicate the Coupon Frequency.

The coupon frequency can be:

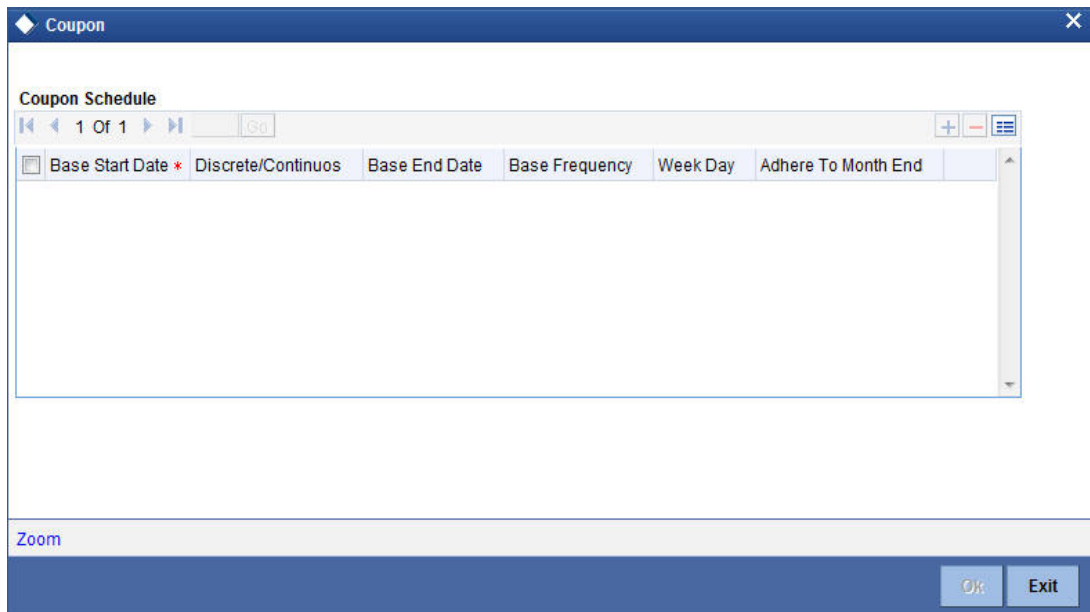
- Weekly
- Monthly
- Once in two months

- Quarterly
- Once in four months, etc

If you indicate that the coupon frequency is weekly, you should also indicate the day on which the coupon is due. For instance, you can have a bond with a weekly coupon that is due on Wednesdays.

If the coupon frequency is in terms of a month, you can indicate that the coupon days should adhere to Month-Ends. The implication of this option is explained in the following example.

You can define the actual coupon schedules in the Securities Definition – Coupon Schedules screen. You can invoke this screen by clicking the 'Coupon' button.

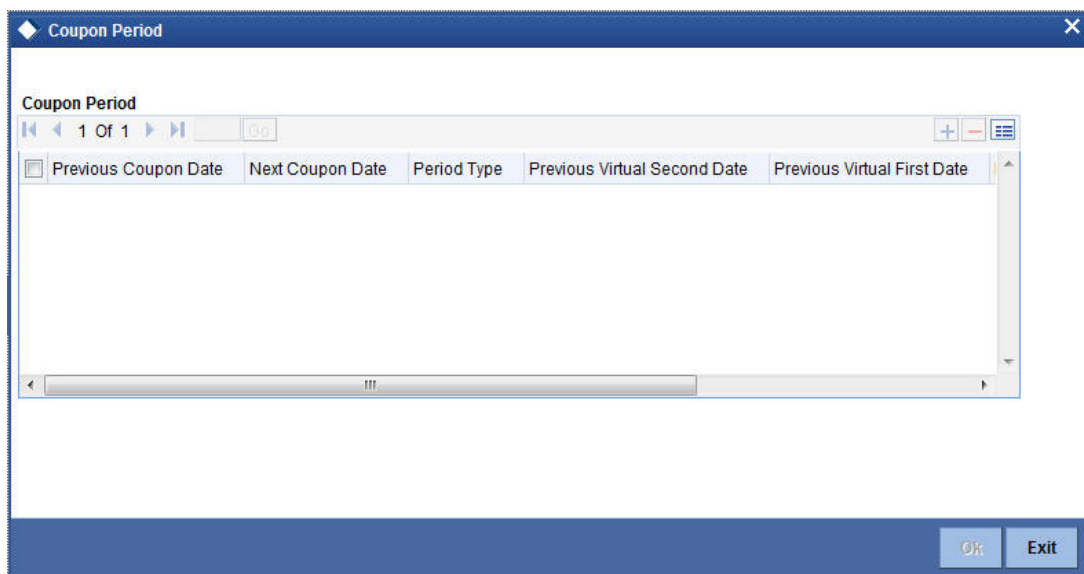


In this screen, you can specify the first coupon due date (Base Start Date) and the last coupon due date (Base End Date). If you choose the Continuous option, the system calculates all intermediate coupon due dates, based on the frequency specified. If you specify a weekly frequency, you must also specify the Week Day. You can also choose to adhere to month-ends. For Discrete / Irregular coupon schedule definition, you will have to set the coupon dates.

For continuous coupon schedules, to introduce an intermediate coupon date, click add icon. Enter the intermediary Coupon Date, in the Base Start Date field, and choose the Discrete option.

Even if the coupon schedules are defined to be continuous, you have the flexibility to amend the coupon payment dates.

Click 'ZOOM' button in the Coupon Schedule screen to invoke details of the coupon periods:



You can enter your coupon date amendments in this screen, provided the amended dates do not violate the limit set at the product level.

During coupon date amendment, if you change the NCD (next coupon date) of one schedule, then you should also change the PCD (previous coupon date) of the next schedule accordingly. If you do not, the system will prompt you with a warning, but will not automatically update the PCD of a schedule when the NCD of the previous schedule is changed.

After authorization, coupon dates can only be amended under the following conditions:

- You can amend only the NCD for the current period, provided that there are no active deals after the record date;
- For future periods, you can amend both the NCD and the PCD, provided that there are no active deals in that period.

Any such amendment of PCD/NCD will be subject to the validations as mentioned above.

### **Specifying Holiday Treatment for Coupon Payments**

The holiday treatment that you have specified as part of Product Preferences is inherited by the security. You can change this treatment for the particular security that you are defining. You can also amend it at any point of time – the amended parameters will take effect for subsequent coupon events.

Irrespective of the holiday treatment specified by you, the system will not perform any holiday adjustment if, in the Product Event Accounting Entries Maintenance, you select 'No' as the Holiday Treatment parameter. *A more detailed explanation is available in the Products manual.*

*For details of holiday treatment of coupon payments, refer to the chapter on Securities Products in this manual.*

### **Using the Holiday Calendar Currency list**

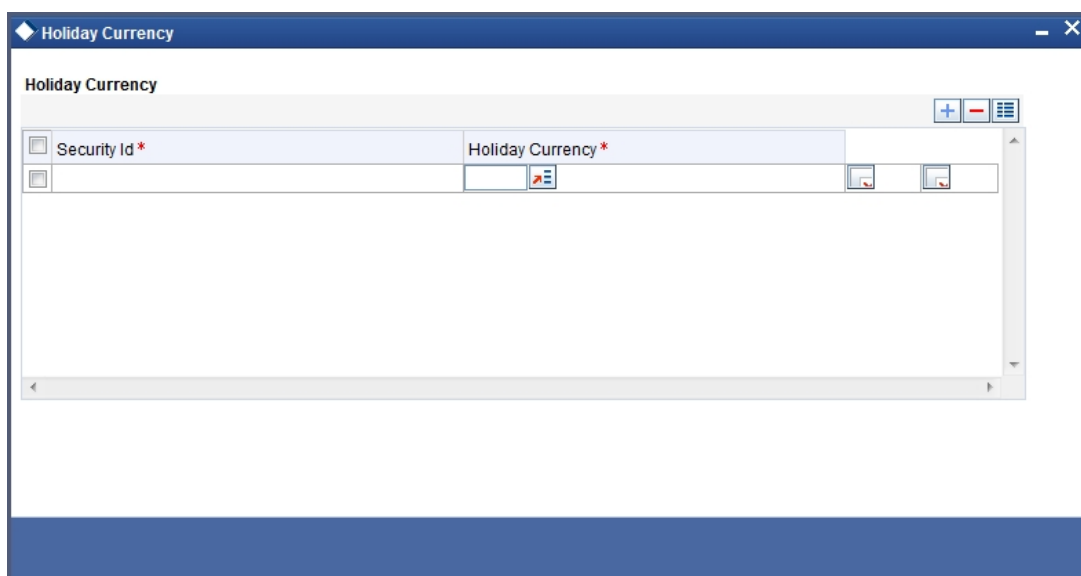
If the issuer currency and the security currency are not the same, then you might wish to have coupon events fall on days which are common working days for both currencies.

For example, the bank (issuer currency = EUR) issues a USD-denominated bond (security currency = USD), for which one of the coupon payments falls due on a Saturday (a holiday for both EUR and USD). In addition, the following Monday is a holiday for USD.

You have chosen 'Forward' as the holiday treatment option for processing of coupon events.

Then, subject to the holiday treatment preferences that you maintain the coupon payment is processed with a value date of the following Tuesday, which is the next common working day for both currencies.

For any security, you can maintain a list of currencies whose holiday calendars are to be consulted by the system in determining common working days. Click 'H' button to invoke the following list:



Use the option list against each field to select a currency whose holiday calendar you wish to be included in the computation of common working days.

If one of the currencies maintained in this list is the local currency of the branch, then the system will use the branch holiday calendar to determine the common working days.

For example, suppose that the branch currency is GBP and the security issuer currency is USD. You have maintained both GBP and USD in the holiday calendar currency list. Oracle FLEXCUBE will use the USD holiday calendar and the holiday calendar of the branch for determining the common working day.

### **Specifying the Interest Rate Revision Frequency**

You can revise the interest rates for bonds with floating interest. This revision frequency can be different from the coupon frequency. This is referred to as Asynchronous (interest rate) Revision.

Asynchronous revision can be:

- Periodic
- Non-periodic

As part of interest specifications, you can indicate Interest Rate Revision details. By default, interest rates will be revised according to the coupon frequency, defined for a bond. To revise interest rates at a different frequency, choose the Allow Asynchronous Revision option.

If the asynchronous revision of rates is periodic, click on the Periodic Revision option, and specify the Revision Frequency. For a frequency that is weekly, you should indicate the day on which the revision is due. (For instance, you could indicate that the interest rates for

securities should be revised every Monday.) If the revision frequency is in terms of a month, you can indicate that the revision days should adhere to Month-Ends.

The implication of this option is explained in the following example.

Assume the Issue Date of the security (with floating interest and an asynchronous rate revision) is 01 January 2000 and the Maturity Date is 31 December 2000.

You have specified that the interest rate revision frequency is quarterly. If you choose the Adhere to Month End option:

The rate revisions for this security would be due on the following dates:

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

If you do not choose the Adhere to Month End option:

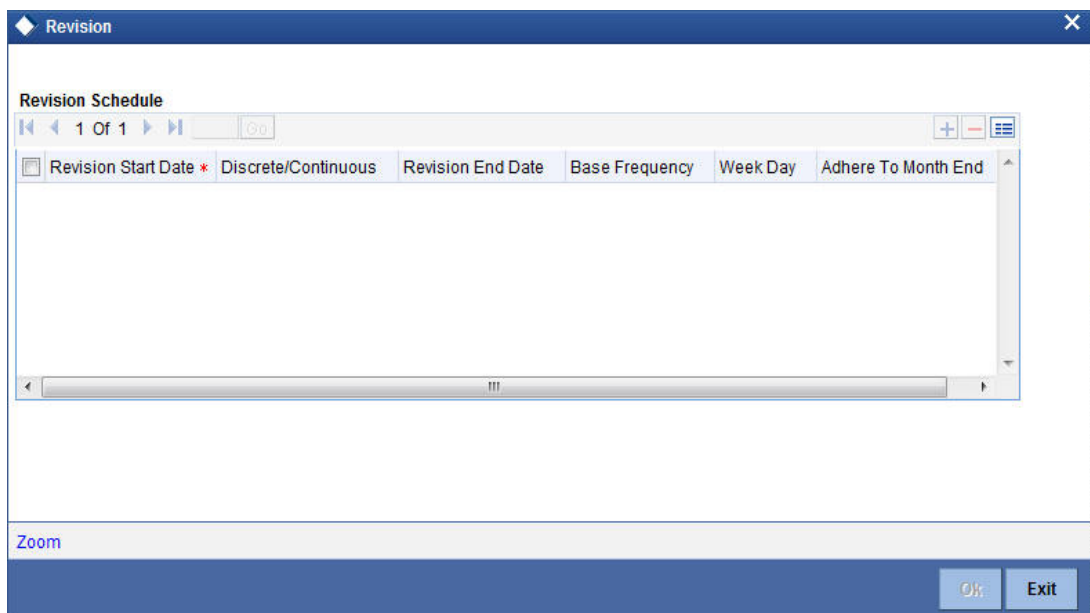
The rate revisions for this security would be due on the following dates:

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

If the interest rates for a security should be revised on a non-periodic basis, you should leave the Periodic Revision option blank.

You can capture the actual revision details for a security, with non-periodic rate revision, in the Security Definition – Revision Schedules screen.

You can invoke this screen by clicking the 'Revision' button.



In this screen, specify the first revision due date (Base Start Date) and the last revision due date (Base End Date). If you choose the Continuous option, the system calculates all



intermediate revision due dates, based on the frequency specified. If you specify a weekly frequency, you must also specify the Week Day. You can also choose to adhere to month-ends.

To introduce an intermediate revision date, click add icon. Enter the intermediary Revision Date in the Base Start Date field and choose the Discrete option.

#### **Exempting interest for the ex period**

For Purchase Deals and Sell Deals booked in the Ex Period, you can specify whether you want to calculate the interest. If you check this box, the system will not apply interest for such deals. In addition, the system accrues the holdings as of the ex date and will not pass any interest related accounting entries related to the deals booked in the Ex period.

In case you do not opt for zero interest facility, the system accrues the actual holdings during the accrual period including the buy/sell deals booked in the Ex period.

The system defaults the value maintained in the Market Definition screen. You can choose to change this value, if required. However, you will not be allowed to change this value if the security is already authorized.

### **19.2.15 Opting for Automatic Initiation of Corporate Actions**

Check against the option Auto Initiation of Corporate Action, to indicate that corporate actions for a security should be automatically initiated. If you choose this option, corporate actions for a security will be initiated automatically on the due dates specified (as part of the corporate actions for a security).

If you do not choose this option, you will have to manually initiate all corporate actions required for the security.

### **19.2.16 Indicating a Revaluation Price Code**

Every security that you deal in must be associated with a Price Code. A Price Code identifies the price of a security in a specific market.

To ascertain the value of a security in a market, with reference to the prevailing rates, you need to constantly revalue the security. When defining a security, specify the Price Code that you would like to use, to revalue the security. The value of a security in a market will be determined with respect to the current rates for the corresponding price code.

### **19.2.17 Indicating the Collateral Type**

A customer can offer you securities as collateral against a liability. In the Central Liability module of Oracle FLEXCUBE, you can categorize different types of securities into Collateral Types. For example, Government Bonds can be defined as one type of collateral, and Corporate Bonds as another type.

When maintaining a security, specify its Collateral Type.

### **19.2.18 Specifying the Market for Revaluation**

You must indicate the market, which will determine the number of spot days to be used for arriving at the revaluation date while revaluing the security using the effective interest method.

## 19.2.19 Specifying the Yield Calculation Parameters for a Security

For each Security, the Yield Calculation Parameters are defaulted from the market of issue depending on whether it is a Bond or a T-Bill. You will be allowed to modify these details for a specific Security. Click 'Yield' button in the Security Definition screen. The Yield Calculation Parameters screen is displayed.

The screenshot shows a dialog box titled "Yield Calculation Parameters" with a close button (X) in the top right corner. The dialog is divided into two sections: "Yield Calculation Parameters - T-Bills" and "Yield Calculation Parameters - Bonds".

**Yield Calculation Parameters - T-Bills**

- Use Bond Formula
- Reinvestment Period Days: [Text Field]
- Annualizing Method: [Dropdown]
- Day Count Method Numerator: [Dropdown]
- Day Count Method Denominator: [Dropdown]

**Yield Calculation Parameters - Bonds**

- Reinvestment Period Days: [Text Field] 365
- Annualizing Method: [Dropdown] Compound
- Premium/Discount For Current Interest Period
- Day Count Method Numerator: [Dropdown] Actual
- Day Count Method Denominator: [Dropdown] 365

At the bottom right, there are "OK" and "Exit" buttons.

### 19.2.19.1 Specifying YTM method for T-Bills

The basis for YTM calculation for T-Bills can either be:

1. Simple interest
2. Effective (Compound) interest

If you enable the Use Bond Formula option, YTM is calculated using the effective interest formula (typically used for bonds).

For Bonds and for T-Bills with the effective interest method of YTM calculation, you need to specify the following details:

#### Reinv Period Days

The effective interest formula assumes that coupon payments are reinvested at the same rate as the yield of the T-Bill/Bond till the maturity of the security. You have to specify this period in terms of days.

#### Annualizing Method

For Bonds and for T-Bills with effective interest you need to specify the annualizing method. This is the method by which the System computes the periodic YTM from the deal YTM, which is annualized.

The options available are:

- Simple
- Compound

If the Annualizing method is Compound, the relationship between the periodic YTM and the deal YTM is computed as follows:

$$Y_0 = \left[ \left(1 + y_0\right)^{\frac{A}{P}} - 1 \right]$$

If the Annualizing method is Simple, it is computed as follows:

$$Y_0 = \left[ y_0 \left( \frac{A}{P} \right) \right]$$

Where

- $y_0$  is the Periodic YTM
- $Y_0$  is the Deal YTM
- A is the Day Count Method – Denominator
- P is the Period of Reinvestment. If Null, defaulted to A/n

Apart from these details you need to specify the Day Count Denominator and Numerator methods for all Bonds and T-Bills.

#### **Day Count Method Numerator**

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

- 30 Euro
- 30 US
- Actual

#### **Day Count Method Denominator**

Select the day count method to be used while calculating yield from the adjoining drop-down list. This list displays the following values:

- 360
- 365
- 364

---

#### **Note**

Values of Day Count Method Denominator maintained in 'Yield Calculation Parameters' screen are used in Yield calculation of T-Bills and Bonds.

---

#### **Premium/Discount for Current Interest Period**

Check this option to specify that the premium or discount should be accrued only for the current period. This option will be applicable *only if the security is a Floating Rate Bond*.

---

#### **Note**

Note the Following

- This option will be disabled if the bank level parameter COMMON\_YLD\_ACCR is set to 'Y'.

- Asynchronous revision cannot be enabled if the Premium/Discount for Current Interest Period is checked and vice versa.

### 19.2.19.2 Processing Bonds and T-bill based on the YTM parameters

While processing a Bond, if the Price quote is not by 'Yield to Maturity', the YTM is computed based on the formula given below:

$$P_0 = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\Delta d_i}{P}\right)}} + \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d_N}{P}\right)}} - AI \right]$$

Where:

- $P_0$  is the Purchase price of the Bond
- $N$  is the Total number of coupons
- $C_i$  is the Coupon payment for coupon  $i$
- $y_0$  is the Periodic YTM
- $Y_0$  is the Annualized YTM
- $A$  is the Day Count Method – Denominator
- $n$  is the Coupons in a Year
- $P$  is the Period of Reinvestment. If Null, defaulted to  $A/n$
- $R.P.$  is the Redemption Price
- $AI$  is the Accrued Interest
- $\blacktriangle d_i$  is the Coupon Date – Value Date
- $\blacktriangle d_N$  is the Redemption Date – Value Date

The formula used to calculate the yield given price – **for T-Bills** (provided you have enabled the Use Bond Formula option), will be

$$P_0 = \left[ \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d}{P}\right)}} \right]$$

Where:

- $P_0$  is the Purchase price of the T-Bill
- $R.P.$  is the Redemption Price
- $y_0$  is the Periodic YTM
- $\blacktriangle d$  is the Redemption Date – Value Date
- $A$  is the Day Count Method – Denominator

The following example explains the computation of YTM for T-Bills, using the formula mentioned above.

<b>Purchase Price</b>	<b>USD 90</b>
Redemption Price	USD 100
Day count method Numerator	Actual
Day count method Denominator	365
Reinvestment Period	183 days
Redemption Date	30-June-2003
Purchase Value Date	31-Jan-2003
Annualizing Method	Simple

Applying the formula the periodic YTM is calculated as follows:

$$90 = (100 / ((1 + y_0)^{((30\text{-June-2003}) - (31\text{-Jan-2003}) / 183)}))$$

$$y_0 = ((100/90)^{183 / ((30\text{-June-2003}) - (31\text{-Jan-2003}))}) - 1$$

$$y_0 = 0.1372 \text{ or } 13.72\%$$

Annual YTM is computed using the relationship given above.

$$Y_0 = 0.14 * (365 / 183)$$

$$Y_0 = 0.2736 \text{ or } 27.36\%$$

*Refer to the Batch Processing Chapter of this manual for detailed information on End-of-Day processing for Securities with YTM as the as method of accruing Discount or Premium*

## 19.3 Interest Method for Computing Coupon Interest

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

### **ACT/ACT-ISMA Interest Method**

The *ACT/ACT-FRF Interest Method* is applied for periodic coupons using the following coupon:

$$\text{Coupon Interest} = \text{Nominal} \times (\text{Coupon Rate} / \text{Number of Coupons}) \times (\text{Number of elapsed Days} / \text{Number of days in coupon period})$$

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

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

Specify denominator method for calculating the accrual and liquidation amount as follows:

### Denominator Method

Select the denominator method from the adjoining drop-down list. This list displays the following values:

- 360
- 365
- 364

The values of Denominator Method maintained in 'Securities Instrument Definition' screen are used for accrual and liquidation Interest amount calculation for Bonds for a given security.

### 366 Basis

While maintaining the Interest related details in the Security Definition screen, you need to specify the whether the system should use leap year or leap date for calculating the interest.

- **Leap Year (Y)** – Indicates that the system will compute the interest based on the number of calendar days in the year.
- **Leap Date (D)** – Indicates that the system will use the ACT/ACT–FRF Interest Method to compute the interest.

---

#### Note

This field is enabled only if the Denominator Basis value is Per Annum and the Denominator Method is ACTUAL.

---

### ACT/ACT–FRF Interest Method

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

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

## 19.4 Uploading Security Instruments for Amendment

From an external system, you can upload Securities that require amendment in Oracle FLEXCUBE. The system will distinguish between the new and the ones that require amendment based on the action code of the uploaded record. For an instrument requiring amendment, the action code will be 'AMND'. If the action code is 'AMND', Oracle FLEXCUBE will first check whether the instrument exists in the system or not. If it does not exist in the system, an error message will be displayed to notify that the instrument cannot be amended.

The Security ID provided by the external system has to same if it is a new instrument or if it is an amendment to an existing one.

When you upload a new instrument, the external security Id number will be displayed in the 'Security ID' field for that instrument. The Security ID will be the basis for checking whether the instrument exists or not.

The upload for security amendment will trigger the 'AMND' event. The same event is triggered even when you make the amendment in the 'Securities Definition' screen itself.

The fields that can be amended for a Security are as follows:

- ISIN Identifier
- Description
- Redemption/Expiry Date
- Outstanding Issue Size
- Payment Currency

At the time of uploading a securities instrument, if only the Security Id and Product is provided and the source preference has 'Put on Hold' on Exception then the instrument will be uploaded with status Hold. Subsequently, any user can modify the same. If the instrument is created from the front end and kept on hold only then can the same user modify the instrument.

If the instrument is created having a market code whose country code is different, then the country code of the home branch in which the instrument is created will be treated as 'Foreign Market Instrument'. Otherwise, the instrument will be treated as 'Local Security Instrument'.

In Oracle FLEXCUBE the following batch functions will be created to handle triggering of notification:

- Notification for Local Instrument Changed
- Notification for Securities Coupon Revision Announcement
- Notification for Local Market Security Price

This batch function will log a notification into the Database queue. This will in turn be picked up by the Gateway and will be sent to the external system.

During batch handoff for security instrument, only the Local Security Instrument will be handed off and not the Foreign Market Instrument.

## **19.5 Bulk Upload- Security Instruments & Market Security Price**

Using Bulk upload, more than one security instrument or market security price can be uploaded. If during upload if any one of the instrument or security price has error then the whole upload will be rejected. The instrument and security price cannot be uploaded through the same XML simultaneously. If the same instrument which has been uploaded successfully is uploaded again, an error will be thrown but in case of security price the upload will go through. If for the same security price a different data is being sent, then it would amend the existing security price with the new information. Once the upload is successful, all the records will be auto authorized irrespective of maintenance done at the source preference.

## 19.5.1 Specifying Contract Interest Details

Numerous interest rates can be defined for a contract through the 'Contract Interest Details' screen. To invoke this screen, click 'Interest' button in the 'Securities instrument Definition' screen.

The screenshot shows a software window titled "Contract Interest Details". At the top, there is a navigation bar with "1 Of 1" and a close button. The main area contains a form with the following fields and controls:

- Internal Security Id: Text input field
- Creation ESN: Text input field
- Component: Text input field
- Rate Code: Text input field
- Tenor Code: Text input field
- Rate: Text input field
- Interest Spread: Text input field
- Flat Amount: Text input field
- Interest Calculation Method: Dropdown menu
- Acquired Amount: Text input field
- Rate Code Description: Text input field
- Tenor Code Description: Text input field
- Waiver: Check box
- Security section (collapsible):
  - Index: Text input field
  - Spread: Text input field
  - Floor: Text input field
  - Ceiling: Text input field

At the bottom right, there are "Ok" and "Exit" buttons.

Specify the following details:

### **Security Id**

You can identify a security that you are maintaining, with a unique identifier. The identifier is referred to as the Security ID. Specify the security id.

### **Creation ESN**

Event sequence number gets displayed by the system.

### **Component**

Component gets displayed by the system.

### **Waiver**

Check this box to indicate that interest on the contract should be waived.

### **Rate Code**

While processing a contract, you need to indicate this code to make the rate applicable to the contract. Specify a valid rate code to identify the rate you are defining. The adjoining option list displays all the valid rate code maintained in the system. You can select the appropriate one.

### **Tenor Code**

Specify a valid tenor code to identify the tenor for which this rate code should be applicable. The adjoining option list displays all the valid tenor code maintained in the system. You can select the appropriate one.

### **Spread**

Specify the spread.



**Rate**

Specify the interest rate.

**Flat Amount**

Specify the flat amount.

**Acquired Amount**

Specify the acquired amount.

**Interest Method**

The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. However, you can change it. The following are the options available in the drop-down list:

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

**Index**

Specify the index of the security.

**Spread**

Specify the spread of the security.

**Floor**

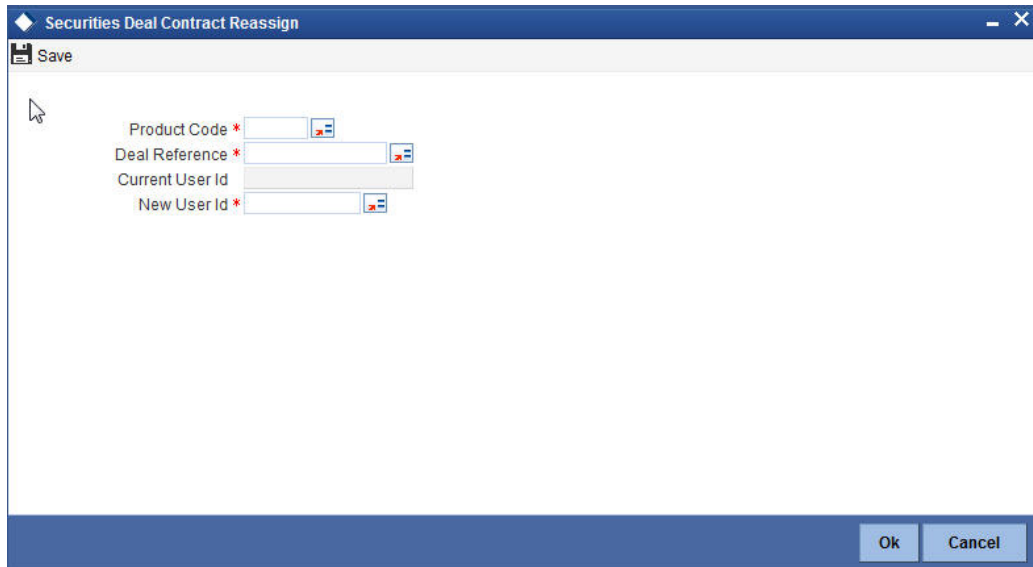
Specify the lower limit of the security.

**Ceiling**

Specify the upper limit of the security.

## 19.6 Reassigning Securities Deal Contract

You can reassign the securities deal contracts in 'Security Deal Contract Reassign' screen. To invoke the screen, type 'SEDXREAS' in the field at the top right corner of the application toolbar and click the adjoining arrow button.



The screenshot shows a dialog box titled "Securities Deal Contract Reassign". It features a "Save" button at the top left. The main area contains four input fields, each with a red asterisk indicating a required field: "Product Code \*", "Deal Reference \*", "Current User Id", and "New User Id \*". Each field has a small dropdown arrow icon to its right. At the bottom right of the dialog are "Ok" and "Cancel" buttons.

### **Product Code**

Select the code of the product from the adjoining option list.

### **Deal Reference**

Select the deal reference number from the adjoining option list.

### **Current User Id**

Specify the identification of the current user.

### **New User Id**

Select the user identification from the adjoining option list.

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## 20. Maintaining and Processing Corporate Actions

### 20.1 Introduction

In the Securities module of Oracle FLEXCUBE, defining the corporate action is a part of the maintenance function. The processing of corporate action events is done as part of the End of Cycle process.

The following are the corporate action events that can take place.

- Settlements (Money as well as Security settlements).
- Bonds.
  - Interest coupon payment
  - Redemption (both series and quantity)
  - Maturities
  - Calls
  - End of Trading
  - Warrants (detachment, tradable).
- Equities
  - Dividend payment (both cash and stock)
  - Bonus
  - Rights (Tear-Off, Exercise, Expiry)

#### 20.1.1 Stages in the Processing of a Corporate Action Event

There are three main stages involved in the processing of the corporate action events.

The three stages are as follows:

##### **Corporate action Initiation**

At the time of defining a new security you can indicate whether corporate actions have to be auto initiated. A check box is available where you can make this specification. If you leave this box unchecked, then you will have to manually initiate the action.

##### **Corporate action Collection**

Corporate action collection can be manual or automatic. This specification is done for every security at the time of defining SK locations. When the corporate action collection, for a particular security is indicated as automatic then, Beginning of Day programs will pick up all the corporate actions due and trigger the event. You have to trigger the event manually if automatic process is not indicated.

It is important to note that the collection event is triggered only after the initiation event is complete.

##### **Corporate action Liquidation**

Securities can be liquidated automatically or manually. Deals specified, as having an automatic mode of liquidation, will be automatically liquidated on Event Date, during the Beginning of Day processing.

Automatic or manual Liquidation of corporate actions is specified at the portfolio definition level. If you specify that corporate actions have to be liquidated automatically, then the appropriate liquidation event for the corporate action is triggered.

In case of manual liquidation of corporate actions, only those actions, which have undergone the tear-off event, will be eligible for liquidation. If more than one event is due for liquidation, for the same security, then you have to trigger each event one after the other.

**Please remember**

Liquidation for a corporate event is done automatically, only if you check the Auto liquidate Corporate Events field, in the Portfolio Definition screen. If for a portfolio you have unchecked the auto liquidate option, then the liquidation event is liquidated manually.

If the automatic disbursement fails, then the event will be identified for processing in the next Event Selection program. The same program can however, be force liquidated through manual disbursement.

## 20.2 Defining Rights and Warrants

As part of the maintenance function in Oracle FLEXCUBE you need to maintain basic details of Rights and Warrants, as and when they are issued.

Rights and warrants can be defined through the Securities Rights and Warrants Corporate Action maintenance screen. The details that you maintain here relate to the ratio at which rights and warrants are issued, the resultant security id, the resultant ratio, the exercise start and end date, etc.

You can invoke the ‘Securities Rights/Warrants Definition’ screen by typing ‘SEDXRWDF’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

If you are defining details of a new right or warrant, click on new icon from the tool bar. The Rights and Warrants Corporate Action maintenance detailed screen will be displayed without any details.

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

You can specify whether you are maintaining details for Rights or Warrants by clicking on the appropriate button.

## 20.2.1 Indicating Rights Ratio and Rounding Fractions

You can indicate the ratio at which rights are issued. Usually rights are issued in proportion to the percentage of ownership. This is to ensure that current owners maintain their percentage of ownership, if additional shares of the same class are issued. The simplest method to achieve this is to issue, one right per unit of security owned. For instance, an owner of 100 units of a security will get 100 rights.

This however might not be the case always; hence you need to specify the rounding fraction. The rounding fraction indicates how the fractional entitlements in the parent security should be handled.

The options that you can indicate are as follows:

<b>Retain</b>	If you choose this option, then the fractional units will be retained.
<b>Round Up</b>	The entitlement will be rounded up, to the next full unit.
<b>Round Down</b>	The entitlement will be rounded down, to the previous full unit.
<b>Round standard</b>	The entitlement will be rounded up to the next full unit if fraction is greater than 0.5, else it will be rounded down to the previous full unit.

For example, rights are declared in the ratio of 10: 1 for the parent security. Parent security has 125 units. This means that for every ten units of intermediate security owned one intermediary security right will be issued.

The entitlement is computed as follows:

Ratio: 10 : 1

Rights Shares of Intermediate Security

$$\frac{125}{10} \times 1 = 12.5$$

10

If you choose

<b>Round Up</b>	12.5 will be rounded up as 13
<b>Round Down</b>	12.5 will be rounded down as 12
<b>Round Standard</b>	In this case, since the fraction is greater than 0.5, the entitlement will be rounded up to 13.

You can also choose to retain the fractional unit as 12.5.

The ratio and rounding standard for the Resultant security, is computed in the same manner as the Parent to Intermediate security ratio.

---

**Note**

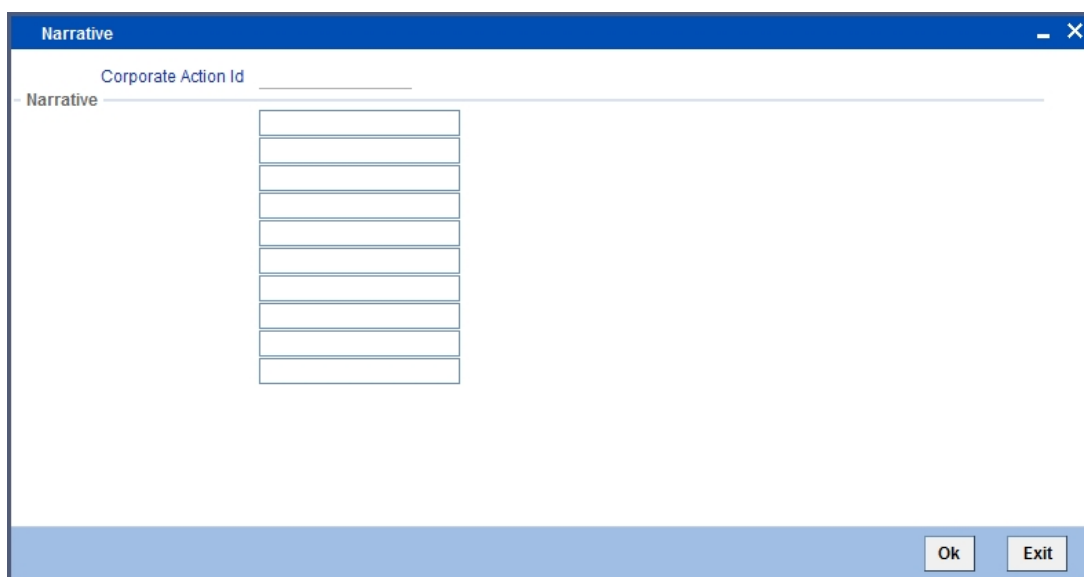
Note the Following

- The ratio and rounding fraction calculation basis is the same for rights as well as warrants. Click on the appropriate button, Rights or Warrants, before entering details to indicate whether you are maintaining details for rights or warrants.
  - The Intermediate Security Id LOV fetches only those securities which are created with Security Type as 'Right'/'Warrant' and the Tearoff / Issue date for such security is greater than the Current System.
  - Exercise End Date should be less than the Expiry Date of Intermediate Security.
- 

## 20.2.2 Specifying Event Narrative

For both rights as well as warrants, you can enter a free format narrative for the event being defined. The narrative or message that you enter here will be used while generating SWIFT messages for Rights/Warrants.

Click on the 'Narrative' button, the event narrative screen is displayed.



The screenshot shows a software window titled "Narrative". At the top, there is a blue header bar with the title and standard window controls. Below the header, there is a label "Corporate Action Id" followed by a text input field. Underneath, the label "Narrative" is followed by a vertical stack of ten empty text input boxes. At the bottom right of the window, there are two buttons: "Ok" and "Exit".

You have the option of entering a free format narrative for the rights/warrants event or leaving this screen blank. If you choose to define a narrative, it will be associated with the security of rights/warrants type, for which you have defined the event. You can also choose to leave this field blank.

## 20.2.3 Saving Rights/Warrants Record

After you have defined the mandatory attributes for a right/warrant, click save in the toolbar or choose Save from the Actions menu to save the record. A message prompting you to confirm the saving of the record is displayed. The Event date is defaulted with the Issue/ Tearoff Date as maintained at the Instrument Definition of the respective Right/Warrant Security when you save the record.

Click 'Exit' button to exit the Rights/Warrants Definition screen. You will be returned to the Application Browser.

---

**Note**

Entry to certain fields in the Rights/Warrants definition screen is mandatory. If you try to save the record without inputs to all mandatory fields, the record will not be saved. You will be prompted to give all the mandatory inputs before attempting to save it again.

---

## **20.3 Processing Rights And Warrants**

Remember that only those securities marked with auto initiation will be picked up for processing. Both with Rights as well as with Warrants the initiation, collection and liquidation happen together.

The quantity of rights/warrants due for a portfolio is determined by the opening position/holdings as of the record date. The rights/warrants events table is populated on the record date and is available for maintenance, as well as for viewing details of existing events.

You are allowed to insert after the record date, those deals that were settled earlier to this date. As and when you insert back dated deals, the opening balance of rights/warrants due as of the record date, is altered. This change will be reflected every day at EOD.

The record date is picked up and defaulted as the processing date. If required, you can change the processing date. Although the processing date can be changed, no change can be done to an existing record, as of the event date.

## **20.4 Processing Rights**

Processing for rights takes place for three events:

- Rights Tear-off
- Rights Exercise
- Rights Expiry

Each of the above is processed in stages. Initiation, Collection and Liquidation, depending on the stage that is applicable to the event being processed. For instance, there is no collection involved in case of tear-off events.

If the automatic processing of events fails due to some then the same events can be force run manually.

### **20.4.1 Rights Tear-Off**

The Events table is as of the record date and is updated when backdated deals are inserted.

On the initiation processing date, a holding in the rights security is created for the portfolio. This process is automatically for all equities marked for auto initiation of corporate actions. For equities marked for manual corporate action the initiation event has to be invoked manually, for holdings to be created.

Positions and holdings for Rights are updated to reflect the latest, once the event is completed.

### **20.4.2 Rights Exercise**

If you associate a security of rights type, with an exercise type of product in the deal input screen the exercise event is carried out for the security involving the product. You have to

indicate the quantity of rights to be exercised along with the SK location and the SK account where the rights are lodged.

You can view details of the quantity of the resultant security, along with other details such as the exercise price. In case there are charges, the charge details will also be displayed.

Depending on the quantity of rights exercised, the holdings in the rights security will go down and the holdings in the resultant security will go up.

For the event Rights Exercise Collection for long position (RELC), only those events with the collection date less than or equal to today and for which collection has not already been made will be selected for processing.

Once the collection is complete the Rights Exercise Initiation for long position (RELT), is triggered. The Rights Exercise event processes those events that have not yet been initiated, despite having initiation date of today or less than today.

After the rights initiation event is through the Rights Exercise Disbursement for long periods (RELL) event is triggered. In case of auto liquidation the system liquidates only those events which are yet to be disbursed with the disbursement date being less than or equal to today.

Positions are updated once the disbursement event is complete.

### **20.4.3 Warrants Tear Off**

On the initiation processing date, a holding in the warrants security is created for the portfolio. This process is automatic for all equities, marked for auto initiation of corporate actions. In case of equities marked for manual corporate action, the initiation event has to be invoked manually, for the holdings to be created.

### **20.4.4 Warrants Exercise**

A security of warrants type is associated with an exercise type of product then at the time of deal input, the exercise event is carried out for the security, involving the product. You have to indicate the quantity of warrants to be exercised along with the SK location and the SK account where the warrants are held.

The details of the quantity of the resultant security can be viewed along with other details such as the exercise price. In case there are charges, the charge details will also be displayed.

Depending on the quantity of warrants exercised, the holdings in the warrants security will go down and the holdings in the resultant security will go up.

The Warrants Exercise Collection for long position (WELC) will pick up those events for which the collection is not yet done. This is however, done only for events with collection date less than or equal to today's date. After the collection, the Events table is updated to indicate that the collection is complete, for the event.

After WELC, the Warrants Exercise Disbursement for long positions (WELL) is triggered. Those events with the disbursement date, less than or equal to today will be picked up for liquidation. Once the disbursement is complete, the Events table is updated to indicate that liquidation is complete for the event.

## **20.5 Maintaining Rights and Warrants Expiry Details**

The Rights and Warrants Expiry definition screen, allows the capture of some additional details of an expiry event, for a security of rights / warrants type.



You can invoke the 'Rights/Warrants Expiry Event' screen by typing 'SEDXEXPD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

If you are calling a record that has already been created, click on Summary view. The details of existing records will be displayed in a tabular form. To open a record, double click on it.

You can amend the details of an existing rights/warrants type of security by clicking on the unlock icon in the toolbar or by choosing Unlock from the Actions Menu.

---

**Note**

Please remember that you can change the details of an existing rights/warrants type of security only if it is not yet authorized. Once a record is authorized and confirmed it will be processed as of the event date.

---

### 20.5.1 Specifying End of Trading Date

The event date or the date on which holdings in the security would expire is picked up from the Security Definition screen. You are only allowed to indicate the date on which, the trading in the rights / warrants security, is to be suspended.

You can indicate that trading is to be suspended on the security, on either the event date or a few days before the event date. For instance, if the Event date is 31 March 2000, you can specify the same end of trading date or specify 28 March 2000 as the date on which, trading in the security is to be suspended.

### 20.5.2 Event Narrative

To define an event narrative, to be used while generating SWIFT messages, click 'Narrative' button. The event narrative screen is displayed. To exit from the screen without saving the text, click 'Exit' button.

### **20.5.3 Processing a Rights Expiry Event**

For the rights expiry event, holdings in the rights security are depleted for the relevant portfolios, as of the event date. The event is triggered automatically if specified to do so. Otherwise it will have to be triggered manually.

Only those events, with an expiry date less than or equal to today, are selected for processing.

Rights expiry consists of two separate events:

- Rights expiry initiation (selects the event to be processed)
- Rights expiry disbursement (selects the event to be liquidated from the events list)

The event, Rights Expiry Initiation for long position (RXLT), is triggered for those events, which have an initiation date less than or equal to today but have not yet been initiated.

After RXLT is through, the event Rights Expiry Disbursement for long position (RXLL) event is triggered. Only those events with the disbursement date less than or equal to today and for which liquidation has not already been done will be processed.

Positions and holdings are updated for rights once the event is completed

### **20.5.4 Processing a Warrants Expiry Event**

On the event date, holdings in the warrants security are depleted for the relevant portfolios. The event is triggered automatically if you have specified so otherwise it will have to be triggered manually.

The Events table is scanned when the Warrants Expiry Initiation for long position (WXLT) event is triggered. Only those events with initiation dates less than or equal to today's date are picked up. The Events table is updated after the completion of the event.

After WXLT, the Warrants Expiry disbursement or liquidation for long position (WXLL) is triggered for those events, which are not yet liquidated but have disbursement dates less than or equal to today.

After liquidation the events table is updated to indicate that disbursement for the event is complete. Positions and holdings for warrants are updated.

## **20.6 Maintaining Security Redemption Details**

One of the methods of retiring a bond is to redeem it. The Securities Corporate Action Event Maintenance - Redemption screen, allows you to define and maintain details of redeemable securities.

You can invoke the 'Securities Corporate Action Maintenance Redemption' screen by typing 'SEDXREDF' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

If you are defining details of a new redeemable security, click new icon from the tool bar. The Corporate Action Maintenance Redemption detailed screen will be displayed, without any details.

If you are calling a redeemable security record that has already been created, click on Summary view. The details of existing records will be displayed in a tabular form. From the Summary screen choose an existing record to open it.

### Redemption Type

The Redemption type for a security will be defaulted as defined at the Security Instrument. While defining redeemable securities you can specify the method in which the security is to be redeemed. You can indicate whether the redemption type is to be Bullet, Quantity or Series.

In a bullet type of redemption all the holdings in the security will be redeemed on maturity.

For quantity redemption the nominal held in the security is redeemed by a specific percentage on a date different from the maturity date. While redeeming the security either the face value of the security or the number of units held in the security will be reduced by the percentage you specify.

In a series type of redemption, the holdings in the specified security pertaining to the specified list will be redeemed on a date other than the maturity date.

## 20.6.1 Specifying Redemption Schedules

For securities which are redeemable on call and with redemption type Quantity, you can choose to redeem a specific amount of the face value by entering the requisite percentage/ factor or cashflow amount in the 'Redemption Quantity' field.

In case of quantity redemption, the nominal value held in a security is redeemed by a specific percentage on a date different from the maturity date. The face value of the security is reduced by the percentage you specify. The total number of units held in the security remains unchanged.

For example, if you are holding 10 units of a security of face value 1000 USD, then, after a quantity redemption of 30%, your holdings will become 10 units at a face value of 700 USD each.

When you insert a redemption schedule, the redemption price of the last schedule is adjusted.

For example, you have initially set up a security for 100% redemption on maturity at a price of 1,200 USD. The face value of the security is 1,000 USD.

Now, you specify a 30% redemption schedule at 360 USD. The system changes the redemption schedule:

FROM the original 100% at 1,200 USD

TO 30% at 360 USD and 70% at 700 USD.

You will have to unlock the Securities Corporate Action Maintenance – Redemption screen and amend the redemption price for the last schedule – in this case, to 840 USD, if you wish to maintain the same total redemption premium. You can, however, change the redemption price of the last schedule to any value that you desire.

When a new redemption schedule is maintained, discount/premium accruals are completed up to the event date using the old yield. The YTM re-computation is done as of the event date.

### **20.6.1.1 Specifying Back-dated Redemption Schedules**

You can insert back dated redemptions for a security, provided the back-dated redemption does not go beyond the previous coupon payment date. For specifying back dated redemptions, the quantity quotation for the security has to be 'Nominal'. Also, you should have maintained the security as a callable one in the Security Definition screen. However the effective date cannot be before the last coupon date. Amendment is allowed only for unconfirmed schedules. Secondly, back-dated amendment will not be allowed if the DSTL date falls on or after the event date of the redemption schedule.

In the case of back-dated amendment, corporate action for redemption is processed during End Of Day (EOD) processing. In the case of insertion of back-dated schedule, the redemption processing is done during Beginning Of Day (BOD) processing of the next working day.

Note that back-dated amendment or insertion of redemption schedules cannot be done beyond the last coupon date.

For example, if the system date is January 18, 2003 and the last coupon payment happened on January 01, 2003, then a back dated redemption schedule can go only as far back as January 01, 2003.

Also, an inserted redemption schedule date must correspond with a coupon payment date. If it does not, then a coupon schedule will automatically be inserted by the system.

For example, suppose that a security has a coupon period from January 01, 2003 to July 01, 2003. The system date is June 15, 2003 and the redemption schedule was inserted on March 31, 2003.

The system breaks the existing coupon period into two:

- January 01, 2003 to March 31, 2003; and
- March 31, 2003 to July 01, 2003

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**Note**

Any deals booked after the Record Date of the inserted redemption schedule will have to be manually reversed and then re-booked by you after authorizing the inserted redemption schedule. This is because the status of these deals will change from 'Cum' to 'Ex' due to the insertion of the coupon/redemption schedule.

---

Following the insertion of the redemption schedule, the system will automatically adjust the ALPL and DPRP events of all deals and rebook them.

**End and Restart of trading period**

You can indicate the date on which trading in the security will be suspended and the date on which the trading will be resumed. This is done by way of specifying the End of Trading Date and the Restart of Trading Date.

**Exchange Rate and the Exchange Rate Fixing Date**

If the issuer payment currency is different from the security currency then specify the exchange rate between the security currency and the issuer payment currency can be specified. In addition you can also indicate the date on which the exchange rate between the security currency and the issuer payment currency will be announced.

**Redemption Price**

For securities having 'Factor' or 'Cashflow' redemption quotation, the redemption price is calculated automatically. For securities having 'Percentage' as the redemption quotation, you need to specify the price at which they can be redeemed.

**Redemption Quotation**

The system displays the redemption quotation selected in the 'Securities Instrument Definition' screen.. You will not be able to change it.

**Redemption Quantity**

If the redemption quotation is 'Factor', specify the redemption factor. If the redemption quotation is 'Cashflow', specify the actual cashflow. Whenever you modify this value, the system calculates the redemption price upon saving. In case of factor quotation, whenever redemption factor is modified for the existing redemption schedules, the redemption price is recalculated on saving. The redemption factor and the price for the future schedules are also adjusted. However, the factor for the last redemption is not adjusted. It remains 0.

Similarly, whenever a call redemption schedule is maintained with redemption quotation as 'Factor' or 'Cashflow', the system calculates the redemption price upon saving. For factor-based redemption schedules, the factor and redemption price are adjusted for future redemption schedules. The factor for the last redemption is not adjusted.

## **20.7 Processing for Security Redemptions**

Only those events that have not yet been initiated will be selected. However, this is done only for events with initiation date less than or equal to today. The Events table is updated to indicate that initiation is complete.

Specification of redemption collection to be automatic or manual is done at the time of defining the security. Only those securities for which the auto collect option is checked will be picked up for redemption collection. Other events would have to be triggered manually.

Those events with the collection date less than or equal to today and for which collection has not yet been done, are selected for processing. The Redemption Collection for short position (RDSC) or the Redemption Collection for long position (RDLC), is triggered depending on whether the position is short or long respectively.

The collection event collects the redemption amount from the safe keeping location and updates the Events table, to indicate that collection is complete for the event.

After the updation of the Events table, the events for which liquidation is due and the liquidation date is less than or equal to today, are picked up for liquidation. The Redemption Disbursement or liquidation for short position (RDSDL) and Redemption Disbursement or liquidation for long position is triggered depending on whether the position is short or long respectively.

The Events table gets updated after liquidation is complete.

In case accruals is due, then the accrual of interest, premium, discount and redemption premium are consolidated by running the ACIN and ACPD events. The liquidation events (RDSDL and RDLL) are run only after that. Once you run the accrual event the tax and ICCF details will also get updated.

---

**Note**

The initiation collection and disbursement events are synonymous.

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### **20.7.1 Redemption Processing based on Quotation Type**

If the redemption quotation type is 'Factor', then the redemption amount due for the intermediate redemption schedules will be calculated as follows:

Redemption Amt = Holdings \* (Redemption factor of previous period – Redemption factor of current period)

If redemption quotation type is 'Cashflow', then the redemption amount due for the intermediate redemption schedules will be calculated as follows:

Redemption Amt = Holdings \* (Redemption price/Initial FV)

For final redemption, the remaining holdings are redeemed.

On running the YTM recalculation batch, the system recalculates the price of the redemption schedules based on the current coupon rate in case of coupon rate revision.

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**Note**

Batch processing is applicable only for securities under 'Cashflow' type of redemption quotation. Recalculation is done only for the redemption schedules on or after the current coupon period.

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### **20.7.2 End of Trading Processing**

Securities, which are due to mature end of trading days before the maturity date, will be picked up for the End of Trading processing.

Those securities with the end of trading date less than or equal to today, are picked up and the EOTR event is triggered.

## 20.8 Processing of Amendment on Redemption Schedules

You can amend future-dated redemption schedules. In such a scenario, accruals linked to DPRP event are completed based on the old yield and old cash flows till the application date. New cash flows are built on the application date. The YTM for all the existing deals is recalculated as of the application date based on new cash flows. Also, future accruals linked to DPRP event are calculated based on the new YTM.

During amendment of back-dated redemption schedules, accruals linked to DPRP event are completed based on the old yield and old cash flows till the event date of redemption. New cash flows are built as of the event date. The YTM for all the existing deals is recalculated as of event date based on the new cash flows. For re-computation of YTM, the following formula is used for NPV calculation:

$NPV = \text{Face value} - \text{Un-accrued Discount} + \text{Un-accrued premium.}$

Future accruals linked to DPRP event are computed based on the new YTM. coupon accruals are also adjusted based on the new face value.

Back-dated redemption processing on amendment is done at EOD.

## 20.9 Maintaining Interest Coupon Details

The securities coupon definition screen allows capture of additional details of a coupon event, for a security of bond type. The details that are displayed in this field (such as the Internal action ID, the Internal Security ID and description, the Event date etc.) are picked up from the Security Definition screen.

You are only allowed to amend existing details, like the currency in which the issuer would make the cash payments, the exchange rate between the security currency and the issuer payment currency and the date on which the exchange rate will be announced.

You can invoke the 'Coupon Maintenance' screen by typing 'SEDXCPND' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

**Coupon Maintenance**

Enter Query

Corporate Action Id \*

Internal Security Id

Event Date

Security Issuer Reference

Confirmed

Issuer Payment Currency

Exchange Rate

External Corporate Action Id

Record Date

Exchange Rate Fixing Date

Confirmed Date

Currency Name

Narrative | Exchange Rate

Maker  Date Time:

Checker  Date Time:

Mod No  Record Status

Authorization Status

Exit

If you are calling a coupon maintenance record that has already been created, click on Summary view. The details of existing records will be displayed in a tabular form. From the Summary highlight the record you wish to view details of and double click to open it.

To amend the details of an existing coupon, click on unlock icon in the toolbar or choose Unlock from the Actions Menu.

---

### Note

You are allowed only to amend the details of future dated records that are not yet confirmed. Once a record is authorised and confirmed it will be processed as of the event date. You will not be allowed to make any changes to a confirmed record.

---

### Exchange Rate and the Exchange Rate Fixing Date

If the issuer payment currency is different from the security currency, then you can specify the exchange rate between the security currency and the issuer payment currency. In addition you can also indicate the date on which the exchange rate between the security currency and the issuer payment currency will be announced.

The exchange rate that you define in this screen will be used for conversion when the security is being processed. If no exchange rate has been maintained, then the mid-rate will be used for conversion.

## 20.9.1 Linking Interest Component to Tax Component

An interest component can be the basis amount tag of one or more tax components. Since each coupon that is maintained can have a number of interest components you need to link each of these components to the tax components.

The interest components can also be in a currency other than the tax currency. Therefore, in addition to linking an interest component with the tax component you need to specify the tax currency. If the currency of the interest component is different from the tax currency, then specify the tax exchange rate.

To link an interest component with a tax component and to specify the tax currency for the exchange rate, click 'Exchange Rate' in the Coupon Maintenance screen. The Exchange Rate for Tax Currencies screen is displayed.

Tax Component *	Tax Currency *	Tax Exchange Rate	Issuer Currency Exchange Rate



You also need to specify the exchange rate between the issuer payment currency and the tax currency.

You can add or delete a tax component from the list of tax components maintained. To add a new component, click add icon and select the new component from the picklist. To delete an existing tax component, highlight it and click delete icon.

## 20.9.2 Specifying Event Narrative

You can maintain a free format message, of the coupon event. This narrative or message will be used while generating SWIFT messages. Click 'Narrative' button, the Event narrative screen is displayed.

In this screen, you can either enter a free format narrative for the coupon event or leave this screen blank. If a narrative is defined, it will be associated with the security of bond type for which the coupon event has been defined.

## 20.10 Processing Interest Coupons

The Coupon Initiation event (CPIN) is triggered only for those interest coupons with initiation date less than or equal to today and for which initiation has not yet been done.

After the initiation event is complete, the Events table is updated.

The coupon collection event collects the coupon amount from the safe keeping location. The Coupon Collection event (CPCD) is triggered depending on whether the position is short or long.

The Events table is scanned and those events with a collection date less than or equal to today and for which collection has not been done are picked up for processing. Once the processing is through the events table is updated to indicate that collection is complete for this event.

The Coupon Disbursement event (CPLQ) is triggered depending on whether the position is short or long. This function picks the event from the Events table and liquidates it after executing doing the necessary validations.

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### **Note**

Triggering the event AICN completes the accrual of interest if accruals are due. The AICN event is triggered before the events for liquidation (CPSL or CPLL) are triggered. All details relating to Tax and ICCF are updated.

---

Once the event is complete, the Events table is updated to indicate that liquidation is complete for the event.

---

### **Note**

If the security currency is different from the issuer currency and you have maintained the exchange rate and the exchange rate effective date, then this rate will be used for conversion. Else the mid-rate will be used for conversion.

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If the positions table has not been updated till the event date then positions and holdings are projected up to the event date. It is depending on whether, the interest calculation is position based or holding based.

## 20.11 Maintaining Interest Rate Revision Details

You can capture the interest rate revision details for a security that has already been defined, through the Interest Revision screen. You can capture details like the date on which the interest rate was announced, the date on which the interest rate revision would be processed and the value date of rate revision.

You can invoke the 'Interest Revision' screen by typing 'SEDXR VND' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows the 'Interest Revision' application window. The window title is 'Interest Revision'. The toolbar contains 'New' and 'Enter Query' buttons. The main area is divided into two columns of input fields. The left column includes: Corporate Action Id, Internal Security Id \*, Security Description, Announcement Date \*, Event Date \*, Effective Date, Automatic \* (with radio buttons for Auto and Manual, and a Confirmed checkbox), and Confirmation Date. The right column includes: External Corporate Action Id, Interest Component \*, Security Issuer Reference, Revision Rate \*, and MIS Rate. The bottom panel has tabs for History, Narrative, and Fields. It also contains fields for Maker, Checker, Mod No, Date Time:, Record Status, and Authorization Status. 'Ok' and 'Exit' buttons are in the bottom right corner.

To enter interest rate remission details, click new icon on the toolbar.

If you are calling an interest revision record that has already been created, click on Summary view. From the summary screen you can choose to open an existing record. The details of the record that you have created will be displayed in a tabular form.

### Corporate Action Identification

This is the system generated ID to uniquely identify the interest revision.

### External Corporate Identification

This is the Id assigned to the event at the time of event declaration. Enter the Id associated with the event to uniquely identify it.

### Issuer Reference

Indicate the issuer reference for the interest rate revision event.

### Announcement Date

Enter the date on which the issuer would have declared the interest revision event.

### Event Date

Each Rate Revision defined is having a event date from when it will be applicable. From this date the interest revision rate will be effective.

### **MIS Rate**

For the Securities module you only have the option of maintaining a fixed rate for MIS refinancing.

Enter the MIS refinance rate in this field.

### **Confirmed**

Check this box to indicate if the occurrence of the event is confirmed.

### **Confirmation Date**

When you select the check-box, and save the record the confirmation date will be defaulted with the current date.

### **Parent Security Identification**

You have to indicate the code or ID of the bond type for which you are defining the interest revision rate.

The Security ID or Code is picked up from the Security Definition screen. This short description of the security is for information purposes only and will not be printed on any customer correspondence.

### **Interest Component**

You can specify the component of the security for which you are defining the interest revision rate.

At the time of defining a security, you can maintain different interest components for the security. The interest component(s) maintained will be reflected in the picklist available for this field.

### **Effective Date**

Each rate that is defined for a Security ID and Interest Component combination should have an Effective Date associated with it. This is the date from which the interest revision rate will be effective. Once a rate comes into effect, it will be applicable till another Effective Date is defined for the same Security ID and interest component combination. When you save a record the effective date gets defaulted with the Event Date of Rate Revision.

## **20.11.0.1 Specifying whether Interest Revision is Auto or Manual**

While specifying the interest revision rate, you can indicate whether the interest revision for the particular security is to be automatic or manual. If automatic revision is specified, then revised rates will be applied and liquidations made as part of the Beginning of Day process. Otherwise revisions will have to be made manually by you.

### **Revision Rate**

The revision rate that you enter here will be effective as of the Value date defined.

## **20.11.0.2 Specifying Event Narrative**

You can also enter a free format narrative, of the interest rate revision event. This narrative or message will be used while generating SWIFT messages. Click 'Narrative' button, the Event Narrative screen is displayed. The message entered will be associated with the interest revision event. This field can be left blank if necessary.

## **20.12 Maintaining Stock Dividend Details**

In the Stock Dividend or Bonus Definition screen, you can maintain details of the stock dividend declaration event, for a security. The essential details that you need to capture for a

security include the resultant Security ID and the dispose fraction. Details like the stock to cash price, the issuer pay currency and the end of exercise date can be captured only if you specify that stock is to be converted to cash.

You can invoke the 'Securities Stock Dividend Definition' screen by typing 'SEDXDVDF' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

To maintain details of a new declaration, click new button on the toolbar.

If you are calling an event record that has already been created, click on Summary view. The details of the existing event records will be displayed in a tabular form.

From the Summary screen you can choose to open an existing record by double clicking on it.

When you click on the new icon the system automatically assigns a unique internal action ID to the corporate event. The system date is defaulted as the date on which the dividend event was announced.

However the Announcement Date or the date on which the event was declared can be changed to a previous date.

### Corporate Action Identification

This is the system generated ID to uniquely identify the declaration of Stock Dividend.

### External Corporate Action Identification

This is the Id assigned to the event at the time of event declaration. Enter the Id associated with the event to uniquely identify it.

### **Security Identification**

Specify the code or ID of the of equity type security for which the dividend declaration is being defined. The codes displayed, in the picklist available for this field are picked up from the Security Definition screen.

### **Security Issuer Reference**

Indicate the issuer reference number for the stock dividend event.

### **Announcement Date**

This is the date on which the issuer would have declared the stock dividend event.

Enter the announcement date of the event.

### **Event Date**

Enter the date on which the cash payment will be made by the issuer.

### **Record Date**

Enter the date on which the issuer determines the beneficiary eligible for the dividend based on the registered owner of the securities.

The Record Date is computed from the ex days set up defined for the local market of issue.

### **Resultant Security Identification**

Indicate the security of the equity type in which shares would be awarded.

### **Resultant Ratio and Dispose Fractions**

Select the of equity type of security in which shares should be awarded. After this you are required to specify the ratio of, the quantity of the new security awarded to the quantity of current holdings, in the existing security.

Also indicate how the fractional elements in the parent security should be handled. You can choose the following options:

<b>Retain</b>	The fractional units would be retained
<b>Round Up</b>	Entitlements will be rounded up to the next full unit
<b>Round Down</b>	Entitlements will be rounded down to the previous full unit
<b>Round standard</b>	If the fractional unit is above 0.5, entitlements will be rounded up to the next full unit, otherwise the entitlements will be rounded down to the previous full unit.

### **Stock to Cash Conversion**

Check this option to convert stock dividend declared to cash. In such a case you are required to specify, the date by which the stock to cash conversion option, is to be exercised.

In addition, also specify the price per unit. This is the price at which the stock dividend would be converted into cash.

### **Stock to Cash Price**

Enter the price at which the stock dividend would be converted into cash.

### **End of Exercise Date**

Enter the date before which the stock to cash conversion option is to be exercised.

### **Stock to Cash Action Identification**

This is a unique event ID which is generated by the system on saving the Stock Dividend Definition record.

### **Issuer Pay Currency**

In case of stock to cash conversion you can indicate the currency in which the issuer should make the cash payments. From the picklist available select the payment currency.

### **Confirmed**

Check this box to indicate that the occurrence of the event is confirmed.

### **Confirmed Date**

When you select the check-box, and save the record the confirmed date will be defaulted with the current date.

### **Exchange Rate**

When the issuer payment currency is different from the security currency, the exchange rate between the security currency and the payment currency has to be indicated.

Specify the exchange rate.

### **Exchange Rate Fixing Date**

This is the date on which the exchange rate will be announced. Indicate the exchange rate announcement date.

---

#### **Note**

You can enter a free format event narrative for the event being defined or leave this field blank. If you enter a free format text it will be associated with the event while generating SWIFT messages.

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After entering the relevant details click save icon in the toolbar or Save from the Actions Menu, to save the event record.

## **20.13 Maintaining Cash Dividend Details**

The details of a cash dividend declaration can be captured through the Cash Dividend Definition screen. Through this screen you can capture relevant details such as the dividend type (rate or amount), the issuer payment currency, the exchange rate and the rate fixing date.

You can invoke the 'Cash Dividend Definition' screen by typing 'SEDXCDVD' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

You can create a new record by clicking on new icon on the toolbar.

You can call an event record that has already been created, through the Summary View screen. From this screen choose an existing record and double click it. The details of the highlighted record will be displayed in a tabular form.

The screenshot shows a software window titled "Cash Dividend Definition". It features a top menu bar with "New" and "Enter Query" options. The main area is a form with two columns of fields. The left column includes: Corporate Action Id, Security Id \*, Security Issuer reference, Announcement Date \*, Record Date \*, Dividend Type \*, Dividend Rate, Issuer Payment Currency \*, Currency Name, Exchange Rate, Dispose Fractions \*, Confirmed (checkbox), and Confirmed Date. The right column includes: Price Quote, Security Description, Event Date \*, Dividend Amount, Security Currency, and Exchange Rate Fixing Date. Below the form is a "Fields | Narrative" section with a table of fields: Maker, Checker, Mod No, Date Time, Date Time, Record Status, and Authorization Status. An "Exit" button is located in the bottom right corner.

### Corporate Action Identification

This is the system generated ID to uniquely identify the declaration of Cash Dividend.

### External Corporate Action Identification

This is the Id assigned to the event at the time of event declaration. Enter the Id associated with the event to uniquely identify it.

### Security Identification

Specify the security Id of the equity type for which the cash dividend event is to be defined.

The description associated with the specified code will be displayed in the adjacent field.

### Security Issuer Reference

Indicate the issuer reference for the cash dividend event.

### Announcement Date

This is the date on which the issuer would have declared the cash dividend event.

Enter the announcement date of the event.

### Event Date

Enter the date on which the cash payment will be made by the issuer.

### Record Date

Enter the date on which the issuer determines the beneficiary eligible for the dividend based on the registered owner of the securities.

The Record Date is computed from the ex days set up defined for the local market of issue.

### **Dividend Type**

You can indicate the type in which the dividend amount should be declared. It could be a percentage of the face value of the security or it could be the amount per unit of the security.

### **Dividend Amount**

This field indicates the amount per unit.

Specify the amount per unit to be used in calculating the cash dividend.

### **Dividend Rate**

This field indicates the rate as a percentage of the face value. Enter a percentage of the face value to be used in calculating the cash dividend.

### **Issuer Payment Currency**

Indicate the currency in which the issuer will make the cash payment. Click the adjoining option list for a list of valid currency codes. Select the appropriate.

### **Dispose Fractions**

Indicate how fractions should be handled. The options available are:

<b>Retain</b>	Fractions will be retained as they are
<b>Round Up</b>	Entitlement will be rounded up to the next full integer
<b>Round Down</b>	Entitlement will be rounded down to the previous full integer
<b>Round Standard</b>	Entitlement will be rounded up to the next full integer if the fraction is greater than 0.5. Else it will be rounded down to the previous full integer.

### **Confirmed**

Check this box to indicate that the occurrence of the event is confirmed.

### **Confirmed Date**

When you select the check-box, and save the record the confirmed date will be defaulted with the current date.

### **Exchange Rate and Exchange Rate Fixing Date**

When the issuer payment currency is different from the security currency, the exchange rate between the security currency and the payment currency has to be indicated. Along with this, the date on which the exchange rate will be announced should also be entered.

## **20.14 Processing dividends**

Only those records, which have been authorised and confirmed, will be picked up for processing.

The Dividend Initiation or tear off for long position (DVIN) event is triggered for those dividends with initiation date less than or equal to today's date. Based on the initiation date only those events for which initiation has not been done are selected. The Events table is updated once the event is complete.

After DVIN event, the cash and stock dividends with collection date less than or equal to today will be picked up. Thus, the Dividend Collection for long position event (DVCD) is triggered. The collection event collects the stock/cash amount and the cash in lieu of stock (for those



securities with the stock to cash option on) from the SK location. Once the collection event is done the Events table is updated.

The Dividend Disbursement for long position (DVLQ) picks up those events with disbursement date less than or equal to today. When the disbursement is through Events table is updated.

## 20.15 Maintaining Bonus to Cash Conversion Details

When you specify that stock is to be converted to cash, in the Stock Dividend definition screen, details of that event will be picked up and stored as, a Bonus to Cash conversion record. You are only allowed to maintain some additional stock to cash conversion details, such as the bonus to be encashed, the total bonus encashed, the residue bonus due. This is maintained so on in the Bonus to Cash conversion screen.

Invoke this screen by clicking on Bonus to Cash and then on the Detail option, under Securities CA Maintenance. This is invoked from the Application Browser. To view the details of a previously created record, go to the Summary View screen. The details of existing records are displayed in a tabular form. Highlight the record you want to view of and double click it.

You can invoke the 'Bonus to Cash Conversion' screen by typing 'SEDXBNCS' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Field	Field
Branch Code *	Branch Description
Corporate Action Id *	Reference No *
Security Id	Security Description
Security Quantity	Resultant Security ID
Portfolio Id	Portfolio Description
Safe Keeping Location *	Location Description
Safe Keeping Account *	
Record Date	
Event Date	
Related Corporate Action ID	
Initial Bonus Due	
Bonus Encashed	
Adjusted Bonus Encashed	
Residual Bonus	

Maker: \_\_\_\_\_ Date Time: \_\_\_\_\_  
Checker: \_\_\_\_\_ Date Time: \_\_\_\_\_  
Mod No: \_\_\_\_\_ Record Status: \_\_\_\_\_ Authorization Status: \_\_\_\_\_

Exit

In the Bonus to Cash conversion main screen enter the security ID, the portfolio ID and the SK location Id from where bonus due, is to be received.

### **Branch Code**

Specify the branch code.

### **Corporate Action ID**

This is the system generated ID to uniquely identify the declaration of Stock Dividend. This value is defaulted.

### **Reference Number**

This is the system generated ID to uniquely identify the Corporate action of Stock to cash conversion.

**Security Id**

This is the security Id of the equity for which the bonus to cash details are being maintained.

The description associated with the specified code is displayed in the adjacent field.

**Security Quantity**

This is the quantity of security for which the bonus was declared.

**Resultant Security Id**

The resultant security Identification to which shares have been awarded is defaulted here.

**Portfolio Id**

This is the portfolio ID of the equity for which the bonus to cash conversion details are being defined.

**Stock Keeping Location**

This is the SK location where the security is lodged and for which cash payment is to be received.

**Stock Keeping Account**

This is the account number which is to be credited when the payment due is received.

**Record Date**

The record date is defaulted from the Stock Dividend definition screen.

**Event Date**

The event date is defaulted from the Stock Dividend definition screen.

**Stock to Cash Action Id**

The stock to cash action Id assigned in the Stock Dividend screen is defaulted in this screen.

**Initial Bonus Due**

This field indicates the bonus amount that is due to be paid.

**Bonus Encashed**

You can choose to convert either a part of or the entire bonus that is due. Specify the amount to be encashed, in the Bonus to be Encashed field. If you choose to encash only a part of the amount due, then the residue bonus will be automatically calculated and displayed, in the Residue Bonus Due field.

Assume that you have a holding of 500 units in a particular security. Bonus is declared in the ratio of 2:1. Therefore, you are liable to get 250 units of shares free.

If you indicate that bonus is to be encashed for 125 units only then the remaining 125 units, which need to be encashed, will be reflected in the Residual Bonus field. You can choose to encash them at a later date.

**Adjusted Bonus Encashed**

The adjusted bonus is calculated by the system and displayed in this field.

The calculations are such that, the net bonus encashed minus the adjusted bonus will be equal to the initial bonus.

**Residual Bonus**

If the bonus is encashed in parts then the residual amount due is displayed here.

## **20.16 Processing Bonus to Cash Conversions**

The events table is scanned. Those events with an initiation date less than or equal to today and for which initiation has not been done, will be picked up. The BOST (Bonus Initiation for short position) or BOLT (Bonus initiation for long position) depending on whether the position in short or long.

After the initiation event is complete, the Events table is updated. Positions and holdings are also updated.

For disbursing the events due, only those events with the disbursement date less than or equal to today's date will be picked up. The Bonus disbursement for short positions (BOSL) or Bonus Disbursement for long positions (BOLL) will be triggered depending on whether the position in short or long.

After liquidation, the events table is updated to indicate that liquidation is complete for the event.

---

### **Note**

Please remember that automatic liquidation is carried out only if you have specified so at portfolio definition level. Otherwise events due will have to be liquidated manually.

---

## **20.17 Manually Processing Corporate Action Events**

You can manually process these events marked for manual processing, through the Corporate Actions Manual Processing screen.

The details of all these events, which are to be manually initiated, collected and liquidated, are displayed in this screen. In addition the details of those events which have already been processed (either automatically or manually) will also be displayed.

You can change the date on which a particular event is to be processed. You are also allowed to manually process an event which was earlier marked for auto processing.

You can invoke the 'Corporate Action Manual Processing' screen by typing 'SEDXCAMN' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The Corporate Action Manual Processing screen, allows you to amend existing details such as the processing date. You can also change the processing from automatic to manual or vice versa.

To amend the details of an existing event, click on unlock in the toolbar or Unlock from the Actions Menu.

## 20.18 Moving on to Other Screens

To the right of the Corporate Action Manual Processing screen are displayed a vertical array of six icons. By invoking these icons, you will be able to view and in case of charges and tax modify the attributes, of the event you are processing.

To select a screen, click on an icon from the group of icons displayed at the right hand side of the screen. A brief description of the functions icons represent, the given below:

<b>Events</b>	Click on this button to view the leg events accounting entries and over-rides.
<b>Settlement</b>	Click on this button to enter the settlement message details. You can specify the following details: The accounts to be debited for charges The method in which the event is to be settled whether it is an instrument (as in a check or a demand draft) or a message (as in SWIFT or mail message). Details about the parties involved in the event

<b>Charge</b>	<p>Click on this button to view the charge details associated with the product. You are allowed to amend the charge amount and if necessary waive the application.</p> <p>Please note that you are allowed to make these changes, only at the time of processing the event.</p>
<b>Tax</b>	<p>Click on this button to view the transaction tax details. In addition to changing the charge amount, you can also waive the application.</p> <p>Please note that you are allowed to make these changes, only at the time of processing the event.</p>
<b>Issuer Tax</b>	<p>Click on this button to view the issuer tax details. This is only a view screen, you are not allowed to modify the details displayed in this screen.</p> <p>You can view the issuer tax details only in case of coupon dividend or bonus to cash conversion events.</p>
<b>Coupon</b>	<p>Click on this icon to view the coupon details. This is a view only screen, you are not allowed to modify any details displayed here.</p> <p>The coupon events are displayed only for a corporate action event coupon.</p>

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## 21. Defining Portfolios

### 21.1 Introduction

After creating Portfolio Products, you can proceed to set up a securities portfolio. In Oracle FLEXCUBE securities portfolios can be defined for the following:

- The Bank
- The Bank's Customers
- An Issuer of securities

The portfolios that you set up should necessarily be associated with a portfolio product. All portfolios associated with a portfolio product will inherit the attributes defined for it. Certain attributes can be changed to suit the portfolio you are defining.

While setting up a portfolio you can indicate details such as:

- The currency of the portfolio
- The revaluation method and frequency
- Inventory management preferences (valuation) method (LIFO, FIFO, deal matching, WAC)
- The basis for asset accounting (in case of a bank portfolio)

You can also specify restrictions on the securities that the portfolio can trade in. The preferences (that involve accounting entries) specified for a product is defaulted. These preferences cannot be changed.

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#### Note

In Oracle FLEXCUBE, portfolio products and securities portfolios are defined at the bank level. They will be available to the branches of your bank, based on the restrictions that you set up.

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### 21.2 Specifying Portfolio Definition Details

You can invoke the Portfolio Maintenance screen, from the Application Browser. If you are setting up a new portfolio, click new icon on the tool bar. The Portfolio Definition screen is displayed without any details.

You can invoke the 'Security Portfolio Definition' screen by typing 'SEDXPFL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

If you are calling a Portfolio Definition record that has already been defined, choose the Portfolio Definition Summary screen.

From the Summary screen double-click a portfolio to open it.

The Securities Portfolio Definition screen consists of a header, a footer containing fields that are specific to the portfolio you are defining and three tabs (Contract main, Main preferences and the Detail preference).

Also displayed is a vertical array of six icons, along the lines of which you can enter details of a portfolio. Portfolio details are grouped into screens according to the similarities they share.

## 21.3 Entering the Details of a Portfolio

### Product Code

You should use a product that has already been created, to enter the details of a portfolio. Depending on the type of portfolio you are creating, you can select an appropriate product code from the picklist available.

A portfolio will inherit all the attributes, defined for the product associated with it. You can also add details that are specific to the portfolio, like the deal amount and details of the buyer and the seller. Some of the defaulted attributes if necessary can be changed.

This feature simplified the procedure of setting up of a portfolio.

### 21.3.1 Identifying a Portfolio

#### Portfolio Reference Number

In Oracle FLEXCUBE, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the portfolio being defined. The system generates a unique number for each portfolio.

The portfolio reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number. The Julian Date has the following format:

YYDDD

Here, YY stands for the last two digits of the year and DDD for the number of day(s) that have elapsed in the year.

For example, January 31, 1998 translates into the Julian date: 98031. Similarly, February 5, 1998 becomes 98036 in the Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).

### **User portfolio reference number**

In addition to the reference number generated by the system, you can enter a reference number for the portfolio. This number, in addition to the Portfolio reference number generated by the system, will be used to identify the portfolio. This number should be unique. By default, the Portfolio reference number generated by the system is taken as the User PortfolioID.

### **Portfolio Identification**

Enter a unique reference number to identify the portfolio. The portfolio will be identified by this reference in addition to the portfolio reference generated by Oracle FLEXCUBE.

The portfolio reference generated by Oracle FLEXCUBE is defaulted to this field. You can choose to change it and indicate a reference of your own.

You can query information on the portfolio by using any of the reference IDs.

### **Fund ID**

You can indicate as to which fund the aggregate account balance of all the customers under this account class will report for the depositor contribution from the option list.

### **Portfolio Type**

This field is defaulted from the product code that you have selected earlier. The values are:

- Bank (B)
- Customer (C)
- Issuer (I)

### **Portfolio Description**

Enter a brief description of the portfolio you are defining. This description will be associated with the portfolio for information retrieval purposes.

You can change or modify the description of a class. All subsequent retrieval of information on the portfolio will contain the modified description.

### **Branch**

In this field when the new button is clicked, the current branch is displayed.

### **Branch Name**

This field is automatically generated. This gives a brief description of the branch.

### **Currency and Currency Name**

Here you can choose the currency applicable for the portfolio from the available pick list. The currency name will default based on this selection and it is as per the description given in the Core Module.

### **Asset Accounting Basis**

This indicates how the assets of the portfolio should be accounted for and is applicable only for Bank Portfolios.

---

#### **Note**

This field is defaulted based on the portfolio product selected and cannot be changed during portfolio definition.

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Accrual basis:

If you select the accrual basis for asset accounting, then on 1 January you would:

Dr. Premium to be accrued USD 5

Dr. Asset USD 10

Cr. Customer USD 15

On 30 January the amount to be accrued is USD 1. The following entries will need to be passed:

Cr. Premium to be accrued USD 1

Dr. Expense USD 1

When you sell the bond at \$20

Dr. Customer USD 20

Cr. Asset USD 10

Cr. Premium to be accrued USD 4

Cr. Profit and Loss USD 6

### **Customer**

If you are setting up a Customer portfolio, you should indicate the customer for whom you are setting it up. Select a customer code from the picklist available.

For a customer portfolio, indicate the default branch of the customer. Also indicate default account that should be either debited or credited when an accounting entry involving the portfolio is passed.

---

### **Note**

You can set up several portfolios for a customer of your bank.

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### **Customer Name**

The customer name is automatically generated based on the customer code selected.

### **Customer Branch**

Indicate the default branch in which the customer or issuer maintains accounts with your bank. Select a branch code from the option list. This field is applicable only for customer portfolios.

### **Customer Account**

Indicate the default account that should be used for deals involving the portfolio. This field is applicable only for customer portfolios.

Select an account from the option list. The option list will contain a list of all the valid accounts that the customer maintains with your bank.

### **Description**

A brief description about the customer account will be displayed.

### **Portfolio Costing Method**

Indicate the method in which the Holding cost of the portfolio should be calculated. These preferences are defaulted from the Portfolio product and cannot be changed during Portfolio definition.

### **Currency**

For all types of portfolios indicate the currency of the portfolio. You can select a currency code from the available option list.

The securities that constitute a portfolio can be in currencies other than the portfolio currency. When entering a deal involving the securities of the portfolio, the currency conversion, would be done using the standard rate maintained in the Exchange Rate screen. The same will be done when income is earned by the securities that are part of a portfolio.

#### **21.3.1.1 Specifying Book Intrinsic Value**

A warrant or right attached to a security entitles the holder to convert it into common stock at a set price during a specified period. Thus rights and warrants have a hidden or intrinsic value. The intrinsic value of a right or warrant is the difference between the exercise price of the unit and the market price of the resulting security.

For asset accounting purposes, you can choose to book or ignore the intrinsic value of rights and warrants.

Check against the field Rights to indicate that the intrinsic value of the rights attached to securities in the portfolio should be included for asset accounting.

Check against the field Warrants to indicate that the intrinsic value of the warrants attached to securities in the portfolio should be included for asset accounting.

Leave the fields unchecked to indicate that intrinsic value should be ignored.

#### **21.3.1.2 Specifying Processing Details**

##### **Auto Liquidate for Corporate Actions**

The corporate actions that are applicable for securities in the portfolio can be automatically liquidated on the Event date (the date on which the corporate action is due).

Check against this option to indicate the corporate actions applicable to securities in the portfolio should be automatically liquidated on the due date. Leave it unchecked to indicate that it should be manually liquidated.

If you select the automatic option, the corporate action will be automatically liquidated on the liquidation date as part of the automatic processes run as part of beginning of day (BOD) or End of day (EOD).

##### **Corpus Account**

This field is meant for future use.

##### **Short Positions Allowed**

If you check this box, you can select whether system should do contra holdings validation during save (Online) or at the end of the day (EOTI). If you do not want any validation on contra holdings, then you can select 'No Check - Unlimited'.

If you do not check this box, then contra holding validation has to be null.

If you check this box and 'Contra Holding Validation' is set to 'No Check - Unlimited' or 'EOTI', then the system will display an override message when you save/modify the contract and the sell quantity is greater than the value dated holdings for a particular security code.

If there is an active Repo deal in the portfolio, the system will not allow you to check this box.

#### **Accrue Withholding Tax**

The withholding tax levied on transactions involving a portfolio can be accrued over the tenure of the security that is traded.

Check against this field to indicate that withholding tax should be accrued. Leave it unchecked to indicate otherwise.

#### **Bankers Acceptance**

Check this box if you intend the portfolio to be used for a Banker's Acceptance deal. The value for this field defaults based on your specification in the Portfolio Product Preference screen. If the default value is 'Yes', you can change it to 'No', but not the other way round.

Only those SK locations can be chosen for this portfolio, which have the Banker's Acceptance option enabled.

#### **Repo on Today's Projected Holdings**

Check this box to enable Repo on projected holdings for the day. If you check this, the system will allow you to create a Repo deal based on the projected holdings for the day.

This option does not allow you to create a Repo deal based on future dated projected holdings.

If you check this box, then 'Short Positions allowed' cannot be checked.

## **21.4 Defining Preferences for a Portfolio**

While defining a portfolio, you can indicate preferences for the portfolio. The preferences defined for the portfolio product to which the portfolio is associated is defaulted. You have the option to change some of the defaults, but certain details that are characteristic of the product type to which the portfolio belongs cannot be changed.

The preferences that you can specify are spread over two screens:

- The Main preference screen

- The Detail preferences screen

The screenshot shows the 'Security Portfolio Definition' window with the 'Detail Preferences' tab selected. The interface includes a 'Save' button and a 'Cancel' button. The main area is divided into several sections: 'Corporate Action Notice Required' with checkboxes for 'Corporate Action Notice Required' and 'Corporate Action Required', and dropdowns for 'Notice Days' and 'Notice Days Type'; 'T-Bill Accrual' with checkboxes for 'Accrue Discount for T Bill' and 'Accrue Withholding Tax For T Bill Discount', and dropdowns for 'Accrual Frequency', 'Accrual Start Day', and 'Accrual Start Month'; 'Statement of Holdings' with a checkbox for 'Statement Of holdings required' and dropdowns for 'Statement Frequency', 'Statement Start Day', and 'Statement Start Month'; and 'Statement of Transactions' with a checkbox for 'Statement Of Transaction Required' and dropdowns for 'Statement Frequency', 'Statement Start Day', and 'Statement Start Month'. A navigation bar at the bottom includes links like 'Role To Head', 'Events', 'SK Location', 'Security Restrictions', 'SP Price', 'MIS', 'Advice', and 'Fields', along with fields for 'Maker Id', 'Checker Id', 'Status', 'Date Time', and 'Authorization Status'.

The Portfolio Main Preferences screen:

The screenshot shows the 'Security Portfolio Definition' window with the 'Main Preferences' tab selected. The interface includes a 'Save' button and a 'Cancel' button. The main area is divided into several sections: 'Premium or Discount' with checkboxes for 'Accrue Premium' and 'Accrue Discount', and dropdowns for 'Accrue Premium', 'Accrue Discount', 'Accrual Method', 'Accrual Frequency', 'Start Day', and 'Start Month'; 'Revaluation of Positions' with checkboxes for 'Revaluation Of Settled Positions' and 'Revaluation Of Unsettled Positions', and dropdowns for 'Revaluation Level', 'Revaluation Method', 'Revaluation Frequency', 'Revaluation Start Day', and 'Revaluation Start Month'; 'Limits Tracking' with dropdowns for 'Bonds', 'Equities', 'Rights', 'Warrants', and 'Treasury Bills'; 'Redemption Premium' with a checkbox for 'Accrue Redemption Premium' and dropdowns for 'Accrual Method', 'Accrual Frequency', and 'Accrual Start Day'; and 'Forward Profit & Loss Accrual' with a checkbox for 'Forward Profit & Loss Accrual' and dropdowns for 'Accrual Method', 'Accrual Frequency', and 'Accrual Start Day'. A navigation bar at the bottom includes links like 'Role To Head', 'Events', 'SK Location', 'Security Restrictions', 'SP Price', 'MIS', 'Advice', and 'Fields', along with fields for 'Maker Id', 'Checker Id', 'Status', 'Date Time', and 'Authorization Status'.

The Portfolio Detail preferences screen

Preferences (that involve accounting entries) defined for the product cannot be changed while creating a Securities Portfolio that involves it. These include:

- The asset accounting basis
- The portfolio costing method
- Whether the intrinsic value of rights and warrants needs to be booked
- Accrual preferences like
  - Whether withholding tax should be accrued
  - Whether the discount for T-Bills should be accrued
  - Whether withholding tax for discounted T-Bills should be accrued

- Whether premium or discount should be accrued
- Whether redemption premium should be accrued
- Whether interest should be accrued
- Whether forward profit or loss should be accrued
- Revaluation preferences, such as the revaluation basis, LOCOM basis, method, frequency, and start date)

The LOCOM basis is defaulted from the Portfolio Product, and can be changed. Subsequently, amendment of the LOCOM basis specified in the Portfolio Definition screen is not possible.

*For details about the LOCOM basis, refer the chapter 'Maintaining a Portfolio Preference Class' of this User Manual.*

Further, you can specify the following preferences, for the components that can be accrued:

- The accrual method
- Accrual frequency
- Start days
- Start month

### **Premium Discount**

Specify the following details:

#### **Accrual Method**

The accrual method refers to the method to be used to calculate the amount of premium or discount to be accrued. You can select one of the following options from the drop-down list:

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

### **Forward PL Accrual**

Specify the following details:

#### **Accrual Method**

The accrual method refers to the method to be used to calculate the amount of forward profit or loss that is to be accrued. You can select one of the following options from the drop-down list:

- 30 (Euro) / 360
- 30 (US) / 360

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

### **Redemption Premium**

Specify the following details:

#### **Accrual Method**

The accrual method refers to the method to be used to calculate the amount of premium that is due to you for holding the bond. You can select one of the following options from the drop-down list:

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

---

#### **Note**

The value of the accrual method maintained in the 'Security Portfolio Definition' screen is used for calculating the accrual interest for a given portfolio.

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#### **Indicating the Revaluation Level**

As a branch parameter, if you have indicated that revaluation should be performed at the Holdings level, you have the option of selecting between Deal level revaluation and Position level revaluation for a specific portfolio. This option will not be made available if, as a branch parameter, you have indicated that the revaluation should be performed at the Portfolio level.

You will not be allowed to revalue a portfolio at the deal level if the Costing Method for the portfolio is WAC. The default level is positions and that cannot be changed.

The entries passed for deal level revaluation at the event BRVL (Securities Revaluation of Positions/Deals) are:

Debit/ Credit	Accounting Role and Description	Amount Tag and Description
Debit	MTM_EXP - Expense GL for Revaluation (MTM Method)	MTM_EXP - Revaluation Expense (MTM Method)
Credit	MTM_LBY - Liability GL for Revaluation (MTM Method).	MTM_EXP - Revaluation Expense (MTM Method)
Debit	MTM_ASS - Asset GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method)
Credit	MTM_INC - Income GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method)
Debit	LOCOM_REVAL_EXP - Expense GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method)
Credit	LOCOM_REVAL_LBY - Liability GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method)

#### A note on Processing Bonds and T-bill based on the YTM parameters

While processing a Bond or a T-Bills, if the Price quote is not by 'Yield to Maturity', the YTM is computed based on the formula given below:

$$P_0 = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\Delta d_i}{P}\right)}} + \frac{R.P.}{(1 + \%y_0)^{\left(\frac{\Delta d_N}{P}\right)}} - AI \right]$$

Where:

- $P_0$  is the Purchase price of the Bond
- $N$  is the Total number of coupons
- $C_i$  is the Coupon payment for coupon  $i$
- $y_0$  is the Deal YTM ( Periodic )
- $Y_0$  is the Deal YTM
- $A$  is the Day Count Method – Denominator
- $n$  is the Coupons in a Year
- $P$  is the Period of Reinvestment. If Null, defaulted to  $A/n$
- $R.P.$  is the Redemption Price
- $AI$  is the Accrued Interest
- $\blacktriangle d_i$  is the Coupon Date – Value Date
- $\blacktriangle d_N$  is the Redemption Date – Value Date

The formula used to calculate the yield given price – for T-Bills, will be

$$P_0 = \left[ \frac{R.P.}{\left(1 + \%Y_0 * \left(\frac{\Delta d}{A}\right)\right)} \right]$$

Where:

- $P_0$  is the Purchase price of the T-Bill
- R.P. is the Redemption Price
- $Y_0$  is the Deal YTM
- $\Delta d$  is the Redemption Date – Value Date
- A is the Day Count Method - Denominator

#### End-of-Day processing – accrual by the straight line method

During EOD processing on each day, the system picks up all deals in Bonds and T-Bills marked for DPRP accrual – based on **Constant Yield Basis**.

'DPRP' stands for Discount, Premium and Redemption Premium.

In case of Bonds, from the formula mentioned below, the YTM computed and stored at the time of saving the deal, is used to arrive at the price of the deal for the current working day (P2).

$$P = \left[ \sum_{i=1}^N \frac{C_i}{\left(1 + \%y_0\right)^{\left(\frac{\Delta d_i}{P}\right)}} + \frac{R.P.}{\left(1 + \%y_0\right)^{\left(\frac{\Delta d_N}{P}\right)}} - AI \right]$$

If the Annualizing method is Compound, the deal YTM is computed as follows:

$$Y_0 = \left[ \left(1 + y_0\right)^{\frac{A}{P}} - 1 \right]$$

If the Annualizing method is Simple, the deal YTM is computed as follows:

$$Y_0 = \left[ y_0 \left(\frac{A}{P}\right) \right]$$

If case of EX Deal, first coupon amount will be 0 ( $C_1 = 0$ ).

Where:

- P is the Price of the Bond.
- N is the Total number of coupons.
- $C_i$  is the Coupon payment for coupon  $i$



- $y_0$  is the Deal YTM (Periodic).
- $Y_0$  is the Deal YTM.
- A is the Day Count Method – Denominator.
- n is the Coupons in a Year.
- P is the Period of Reinvestment. If Null, defaulted to A/n.
- R.P. is the Redemption Price
- AI is the Accrued Interest
- $\blacktriangle d_i$  is the Coupon Date – Application Date
- $\blacktriangle d_N$  is the Redemption Date – Application Date

The price obtained for the current working day is then compared with the price obtained during the previous day's EOD processing (P1). The difference between the price of the deal on the current working day and the previous day (P2 – P1) is the amount for which accrual entries will be passed, on the current working day.

In case of T-Bills, from the formula mentioned below, the YTM computed and stored at the time of saving the deal, is used to arrive at the price of the deal for the current working day (P2).

$$P = \left[ \frac{R.P.}{\left(1 + \%Y_0 * \left(\frac{\Delta d}{A}\right)\right)} \right]$$

Where:

- P is the Price of the T-Bill
- R.P. is the Redemption Price
- $Y_0$  is the Deal YTM
- $\blacktriangle d$  is the Redemption Date – Application Date
- A is the Day Count Method - Denominator

The price obtained for the current day is compared with the price obtained during the previous day's EOD processing (P1). The difference between the price of the deal on the current day and the previous day (P2 – P1) is the amount for which accrual entries will be passed, on the current working day.

For example, let us assume, in your country all Securities (Bonds, Tbills, CPs ) are quoted in the market on a yield basis. Additionally, no tax is levied on any capital gains (to encourage trading) but 35 % tax is charged on the Discount Amount. Accrual in a straight line method would divide the discount amount equally to the number of days to mature. But your bank would like to calculate the present value on the Security on a daily basis and difference will be booked as Discount Earned. In this method the present holding cost will be always lesser than the straight line revaluation (if it is bought in discount) and hence capital gain will be higher during the sell.

A T Bill worth 50,000,000.00 (FV) is Bought on 1-Sep-2002 Maturing on 08-Aug-2003 at Annual Yield rate of 13%.

On Buy:

Buy Date	01-SEP-2002	
Redemption Date	08-Aug-2003	
YTM Price	13%	B3
Quantity (Nominal)	50,000,000.00	B4
Days to Mature	341	B5
Price	89.1701	B6 = ROUND(100/(1+(B3*B5)/365),4)
Net Consideration	44,585,050.00	
Discount	5,414,950.00	B14

On A later date (10-Sep-02)

Yield	13%	D3
Holding Quantity	50,000,000.00	
Days to Mature	332	D5
Present Cost	89.4257	D6 = ROUND(100/(1+(D3*D5)/365),4)
Present Value	44,712,850.00 D7 =D4*D6/100	
Present Discount	5,287,150.00 D14	
Discount to Be Amortized	127,800	D15 = B14- D14

#### **DPRP Accrual for Bonds with quantity redemption schedules**

For securities which are redeemable on call and with redemption type Quantity, you can choose to redeem a specific amount of the face value by entering the requisite percentage in the Redemption Percent field in the Securities Corporate Action Maintenance – Redemption screen.

*Refer to the chapter on Maintaining and Processing Corporate Actions in this manual.*

For such securities, the DPRP accrual takes into account the weighted average of the days to redemption.

#### **Accrual by the exponential method**

In the exponential method of DPRP accrual, the amount accrued is not the same each day, but rises exponentially with each passing day of the accrual period. The amount accrued at the end of each day is given by the following formula:

$$W_b = PP * (FV/PP)^{(n1/n2)}$$

Where:

$W_b$  = Value of the Bond on accrual date;

PP = Purchase Price of the Bond;

FV = Face Value of the Bond;

n1 = Number of days from purchase till the date of accrual;

n2 = Number of days from purchase till maturity.

For example, consider a Bond with the following basic details:

- Purchase Price = PP = 80 USD
- Face Value (Nominal) = FV = 100 USD
- n2 = 10

The value of the bond and the amount accrued each day till maturity is given in the table below. For comparison, the accrued amount each day, as obtained by the straight line method of accrual, is given in the last column. All figures are in USD:

n1	Value of Bond	Value of Bond in excess of Purchase Price	Discount Accrual by exponential method	Discount Accrual by straight line method
1	81.805	1.805	1.805	2.000
2	83.651	3.651	1.846	2.000
3	85.539	5.539	1.888	2.000
n1	Value of Bond	Value of Bond in excess of Purchase Price	Discount Accrual by exponential method	Discount Accrual by straight line method
4	87.469	7.469	1.930	2.000
5	89.443	9.443	1.974	2.000
6	91.461	11.461	2.018	2.000
7	93.525	13.525	2.064	2.000
8	95.635	15.635	2.110	2.000
9	97.793	17.793	2.158	2.000
10	100.000	20.000	2.207	2.000
			20.000	20.000

In case the redemption date is extended, the system recomputes the DPRP amounts irrespective of the accrual method maintained for DPRP. Discount/Premium accrual will be completed till the extension date (using the old redemption date). However, all the unaccrued Discount/Premium will be accrued from the transaction date of the redemption date extension. Subsequently, YTM for all the deals will also be recomputed.

## 21.5 Specifying the Advices to be Generated

The advices that can be generated, for the events that occur during the life cycle of securities in a portfolio, are defined for the product to which the portfolio is associated.

From the Portfolio definition screen, click 'Advices' button. The advices screen is displayed.

Leg Advices

Portfolio Id

Description

Event Details

ESN *	Event Code	Description	Security Id
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Advice Details

Advice Code *	Suppress	Priority	Party Id	Party Name	Advice Description	Address 1	Address 2
<input type="text"/>	No	Normal	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Highlight an event, to view the advices associated with it. The address, to which an advice should be delivered, is picked up by default, based on the media and address maintained for the party.

The party type to whom an advice should be sent is also picked up automatically, based on the type of portfolio you are entering and the parties involved.

### Suppressing the generation of an advice

By default, all advices defined for a product will be generated for the portfolios to which it is associated. If any of the advices are not applicable to the portfolio being created you can suppress its generation.

### Priority

For a payment message by SWIFT, you have the option to change the priority with which a message should be delivered. By default, the priority of an advice is marked as Normal. You have the option to prioritise a payment message to one of the following options:

- Normal
- Medium
- High

After selecting the advices to be generated for the portfolio, click add icon to save the entries that you made. Click delete icon to reject the entries that you have made. In either case, you will be returned to the Portfolio Definition screen.

## 21.6 Viewing Event Details

Click 'Events' from the Portfolio definition screen, to view the accounting entries that were passed and the overrides that were encountered, for each event in the lifecycle of a portfolio.

The screenshot shows a software window titled "Leg Events, Accounting Entries & Overrides". At the top, there are input fields for "Reference Number", "Portfolio Id", and "Security Id". Below these are three main sections, each with a table and a scroll bar:

- Events:** A table with columns: Serial Number\*, Event, Event Date, Maker Id, Maker Date, Checker Id, and Checker Date. The first row contains empty fields.
- Accounting Entries:** A table with columns: Branch, Account, Dr/Cr, Amount Tag, Code, Date, and Value Date. The first row contains empty fields.
- Contract Overrides:** A table with one visible empty row.

### Accounting entry details

Highlight the event to view its accounting entries. All the accounting entries that were passed and the overrides that were encountered for the event will be displayed.

The following information is displayed for each accounting entry:

- Branch
- Account
- Dr/Cr indicator
- The amount tag
- The date on which the entry was booked
- Value Date
- The deal currency

- Amount in deal currency
- The foreign currency equivalent (if applicable)
- The exchange rate that was used for the conversion
- Amount in local currency
- All the overrides that were encountered for the event will also be displayed

Click 'Exit' button to exit the screen. You will be returned to the Application Browser.

## 21.7 Maintaining Security Restrictions for a Portfolio

From the head office of your bank, you can establish certain controls over the securities that a portfolio can trade in. These controls are achieved by specifying restrictions.

The security restrictions maintained for the portfolio product associated with a portfolio will by default apply. You can use the defaulted restrictions or define security restrictions for a portfolio.

Click 'Security Restrictions' button from the Portfolio Definition screen, to invoke the Security Restrictions screen.

The screenshot shows the 'Security Restrictions' application window. At the top, there are two input fields: 'Portfolio Id' and 'Portfolio Description'. Below these is the 'Restriction Type' section, which includes two radio buttons: 'Allowed' and 'Disallowed'. The 'Disallowed' radio button is selected. There are two data tables. The first table, titled 'Security Product Restrictions', has columns 'Code' and 'Description'. The second table has columns 'Security Id', 'Product', 'Description', and 'Allowed'. Both tables show one row of data. At the bottom right of the window are 'Ok' and 'Exit' buttons.

### 21.7.1 Features of the screen

#### **Restriction Type**

You can specify security restrictions in the form of an allowed or disallowed list. You can indicate whether you are maintaining an allowed or a disallowed list type by choosing the appropriate option under the field Restriction type.

When you set up security restrictions, the securities that do not figure in the allowed list cannot be traded with. If you have maintained a disallowed list, securities that do not figure in it can be involved in deals linked to the product.

### **Allowed/Disallowed**

Under Security Restriction, you will see a column displayed.

- An Allowed or Disallowed list (depending on the restriction type you are maintaining).

For example, if you have chosen to maintain an Allowed list, the column will display the list of categories that you allow.

### **Exempting specific securities from an allowed or disallowed list**

You can exempt specific securities, from the restriction specified for the product to which they belong. Click add icon and select a security code from the picklist.

You can choose to Allow or Disallow the security that you have selected by choosing the appropriate option under Restriction Type. Click delete icon to remove a security from the list.

For example, suppose that you have maintained the following security products in Oracle FLEXCUBE:

<b>Product Code</b>	<b>Products linked to it</b>
SECA	EQ 1 EQ 2 EQ 3
SECB	BD1 BD2 BD3

You are maintaining security restrictions for a portfolio. You have indicated the restriction type as Allowed. For this portfolio, you have moved the Security product SECA to the allowed list. This in effect means that you have,

Allowed SECA for the portfolio.

Disallowed SECB for the portfolio.

You want disallow security EQ 3 and allow security BD 1. In Oracle FLEXCUBE this is achieved thus:

Follow the same procedure for the security ID, BD1 and indicate that it is allowed for the portfolio.

Thus you have allowed the securities EQ 1, EQ 2, and BD 1 for the portfolio.

### **Confirming your specifications**

After you have defined restrictions, click 'Exit' to delete your specifications. You will be returned to the Portfolio Definition screen.

## **21.8 Mapping Accounts to a Safe Keeping Location**

While setting up a portfolio, you can indicate the default account at a safe keeping location (SKL) that should be used when deals involving securities lodged at the SKL are traded.

Click 'SK Location' from the Portfolio Definition screen to invoke the Safe Keeping Location screen. In this screen you can indicate the default account to be used for each SK location.

The screenshot shows a window titled "SK Location" with a dark blue header. Below the header, there are two input fields: "Portfolio Id" and "Portfolio Description". The main section is titled "Safe Keeping Location To Account Mapping" and contains a table with two columns: "Safe Keeping Location Id" and "Safe Keeping Location Account". The table has one row with empty input fields. Above the table, there are navigation icons and a "Go" button. At the bottom right of the window, there are "Ok" and "Exit" buttons.

### The procedure for mapping accounts

Indicate the ID of the safe keeping location at the Safe Keeping Location field. Alternatively, select a safe keeping location from the picklist. The picklist will contain details of all valid safe keeping locations, maintained in the SKL Maintenance screen.

Thereafter, indicate the default account at the SKL account field. Select an account from the picklist. The picklist will contain the accounts that the holder of the portfolio maintains, with the SK location.

To add another SK location and account combination for a portfolio, click add icon and follow the procedure listed above. To delete a mapping that you have made, highlight the mapping and click delete icon.

Click 'Exit' to cancel the entries. You will return to the Portfolio Definition screen.



## 21.9 Specifying Accounting Role to Head Mapping Preferences

While creating a product, you have specified Role to Head Mapping preferences. The preferences specified for the product associated with the portfolio is defaulted. Click 'Role to Head' from the Securities Portfolio Definition screen.

The screenshot shows the 'Role To Head' dialog box. It includes the following elements:

- Input fields for 'Portfolio Id', 'Role To Head', 'Portfolio Description', and 'Role Head Description'.
- A data grid titled 'Security Product - Role to Head Class Mapping' with columns: Product \*, Description, Role To Head \*, and Description.
- A second data grid titled 'Security - Role to Head Class Mapping' with columns: Security Id \*, Description, Role To Head \*, and Description.
- 'Ok' and 'Exit' buttons at the bottom right.

While defining a portfolio you can change the role to head mapping class that is defaulted from the portfolio product. You can select a new Role to Head Mapping class and make it applicable to a portfolio.

Oracle FLEXCUBE provides complete flexibility in mapping accounting roles to heads. The levels to which, accounting entries can be defined are follow:

### **Level one:**

You accept the role to head mapping class defaulted from the product associated with the portfolio. In this case, the role to head mapping class will be made applicable across *all* securities in the portfolio.

### **Level two:**

The Role to Head Mapping Class that is defaulted from the product is not applicable to the portfolio being defined. You can specify another role to head mapping class and make it applicable to the portfolio.

In this case, the new class that you specified will become applicable to all securities in the portfolio.

### **Level three:**

You have either accepted the default role to head mapping from the product or have associated a new role to head mapping class for the portfolio.

However, for a specific security product you want to use a different role to head mapping class.

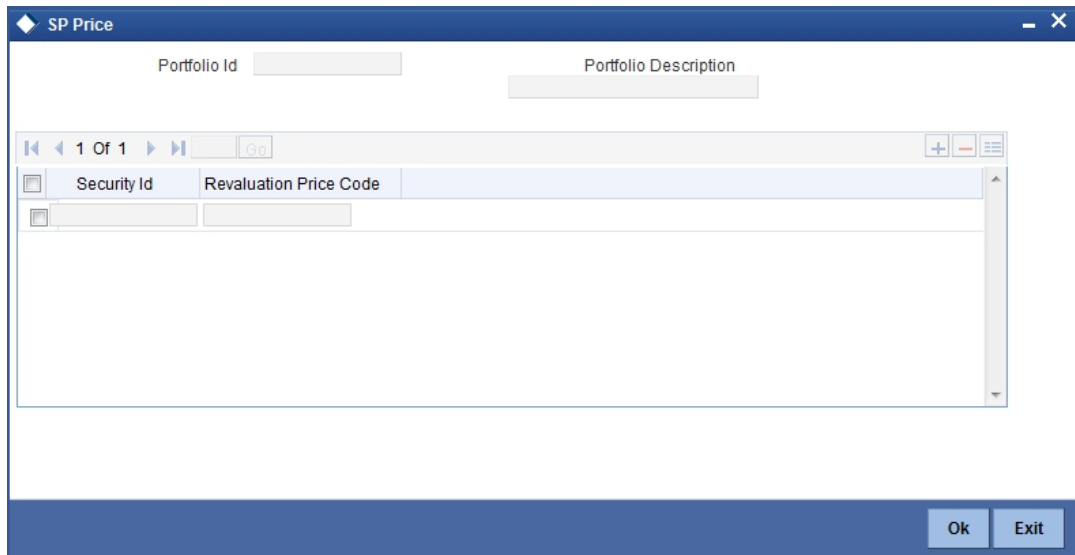
Indicate the role to head mapping that is applicable to the portfolio and specify a Role to Head Mapping Class that is to be applied to specific securities products.

**Level four:**

Besides the Accounting Role To Head Mapping class defined for the portfolio, you can also define an accounting role to head mapping class for a particular security, within a security product.

## 21.10 Maintaining Security Revaluation Prices for a Portfolio

You can choose to maintain different price codes for each security within the portfolio. The prices associated with these price codes will be used to revalue the portfolio. Thus for the same security you could specify different revaluation price codes in different portfolios. To maintain price codes for each security within the portfolio click 'SP Price' button in the Securities Portfolio Definition screen.



In this screen, you can maintain set of securities and associate appropriate price codes with each of them. While revaluing the portfolio the system first checks for the price code associated with the security at the portfolio level. Else, the default price code maintained for the security will be used for revaluation.

---

**Note**

You can link only one price code for a given security in a given portfolio.

---

## 21.11 Maintaining Risk Profile

You can maintain risk profiles in the Risk Profile Maintenance screen. To invoke this screen To invoke the screen, type 'SEDxRMNT' in the field at the top right corner of the application toolbar and click the adjoining arrow button.

**Risk Profile**

Specify the risk profile.

**Description**

Enter a description for the risk profile.

**Branch Code**

Specify the branch code.

**Risk Profile Details**

**Portfolio Id**

Select the portfolio ID from the adjoining list of values provided.

**Priority Number**

Specify the priority number to be associated with the benefit plan for the selected module.

---

**Note**

The priority number specified should be unique across all benefit plans for a given module.

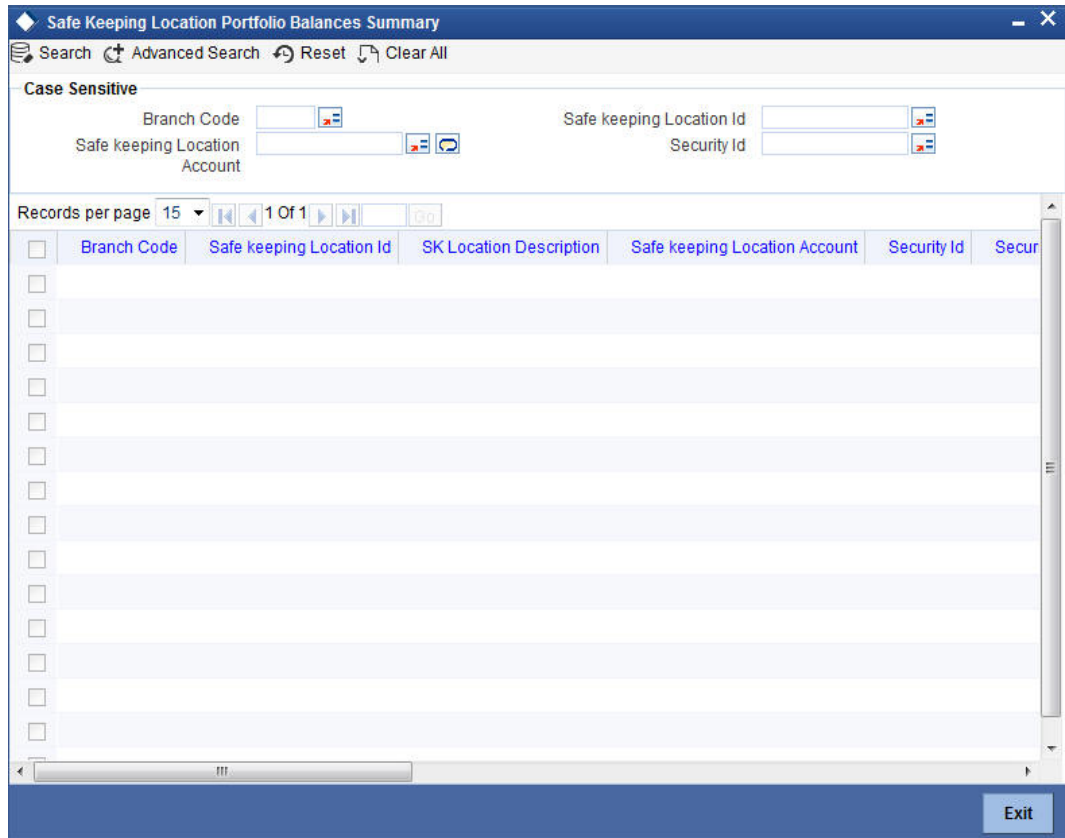
---

**Branch Code**

Specify the branch code.

**21.12 Viewing Safe Keeping Location Portfolio Balances**

You can view the safe keeping location portfolio balances in the 'Safe Keeping Location Portfolio Balances Summary' screen. You can invoke this screen by typing 'SESXSKPB' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch Code
- Safe Keeping Location Id
- Safe Keeping Location Account
- Security Id

Select any or all of the above parameters for a query and click 'Search' button. The records meeting the selected criteria are displayed.

If you are allowed to query, then system displays the following details pertaining to the fetched records:

- Branch Code
- Safe Keeping Location Id
- SK Location Description
- Safe Keeping Location Account
- Security Id
- Security Description
- Security Currency
- Portfolio Id
- Portfolio Description
- Portfolio Type
- Portfolio Reference

- Security Form
- Current Position
- Current Holdings
- Opening Position
- Opening Holdings

---

## 22. Processing a Securities Deal

### 22.1 Introduction

Using the securities module of Oracle FLEXCUBE, you can process the following deal types:

- Bank portfolio buys and sells
- Customer buys and sells
- Standalone lodge and withdraw
- Accompany lodge and withdraw
- Safe keeping location (SKL) to SKL transfer
- Block securities

These could be spot, forward or back value dated deals. Moreover, these deals could be directly captured in Oracle FLEXCUBE or uploaded from an external system. You can nevertheless amend an uploaded deal in Oracle FLEXCUBE.

Each deal that you enter in Oracle FLEXCUBE should necessarily be associated with a deal product or combination product. To recall, you have already defined deal products to group together or categorise deals that share broad similarities. Deal products provide a general framework and serve to classify or categorise deals.

Under each Product that you have defined, you can enter specific deals based on your requirement. By default, a deal inherits all the attributes of the product or combination product, which is associated with it.

This means that you will not have to define these general attributes each time you enter a deal, rendering the entry of a deal in Oracle FLEXCUBE quick and simple.

---

#### **Note**

While defining a combination product you have indicated the 'preferred leg' of the combination. The preferences specified for the preferred leg will be defaulted to a deal involving a product combination.

---

The sequence of events involved in processing a securities deal, right from the trade date to the settlement date can be entered in Oracle FLEXCUBE. A deal would therefore require information on:

- The securities that are traded
- The number of securities that are traded
- The counterparties involved in the deal
- The price at which the securities are traded
- The portfolio to which the securities belong
- The dealer involved in the deal
- Details of the broker involved in the deal (if applicable)

These details, and several others, required to process a deal in Oracle FLEXCUBE have been discussed in the course of this chapter.

## 22.1.1 Invoking the Securities Deal Input Screen

You can invoke the Securities Deal Input screen from the Application Browser. To enter the details of a new deal click **new** icon from the tool bar.

You can invoke the 'Securities Deal Input' screen by typing 'SEDXDLNL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

If you are calling a deal that has already been created, choose the Deal Input Summary option. The details of all the deals that you entered earlier will be displayed in a tabular form. From the summary screen, you can open an existing deal by double clicking it.

The screenshot displays the 'Securities Deal Input' application window. The interface is organized into several sections:

- Header:** Includes 'New' and 'Enter Query' icons, and fields for 'Product', 'Source', 'Version', and 'Of'.
- Main Section:** Contains fields for 'User Reference', 'External Reference Number', 'Product Description', 'Deal Reference', 'Block Deal Reference', and 'Reversed Contract Ref No'.
- Security Section:** Includes 'Security Code', 'Market Code', 'Security Description', 'Market Description', and 'Option Type'.
- Deal Section:** Contains 'Deal Quantity', 'Price Quote' (with a 'Price' dropdown), 'Input Price', 'Price In Local Currency', 'Absolute Price', 'Trade Date', 'DSTL Date', 'Local Currency Quantity', 'Original DSTL Date', 'Deal Input Time', 'Yield', 'Interest', 'Deliver', 'Interest Date', 'Receive', 'Maturity Date', 'Transaction Date', and 'Quote By'.
- Securities From Section:** Includes 'Leg Product', 'Portfolio', 'Counterparty', 'Safe Keeping Location', 'Safe Keeping Account', 'Leg Product Description', 'Description', 'Description', 'Leg Reference', 'User Reference', 'Broker Id', 'Money Settlement Date', and 'Actual MSTL Date'. It also has checkboxes for 'Accommodate Lodge' and 'Auto MSTL'.
- Securities To Section:** Similar to the 'Securities From' section, but with a checkbox for 'Accompany Withdraw'.
- Footer:** Contains a navigation menu with items like 'Certificates', 'Other Details', 'Advice', 'Deal Match', 'Limits', 'Parties', 'Brokerage', 'Events', 'MIS Details', 'Settlements', 'Charges', 'Walk-in From', 'Net Consideration', 'Tax', 'Limits To', and 'Walk-in To'. Below this are fields for 'Maker Id', 'Checker Id', 'Authorization Status', 'Date Time', and 'Checker Stamp', along with 'Ok' and 'Exit' buttons.

## 22.1.2 A Description of the Securities Deal Input Screen

The securities deal input screen, as it appears contains a **header** and a **footer** containing fields that are specific to the deal you are entering. Besides these, you will also notice two **tabs** and an array of **icons** along the lines of which you can enter details of a securities deal.

The two **tabs** are:

<b>'Main'</b>	Click this tab to enter the essential terms of a deal. This screen, along with its fields has been detailed under the head 'Entering the details of a deal'.
<b>'Additional'</b>	<p>In the screen that corresponds to this tab, you can enter additional details that are required to process the deal.</p> <p>The screen also displays price-related details, calculated on the basis of the amounts that you specified in the Main screen.</p> <p>The features of this screen have been detailed under the head 'Entering additional details of a deal'.</p>

On the Securities Deal Input screen you will also notice a toolbar with **icons**. The same set of icons is available for each leg of a deal. The buttons on this toolbar enable you to invoke a number of functions that are vital to processing a deal. These buttons have been briefly described below:

<b>Advices</b>	Click this icon to invoke the advices screen. In the screen corresponding to this icon you can view, suppress and prioritize the advices that are to be generated for each leg of the deal. This screen along with its fields has been detailed under the head 'Specifying Advices for a deal'.
<b>Brokerage</b>	Click this icon to indicate brokerage details applicable to the deal leg.
<b>Charges</b>	<p>This button invokes the Charge service of Oracle FLEXCUBE. On invoking this function you will be presented with a screen where the charge rate, amount, currency, and the waive charge parameter can be specified.</p> <p>The procedure for making charge components applicable to a deal leg is discussed under the head 'Levying charges on a deal'.</p>
<b>Deal Match</b>	<p>If you are trading in a portfolio that involves deal matching, you can indicate deal-matching preferences.</p> <p>Click this button to match earlier buys in a portfolio, to the deal you are processing.</p>
<b>Events</b>	Click this icon to view details of the events and accounting entries that the deal involves. The screen also displays the overrides that were encountered for the deal.
<b>Limits</b>	Click this icon to view the forward profit that you have made or the loss that you have incurred on account of the deal.
<b>WalkIn</b>	<p>In the screen that corresponds to this button, you can indicate the credit lines under which your liability to the deal should be tracked.</p> <p>The details of this screen are discussed under the head 'Specifying credit administration details'.</p>
<b>MIS Details</b>	Click this icon to define MIS details for the deal.
<b>Netcons</b>	Click this icon to view your net consideration in the deal.
<b>Parties</b>	In the screen that corresponds to this button, you can indicate the parties involved in the deal.



<b>Settlements</b>	Click this icon to invoke the settlement screens. Based on the details that you enter in the settlement screens, the deal will be settled. The details of these screens have been discussed in the section titled 'Maintaining Settlement Instructions'.
<b>Tax</b>	This icon invokes the Tax services. The application of tax on a deal is discussed under the head 'Levying tax on a deal'.

## 22.2 Entering the Details of a Deal

Through the Securities Deal input screen, you can process all type of deals (Bank portfolio buys and sells, Customer buys and sells, Accompany lodge and withdraw, SKL to SKL transfer and Block securities).

You can enter the details of a deal by using a deal product / product combination.

### 22.2.1 Product

You should necessarily use a product or a product combination that has already been created to enter the details of a deal. Based on the type of deal you are entering, you can select a product or a product combination from the picklist available at the 'Product' field.

It is mandatory that you use a *product combination* to process the following deal types that involve two legs (a buy and a sell):

- Bank portfolio buys and sells
- Customer buys and sells
- Accompany lodge and withdraw

You can use a deal *product* to process a:

- Deal that involves only one leg (either a buy or sell)
- Safe keeping location (SKL) to SKL transfer and
- To Block securities

A deal will inherit all the attributes defined for the product to which it is associated. For deals that are associated with a product combination, the preferences specified for the preferred leg of the product combination will be applied. You can further add details that are specific to the deal like the deal amount, details of the buyer, the seller, etc. and process the deal.

#### **Block Deal Reference**

This is a system generated deal reference for the sub-deals, created by way of a block deal product.

#### **Reversed Contract Reference Number**

The reference number of the contract that is being reversed and rebooked is displayed here.

#### **User Reference**

You can enter a reference number for the deal. A deal will be identified by this number in addition to the 'Deal Reference No' generated by the system. This number should be unique and cannot be used to identify any other deal. By default, the Deal Reference Number generated by the system will be taken as the User Reference No.

While reversing a deal the tag 23G is populated as CANC. In this case tag 20C:: INGENL should be populated with the value DCN. For the subsequent A1 (Linkages) block, the value for the tag 20 C will be populated as '20C::PREV//' followed by the reference number.

## **Deal Reference**

In Oracle FLEXCUBE, reference numbers are generated automatically and sequentially by the system. This number tag is used to identify the deal you are entering, it is also used in all the accounting entries and transactions related to this deal. Hence the system generates a unique number for each deal.

The deal reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date and a four-digit serial number. The Julian Date has the following format:

“YYDDD”

Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/have elapsed in the year.

For example, January 31, 1998 translates into the Julian date: 98031. Similarly, February 5, 1998 becomes 98136 in the Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).

## **External Reference**

If the transaction is being uploaded from an external source, you can specify the identification for the transaction in the external source, as the external reference number.

## **Source**

You have to indicate the source from which contracts have to be uploaded.

## **22.2.2 Indicating details of the security that is traded**

### **Security Code**

While entering the details of a deal, you should indicate the security that the deal involves and the market in which it is traded.

You can select a security code from the picklist. The picklist will contain a list of all the securities that you maintained in the Securities Definition screen. The trading in the security should be allowed for the portfolios involved in the deal.

As you have already maintained details of the security, all the features of the security like its price, the quotation method, the corporate actions that it involves and several other details of the security will be processed based on these details.

After you indicate the securities that are being traded in the deal, you can indicate the market in which they are traded.

The market in which the security is traded is defaulted from the Security Definition screen. You can change the default and select a market code from the picklist available. The picklist will contain valid market codes maintained in the Market Definition screen.

### **Market Code**

Indicate the market in which the security involved in the deal is traded. Select a market code from the option list. The option list will contain valid market codes maintained in the Market Definition screen.

The market in which the security is traded is defaulted from the Security Definition screen. You can change the default.

### **Rules for amendment**

The entries made in this field can be amended before the deal is authorized. However, if amendment is required after authorization, you should reverse the deal and enter it again.

## **Deal Type**

Indicate the type of deal you are processing. Using the Securities module of Oracle FLEXCUBE, you can enter spot or forward deals. You can choose the appropriate option from the option list.

A spot deal is one that settles on or before the spot date of the deal. A forward deal is one that settles on a date after the spot date of the deal.

## **Deal Quantity**

Securities that are traded can be quoted in terms of:

- Units (100 units of a security), or
- As a Nominal (securities worth USD 5000).

The price quotation method defined for the security in the security definition screen is defaulted. You can change the quotation method that is defaulted.

The deal quantity that you specify should be expressed in the security quotation method.

### **22.2.3 Indicating Deal Details**

After you have indicated the securities that are traded and the market in which they are traded, you can indicate details of the security that are specific to the deal you are processing.

#### **Deal Quantity**

Indicate the quantity of the security that is traded. The quantity that you specify depends on the method in which the security is quoted (units or nominal).

If the security is quoted in units, you should indicate the number of units of the security that was traded. If it is quoted as Nominal, indicate the sum of the face value for which it is purchased.

For example, suppose that you have bought 100 units of a security of face value USD 100.

If the security quotation method is units, then, while indicating the deal quantity you should indicate 100.

If the quotation method is nominal, you should indicate USD 10000 (USD 100 x 100 Units) at the deal quantity prompt.

#### **Trade Date**

The trade date is the date on which the deal is transacted. It is also referred to as the deal date. The date that you enter can be either today's date or a date earlier than today.

The trade date should be earlier than the maturity date of the security as specified in the Securities Definition screen.

For a series with a redemption record, the trade date should be earlier than the redemption date.

#### **Interest**

The Interest Quotation Method for interest bearing instruments can be:

- Flat
- Plus Accrued

You can indicate whether the deal price that you specified includes the purchased interest or the same has to be accrued separately.

Indicate *flat* if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'. Indicate *plus accrued* to indicate that the price at which the security is quoted excludes accrued interest. This quotation method is also referred to as the 'Clean Price'.

---

**Note**

You can specify an interest quotation method only if the deal involves the buying or selling of interest bearing bonds.

---

**For indexed securities**

In the case of indexed securities, you can specify the number of units that are traded, expressed either in the index or the local currency.

If you express the deal quantity in the local currency, the equivalent in the index currency is displayed in the field titled Deal Quantity. Similarly, if you indicate the deal quantity in the index currency, its equivalent in the local currency is displayed in the field titled LCY Qty.

**Price Quote**

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

**Price** - in this case the security is quoted on the basis of the price at which it is traded. You have already maintained the face value of the security in the Security Definition screen. The premium that you paid or discount at which you purchased the security is calculated against the face value of the traded security.

The price can be expressed as:

**(Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is 'Flat')**

**% Price** — the price is quoted on the basis of the percentage of the price.

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

**% Discount** - in this case, the price is quoted on the basis of the discount percentage at which the deal was bought or sold.

**% Premium** - in this case, the price is quoted on the basis of the premium percentage at which the deal was bought or sold.

**Premium** - here the price is quoted on the basis of the premium at which the security was bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

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

**YTM** - the price is quoted on the basis of its yield to maturity. This price quotation method is applicable only for Zero coupon bonds.

The yield on discounted instruments is measured by the yield to maturity (YTM) which is the return on a security bought at current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price

increases above the straight discounted price YTM would decrease and vice versa. The price using this quotation method is calculated thus:

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

Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same.

For example, take a USD 100 bond, maturing 20 months from the settlement date, which you have purchased at a premium of USD 20. We will examine the entry that you will have to make at the input price field while entering the details of the deal.

Price — USD 120

% Premium —20%

Premium — USD 20

Percentage price — 120%

YTM — 12%

Using any of the above price quotation methods, the price of the security amounts to USD 120.

#### **Delivery Settlement date (DSTL date)**

The delivery settlement date is the date on which settlement of the traded securities should take place. Depending on the type of deal (spot or forward) you are processing, you can indicate the security settlement date.

In the subsequent fields you can indicate the locations from which and to which the security should be delivered.

#### **Deliver**

Specify instructions to the safe keeping location as to when the traded securities should be released to the buyer. The options available are:

- Deliver against payment
- Deliver free

The deliver against payment option has no risk involved, as securities will be handed to the buyer only on payment. Choose the deliver free option to indicate that the delivery of securities is to be independent of payment.

As there is a risk involved in choosing the deliver free option, while specifying limit details for the deal, you can also indicate the undelivered credit line under which your liability to the deal should be tracked.

#### **Input Price**

The deal price is the price at which the deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method specified for the security that is traded. You can enter “T” or “M” to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million.

The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued.

For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal.

*The price that you enter is taken to be in the currency of the security that is traded.*

### Yield

This field is applicable only for deals that involve bonds. Enter the equivalent yield of the bond for the price that you input.

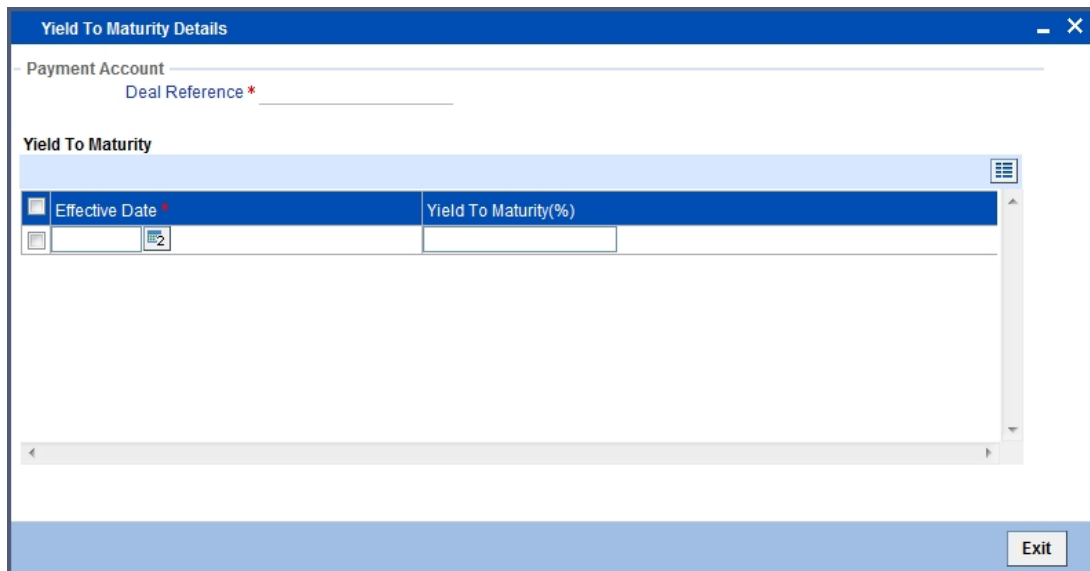
It is important to note that no processing is done based on the yield that you enter. It is only for reporting purposes.

### Viewing revised YTM's

Deal YTM's are computed for a security on the following occasions:

Event	YTM is computed Effective from
When you enter the deal	Deal Settlement Date
When coupon rates are revised for securities with periodic rate revision	Rate Effective Date
When the redemption definition is changed	Event Date

To view details of changes in YTM, click 'D' button . The Yield to Maturity details screen is displayed.



YTM values can change due to Coupon Rate Revision, Redemption redefinition or extension of a security.

The YTM values are rounded off to the number of decimal places specified in the Securities Bank Parameters screen.

### **Interest Date**

If you are entering the details of a buy or sell deal, you can indicate the date from which purchased or sold interest for interest bearing bonds should be calculated.

For securities whose issue market has trade based accounting:

### **Interest value date = Trade date**

For securities whose issue market has settlement date based accounting, the settlement date is defaulted to the settlement date. You have the option to change the defaulted date.

However, the interest value date that you enter in this case should be in the same coupon period as the settlement date.

Interest computations will be performed on-line from the last coupon date (including) to interest value date (excluding) in the case of deals where settlement date is before ex-date. In case the settlement date is past the ex-date the computation will be from interest value date (including) to the next coupon date (excluding). The interest might need to be received or paid depending on whether the deal is a buy or a sell.

### **Price in Local Currency**

Enter the price at which the deal was transacted expressed in the local currency. This field is applicable only for nominal quoted index securities. If you specify the deal price in the index currency, the local currency equivalent is displayed in this field.

You can enter the price of the security as a price or a percentage of the price depending on the price quotation method that you specified earlier. You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million.

The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued. For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal.

### **Receive**

The receive instructions that you can specify to the SKL involved in a deal are:

- Receive against payment
- Receive free

### **Absolute price**

In case the price quote is Premium, %Premium, % Price etc, the Absolute Price is the actual price (i.e. Premium + FV) of the security. This is a system generated field.

### **Local Currency Quantity**

Enter the number of units traded in the deal expressed in the local currency. This field is applicable only for units quoted index securities.

For indexed securities, you can specify the number of units that are traded either in the index or local currency. If you express the deal quantity in the local currency, the equivalent in the index currency is displayed in the field titled Deal Quantity. Similarly, if you indicate the deal quantity in the index currency, its equivalent in the local currency is displayed in this field.

### **Maturity Date**

This field is applicable only in case of Bonds or securities with a redemption date. This is automatically generated to reflect the maturity date of the security being traded.

### Original DSTL Date

This is automatically generated by the system to reflect the original delivery settlement date as per the market code maintenance for Spot days. You can change the date by using the calendar menu.

### Transaction Date

The transaction date is the date on which you entered the deal into Oracle FLEXCUBE. The system defaults the transaction date to today's date. Normally, the transaction date would be the same as the trade date of the deal. It would differ from the trade date if you enter a back valued deal.

### Deal Input Time

This is system updated date and time stamp.

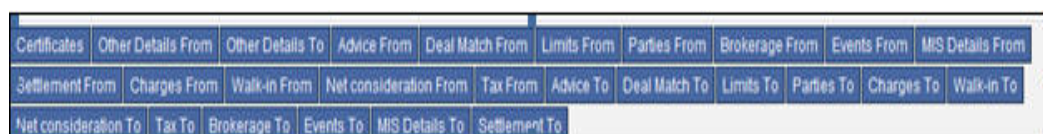
### Quote By

This is the Quantity quotation method. Here you specify whether the Security quantity quoted above is in Units or in Nominal.

## 22.2.3.1 Specifying details for the buy and sell leg of a deal

In this section we will discuss the details that you should specify for the buy and sell legs of a deal. The preferences specified for the buy and sell products defined for the product combination will be made applicable to the respective legs of the deal.

For each leg of the deal, you have been provided a toolbar using which you can capture details specific to the deal leg.



These icons together with the functions they invoke have been dealt with in the subsequent paragraphs.

### Identifying each leg of a deal

Oracle FLEXCUBE assigns a unique reference number to identify both the buy and sell legs of a deal. Besides helping to identify the leg of the deal, this number tag is used in all the accounting entries and transactions related to the leg that it represents.

The deal leg reference number is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date and a four-digit serial number. The Julian Date has the following format:

“YYDDD”

Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/have elapsed in the year.

### User Reference

You can enter a unique reference number for the sell and the buy legs of a deal. The leg will be identified by this number in addition to the ‘Leg Reference’ generated by the system. By default, the Leg Reference generated by the system will be taken as the User Reference.

### Indicating the broker

If you are processing a bank buy or bank sell deal that involves brokerage, you can indicate the ID of the broker through whom the deal was brokered. You can select a Broker ID from



the picklist available. The picklist will contain a list of valid brokers with whom you can enter deals. On indicating the broker code, the name of the broker is also displayed.

You will be allowed to enter details of a broker only if brokerage was allowed for the product to which the deal is associated.

#### **Indicating whether your liability to the deal should be tracked**

You can indicate whether your liability to the deal should be tracked. If you indicate positively you can indicate the credit lines against which the buy and sell leg of the deal should be tracked.

Click 'WalkIn' button from the relevant leg of the deal to specify the credit line against which the deal should be tracked. The screen that corresponds to this button is discussed under the head 'Specifying credit administration details'.

### **22.2.3.2 Specifying Details of the Sell Leg**

You can specify the following details for the sell leg of a deal:

- The Portfolio from which you are selling securities
- The counterparty (the holder of the portfolio from which you are selling securities)
- The safe keeping location from which securities need to be collected
- The account at the sake keeping location, from which the traded securities need to be transferred
- Details of the securities dealer at your bank who sold securities from the portfolio
- The money settlement date

#### **A note on the settlement date**

The money settlement indicates the date by which the buyer should pay for the securities bought. The settlement date should be later than or the same as the Trade date and earlier than the maturity date of the security.

For *forward deals*, the settlement date should be later than the default Spot date.

For *spot deals* in the primary or secondary market, the settlement date should not be a holiday in any of the payment currencies. An override will be sought if the money settlement date is a holiday in any of the currencies involved in the deal.

### **22.2.3.3 Specifying Details of the Buy Leg of a Deal**

In this section we will discuss the details that you should specify for the buy leg of the deal. You can specify the following details for the buy leg of a deal:

- The Portfolio into which you are buying securities
- The counterparty (the holder of the portfolio into which you are buying securities)
- The safe keeping location to which securities need to be delivered
- The account at the sake keeping location, to which the traded securities are being transferred
- Details of the securities dealer at your bank who bought securities into the portfolio
- The date by which the seller should receive the amount for which securities were sold

Besides these, you can specify details for the buy leg by invoking the buttons on the Securities Deal details 'Main' screen.

#### **22.2.3.4 Trading in securities that do not belong to a portfolio**

You may encounter a situation where your customer requests you to sell securities that are not held in any of the portfolios that the customer maintains with the bank.

When entering the details of this deal in Oracle FLEXCUBE, you can indicate this situation by checking against the option 'Accompany Lodge'. By checking this option, you indicate that the holding of the customer in any of the portfolios maintained with the bank should not be reduced on account of the deal.

For example, your customer requests you to sell 100 units of a security. But these securities do not belong to any portfolio that the customer maintains with the bank.

Another such situation is when a customer requests you to buy securities but does not want them to be held in any portfolio that the customer maintains with the bank. When entering the details of such a deal, check against the option 'Accompany Withdraw'. By checking this option you indicate that the holding of the customer in any of the portfolios maintained with the bank should not increase on account of the deal.

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**Note**

This situation will arise only when the bank is trading securities on behalf of a customer or while processing a deal for a walk-in-customer.

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#### **22.2.4 Entering 'Additional Details' of a Deal**

To recall in the Main details screen you have captured details regarding the deal. In the Additional Details screen you can define details like the spot price details, the settlement

currency, the settlement SKL, exchange rates for deals in a foreign currency and other such details.

### 22.2.4.1 Specifying Spot Price Details for the Deal

For forward deals you should also indicate spot price details. The spot price details that you specify will determine the calculation of forward profit that you have made or the loss that you have incurred in a forward deal.

#### Spot Price and Spot Date

The *spot price* refers to the price at which the security is currently quoted in the market. This price is compared with the deal price to determine the forward profit or loss. The market price of the security as maintained in the price code maintenance screen is defaulted. You have an option to change the default.

The forward profit or loss is the difference between the deal price and the spot price and is calculated from the spot date of the deal to its settlement date.

The *spot date* is calculated by adding the spot days specified for the market in which the security is traded to the trade date.

#### Spot date = Trade date + spot days

The forward profit or loss would be accrued from the spot date to the settlement date of the deal. The accrual of the forward profit and loss will be done on the basis of the accrual preferences specified for the portfolio to which the security belongs.

Even if you have indicated that no accrual should be done, on the settlement of the deal the accrual will be done automatically.

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**Note**

In case of forward deals Spot Price is defaulted from the market price maintenance and the spot price cannot be changed.

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**Payment Currency**

If the currency of the security is different from the settlement currency, you should indicate the currency in which payment is made. All the components of the deal like the deal amount, the charges and tax that is levied will be settled in this currency.

By default the security currency is taken to be the payment currency.

If you indicate the settlement currency to be different from the security currency you should also indicate the exchange rate to be used for the conversion.

## 22.2.5 Price Details of the Deal

The following information of the price of the deal is displayed:

**Interest Value Date**

This is the number of days for which accrued interest has been calculated. The interest value date that you specified earlier is used in the calculation. For cum-coupon deals, this is the difference between the last coupon date and the interest date. For ex-coupon deals the interest days is the difference between the settlement date and the ex-coupon date.

**Discount**

This is the amount of rebate in the purchase or sale price of the deal, as compared to the nominal price of the security.

**Premium**

This is the price or amount paid by the buyer in addition to the nominal amount.

**Forward P & L**

The forward profit or loss is the amount of profit made or the loss incurred in the deal. It is the variance between the deal price and the spot price of the security.

**Deal Nominal**

The deal nominal refers to the net consideration of the deal. The sum of all the components of a deal is the *net value* of the deal.

**Adjusted Price**

This is the price of interest bearing instruments exclusive of the interest component. Interest bearing instruments can be quoted as flat or plus accrued. The adjusted price is applicable only for flat quoted instruments. The price of such instruments tends to increase during the period nearing the interest payment date and subsequently falls after the interest payment date. The adjusted price is thus the deal price stripped of the interest component.

### 22.2.5.1 Specifying Trade Details

**Deal Type**

You can select the Deal type from the drop down list. The Deal Type can be

- Primary
- Secondary

### **Priority**

Indicate the priority of the deal you are processing. Select one of the following options from the option list:

- High
- Normal
- Low

The priority that you specify is picked up and used by S.W.I.F.T.

### **Dealer**

Indicate the dealer at your bank who bought securities from the portfolio. Select a dealer code from the option list.

### **Conforms to ISMA**

This is an indicator to denote whether the deal has been made as per ISMA (International Securities Market Association) requirements. This indicator is displayed during deal confirmation. Indicating the security series

### **Security Series**

Here you can specify the format of the security. You can select a format from the list:

- Dematerialized
- Immobilized
- Combination

## **22.2.5.2 Marking a Securities deal for Banker's Acceptance**

A Banker's Acceptance (BA) is a facility, by which you guarantee the redemption of a security. This facility is processed in Oracle FLEXCUBE by the creation of a loan or a money market placement deal, with the issuer of the security as the beneficiary of the loan or the placement.

### **Placement Loan Reference**

If the security that you have chosen for the deal, as well as the Sell leg deal product, is enabled for BA processing, then, on authorization of the deal, a loan or an MM placement is created with the issuer of the security as the counterparty. The loan / MM placement is created under the Loan / MM product that you have maintained as part of Securities Bank Parameters. The System performs the following validations while saving the deal:

- The Quote By field should have the value 'Nominal'
- A Loan/MM product should have been maintained for Banker's Acceptance as part of Securities Bank Parameters
- In case of a Customer Buy/ Bank Sell deal, money and deal settlements should take place on the same day
- The deal should always be at a discount, as BAs are always traded at a discount in the secondary market

---

### **Note**

For such a deal, the portfolios available to you for selection for the Sell leg will be those, which you have enabled for Banker's Acceptance.

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The loan / MM placement that is created has the following attributes defaulted from the specifications of the concerned security / deal:

- The Booking Date: This defaults to the Trade Date of the deal

- The Value Date: This defaults to the deal settlement date
- The Maturity Date: This defaults to the Redemption Date of the security
- The Amount: This defaults to the Nominal Amount of the sell transaction
- The Interest Amount: This defaults to the Discount Amount of the securities deal

The Interest Rate Type: This defaults to the value – ‘Special’.

The other attributes of the loan / MM contract are determined by the product under which it originates.

---

#### **Note**

After authorization of the securities deal, the loan / MM contract and the securities contract follows their respective life cycles.

The Reference Number of the Loan / MM contract created due to the processing of a BA deal is displayed in the Securities Deal Input screen. You can click ‘V’ icon next to the display field to call up the Loan / MM contract screen corresponding to this Reference Number.

---

#### **Setting up a BA deal**

The steps involved in setting up a BA deal are listed below.

- Define a security product, with the Banker’s Acceptance option enabled and with the product type as Zero Coupon Bond
- Define a security under the above product. Keep the Banker’s Acceptance option enabled and quantity quotation as ‘Nominal’
- Define an SK Location with the Banker’s Acceptance option enabled
- Specify a GL as the settlement destination for the above SK location customer
- Define a portfolio product of type ‘Issuer’ with the Banker’s Acceptance option enabled
- Define a bank portfolio. Map this portfolio to the same SK location as mentioned above
- Define a portfolio under the above portfolio product and keep the Banker’s Acceptance option enabled. Map this portfolio to an SK location, for which you have allowed Banker’s Acceptance
- Define a Loan/MM placement product in the Securities Bank Parameters maintenance
- Define a ‘Bank Sell’ type of deal product with the Banker’s Acceptance option enabled
- Define a combination Bank Sell – Bank Buy or Bank Sell – Customer Buy product, using the above Bank Sell product
- Enter a Securities deal using the above combination product and security. The portfolio that you specify for the Sell leg will need to be enabled for BA.
- On authorization of the securities deal, a loan / MM contract is created with the issuer of the security as the counterparty.

*Refer to the other relevant chapters in this User Manual for details of relevant data inputs.*

#### **22.2.5.3 Specifying Advices for the Deal**

From the Securities Deal Input screen, click ‘Advices’ button. The advices screen is displayed. To recall, the advices that can be generated for the events that occur during the life-cycle of a deal are defined for the product to which the deal is associated.

The details of the advices applicable for an event are displayed in the Advices screen. The party type to whom a specific advice should be sent is picked up automatically based on the type of deal you are entering and the parties involved in the deal.

The screenshot shows a window titled "Leg Advices" with a "Leg Reference \*" field at the top. Below it are two sections: "Event Details" and "Advice Details".

**Event Details:** A table with columns: ESN \*, Event Code, and Description. The first row contains empty input fields.

**Advice Details:** A table with columns: Advice Code \*, Suppress, Priority, Party Id, Party Name, Advice Description, and Address 1. The first row contains: an empty input field, a dropdown menu set to "No", a dropdown menu set to "Normal", and empty input fields for the remaining columns.

At the bottom right of the window are "Ok" and "Exit" buttons.

Choose the event for which you want to view advice details. The address of the party who is the recipient of the message, will be picked up by default, based on the media and address maintenance for the party. You can change either of them.

For a payment message by SWIFT, you also have the option to change the priority of the message.

### Suppressing the generation of an advice

By default, all the advices defined for a product will be generated for the deals involving it. If any of the advices are not applicable to the deal you are processing, you can suppress its generation.

### Indicating the generation priority

For a payment message by SWIFT, you also have the option to change the priority with which the message should be generated. By default, the priority of all advices is marked as 'Normal'.

You have the option to prioritise a payment message to one of the following options:

- Normal
- Medium
- High

### Indicating the medium of generation

The medium through which an advice is transmitted and the corresponding address will be picked up based on the address and media maintained for the customer who is the recipient of the message.

You can, however, change either of these while processing a deal. Typically, if changed, both of them will be changed.

Click 'Exit' button to reject the entries you have made or to exit from the screen. In either case, you will be taken back to the Securities Deal Input screen.

#### 22.2.5.4 **Levying Transaction Charges on a Deal**

For each leg of the deal you can specify the charges that you levy. Charges are applicable only for customer legs of a deal (customer buys, customer sells, lodge, withdraw and block securities).

The characteristic feature of a charge is that it is always booked in advance and is not accrued, as a charge is collected only when it is due.

To recall, you have defined the attributes of a charge by defining a 'Rule'. A rule identifies the basic nature of the charge. You have further defined a Charge class where you have enriched the attributes of a rule. We shall refer to these *classes* as '*components*'.

Each charge component in turn is linked to a deal product. All the charge components linked to a product are defaulted to the deals associated with it. Thus each time you enter a deal, you need not specify when and how charges should be collected.

However, while capturing the details of a deal, you can choose to associate a component to the deal. Further, you can modify some of the attributes defined for the applicable component.

From the Securities Deal Input screen, click 'Charges' button - The Contract Charge Details screen is displayed.

Creation ESN	Component	Tag Currency	Tag Amount	Charge Currency	Am

The reference number of the deal leg for which you are defining charge details is displayed. The screen will contain a list of all the charge components applicable to the deal leg.

#### **Associating a charge component to a deal leg**

All the charge components applicable to the deal leg you are processing will be displayed together with the rule that is linked to the component.

In this section of the screen you can:

- Change the charge rule linked to the component



- Disassociate a charge component from the deal leg

### **Changing the charge rule linked to a component**

The rule that is linked to a charge component is displayed next to the component. To link a new rule to the component. A list of all the charge rules maintained will be displayed. Select the appropriate rule from the picklist. The new rule will be made applicable to the charge component.

### **Disassociating a charge component from the deal leg**

You can disassociate a charge component from the deal leg. In the 'Association' section of the Contract Charge screen, click against the waive option positioned next to the component.

In this case, the charge component is attached to the deal leg but is not calculated.

### **Indicating the charge components to be applied to a deal leg**

In the application section of the screen, you can indicate the charge components that should be applied to the deal leg. The list of components that is displayed depends on the charge components that you have associated to the deal leg.

The following details of the component are also displayed:

- The basis component on which the charge is levied
- The currency of the basis amount
- The basis amount
- The charge amount and the
- The currency in which the charge amount is defined.

You can change the charge amount that is calculated using the class applicable to the component.

### **Waiving a charge on a deal leg**

You also have the option to waive the component for the deal leg that you are processing. If, for some reason you want to waive the charge on the deal you are processing, you can do so by checking against the 'waiver' option in the application section of the screen. The charge will be calculated but not applied.

You can waive a charge only if it is yet to be liquidated.

### **Consider as Discount**

If the charge component is to be considered for discount accrual on a constant yield basis, 'Consider as Discount' option will be checked. You cannot modify this value.

In case the charge currency is not equal to the contract currency and the contract currency is equal to the settlement account currency, the exchange rate as specified in the Settlements Screen will be used to convert Charge Amount to Contract Currency.

### **Charge liquidation**

When a charge component that is applied to a deal is liquidated, the relevant accounting entries are passed. The contract charge screen displays:

- The charge components that have already been liquidated
- The amount that was liquidated
- The currency in which it was liquidated

## 22.2.5.5 Specifying Deal Matching Preferences

If the portfolio from which you are buying or selling involves deal matching, you should indicate against which of the earlier buy deals the sell deal is to be matched. Click 'Deal Match' button from the Securities Deal Input screen to match the sell leg of a deal to the buy leg. Click this button from the buy leg section of the screen to indicate the matching preferences and from the sell leg section to view the matched details.

### **For the sell leg**

If you are processing the sell leg of securities deal, and if the portfolio from which you are selling involves the deal matching costing method, you should also match the sell leg to previous buys in the portfolio.

Match Leg Reference	Settlement Date	Match Quantity

Total Matched   
Total Required   
Total Remaining

### **Procedure**

Indicate the reference number of the buy deal, which you have selected for deal matching. In other words, indicate the buy deals done in the same security and portfolio to be matched with the sell leg of the deal. You can select a leg reference number from the picklist available.

On indicating the match leg reference, you should also indicate the number of units or nominal that should be matched. Click add icon to add the details of another buy leg to which you want to match the sell leg. Click delete icon to cancel a buy leg that you have mapped to the sell leg.

The summation displayed at the bottom of the screen contains the following information:

- The total quantity of securities that have been matched
- The number required to be matched
- The number yet to be to be matched

### **For the sell leg**

While processing the sell leg of the deal, you can view details of the buy deals that have been matched to the sell leg. The reference number of the buy deal from which securities have

been matched is displayed together with the number of units or nominal for which matching is done.

The screenshot shows a window titled "Deal" with a blue header bar. Below the header, there are two input fields: "Leg Reference" and "Leg Description". The main area is titled "Leg Reference" and contains a table with the following columns: "Match Leg Reference", "Settlement Date", and "Match Quantity". The table has one row with a small icon in the first cell. Below the table, there are three summary labels with corresponding input boxes: "Total Matched", "Total Required", and "Total Remaining". At the bottom right, there are "Ok" and "Exit" buttons.

Match Leg Reference	Settlement Date	Match Quantity

Total Matched   
Total Required   
Total Remaining

### 22.2.5.6 Viewing Event Details

Click 'Events' button from the Securities Deal Input screen, to view the accounting entries and overrides for an event. The details of events that have already taken place for the deal leg will be displayed, along with the date on which the event took place.

Reference Number  Security Id   
Portfolio Id

**Events**

Serial Number *	Event	Event Date	Maker Id	Maker Date	Checker Id	Checker Date
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Accounting Entries**

Branch	Account	Dr/Cr	Amount Tag	Code	Date	Value Date
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Contract Overrides**

<input type="text"/>
<input type="text"/>

### 22.2.5.7 Accounting Entry Details

Highlight the event for which you want to view accounting entries. All the accounting entries that were passed and the overrides that were encountered for the event will be displayed.

The following information is provided for each event:

- Branch
- Account
- Dr/Cr indicator
- Code
- The date on which the entry was booked

- Value Date
- The deal currency
- Amount in deal CCY
- The foreign currency equivalent (if applicable)
- The exchange rate that was used for the conversion
- Amount in local currency
- All the overrides that were encountered for the event will also be displayed.

Click 'Exit' button to exit this screen. You will be returned to the Securities Deal Input screen.

### 22.2.5.8 **Specifying Credit Administration Details**

In Oracle FLEXCUBE, liability tracking is done using credit lines allotted to a customer. If you indicated that your exposure to the deal should be tracked, you can indicate the credit lines under which it should be tracked.

Click 'Limits' button from the Securities Deal Input screen, the Limits screen is displayed.

The screenshot shows a window titled "Limits" with a blue header bar. Below the header, there is a section titled "Exposure Lines" with a horizontal line underneath. Under this section, there are two rows of input fields. The first row is labeled "Undelivered" and the second row is labeled "Total". Each row has a "Leg Reference" label to its left and a text input field to its right. Each input field has a small dropdown arrow icon on its right side. Below these rows, there are two checkboxes: "Track Clean Risk Limit" and "Track Pre Settlement Risk Limit". At the bottom right of the window, there are two buttons: "Ok" and "Exit".

In this screen you can indicate the credit lines under which you want to track your:

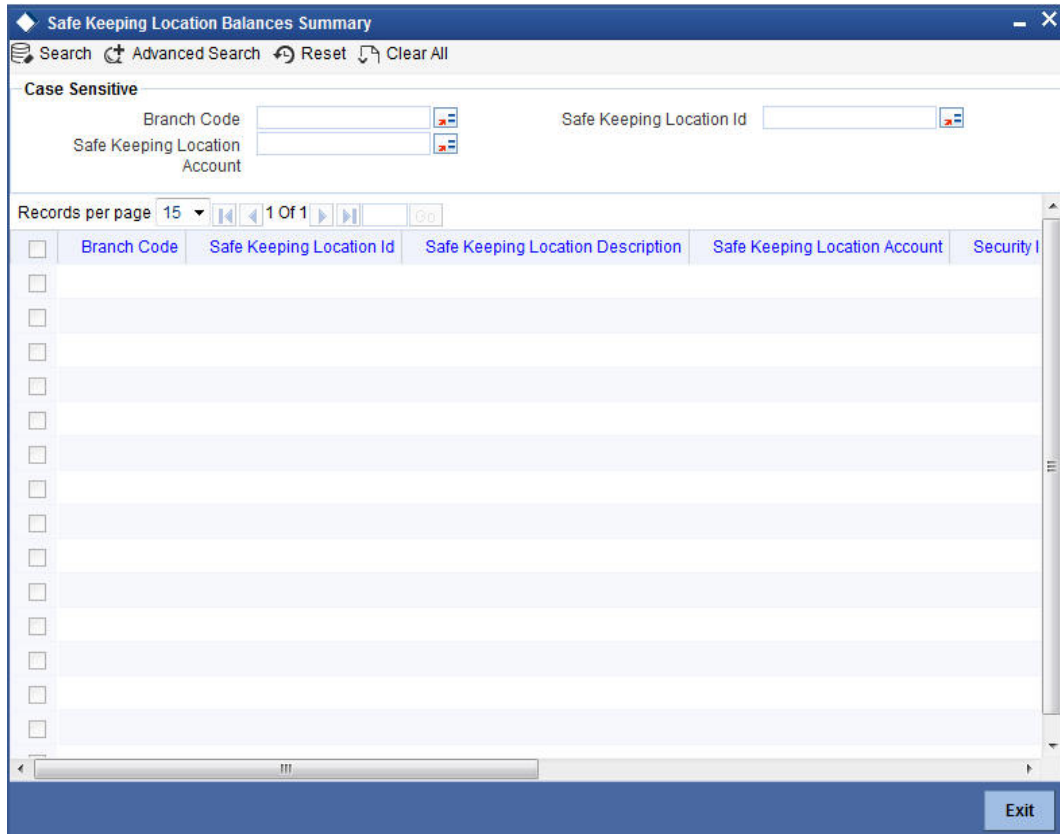
- Undelivered risk exposure
- Total exposure to the deal leg

Your undelivered risk arises only if you specified that the mode of security settlement for the deal is 'deliver free'. You can choose a credit line from the picklist available in this screen.

Click 'Exit' button to delete the entries. In either case you will be returned to the Securities Deal Input screen.

## 22.3 Viewing Safe Keeping Location Balances

You can view the safe keeping location balances in the 'Safe Keeping Location Balances Summary' screen. You can invoke this screen by typing 'SESXSKBL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Branch Code
- Safe Keeping Location Id
- Safe Keeping Location Account

Select any or all of the above parameters for a query and click 'Search' button. The records meeting the selected criteria are displayed.

If you are allowed to query, then system displays the following details pertaining to the fetched records:

- Branch Code
- Safe Keeping Location Id
- Safe Keeping Location Description
- Safe Keeping Location Account
- Security Id
- Security Description
- Security Currency
- Current Position
- Current Holding

- Opening Position
- Opening Holding

## 22.4 Deal Net Consideration

The sum of all the components of a deal is the *net value* of the deal. While processing a leg of a securities deal, you can view the net consideration of the deal.

Click 'Netcons' button from the Securities Deal Input screen. The deal net consideration screen is displayed.

Deal Net Consideration

Leg Reference \_\_\_\_\_ Leg Description \_\_\_\_\_  
 Cum/Ex Coupon \_\_\_\_\_  
 Interest Days \_\_\_\_\_

**Net Consideration**

Component Description	Currency	Amount in Component Currency	Payment Currency	Rate	+/-

Sign \_\_\_\_\_  
 Total Amount In Payment Currency \_\_\_\_\_

**Interest Details**

Component Description	Currency	Amount in Component Currency	Payment Currency	Rate	+/-

Sign \_\_\_\_\_  
 Total Amount In Payment Currency \_\_\_\_\_

Ok Exit

From this screen, you can choose to view either the:

- Interest
- Net consideration of the deal

### Viewing the Net consideration

The sum of the different components of a deal determines the *net value* of the deal. To recall while defining a charge or tax (transaction and issuer) component, you can indicate whether the charge or tax component should be taken into account, when determining the net value of a deal.

All other components of the deal like the interest, premium, discount, forward profit or loss etc will be included in the net consideration of the deal.

The screen displays in tabular columns the following details:

- The component in consideration
- The currency in which the component is defined
- The component amount (in the component currency)
- The payment currency of the component
- The payment amount derived using the exchange rate that you specify
- The direction in which money flows. A (+) sign next to a component indicates that the buyer pays the component amount to the seller and a (-) sign indicates that the seller pays the component amount to the buyer.

If the component and payment currencies are different, the default exchange rate used for the conversion is displayed. You have the option to change the exchange rate to be used in the conversion. However, the rate that you specify should be within the exchange rate variance specified for the product to which the deal is associated.

The *net consideration* for the deal expressed in the payment currency is displayed at the bottom of the screen.

#### **Viewing details of the bought or sold interest**

Along with other interest details, the interest amount is displayed. This is the amount of accrued interest to be paid or received on the settlement date. The interest is calculated by the system depending on whether the deal is an ex coupon or cum-coupon deal. You have the option to change the amount calculated for the interest and issuer tax components.

Interest is applicable only if:

- It is an interest bearing security
- It is a secondary deal
- Buy or sell type of deal
- Deal type is spot or forward

#### **22.4.0.1 Viewing the KEST amount during deal processing**

At the time of processing a security deal for a customer, the system will pick up the KEST rate from the market price maintenance (maintained for the various security codes) based on the KEST type specified for the customer.

If the KEST rate is non-zero, the system will calculate the KEST amount for the above-mentioned amount tags. It is displayed in the 'Deal Net Consideration' screen.



Click on 'Netcons' in the 'Securities Deal Input' screen to invoke the 'Net Consideration' screen.

If the picked-up KEST rate is zero, the amounts will not be displayed in the 'Net Consideration' screen, as the amount will also be zero.

The system will *not* calculate the KEST amount on the Bank leg of the security deals. Therefore, for Bank Buy Customer Sell or Bank Sell Customer Buy type of deals, the system will calculate the KEST for the relevant Customer leg. This is displayed as part of Net Consideration.

---

**Note**

If the deal has customer buy and sell legs, then, both the customers involved in the deal should necessarily have the same KEST type. If the KEST types are different, you cannot save the deal. This restriction is to have same net consideration amount for both the legs.

---

### 22.4.0.2 Viewing the forward profit or Loss in a Deal

If you are processing a forward deal, you can view the forward profit that you have made or the loss that you have incurred in the deal.

The following forward profit or loss details are displayed:

- The deal price
- The spot price
- The deal spot date

The Forward profit or loss amount and the frequency in which it is accrued is determined by the forward profit or loss preferences specified for the portfolio for which the deal is done.

Click 'Exit' button to exit the screen, you will be returned to the Securities Deal Input screen

## 22.5 Specifying Details of the Parties Involved in a Deal

The Parties screen can be used to record details related to all the parties involved in the deal. The advices and messages that are generated for a deal will be sent to the concerned parties based on the details you specify in this screen. Click 'Parties' button from the 'Securities Deal Input' screen to indicate the parties involved in the deal leg.

You can specify the following for each of the parties involved in a leg of the deal:

- The party type (beneficiary, advising bank, issuing bank, reimbursing bank, etc)
- The CIF ID assigned to the party, if the party is defined as a customer in Oracle FLEXCUBE
- The country to which the party belongs
- The party's mail address
- The media type through which the advises should be routed and the respective address (es)

The parties involved in a leg of a deal depend on the type of deal you are processing.

The party details for the party type 'PSET' will be populated in the following SWIFT messages:

- MT 540
- MT 541
- MT 542
- MT 543

---

**Note**

Note the following:

- If you have specified the party type 'DEAG' in the 'Party and Party Narratives' screen, it is mandatory to specify PSET.
  - The party details should not begin or end with '/' and should not have two consecutive slashes such as '//'.
- 

**Specifying media details for a party**

The advices for a party will be sent to the default media maintained in the Customer Addresses table for the party. If you want to send the advices through another medium, you should indicate it in the Parties screen for the party. The address for this medium should also be indicated. The advices will be sent through the new medium only if you indicate so in the Advices screen of Securities Deal Input screen. If not, the advice will still be sent to the default address defined for the party, even if a different medium has been input.

You can use this feature to send a one-off advice through a different medium. For example, for a particular customer, you would normally send all advices through mail and hence haven't defined SWIFT or TELEX advices at all. But for a particular deal, you want to send the advices through SWIFT. In such a case, you can specify the medium as SWIFT and specify the address only for the deal you are processing.

## 22.6 **Maintaining Settlement Instructions for a Deal Leg**

So far, we have discussed the basic information that is captured through the Securities Deal Input screen. To recall, along with other details of a deal, you have also specified the buy or sell amounts and the accounts to be debited or credited. The Debit and Credit amounts (and accounts) indicate the accounting entry that has to be passed at your bank to effect the deal. This entry is for the deal amount only.

Apart from the details of these two accounts, you may have to capture the following details to effect a deal successfully:

- The accounts to be debited for charges, if there are any
- The accounts to be debited for interest that the deal involves
- The method in which the deal is to be settled -- whether it is an instrument or a Message (as in a SWIFT or TELEX message) and
- Details about the route through which the money settlement should take place

The information that is related to the settlement method and route applicable for a transfer is referred to as "Settlement Instructions".

### 22.6.1 **Capturing Settlement Instructions**

The Settlement Instructions are captured through four different screens. Click 'Settlements' button on the Deal Input screen, to invoke the Settlement Instructions screen. Through the four screens you can capture the following information:

- Account details (details about the accounts involved in the deal that have to be either debited or credited in your branch)

- Message details
- Party details (details about the various parties involved in the deal)

### Fund Asset Management

The settlements processing is enabled only if 'Allow Corporate Access' has been checked while defining branch parameters in the Branch Parameters – Detail View screen.

If 'Allow Corporate Access' is checked for a fund branch and the fund is Portfolio type, then during settlement processing, the settlement account is chosen based on the settlement instructions maintained for the counterparty.

If 'Allow Corporate Access' is not checked for a fund branch, then the settlement processing is disabled and the settlement account remains as a fund branch account maintained for the fund.

If the corporate account exists in different branch then the Inter branch account/GL maintenance is used for resolving the bridge account.

## 22.6.2 Capturing Account Details

As mentioned earlier, you have specified the accounts to be debited and credited for the deal amount in the Securities Deal Input screen. For deals that settle in a currency other than the security currency, the local currency equivalent of the Deal Amount is called the 'Amount Equivalent'. Amount Equivalent is also the term used for the amount involved in the second leg of the accounting entry for the deal.

The screenshot shows the 'Settlement Details' window. At the top, there are input fields for 'Reference Number\*' and 'Component'. Below these are several tabs: 'Account Details', 'Message Details', 'Parties', 'Parties', 'Cover Parties', 'Other Details', 'Clearing Details', and 'Local Clearing'. An 'IBAN Account Number' field is present. The main section is a table with the following columns: Component, Currency, Branch, Account, Account Currency, Dr/Cr, Original Exchange Rate, Exchange Rate, and Rate Code. Below the table, there is a 'Settlement Direction' section with radio buttons for 'D - Debit' and 'C - Credit', and a 'Component Description' field. At the bottom, there is a 'Signature Verification' button.

The accounts and amount involved in the Debit and Credit legs of the accounting entry for the deal amount will be displayed, as you have already entered them in the Securities Deal Input screen. These details cannot be changed here. If a change is necessary, you have to go back to the Deal Input screen and specify the change.

For the other components involved in a deal, like charges, etc, you have to specify the account details in this screen. These details include the component, the currency in which it is paid, the payment account and its currency, the branch of your bank to which the account belongs, the exchange rate (in the case of the component currency being different from the account currency).

Depending on the component, the system will also display whether the account involved in an entry has to be debited or credited:

- P indicates you credit (Pay to) the account involved
- R indicates you debit (Receive from) the account involved

### 22.6.3 Capturing Details of the Deal Output

A deal can be settled either in the form of an instrument (a Demand Draft, a Manager's Check or a Check) or a Message (a S.W.I.F.T, TELEX or Mail message to be sent to the receiver). The details regarding the instrument or message have to be specified in the Message Details screen.

The message details that you specify here are applicable only for S.W.I.F.T. The type of S.W.I.F.T. message that is generated depends on the parties involved in the deal.

The screenshot shows the 'Settlement Details' window with the following sections and fields:

- Reference Number** and **Component** (text input fields)
- Tabs:** Account Details, Message Details (selected), Parties, Parties, Cover Parties, Other Details, Clearing Details, Local Clearing
- Instrument Details:**
  - Payment By:  Message,  Instrument,  Clearing
  - Type and Number (text input fields)
  - Details of Charges:  Remitter - All Charges,  Beneficiary - All Charges,  Remitter - Our Charges
- Clearing Network:**
  - Network Code (text input field)
  - Cover By:  Clearing,  Message
- Message Details:**
  - Cover Required
- Sender to Receiver Information:**
  - Information 1 through Information 6 (text input fields)
  - RTGS Network (text input field)
- Details of Payment:**
  - RTGS Payment
  - Details of Payment 1 through 4 (text input fields)
- Transfer Type:** Bank Transfer (dropdown menu)
- Banking Priority:** Highly Urgent Pay (dropdown menu)

Depending on the method in which you want to settle the deal, you should input either Instrument or Message details.

#### Specifying instrument details

For a deal that is being settled through an instrument, you should specify the type of instrument being used. It could be Manager's Check, Check or a Demand Draft. You should also specify the number that will identify the instrument. This number will be printed on the instrument.

If the settlement is through an instrument, you cannot specify party details for the deal.

#### Specifying message details

For a SWIFT message, you have to specify:

- Whether a Cover has to be sent to the Reimbursement Bank, along with the payment message to the receiver

- Bank to bank payment details, (these can be in the form of instructions or additional information to any of the parties involved in the deal)
- Information from the sender to the receiver

## 22.6.4 Capturing Party Details

To effect a securities deal, you may have to pass on funds through a series of banks before it actually reaches the ultimate beneficiary. Through the two 'Parties' screens you can capture details of all the parties that will be involved in settlement of the deal.

These screens contain fields that explore the possible routes in which the deal components can be transferred.

### Intermediary Reimbursement Institution

An 'Intermediary Reimbursement Institution' is the financial institution between the Sender's Correspondent and the Receiver's Correspondent, through which the reimbursement of the deal will take place.

### Intermediary

The 'Intermediary' in a deal, refers to the financial institution, between the 'Receiver' and the 'Account With Institution', through which the deal component must pass.

The Intermediary may be a branch or affiliate of the Receiver or the account with Institution, or an entirely different financial institution. This field corresponds to field 56a of S.W.I.F.T.

Here you can enter either the:

- ISO Bank Identifier Code of the bank or the
- Name and address of the Bank.

### Receiver's Correspondent

The 'Receiver's Correspondent' is the branch of the Receiver or another financial institution at which the funds will be made available to the Receiver. This field corresponds to field 54a of S.W.I.F.T. You can enter one of the following:

- ISO Bank Identifier Code of the bank
- The branch of the Receiver's Correspondent
- Name and address of the Receiver's Correspondent.

### Account With Institution

An 'Account With Institution' refers to the financial institution, at which the ordering party requests the Beneficiary to be paid. The Account With Institution may be a branch or affiliate of the Receiver, or of the Intermediary, or of the Beneficiary Institution, or an entirely different financial institution.

This field corresponds to field 57a of S.W.I.F.T. You can enter one of the following:

- ISO Bank Identifier Code of the bank
- The branch of the Receiver's Correspondent
- Name and address of the Receiver's Correspondent
- Other identification codes (for example, account number)

### Ordering Institution

The 'Ordering Institution' is the financial institution, which is acting on behalf of itself, or a customer, to initiate the transaction. This field corresponds to 52a of S.W.I.F.T.

In this field you can enter one of the following:

- The ISO Bank Identifier Code of the Ordering Institution
- The branch or city of the Ordering Institution
- The Name and address of the Bank

### Ordering Customer

The 'Ordering Customer' refers to the ordering customer of the deal. Here you can enter the name and address or the account number of the Customer, ordering the transaction. This field corresponds to field 50 of S.W.I.F.T. You will be allowed to enter details in this field only if you have initiated a customer transfer (MT 100 and MT 202).

### **Beneficiary Institution**

Here, you can enter details of the institution in favour of which the payment is made. It is in reality the bank that services the account of the Ultimate Beneficiary. This field corresponds to field 58a of S.W.I.F.T.

You will be allowed to make entries into this field only for Bank Transfers (when the remitter and beneficiary of the transfer are financial institutions -- MT 100 or MT 202). Here you can enter either:

- The ISO Bank Identifier Code of the Beneficiary Institution
- The Name and Address of the Beneficiary Institution

### **Ultimate Beneficiary**

The Ultimate Beneficiary refers to the Customer to whom the deal amount is to be paid. This field refers to field 59 of S.W.I.F.T. You can make entries into this field only for a customer transfer (MT 100 and MT 202).

The number of banks involved in the transfer would depend on the:

- Relationships and arrangements between the sending and receiving banks
- Customer instructions
- Location of parties
- The banking regulations of a country

## **22.7 Levying Tax on a Deal**

The tax details specified for the product to which the deal is associated will be automatically applied to the deal. However, while processing a deal, you can waive the application of tax.



You can invoke the Contract Tax Details screen by clicking 'Tax' button from the applicable leg of the deal.

The screenshot shows the 'Tax Details' window with a 'Reference Number' field at the top. Below it are two tabs: 'Transaction Level Tax' and 'Issuer Tax'. The window is divided into three main sections: 'Association', 'Application', and 'Liquidation'. Each section contains a table with columns for various tax-related fields.

Creation ESN	Component*	Rule	Waiver
			<input type="checkbox"/>

Creation ESN*	Component*	Tag Currency	Tag Amount	Tax Currency	Tax Amount	Waiver	Liquidated
						<input type="checkbox"/>	<input type="checkbox"/>

Component*	Tax Currency	Tax Amount

### 22.7.1 Features of the Tax Details Screen

The reference number of the deal leg for which you are defining transaction tax details are displayed. The screen will contain a list of all the tax components applicable to the deal leg.

#### Associating a tax component to a deal leg

All the transaction tax components applicable to the deal leg you are processing will be displayed together with the rule that was linked to the component.

In this section of the screen you can:

- Change the tax rule linked to the component
- Disassociate a tax component from the deal leg

### **Changing the tax rule linked to a component**

The rule that is linked to a tax component is displayed next to the component. To link a new rule to the component. A list of all the tax rules maintained will be displayed. Select the appropriate rule from the picklist. The new rule will be made applicable to the component.

### **Disassociating a tax component from the deal leg**

You can disassociate a tax component from the deal leg. In the 'Association' section of the Transaction tax screen, click against the waive option positioned next to the component.

In this case, the tax component is attached to the deal leg but is not calculated.

### **Indicating the tax components to be applied to a deal leg**

In the application section of the screen, you can indicate the tax components that should be applied to the deal leg. The list of components that is displayed depends on the tax components that you have associated to the deal leg.

The following details of the component are also displayed:

- The basis component on which the tax is levied
- The currency of the basis amount
- The basis amount
- The tax amount and the
- The currency in which the tax amount is defined.

You can change the tax amount that is calculated using the class applicable to the component.

### **Waiving tax on a deal leg**

You also have the option to waive the component for the deal leg that you are processing. If, for some reason you want to waive tax on the deal you are processing, you can do so by checking against the 'waiver' option in the application section of the screen. The tax will be calculated but not applied.

---

#### **Note**

You can waive tax only if it is yet to be liquidated.

---

### **Tax liquidation**

When a tax component that is applied to a deal is liquidated, the relevant accounting entries are passed. The contract tax screen displays:

- The tax components that have already been liquidated
- The amount that was liquidated
- The currency in which it was liquidated

## **22.8 Processing Brokerage on a Deal**

When capturing the details of a deal that involves brokerage, you will have to specify the brokerage details applicable to the deal. To recall, you have already specified the name of the broker through whom the deal was brokered in the Securities Deal screen. The details specified for the broker including the brokerage rule linked to the broker, is defaulted. However, you can change some details, like — whether brokerage should be booked in advance, in arrears or whether it should be waived altogether.

Click 'Brokerage' button to define the brokerage details that are applicable to the deal leg you are processing. You will be allowed to enter details of a broker only if brokerage was allowed for the product to which the deal is associated.

## 22.8.1 Features of the Contract Brokerage Details Screen

The code assigned to the broker through whom the deal was brokered is displayed along with the broker's name.

If the brokerage payable currency is the same as the brokerage paid currency, then the same amounts (brokerage paid and brokerage payable) are displayed against the currencies. You have the option to change these currencies.

While you cannot input the brokerage payable amount, the brokerage paid amount can be changed.

The following brokerage details are displayed:

- The brokerage liquidation status. If it has been liquidated, the liquidation reference number is also displayed.
- The rule code and description that has been linked to the broker

### 22.8.1.1 Indicating when brokerage should be booked

#### Booking

You can indicate preferences as to when the brokerage applicable to the deal should be linked. The options available are:

- Advance
- Arrears

The preference specified for the broker will be displayed. You can change it in this screen, say from advance to arrears or vice-versa.

You have a third option. That is, of waiving brokerage. If you opt for no booking, no accounting entries will be passed for brokerage for this deal.

#### Consider As Discount

This option is defaulted from the deal product level. However, the following validations are carried out:

- The checkbox is unchecked if the booking method is other than 'Advance'.
- If the 'Capitalize' option is not checked for the broker, deal, product and currency combination in the 'Charge Class Maintenance' screen, then this option will be left unchecked.

---

#### Note

If you invoke the Contract Brokerage Details screen for operations like delete, change, authorise, liquidate and detailed view, this screen will only display brokerage details. You can change brokerage details for a deal only if you have clicked the Modify option from the Actions Menu.

---

Click 'Exit' button to delete the details and return to the Securities Deal details screen.

## 22.9 Uploading the Deals for Amendment

From an external system, you can upload Securities Deals that require amendment in Oracle FLEXCUBE. The system will distinguish between the new and the deals that require amendment based on the action code of the uploaded record. For a contract requiring amendment, the action code will be 'AMND'. If the action code is 'AMND', Oracle FLEXCUBE will first check whether the deal exists in the system or not. If it does not exist in the system, an error message will be displayed to notify that the deal cannot be amended.

The Reference Number provided by the external system has to same if it is a new deal or if it is an amendment to an existing deal.

When you upload a new deal, the Reference Number will be displayed in the User Reference Number field for that deal. The User Reference Number will be the basis for checking whether the deal exists or not.

The upload for contract amendment will trigger the 'AMND' event. The same event is triggered even when the amendment is done in the 'Securities Deal Input' screen.

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

- Deliver Free Pay
- Original DSTL Date
- Receive Free Pay

You can upload a securities deal using Gateway. A Module upload procedure is introduced to validate the following data at the time of creating a deal:

- Product Code
- Security Code
- Deal Quantity

It is mandatory to specify a value for the above fields. If the value for any of the above fields is missing, system will stop any further processing of the message. Subsequently, system will send an appropriate error message.

Once the validation is complete for all fields, the errors/overrides generated will be scanned to identify the type of error.

Using the Module upload process, you can also amend financial details for a Securities deal. This upload process will accept 2 sets of upload record type variables. They are:

Set 1 – Combination of base data and request message data

Set 2 – Base data of the deal to be modified

Each field value that needs to be changed will be compared to Set 1 and Set2. Any difference in the field value will trigger a business logic validation. If the validation fails, system will return a fault message.

When a financial amendment is done, the existing contract is reversed and a new contract with the modified value is created. The new contract will contain the reference number of the reversed contract against the field 'Reversed Contract ref no'.

For cancellations of securities deal on existing transactions, a new upload process is created in Oracle FLEXCUBE. This upload process will trigger reversal of an existing deal.

## 22.10 Liquidating a Deal

Details about liquidating a deal are explained below.

## 22.10.1 Money settlement

Money settlement for security deals can be either automatic or manual. While processing a deal you can indicate the manner in which the deal should be settled. Check against the option 'automatic money settlement' from the Securities Deal Main screen to indicate the automatic mode of settlement. Leave it unchecked to indicate manual settlement.

If you specify the automatic mode of money settlement, the deal will be automatically settled on the settlement date that you specify when the beginning of day operations are run.

If you specify manual money settlement, you will need to give specific instructions for money settlement. You can liquidate a deal by choosing 'Liquidate' from the Processing submenu of the Actions Menu, on the day you want to settle a deal.

## 22.10.2 Security settlement

The settlement of securities in Oracle FLEXCUBE is automatic. While processing a deal, you can indicate the date on which the traded securities should settle. On the security settlement date that you specify for the deal, the settlement will take place automatically.

*If the settlement date falls on a holiday*

If the money or security settlement date of a deal falls on a holiday, the settlement will take place based on your specifications in the Branch Parameters screen.

## 22.11 Reassigning a Deal to another User

Only the user who entered a deal can delete it. If a deal has to be deleted and the user who entered it is not around to do it, you can reassign the deal to another user so that the other user can delete it. Typically, this situation may arise during end-of-day operations when a deal that is not authorised has to be deleted and the user who entered the deal has left office for the day.

You can reassign a deal through the Reassign User screen. You can invoke this screen from the Application Browser.

### **Procedure**

To reassign a deal to another user, you need to:

- **Step 1** -- You first need to indicate the product associated with the deal. You can select a product code from the picklist, which contains a list of the products that you have created.
- **Step 2** -- After you have selected the product, indicate the contract reference number of the bill you wish to reassign to another user. You can select a reference number from the picklist, which contains a list of all the unauthorised active deals.
- **Step 3** -- Select the User Id of the user to whom you are assigning the deal.

---

### **Note**

This user to whom you reassign a deal should have access rights to enter securities deals in Oracle FLEXCUBE.

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Your User Id will be defaulted from the login screen. Click 'Exit' button if you do not want to save the details that you entered. In either case you will be returned to the Application Browser.

---

## 23. Processing a Block Securities Deal

### 23.1 Introduction

A block deal is one in which either the buy or the sell legs of the deal are associated with more than one portfolio. For example, in a block securities deal, securities can be bought from portfolios PF01, PF02, PF03 and sold to Portfolio PF04.

To recall, in the Securities Deal Details screen you can enter deals that involve only two parties, the selling, and the buying party. The Block Securities Deal screen allows you to execute a securities deal in the market and allocate the same to several portfolios.

Block deals are processed differently for fund and non-fund branches. In the case of a fund branch you can trade only with bank portfolios. For non-fund branches, block deals can involve customer portfolios.

#### 23.1.1 Features of a Block Deal in Oracle FLEXCUBE

The following are the features of a Block deal:

- A block deal can have multiple parties associated with either the buy or sell leg
- Portfolios of different costing methods can be involved in the multi-leg of the block deal
- Details that you specify for a Block Deal will need to be uploaded. The Upload process will automatically create individual sub deals for each of the portfolios involved in the multiple leg of the deal.
- You can specify details like the certificate numbers, details of the brokerage, tax, charge etc, applicable to the sub deals in the Securities Deal Online screen.
- You will not be allowed to perform any operation on a sub deal directly. It will have to be done only through the Block deal. Should you need to amend the main details of a sub deal (details that affect accounting entries), you will have to delete the block deal, which eventually deletes all the sub deals. To amend other details of a sub deal like the certificate numbers, you should:
  - Unlock the block deal
  - Go to the relevant sub deal
  - Unlock the sub deal
  - Make the required changes
  - Save both the sub deal and the block deal

#### 23.1.2 Invoking the Block Securities Deal Screen

You can invoke the Block Securities Deal Input screen from the Application Browser. To enter the details of a new deal, click new icon from the tool bar.

If you are calling a block deal that has already been created, choose the Block Deal Summary option. The details of all the block deals that you entered earlier will be displayed in a tabular form. From the summary screen, you can open an existing deal by double clicking it.

You can invoke the 'Securities Bulk Deal Input' screen, by typing 'SEDXBLLDL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

In the Securities Block Deal screen you can enter details of the multiple parties (portfolios or customers) involved in a deal. Oracle FLEXCUBE will automatically create separate deals for each portfolio involved in the deal. These individual deals are in turn linked to the Block deal. You can view or edit the details of a sub deal by double clicking the party concerned in the Securities Block Deal Detail screen.

### 23.1.3 A Description of the Block Securities Deal Screen

The securities deal input screen as it appears contains a header and a footer containing fields that are specific to the deal you are entering. Besides these, you will also notice two tabs along the lines of which you can enter the details of a block securities deal.

The two tabs are:

<p><b>'Main'</b></p>	<p>Click this tab to enter the essential terms of a block deal. This screen, along with its fields has been detailed under the head 'Entering the details of a block deal'.</p>
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<b>'Additional'</b>	<p>In the screen that corresponds to this tab, you can specify price, currency, and trade details that are required to process the deal.</p> <p>The features of this screen have been detailed under the head 'Entering additional details of a block deal'.</p>
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## 23.2 Entering the Details of a Block Deal

Through the Securities Block Deal input screen, you can process deals that involve multiple parties either in the buy or sell legs. You should compulsorily use a securities combination product to process a block deal.

After you have specified all the details of the buy and sell legs; you should upload the block deal. The upload function will automatically create sub deals for each of the parties involved in the multi party leg of the transaction.

*Refer to the title 'Uploading the details of a block deal' in this chapter for more details.*

### **Product**

You should necessarily use a product or a product combination that has already been created to enter the details of a block deal. Based on the nature of the deal you are entering, you can select a product combination from the picklist available at the 'Product' field.

A block deal will inherit all the attributes defined for the preferred leg of the product combination to which it is associated. You can further add to or change the details that are defaulted from the product to suit the deal you are processing.

### **Deal Reference No**

In Oracle FLEXCUBE, identification references are generated automatically and sequentially. This unique number tag is used to identify the block deal you are entering, it is also used in all the accounting entries, and transactions related to the deal.

The deal reference is a combination of a three-digit branch code, a four-character product code, a five-digit Julian Date, and a four-digit serial number.

The Julian Date has the following format:

"YYDDD"

Here, YY stands for the last two digits of the year and DDD for the number of day (s) that has/ have elapsed in the year.

For example, January 31, 1998 translates into the Julian date: 98031. Similarly, February 5, 1998 becomes 98136 in the Julian format. Here, 036 is arrived at by adding the number of days elapsed in January with those elapsed in February (31+5 = 36).

### **User Reference**

You can enter an identification reference number for the deal. A deal will be identified by this reference in addition to the 'Deal Reference' generated by Oracle FLEXCUBE. This reference should be unique and cannot be used to identify any other deal. By default, the Deal Reference generated by Oracle FLEXCUBE is taken as the User Reference No.

## 23.2.1 Indicating Details of the Security that is Traded

### Indicating the security that is traded

While entering the details of a deal, you should indicate the securities that are traded in the deal and the market in which it is traded.

### Security Code

You can select a security code from the picklist. The picklist will contain a list of all the securities that you maintained in the Securities Definition screen. As you have already maintained details of the security, all the features of the security like its price, the quotation method, the corporate actions that it involves and several other details of the security will be processed based on these details.

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#### Note

Trading in the security should be allowed for the portfolios involved in the block deal.

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### Market Code

After you indicate the securities that are being traded in the deal, you should indicate the market in which they are traded. The market in which a security is traded is defaulted from the Security Definition screen. You can change the default and select a market code from the picklist available. The list will contain valid market codes maintained in the Market Definition screen.

### Txn Date

The transaction date is the date on which you entered the deal into Oracle FLEXCUBE. The system defaults the transaction date to today's date. Normally, the transaction date would be the same as the trade date of the deal. It would differ from the trade date if you enter a back valued deal.

### Deal Type

Securities that are traded can be quoted in terms of:

- Units (100 units of a security)
- As a Nominal (securities worth USD 5000)

The price quotation method defined for the security in the Security Definition screen is defaulted. You can change the quotation method that is defaulted.

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#### Note

The block deal quantity that you specify should be expressed in the security quotation method.

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### Quote By

The Interest Quotation Method for interest bearing instruments can be:

- Flat
- Plus Accrued

You can indicate whether the deal price that you specified includes the purchased interest or the same has to be accrued separately.

Indicate *flat* if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'. Indicate *plus accrued* to indicate that the price at which the security is quoted excludes accrued interest. This price is also referred to as the 'Clean Price'.

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**Note**

You can specify an interest quotation method only if the deal involves the buying or selling of interest bearing bonds.

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### 23.2.2 Indicating Deal Details

After you have indicated the securities that are traded and the market in which they are traded, you can indicate details of the security that are specific to the deal you are processing.

#### **Indicating the deal type**

Using the Securities module of Oracle FLEXCUBE, you can enter spot or forward deals. A spot deal is one that settles on the spot date of the market. A forward deal is one that settles on a date after the spot date of the deal. You have the option to change the settlement date even for spot deals.

It is mandatory for you to specify the spot price for forward deals. The deal will settle at spot price and the difference between the deal price and the spot price is taken to be the forward profit or loss.

#### **Deal Quantity**

Indicate the quantity of the security that is traded. The quantity that you specify depends on the method in which the security is quoted (units or nominal).

If the security is quoted in units, you should indicate the number of units of the security that was traded. If it is quoted as Nominal, indicate the sum of the face value for which it is purchased.

For example, suppose that you have bought 100 units of a security of face value USD 100.

If the security quotation method is *units*, then, while indicating the deal quantity you should indicate 100.

If the quotation method is *nominal*, you should indicate USD 10000 (USD 100 x 100 Units) at the deal quantity prompt.

#### **Trade Date**

The trade date is the date on which the deal is transacted. It is also referred to as the deal date. The date that you enter can be either today's date or a date earlier than today.

The trade date should be earlier than the maturity date of the security as specified in the Securities Definition screen.

For a series with a redemption record, the trade date should be earlier than the redemption date.

#### **Price Quote**

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

**Price** - in this case the security is quoted on the basis of the price at which it is traded. You have already maintained the face value of the security in the Security Definition screen. The premium that you paid or discount at which you purchased the security is calculated against the face value of the traded security.

The price can be expressed as:

**(Face Value ± Premium or Discount) + Accrued Interest (if the interest quotation method is 'Flat')**

**% Price** — the price is quoted on the basis of the percentage of the price.

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

**% Discount** - in this case, the price is quoted based on the discount percentage at which the deal was bought or sold.

**% Premium** - in this case, the price is quoted based on the premium percentage at which the deal was bought or sold.

**Premium** - here the price is quoted based on the premium at which the security was bought or sold. That is, the differential between the face value of the bond and the price at which it is bought or sold.

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

**YTM** - the price is quoted based on its yield to maturity. This price quotation method is applicable only for Zero coupon bonds.

The yield on discounted instruments is measured by the yield to maturity (YTM), which is the return on a security bought at current market price for the remaining time to maturity of the security. The YTM would keep changing with the market price, in case the market price increases above the straight discounted price YTM would decrease and vice versa.

The price using this quotation method is calculated thus:

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

Based on the deal quantity and the price quotation method, the deal amount is determined. Irrespective of the price quotation method that is used, the net result is the same.

**Absolute Price** - This is the price at which the block deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method specified for the security that is traded.

You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million.

The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued.

For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal.

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#### Note

The price that you enter is taken to be in the currency of the security that is traded.

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### **Delivery Settlement date (DSTL date)**

The delivery settlement date is the date on which settlement of the traded securities should take place. Depending on the type of deal (spot or forward) you are processing, you can indicate the security settlement date.

In the subsequent fields you can indicate the locations from which and to which the security should be delivered.

### **23.2.2.1 Indicating the Mode of Settlement**

You can specify instructions to the safe keeping location as to when the traded securities should be delivered or released.

#### **Delivery**

The options available for the delivery of the traded securities:

- Deliver against payment
- Deliver free

The deliver against payment option has no risk involved, as securities will be handed to the buyer only on payment. Choose the deliver free option to indicate that the delivery of securities is to be independent of payment.

As there is a risk involved in choosing the deliver free option, while specifying limit details for the deal, you can also indicate the undelivered credit line under which your liability to the deal should be tracked.

#### **Receive**

The receive instructions that you can specify to the SKL are:

- Receive against payment
- Receive free

#### **Int Date**

If you are entering the details of a buy or sell deal, you can indicate the date from which purchased or sold interest for interest bearing bonds should be calculated.

For securities whose issue market has trade based accounting:

#### **Interest value date = Trade date**

For securities whose issue market has settlement date based accounting, the settlement date is defaulted to the settlement date. You have the option to change the defaulted date. However, the interest value date that you enter in this case should be in the same coupon period as the settlement date.

Interest computations will be performed on-line from the last coupon date (including) to interest value date (excluding) in the case of deals where settlement date is before ex-date. In case the settlement date is past the ex-date the computation will be from interest value date (including) to the next coupon date (excluding). The interest might need to be received or paid depending on whether the deal is a buy or a sell.

#### **Yield**

You can enter the equivalent yield of the bond for the price that you input.

It is important to note that no processing is done based on the yield that you enter. It is only for reporting purposes.

### **Input Price**

Enter the price at which the deal is transacted. You can enter the price of the security as a price or a percentage of the price depending on the price quotation method that you specified earlier. You can enter "T" or "M" to indicate thousands or millions, respectively. For example, 10T means 10,000 and 10M means 10 million.

The deal price would include or exclude the purchased or sold interest depending on whether the security being dealt in is quoted flat or plus accrued.

For a spot deal, if the deal price varies from the market price by more than the sensitivity range specified for the security you will be prompted for an override or will not be allowed to process the deal.

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#### **Note**

Note the Following:

- The price that you enter is taken to be in the currency of the security that is traded.
  - The entries made in this field can be amended before the deal is authorised. However, if amendment is required after authorisation, you should reverse the deal and enter it again.
- 

### **Interest**

Indicate whether the price at which the security is quoted includes accrued interest. You can specify an interest quotation method only if the deal you are processing involves the buying or selling of interest bearing bonds.

Select an interest quotation method from the option list. It could be:

- Flat
- Plus accrued

Indicate 'flat' if the price at which the security is quoted includes accrued interest. The flat price is also called the 'Dirty Price'.

Indicate 'plus accrued' to indicate that the price at which the security is quoted excludes accrued interest. This price is also referred to as the 'Clean Price'.

## **23.2.3 Specifying Details of the Single and Multiple Legs of a Deal**

While entering the details of a block deal, you can indicate which leg (buy or sell) of the deal involves multiple parties. Depending on this, products associated with the combination product will be made applicable to the appropriate legs of the deal.

If your branch is a fund branch, then customer portfolios cannot be involved in either the buy or sell legs of the Block deal.

### **23.2.3.1 Specifying Details of the Single Leg of the Deal**

You can specify the following details for the single leg of the deal:

- The Portfolio involved with the leg of the transaction
- The counterparty (the holder of the portfolio from which you are buying/selling securities)
- The safe keeping location and account from or to which securities need to be collected or lodged
- The broker that brokered the deal

- The money settlement date

#### **A note on the settlement date**

The money settlement indicates the date by which the buyer should pay for the securities bought. The settlement date should be later than or the same as the Trade date and earlier than the maturity date of the security.

For *forward deals*, the settlement date should be later than the default Spot date.

For *spot deals* in the primary or secondary market, the settlement date should not be a holiday in any of the payment currencies. An override will be sought if the money settlement date is a holiday in any of the currencies involved in the deal.

### **23.2.4 Specifying Details of the Multiple Leg of the Deal**

In this section we will discuss the details that you should specify for the leg that involves multiple parties. For each portfolio involved in the multiple leg of the deal, you can specify the following details:

- The Portfolio from which you are buying/selling securities
- The counterparty (the holder of the portfolios into which you are buying/selling securities)
- The safe keeping location to which securities need to be delivered
- The account at the sake keeping location, to which the traded securities are to be transferred
- The quantity of securities that has been bought or sold from the portfolio
- Pay account branch
- Pay account
- The Broker involved in the deal
- Yield
- MSTL Date

### **23.3 Entering 'Additional Details' of a Deal**

In the Additional Details screen you can define details like the spot price, currency, the trade details. Click on the tab titled Additional to invoke this screen.

The screenshot displays the 'Securities Block Deal' application window. At the top, there are navigation options: 'New', 'Enter Query', 'Product', 'Deal Reference', and 'User Reference'. Below this is a tabbed interface with 'Main' and 'Additional' tabs. The 'Additional' tab is active, showing various input fields: 'Format' (dropdown), 'Payment Currency', 'Rate', 'Security Currency', 'Spot Price', 'Settlement SK Location', 'Remarks', 'Deal Type', 'Priority', and 'Dealer'. A checkbox labeled 'Conforms to ISMA' is also present. At the bottom of the window, there are three columns of fields: 'Maker Id' and 'Date Time', 'Checker Id' and 'Date Time', and 'Deal Status' and 'Authorization Status'. An 'EXIT' button is located in the bottom right corner.

### 23.3.1 Specifying Additional Details for the Deal

For forward deals you should also indicate spot price details. The spot price details that you specify will determine the calculation of forward profit that you have made or the loss that you have incurred in a forward deal.

#### **Spot Price**

The spot price refers to the price at which the security is currently quoted in the market. This price is compared with the deal price to determine the forward profit or loss. The market price of the security as maintained in the price code maintenance screen is defaulted. You have an option to change the default.

The forward profit or loss is the difference between the deal price and the spot price and is calculated from the spot date of the deal to its settlement date.

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#### **Note**

In case of forward deals the spot price is defaulted from the market price maintenance and the price cannot be changed.

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#### **Payment CCY**

If the currency of the security is different from the settlement currency, you should indicate the currency in which payment is made. All the components of the deal like the deal amount, the charges and tax that is levied will be settled in this currency.

By default the security currency is taken to be the payment currency. If you indicate the settlement currency to be different from the security currency you should also indicate the exchange rate to be used for the conversion.

SCY You can indicate the format of the securities that are traded. It could be:

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

#### **Rate**

This is the exchange rate applicable incase the Payment Currency and Security Currency are different. This rate is defaulted from the deal product type.

#### **Settlement SKL**

Indicate the SK location in which the deal settlement takes place.

#### **Format**

You can select whether the security format is

- Scrip Based
- Dematerialized
- Immobilized
- Combination



## Deal Type

You can select the Deal type from the drop down list. The Deal Type can be

- Primary
- Secondary

## Priority

Indicate the priority of the deal you are processing. You can select a value from the drop down list:

- High
- Normal
- Low

## Conforms to ISMA

This is an indicator to denote whether the deal has been made as per ISMA (International Securities Market Association) requirements. This indicator is displayed during deal confirmation.

## Dealer

You can also capture details of the dealer at your bank that handled the leg of the deal.

## Remarks

Enter additional information about the product.

## **23.4 Uploading the Details of a Block Deal**

After you have specified all the details of the buy and sell legs; you should upload the block deal. Click on 'Upload' from the Securities Block Deal Main screen to upload the details of a deal.

The upload session will automatically create sub deals for each of the parties involved in the multi party leg of the transaction of the block deal.

You can navigate to the individual sub deals by double clicking the party concerned on the block deal screen. You can specify details like the certificate numbers, details of the brokerage, tax, charge etc applicable to the sub deals in the Securities Deal Online screen.

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## 24. Transferring Securities across Locations

### 24.1 Introduction

Depending on customer specification you may need to withdraw a specified quantity of securities, from one particular safe keeping location and lodge them in another location.

To transfer securities from one SK location to another you need to specify certain essential details. They can include details such as the quantity of securities to be transferred, the date on which the settlement is to take place, the codes assigned to the SK locations involved in the transfer and SK account numbers.

In addition to transferring securities from one SK location to another, you can also transfer securities from one account to another, within the same SK location.

You can invoke the 'Transfer Across Safe Keeping Locations Forms' screen by typing 'SEDXSKNL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Click new icon on the toolbar. This screen will be displayed with no values in the fields.

If you are calling a record that has already been created, click on Summary view. From the Summary screen you can open an existing record. The details of the records that you have created will be displayed in a tabular form.

The screenshot shows the Oracle FLEXCUBE interface for 'Transfer Across Safe Keeping Locations/Forms'. The window title is 'Transfer Across Safe Keeping Locations/Forms'. The interface includes a 'Previous' button and a 'Version Number' field. The main area is divided into several sections:

- Transaction Details:** Includes fields for Product, Contract Reference, and User Reference.
- Instrument Details:** Includes fields for Security Code, Security Series, and Quote By.
- Transaction Date Details:** Includes fields for Transaction Date, Trade Date, Deal Quantity, and Delivery Settlement Date, along with an 'Auto Settlement' checkbox.
- Portfolio Details:** Includes fields for Portfolio and Counterparty.
- Transfer From Details:** Includes fields for SK Location, SK Account, and Form Type (set to 'Script Based').
- Transfer To Details:** Includes fields for SK Location, SK Account, and Form Type (set to 'Script Based').

At the bottom, there are tabs for 'Events', 'Settlement', 'Advices', 'Interest', 'Tax', and 'MIS'. The status bar at the very bottom contains fields for 'Input By', 'Authorized By', 'Date Time', 'Active', and 'Authorization Status', along with 'Ok' and 'Exit' buttons.

### Product Code

In Oracle FLEXCUBE each product created is identified by a unique four-character code called a product code. You can follow your own convention for devising this code, however one of the characters of the code should necessarily be a letter of the English alphabet.

The product codes maintained in the Deal Product Definition screen are picked up and displayed in the picklist available.

### Deal Reference

This is a system generated deal reference number. This number is generated using the Branch Code, Product Code, Julian date and running serial number combination. The number cannot be changed.

### User Reference

You can enter a reference number for the securities transfer. The securities transfer will be identified by this number, in addition to the Deal Reference No., generated by the system. This number should be unique. By default, the Deal Reference Number generated by the system, will be taken as the User Reference Number.

### **Security Code**

You can indicate the code of the security involving the product, for which SK location change details are being defined. If it is security of bond type with series, you are required to indicate the series for which the transfer is being initiated.

Once you specify the security code, the description of the code will be picked up and displayed in the adjacent field.

### **Security Series**

If it is security of bond type with series you are required to indicate the series for which the transfer is being initiated.

Click the adjoining option list and select the series for which the transfer is being initiated.

### **Quote By**

After the security code is specified, the manner in which the security is quoted (whether Units or Nominal) is picked up and displayed in the Quote By field. Depending on the quotation method used, you can specify the quantity of securities to be transferred.

If the manner in which the security is quoted is units, enter the number of units to be transferred. If the quotation method used is Nominal enter the amount of securities to be transferred.

### **Transaction Date**

This by default is the System Date / Current date on which the transaction is being entered and cannot be changed. By default action date and the trade date will be the same.

### **Quantity**

If the manner in which the security is quoted is Units enter the number of units to be transferred. If the quotation method used is Nominal enter the amount of securities to be transferred.

### **Trade Date**

This by default is the System Date / Current Date but can be changed as applicable. This will be the date on which the trade is input.

### **Settlement Date**

Enter the date on which the securities transfer is to take place. This date can either be today's date or a date in the future.

### **Portfolio**

Every portfolio that you define in the Portfolio Definition screen would involve a product that you have already defined. You can specify the portfolio associated with the particular product.

Once you specify the product portfolio, the counterparty details are picked up by the system and displayed in the adjacent fields.

### **Counter Party**

The counterparty name or details is displayed based on the Portfolio Id selected.

## **24.1.1 Specifying the SK locations and accounts**

As part of the general maintenance for the Securities module of Oracle FLEXCUBE you can define various SK locations. The securities can be lodged or withdrawn or bought into or sold from the SK locations as and when they are traded with. In addition to maintaining SK locations you need to define SK accounts for each of the locations maintained.

The codes assigned to SK locations and SK account in the SK Location Maintenance screen, are picked up and displayed in this screen. Therefore while transferring a specified quantity of securities from one SK location to another, you have to indicate the SK location code from which securities are to be withdrawn and the location where they are to be lodged.

In addition, you are also required to indicate the accounts from and to which securities are to be transferred. You can do this by entering details in the Transfer From and Transfer To fields.

You can transfer a specified quantity of securities from one account to another within an SK location. Indicate the SK location code in the Transfer From field and specify the account from and to which the securities are to be transferred.

### Form Type

When you change the form type of a security, from Immobilized to Dematerialized, you can initiate a securities transfer. The transfer of securities can either be across SK locations, it can be from one account to another in the same SK location, or it can be from one form to another.

## 24.2 Moving on to the Other Screens

In the Transfer across SK locations screen are displayed a vertical array of seven icons. By invoking these icons you will be able to define the other attributes of the Securities transfer you are initiating.

To select a screen, click on an icon from the group of icons displayed. For instance, if you want to define leg events accounting entries and overrides, click 'Events' button. The corresponding screen will be displayed.

The icons together with a brief description of the functions they perform are detailed below:

<b>Settlement</b>	Click on this button to enter the settlement message details. You can specify details such as:  The accounts to be debited for charges.  The method in which the transfer is to be settled whether it is an instrument ( as in a check or a demand draft) or a message (as in SWIFT or mail message).  Details about the parties involved in the transfer.
<b>MIS</b>	Click on this button to enter the transaction MIS details.
<b>Advices</b>	Click on this button to enter the leg advices. You can view, suppress and prioritise the advices that are to be generated for each leg of the deal.
<b>ICCF</b>	Click on this button to view the charge details associated with the product. You are allowed to amend the charge amount and if necessary waive the application.
<b>Tax</b>	Click on this button to view the transaction tax details. In addition to changing the tax amount you can also waive the application.
<b>Parties</b>	Click on this button to enter details of parties and party narratives.

## 25. Maintaining Block Security Details

### 25.1 Introduction

A specified quantity of securities can be stopped from being traded in the market. This is done by specifying details of the securities to be blocked, in the Securities Deal Input – Block Securities screen.

You can invoke the 'Securities Block/Release Block Input' screen by typing 'SEDXBLNL' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Click new icon from the toolbar. The screen will be displayed with no valued in the fields.

To view details of records previously maintained, call on the Summary View screen. The details of all the records maintained will be displayed in a tabular format. Highlight the record of your choice and double click it.

The screenshot shows the 'SECURITIES BLOCK OR RELEASE BLOCK INPUT' window. The title bar includes a Save icon and a Hold icon. The main area contains several input fields: Product (with a pick list icon), Product Description, Deal Reference (with a pick list icon), Deal Description, Deal Block Date, Deal Transaction Date, User Reference (with a pick list icon), Security Code (with a pick list icon), Security Series, Release Date, Portfolio (with a pick list icon), Portfolio Description, SK Location Description, Counterparty, Safe Keeping Location (with a pick list icon), Safe Keeping Account (with a pick list icon), Block Type, and Block Reference. On the right side, there is a 'Quote By' section with a 'Form Type' dropdown set to 'Script Based', a 'Quote By' dropdown, a 'Units' dropdown, and checkboxes for 'Partial Release Allow' and 'Auto Release Allow'. A 'Deal Quantity' field is also present. At the bottom, there is a navigation bar with links for Events, Certificates, Settlements, Advices, Charges, Tax, MIS, and Fields. Below that is a status bar with fields for Maker ID, Checker Id, Status, Release Time, Checker Date Stamp, Authorized, and a Cancel button.

On specifying the security code of the product for which securities are being blocked, the manner in which the security is quoted, is displayed in the Quote By field. Based on the manner in which the security is quoted, you can indicate the quantity of (whether units or amount) securities to be blocked.

#### Product Code

This is the generic product which has been defined as a Deal product in the Securities Products menu. It is selected from the pick list and used for blocking the securities.

#### Deal Reference No

This is a system generated number. This number is generated using the Branch Code, Product Code, Julian date and running serial number combination. The number cannot be changed.

#### User Reference

Enter a unique reference number to identify the deal. The deal will be identified by this reference in addition to the reference number generated by Oracle FLEXCUBE.

By default, the Deal Reference Number generated by the system will be taken as the User Reference No. You can choose to change it and indicate a reference of your own.

You can query information on the portfolio by using any of the reference IDs.

### **Security Code**

Indicate the code of the security involving the product which you want to stop from trading.

Click the adjoining option list for a list of valid security codes.

The security codes maintained in the Security Definition screen are picked up and displayed in the picklist available for this screen. Once you specify the security code the description of the code will be picked up and displayed in the adjacent field.

### **Description**

This is the description of the security code selected. This is defaulted from the instrument definition.

### **Form Type**

Securities that have to be stopped from being traded can be either of the following:

- Script based
- Immobilized
- Dematerialized

You have to indicate the form type of the security, for which trading has to be stopped for a specified period.

### **Security Series**

If it is security of bond type with series you are required to indicate the series for which trading is to be stopped for a specified period.

Click the adjoining option list and select the series for which trading is to be stopped.

### **Block Date**

This is the date, with effect from which securities should be blocked. The system defaults the Block date and the Trade Date and the dates cannot be changed.

### **Release Date**

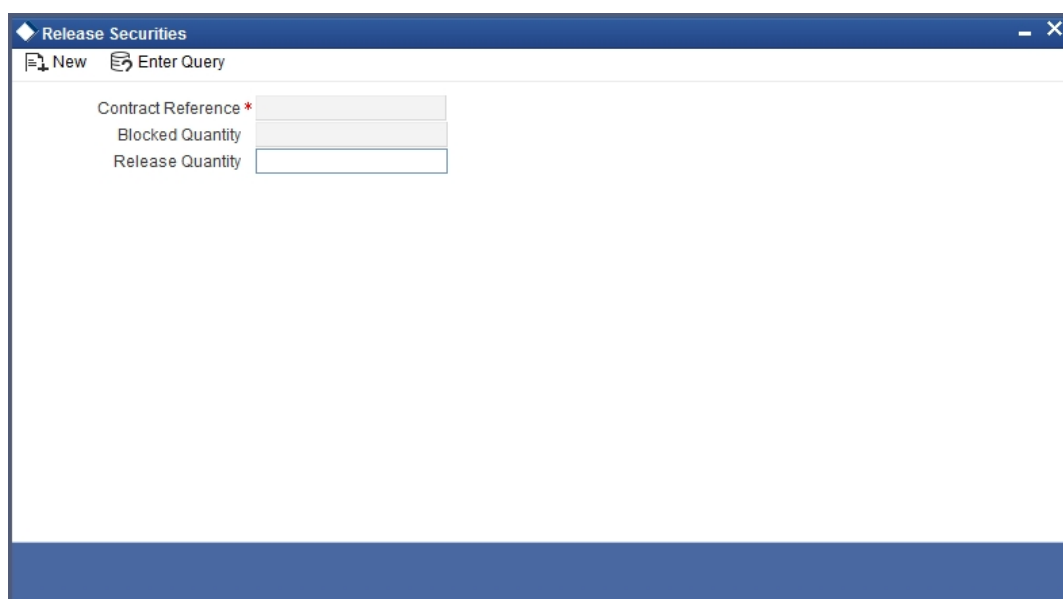
This is the date, on which the blocked securities will be released and will be available for further trading or transfer.

On entering the product code, the System date will be defaulted as the Transaction and Block dates respectively. You cannot change these dates. However you can indicate the date on which the blocked securities can be re-traded in the market. Specifying the release date does this.

In addition, you can also indicate whether the entire quantity of securities is to be released, as of the release date or whether securities have to be released in parts.

If you allow partial release, then the quantity to be released partially can be indicated through the Release Securities screen. Highlight Processing and

Liquidate option in the Actions Menu or click liquidate icon from the toolbar. The Release Securities screen is displayed.



The screenshot shows a software window titled "Release Securities". At the top, there is a toolbar with two buttons: "New" and "Enter Query". Below the toolbar, there are three input fields arranged vertically. The first field is labeled "Contract Reference \*" and is currently empty. The second field is labeled "Blocked Quantity" and is also empty. The third field is labeled "Release Quantity" and is empty. The window has a standard Windows-style title bar with minimize, maximize, and close buttons.

Enter the quantity of securities to be partially released and click 'OK' button..

#### **Partial Release Allow**

You can indicate whether the entire quantity of securities is to be released as of the release date or only a part of the quantity has to be released for re-trading.

Check this box to indicate that only a part of the specified quantity is to be released as of the release date.

#### **Auto Release Allow**

If you specify that securities have to be auto liquidated then the system will automatically liquidate the specified quantity as of the release date. If auto liquidation is not specified, you have to manually liquidate the securities through the Release Securities screen.

#### **Portfolio**

Indicate the portfolio from which you are blocking securities. Click the adjoining option list and select the portfolio code from the picklist.

Once you specify the portfolio Id the counterparty details are defaulted in the adjacent fields.

#### **Description**

Here you can view the description of the Portfolio, which is automatically updated once the Portfolio Id is selected.

#### **SK Location and the SK Account**

You can indicate the code assigned to the SK location, where the securities have been lodged and the account to which they belong.

#### **Description**

Here you can view the description of SK Location based on the SK Location Id selected.

#### **Quantity**

If the manner in which the security is quoted is Units enter the number of units to be blocked. If the quotation method used is Nominal enter the amount of securities to be blocked.



**Counter Party**

Based on the Portfolio Id selected, the counterparty details will be automatically updated.

**Description**

Here you can view a brief description of the counter party based on the Portfolio Id selected.

**Block Reference and Block Type**

Securities can be blocked when they are used as collateral for other transactions processed in Oracle FLEXCUBE. You can track the securities that are blocked as collateral for Money Market Placements.

In the Blocked Securities Deal screen, the reference number of the MM placement for which securities are blocked is displayed. Securities blocked for other reasons will not bear any such details.

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## 26. Batch Processes

### 26.1 Introduction

The End of Cycle process constitutes a set of programs that mark the logical beginning or end of a cycle of events. You are required to execute many routine functions everyday as part of the End of Cycle process. These functions can be classified as:

- Beginning of Day (BOD) programs
- End of Day programs (EOD)

The various BOD and EOD functions that are processed by the system are documented in this chapter.

#### 26.1.1 Beginning of Day Processing

Before you start entering deals in the system, you must perform the Beginning of Day operations. The Beginning of Day operations that you must perform include daily processing of events for:

- Settlements (Money as well as Security settlements)
- Bonds
  - Coupon payment
  - Redemption (both series and quantity)
  - Maturities
  - Calls
  - End of Trading
- Equities
  - Dividend payment (both cash and stock)
  - Bonus
  - Rights (Tear-Off, Expiry)
  - Warrants (Detachment, Expiry)

#### 26.1.2 Processing Daily Events

The daily events processing program is run as a mandatory program at the beginning of each working day and can be run only once during the day. This program selects the events that have to be processed at BOD for all the branches.

As part of daily events the following will be selected and processed:

- All coupons, which have the next coupon, date within ex-days from today
- All confirmed calls, final maturities, series or quantity redemption activities, which are within, spot days from today
- Primary to secondary conversions for securities with primary date less than or equal to today
- Bonus/rights tear-off for securities for which the bonus tear-off date is less than or equal to today
- Warrants detachment for securities, for which the warrants detachment date is less than or equal to today
- Cash dividends for securities with dividend detachment date less than or equal to today

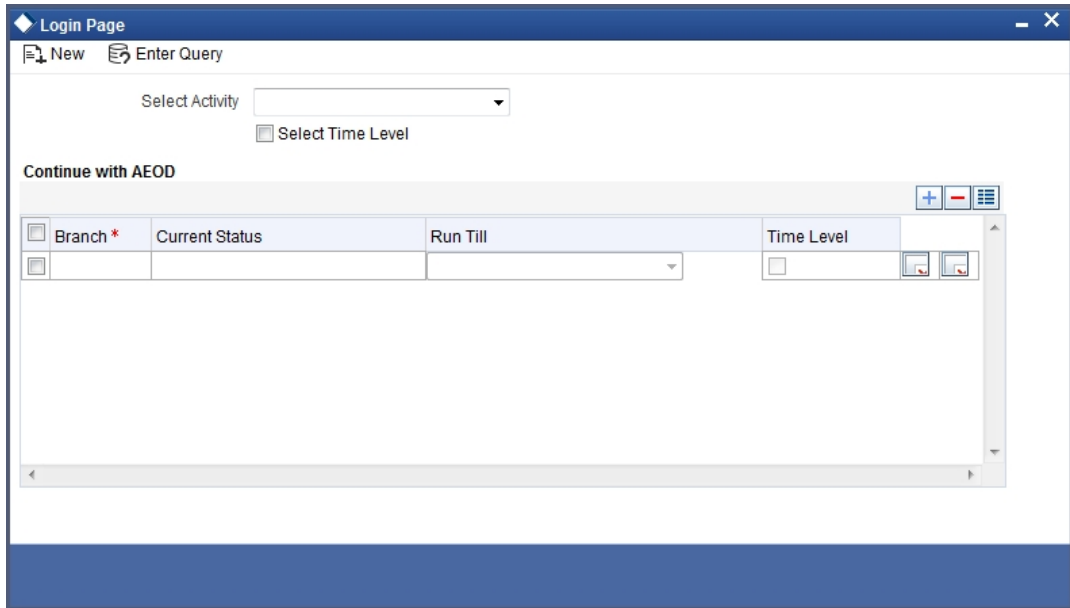
- End of trading is defined for securities, which are due for redemption or maturity

Deals, which were posted on the previous day with today's date as the settlement date, will also be processed and settled. For all such deals the contingent entries are reversed and the money settlement, asset and liability, profit and loss booking is done.

### 26.1.3 Invoking the Automatic Daily Program

To run the Batch process, invoke the 'End of Day Batch Process' screen.

You can invoke the 'End of Day Batch Process' screen by typing 'AEDEODST' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



The system picks up the batch in accordance with the mandatory batch programs maintenance. Click 'Ok' button to run the batch. To exit the screen without running the batch, click on the 'Exit' button.

Once you have run the batch, the system will prompt you to verify the status of the activity from the monitor screen. The screen displays the details as shown.

## 26.2 Triggering Securities MSTL Batch

In case of authorized security deals, Oracle FLEXCUBE automatically initiates MSTL (money settlement of securities deal) during BOD operation. If MSTL event fails during BOD, you can manually process the event during the day using 'Securities MSTL Batch' screen.

For example, if the customer bank account does not have sufficient balance for settlement on the MSTL date and the bank account does not offer an overdraft facility, the MSTL event fails during BOD operations. In that case, the system will again attempt it during EOD operations. If sufficient balance is available in the account during EOD operations, the MSTL event will be triggered, thus debiting the settlement amount against the buy transaction.

If the account has sufficient balance during the day, you can manually process MSTL using 'Securities MSTL Batch' screen.

To invoke this screen, type 'SEDINTBT' in the field at the top right corner of the application toolbar and click the adjoining arrow button.

Based on one or more of the following criteria, you can search for the transactions within the current branch that failed during EOD or BOD operations.

#### **MSTL Date**

If you wish to filter the search results based on the MSTL date, specify the date here. The system will show all the transactions which are not processed till this date.

#### **Customer**

If you wish to filter the search results based on the customers, specify customer number whose details will be displayed. The system will show all the transactions of a respective customer for those MSTL that failed.

#### **Portfolio**

You can choose to search the deals of a particular portfolio. Specify the portfolio ID.

#### **Security ID**

You can choose to search the deals of a security code and process the code of MSTL based on this.

#### **Deal Reference**

You can choose to search the deals based on deal reference number and process the MSTL for a single deal.

Once you click 'Search' button, the system displays the list of deals that match the selection criteria. Click 'Process MSTL' button to manually process MSTL for the selected deals.

You can process the records based on the filter criteria. However you cannot process selective records.

## **26.3 EOD Processing for Unrealized Revaluation**

Details of EOD processing for Unrealized Revaluation are explained below.

### **26.3.1 Unrealized Revaluation for Unsettled Buy and Sell Deals**

If the revaluation method for unrealized revaluation is set to 'MTM-EIM', the unrealized revaluation for the unsettled buy and sell deals will be done as of the revaluation date. The revaluation date is actually the Processing Date + Spot Days (this is arrived on the basis of the market for revaluation defined in the Security Online screen).

Revaluation profit/loss is found out per unit of security and scaled up to find out the profit/loss for the deal quantity.

The coupon cash flows and the forward price between the revaluation date and the deal settlement date is discounted to the revaluation date. The YTM with effective date of the deal settlement date is used to compute the net present value. The interest accrued for the period between the coupon date or the security start date and the revaluation date is excluded from the NPV obtained and the clean price is obtained.

The NPV is computed on the basis of the following formula:

**Case 1 – Revaluation Date <= Deal Settlement Date**

$$NPV = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\nabla d}{P}\right)}} \right] + \left[ \frac{P_0}{(1 + \%y_0)^{\left(\frac{\nabla d_n}{P}\right)}} \right] - AI$$

Where,

<b>NPV</b>	Net Present Value of the deal
<b>N</b>	Total number of Coupon cash flows between the deal settlement date and the revaluation date.
<b>C<sub>i</sub></b>	i <sup>th</sup> coupon
<b>y<sub>0</sub></b>	Periodic Deal YTM
<b>∇d</b>	Coupon Date – Revaluation Date
<b>p</b>	Reinvestment Period
<b>P<sub>0</sub></b>	Forward Flat Purchase Price
<b>∇d<sub>n</sub></b>	Deal Settlement Date – Revaluation Date
<b>AI</b>	Accrued Interest as of the revaluation date

**Case 2 – Revaluation Date > Deal Settlement Date**

$$NPV = \left[ \frac{P_0}{(1 + \%y_0)^{\left(\frac{\nabla d_n}{P}\right)}} \right] - \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\nabla d}{P}\right)}} \right] - AI$$

Where,

<b>NPV</b>	Net Present Value of the deal
<b>N</b>	Total number of Coupon cash flows between the deal settlement date and the revaluation date. If the deal is an EX deal, then the first coupon cash flow from the settlement will not be included i.e.) C <sub>1</sub> = 0
<b>C<sub>i</sub></b>	i <sup>th</sup> coupon
<b>y<sub>0</sub></b>	Periodic Deal YTM
<b>∇d</b>	Coupon Date – Revaluation Date
<b>P</b>	Reinvestment Period

<b>P<sub>0</sub></b>	Forward Flat Purchase Price
<b>∇d<sub>n</sub></b>	Deal Settlement Date – Revaluation Date
<b>AI</b>	Accrued Interest as of the revaluation date

The Periodic Deal YTM is computed from the annual deal YTM based on the annualizing method specified at the security definition.

While capturing the details of the security if you have selected Simple as the annualizing method the following formula will be used to compute the periodic YTM for the deal.

$$y_0 = \left[ Y_0 \left( \frac{P}{A} \right) \right]$$

If you select Compound as the annualizing method, the annual YTM for the deal is computed using the following formula.

$$y_0 = \left[ (1 + Y_0)^{\frac{P}{A}} - 1 \right]$$

Where

<b>y<sub>0</sub></b>	Periodic Deal YTM
<b>Y<sub>0</sub></b>	Annual Deal YTM
<b>P</b>	Reinvestment Period
<b>A</b>	Day count Denominator Method, as specified in the Security Definition screen.

The computed NPV is marked against the market price and revaluation profit /revaluation loss is booked. The revaluation profit /loss is computed using the following formula:

**Unsettled Buys**

If you have selected Units as the Quantity Quotation Method, the formula used to compute the Revaluation profit /loss is:

$$R_n = (MP_n * N) - NPV_n$$

If you have selected Nominal as the Quantity Quotation Method the below formula will be used to compute the Revaluation profit / loss.

$$R_n = (MP_n * \frac{N}{FV}) - NPV_n$$

Where

<b>R<sub>n</sub></b>	Revaluation Profit or Loss on the revaluation date.
<b>MP<sub>n</sub></b>	Market Price(Clean) on the revaluation date.
<b>N</b>	Deal Quantity.
<b>NPV<sub>n</sub></b>	Net Present Value of the deal on the revaluation date.
<b>FV</b>	Face Value of the security.

### Unsettled Sells

If the Quantity Quotation Method is Units the below formula will be used to compute the Revaluation profit /loss.

$$R_n = NPV_n - (MP_n * N)$$

When the Quantity Quotation Method is Nominal the formula used for computing the Revaluation profit /loss is:

$$R_n = NPV_n - (MP_n * \frac{N}{FV})$$

Where,

<b>R<sub>n</sub></b>	Revaluation Profit or Loss on the revaluation date
<b>MP<sub>n</sub></b>	Market Price(Clean) on the revaluation date
<b>N</b>	Deal Quantity
<b>NPV<sub>n</sub></b>	Net Present Value of the deal on the revaluation date

### 26.3.2 Unrealized Revaluation for Settled Deals

If the revaluation method for Unrealized revaluation is set to 'MTM-EIM', the unrealized revaluation for settled deals will be done as of the revaluation date.

All the coupon cash flows between the revaluation date and redemption date along with the redemption price is discounted to the revaluation date. The YTM, which is effective as of the revaluation date for the deal, is used to discount the cash flows as of revaluation date. The Net Present Value (NPV) is arrived by excluding the accrued interest as of the revaluation date from the sum of the discounted cash flows.

The NPV is computed on the basis of the following formula:



**Case 1 – EX Deal and Revaluation Date in the same coupon period of settlement date**

$$NPV = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\nabla d}{P}\right)}} \right] + \left[ \frac{RP}{(1 + \%y_0)^{\left(\frac{\nabla d_n}{P}\right)}} \right] + RIA$$

Where,

<b>NPV</b>	Net Present Value of the deal
<b>N</b>	Total number of Coupons between the revaluation date and the Redemption date excluding the first cash flow from the deal settlement date.i.e. $C_1 = 0$
<b>C<sub>i</sub></b>	$i^{\text{th}}$ coupon
<b>y<sub>0</sub></b>	Periodic Deal YTM
<b>∇d</b>	Coupon Date – Revaluation Date
<b>P</b>	Reinvestment Period
<b>RP</b>	Redemption Price
<b>∇d<sub>n</sub></b>	Redemption Date – Revaluation Date
<b>RIA</b>	Pending Interest amount Received in advance as of the Revaluation Date.

**Case 2 – CUM Deal or Revaluation date and settlement date are in different coupon periods**

$$NPV = \left[ \sum_{i=1}^N \frac{C_i}{(1 + \%y_0)^{\left(\frac{\nabla d}{P}\right)}} \right] + \left[ \frac{RP}{(1 + \%y_0)^{\left(\frac{\nabla d_n}{P}\right)}} \right] - AI$$

Where,

<b>NPV</b>	Net Present Value of the deal
<b>N</b>	Total number of Coupons between the revaluation date and the Redemption date excluding the first cash flow from the deal settlement date.
<b>C<sub>i</sub></b>	$i^{\text{th}}$ coupon
<b>y<sub>0</sub></b>	Periodic Deal YTM
<b>∇d</b>	Coupon Date – Revaluation Date

<b>P</b>	Reinvestment Period
<b>RP</b>	Redemption Price
$\nabla d_n$	Redemption Date – Revaluation Date
<b>AI</b>	Accrued Interest as of the revaluation date

The Periodic Deal YTM is computed from the annual deal YTM based on the annualizing method specified in the security definition screen.

If the annualizing method selected is Simple, the formula used for computing the periodic YTM for the deal is:

$$y_0 = \left[ Y_0 \left( \frac{P}{A} \right) \right]$$

If you select Compound as the annualizing method the formula used for computing the annual YTM for the deal will be:

$$y_0 = \left[ (1 + Y_0)^{\frac{P}{A}} - 1 \right]$$

Where,

<b>y<sub>0</sub></b>	Periodic Deal YTM
<b>Y<sub>0</sub></b>	Annual Deal YTM
<b>P</b>	Reinvestment Period
<b>A</b>	Day count Denominator Method specified at the security definition

The computed NPV is marked against the market price and the revaluation profit /revaluation loss is also booked. The revaluation profit /loss is computed using the formula mentioned below.

#### Settled Deals

If Quantity Quotation Method is 'Units' the formula used for computing the Revaluation profit / loss is:

$$R_n = (MP_n * N) - NPV_n$$

If Quantity Quotation Method is 'Nominal' the formula used to compute the Revaluation profit / loss is:

$$R_n = (MP_n * \frac{N}{FV}) - NPV_n$$

Where

<b>R<sub>n</sub></b>	Revaluation Profit or Loss on the revaluation date
<b>MP<sub>n</sub></b>	Market Price(Clean) on the revaluation date
<b>N</b>	Deal Quantity
<b>NPV<sub>n</sub></b>	Net Present Value of the deal on the revaluation date
<b>FV</b>	Face Value of the security

The following examples illustrates the computation of revaluation profit / loss using the formula mentioned above.

### 26.3.3 Illustrations

The following set of parameters will be considered in the examples given below:

<b>Security Code</b>	<b>XXXX-BOND-01</b>
Face Value	USD 100
Quantity Quotation Method	Unit
Redemption Date	01-July-2003
Redemption Price	USD 105
Numerator Day count method	Actual
Denominator Day count method	365 Days
Annualizing Method	Simple
Coupon Rate	5%
Coupon frequency	Monthly
Reinvestment period	183 Days

The coupon cash flows for a single bond are:

<b>Coupon Event Date</b>	<b>Coupon</b>
01-Jan-2003	USD 0.42
01-Feb-2003	USD 0.42

01-Mar-2003	USD 0.38
01-Apr-2003	USD 0.42
01-May-2003	USD 0.41
01-Jun-2003	USD 0.42
01-Jul-2003	USD 0.41

### 26.3.3.1 Unsettled EX Buy Deal - Revaluation date prior to Deal settlement Date

Deal Settlement Date	27-Feb-2003
Record Date	25-Feb-2003
Revaluation Date	15-Jan-2003
Deal Quantity	100
Deal Price	USD 99.95
Annual YTM	21.351%
Periodic YTM	21.351%
Accrued Interest as of Revaluation date from previous coupon date (01-Jan-2003 to 15-Jan-2003)	USD 19.18
Market Price as of Revaluation Date	USD 102

During revaluation of unsettled forward deals all the coupons between the revaluation date and the deal settlement date are discounted to the revaluation date.

So the effective coupon cash flow that are considered during revaluation for the deal will be:

Coupon Event Date	Coupon
01-Feb-2003	USD 42.47

The computation of net present value for the deal is done in the following manner:

Date	C <sub>i</sub>	∇d	1+ y <sub>0</sub>	∇d/P	(1+ y <sub>0</sub> ) <sup>∇d/P</sup>	Disc. C <sub>i</sub>
01-Feb-03	42.47	17	1.21351	0.046575	1.009054	42.09
27-Feb-03	9995	43	1.21351	0.117808	1.023060	9769.71
						9811.80

The accrued interest as of the revaluation date is excluded from the NPV computed and the Flat NPV as of revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} - \text{AI} = 9811.80 - 19.18 = 9792.62$$

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price. Using the formula mentioned above the Revaluation Profit / Loss =  $(102 * 100) - 9792.62 = 407.38$ .

Revaluation Profit = USD 407.38.

### 26.3.3.2 Unsettled CUM Sell Deal – Revaluation Date after Deal Settlement Date

<b>Deal Settlement Date</b>	<b>15-Jan-2003</b>
Record Date	25-Jan-2003
Revaluation Date	20-Mar-2003
Deal Quantity	100
Deal Price	USD 100.25
Annual YTM	15.54504%
Periodic YTM	15.54504%

Accrued Interest as of Revaluation date from previous coupon date (01-Mar-2003 to 20-Mar-2003) – USD 26.03.

Market Price as of Revaluation Date – USD 102

During revaluation of past unsettled cum deals all the coupons between the deal settlement date and the revaluation date are discounted to the revaluation date. Therefore, the effective coupon cash flow that are considered during revaluation for the deal will be

Coupon Event Date	Coupon
01-Feb-2003	USD 42.47
01-Mar-2003	USD 38.36

The computation of net present value for the deal is as illustrated below:

Date	C <sub>i</sub>	∇d	1+ y <sub>0</sub>	∇d/P	(1+ y <sub>0</sub> ) <sup>∇d/P</sup>	Disc. C <sub>i</sub>
01-Feb-03	-42.47	-47	1.15545	-0.128767	0.981566	-43.26
01-Mar-03	-38.36	-19	1.15545	-0.052055	0.992507	-38.65
15-Jan-03	10025	-64	1.15545	-0.175342	0.974983	10282.23
						10200.32

The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of revaluation date is derived.

Flat NPV = NPV – AI = 10200.32 – 26.03 = 10174.29

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

Revaluation Profit /Loss = 10174.29 - (102 \* 100) = - 25.71

Revaluation Loss = USD 25.71

### 26.3.3.3 Unsettled EX Sell Deal – Revaluation Date after Deal Settlement Date

Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	20-Mar-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Accrued Interest as of Revaluation date from previous coupon date (01-Mar-2003 to 20-Mar-2003)	USD 26.03
Market Price as of Revaluation Date	USD 102

During revaluation of past unsettled cum deals all the coupons between the deal settlement date and the revaluation date (first coupon from settlement date are ignored while constructing the cash flows) are discounted to the revaluation date.

Therefore, the effective coupon cash flow, considered during revaluation for the deal are:

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36

The computation of the net present value for the deal is done as shown in the table below:

Date	C <sub>i</sub>	∇d	1+ y <sub>0</sub>	∇d/P	(1+ y <sub>0</sub> ) <sup>∇d/P</sup>	Disc. C <sub>i</sub>
01-Mar-03	-38.36	-19	1.19729	-0.052055	0.990671	-38.72
27-Jan-03	9930	-52	1.19729	-0.142466	0.974673	10188.03
						10149.31

The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of the revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} - \text{AI} = 10149.31 - 26.03 = 10123.29$$

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

$$\text{Revaluation Profit / Loss} = 10123.29 - (102 * 100) = 76.71$$

$$\text{Revaluation Loss} = \text{USD} - 76.71$$

### 26.3.3.4 Settled CUM Deal – Revaluation Date in the same Coupon Period as of the Settlement Date

Deal Settlement Date	15-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	26-Jan-2003
Deal Quantity	100
Deal Price	USD 100.25
Annual YTM	15.54504%
Periodic YTM	15.54504%
Accrued Interest as of Revaluation date from previous coupon date (01-Jan-2003 to 26-Jan-2003)	USD 34.25
Market Price as of Revaluation Date	USD 102

During revaluation of settled cum deals all the coupons between the revaluation date and the redemption date are discounted to the revaluation date.

Therefore, the effective coupon cash flow considered during revaluation for the deal is:

Coupon Event Date	Coupon
01-Feb-2003	USD 42.47
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of net present value for the deal is done as shown in the table below:

Date	$C_i$	$\nabla d$	$1+ y_0$	$\nabla d/P$	$(1+ y_0)^{\nabla d/P}$	Disc. $C_i$
01-Feb-03	42.47	6	1.15545	0.016438	1.002378	42.37
01-Mar-03	38.36	34	1.15545	0.093151	1.013550	37.84
01-Apr-03	42.47	65	1.15545	0.178082	1.026065	41.39
01-May-03	41.10	95	1.15545	0.260274	1.038323	39.58
01-Jun-03	42.47	126	1.15545	0.688525	1.051144	40.40
01-Jul-03	41.10	156	1.15545	0.852459	1.063701	38.63
01-Jul-03	10500	156	1.15545	0.852459	1.063701	9871.19
						10111.40

The accrued interest as of the revaluation date is excluded from the NPV computed and Flat NPV as of revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} - \text{AI} = 10111.40 - 34.25 = 10077.15$$

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

$$\text{Revaluation Profit / Loss} = (102 * 100) - 10077.15 = 122.85$$

$$\text{Revaluation Profit} = \text{USD } 122.85$$

### 26.3.3.5 Settled EX Deal – Revaluation Date and Settlement Date are in Different Periods

Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	10-Feb-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Accrued Interest as of Revaluation date from previous coupon date (01-Feb-2003 to 10-Feb-2003)	USD 12.33
Market Price as of Revaluation Date	USD 102

During revaluation of settled ex deals (revaluation date and settlement date are from different coupon periods) all the coupons between the revaluation date and the redemption date are discounted to the revaluation date. Therefore, the effective coupon cash flow that considered during revaluation for the deal is as follows:

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47
01-Jul-2003	USD 41.10

The computation of the NPV for the deal is done as shown in the table below:

Date	C <sub>i</sub>	∇d	1+ y <sub>0</sub>	∇d/P	(1+ y <sub>0</sub> ) <sup>∇d/P</sup>	Disc. C <sub>i</sub>
01-Mar-03	38.36	19	1.19729	0.052055	1.009417	38.00
01-Apr-03	42.47	50	1.19729	0.136986	1.024973	41.43
01-May-03	41.10	80	1.19729	0.219178	1.040255	39.51



01-Jun-03	42.47	111	1.19729	0.304110	1.056286	40.20
01-Jul-03	41.10	141	1.19729	0.386301	1.072036	38.33
01-Jul-03	10500	141	1.19729	0.386301	1.072036	9794.45
						9991.92

The accrued interest as of the revaluation date is excluded from the NPV computed and the Flat NPV as of revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} - \text{AI} = 9991.92 - 12.33 = 9979.59$$

Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above

$$\text{Revaluation Profit / Loss} = (102 * 100) - 9979.59 = 224.41$$

$$\text{Revaluation Profit} = \text{USD } 220.41$$

### 26.3.3.6 Settled EX Deal – Revaluation date and settlement date in the same period

Deal Settlement Date	27-Jan-2003
Record Date	25-Jan-2003
Revaluation Date	29-Jan-2003
Deal Quantity	100
Deal Price	USD 99.30
Annual YTM	19.72949%
Periodic YTM	19.72949%
Pending Interest Received in Advance as of Revaluation Date (29-Jan-2003 to 01-Feb-2003)	USD 4.11
Market Price as of Revaluation Date	USD 102

During revaluation of settled ex deals (revaluation date and settlement date are in the same coupon periods) all the coupons between the revaluation date and the redemption date are discounted to the revaluation date excluding the first coupon cash flow from the settlement date.

Therefore, the effective coupon cash flow that considered during revaluation for the deal will be as follows:

Coupon Event Date	Coupon
01-Mar-2003	USD 38.36
01-Apr-2003	USD 42.47
01-May-2003	USD 41.10
01-Jun-2003	USD 42.47

01-Jul-2003	USD 41.10
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The computation of net present value for the deal is done as shown in the table below:

Date	C <sub>i</sub>	∇d	1+ y <sub>0</sub>	∇d/P	(1+ y <sub>0</sub> ) <sup>^(∇d/P)</sup>	Disc. C <sub>i</sub>
01-Mar-03	38.36	31	1.19729	0.084932	1.015411	37.77
01-Apr-03	42.47	62	1.19729	0.169863	1.031059	41.19
01-May-03	41.10	92	1.19729	0.252055	1.046432	39.27
01-Jun-03	42.47	123	1.19729	0.336986	1.062558	39.97
01-Jul-03	41.10	153	1.19729	0.419178	1.078401	38.11
01-Jul-03	10500	153	1.19729	0.419178	1.078401	9736.64
						9932.95

The pending interest amount received in advance as of the revaluation date is included to the NPV computed and Flat NPV as of revaluation date is derived.

$$\text{Flat NPV} = \text{NPV} + \text{RIA} = 9932.95 + 4.11 = 9937.06$$

The Revaluation profit or loss is computed by marking the flat NPV obtained against the flat market price using the formula mentioned above.

$$\text{Revaluation Profit /Loss} = (102 * 100) - 9937.06 = 262.94$$

$$\text{Revaluation Profit} = \text{USD } 262.94$$

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## 27. Customer Correspondence

### 27.1 Introduction

This chapter explains the advices generated at each stage for the Securities module.

Once the event is authorized you can generate various types of advices. You can specify the media through which these advices can be sent. The options available are:

- Mail
- SWIFT

The advices generated in the Securities module can be classified as:

- Deal related advices
- Corporate Action related advices
- Statement related advices

To generate an advice, go to the Outgoing Messages Browser screen of the Messaging module. Select the advice you want to generate and click on Generate.

The format and contents of the mail advices can be configured for your requirements. However, the default advice formats are available when Oracle FLEXCUBE is shipped to you. For all the advices discussed in this chapter the samples are provided below.

#### 27.1.1 Deal Related Advices

Deal related advices are generated to intimate the customer of the following:

##### **Trade confirmation**

When you receive affirmatim of a trade confirmation, you can generate and send a trade confirmation affirmatim message to your customer.

##### **Market side securities trade confirmation**

At the securities deal level you can specify whether a trade confirmation message for the trade counterparty is required or not. If you indicate that the trade confirmation message is required, then it will be generated for all securities deals where your bank is one of the trade parties (either as the principal or on behalf of one of your customers).

##### **Receive free**

When you input a securities deal, where either your bank your custody customer is the trade counterparty and the receipt of securities is free of payment, a receive free message is generated.

You can also send this message when your bank has been instructed to receive a specified amount of securities from a specified party (free of payment) on behalf of your customer.

##### **Receive against payment**

When you input a securities deal where either your bank or your custody customer is the trade counterparty. The receipt of securities is done against payment of funds and a receive price message is generated.

You can send this message to your customer when your bank has been instructed to receive a specified amount of securities from a specified party (against payment of funds), on behalf of your customer.

**Deliver free**

When you input a securities deal, where either your bank or the custody customer of your bank is the trade counterparty and the delivery of specified securities is done free of payment. A delivery free message is generated.

You can also send this message when your bank has been instructed to deliver a specified amount of securities to a specified party (free of payment) on behalf of your customer.

**Deliver against payment**

When you input a securities deal where either your bank or your custody customer is the trade counterparty and the delivery of specified securities is done against payment of funds. A delivery against payment message is generated.

You can also send this message when your bank has been instructed to deliver a specified amount of securities to a specified party (against payment of funds) on behalf of your customer.

**Confirmation of receipt free**

The SK location sends you a receipt, for having received a specified quantity of securities to a specified party, without any payment.

You can generate and send a confirmation of receipt free message after the delivery of securities is confirmed, for a securities deal involving the custody customer.

**Confirmation of receipt against payment**

The SK location sends you a receipt for having received a specified quantity of securities sent to a specified party against payment of a specific amount.

You can generate and send a confirmation of receipt against payment, after the delivery of securities confirmed for a securities deal involving the custody customer.

**Confirmation of free delivery**

You can send this advice to a custody customer to confirm the delivery of a specified quantity of securities (physically or by book entry) without any payment to a specified party.

**Confirmation of delivery against payment**

Your custody customer may instruct you to deliver a specified quantity of securities against payment, to a specified party. You can generate this advice confirming the delivery of securities against payment.

**Advice of Cancellation**

In Oracle FLEXCUBE, when you buy or sell securities either for yourself or on behalf of a customer, an appropriate SWIFT message is generated. The SWIFT message that is generated depends on the type of deal processed.

When a buy or sell securities deal is cancelled, an MT 592 can be generated to the same party to whom the earlier SWIFT message was sent. The MT 592 will contain the following details:

- The Reference Number (of the reversed deal)
- The date on which the deal was transacted
- The original message type and
- The text of the original SWIFT message

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**Note**

An MT 592 will be generated when a deal is reversed only if you have associated the advice tag REVSWIFT to the reversal event.

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## **27.1.2 Corporate action related advices**

Corporate Action related advices are generated to intimate the customer of the following:

### **Notice of rights**

You can send a notice of the rights event, whenever you maintain and confirm a Rights event involving a security.

### **Notice of event**

You can generate an advice to notify a custody customer, when you maintain details of a new corporate event, affecting a security. This advice can be sent before confirmation of the event.

### **Advice of money income**

You can generate this advice to notify a custody customer, when the coupon amount, the security redemption amount or any other money amount is disbursed.

### **Advice of income in the form of securities**

You can generate this advice to inform your custody customers, about the income generated from additional securities, in the customer portfolio. Additional securities may be derived from securities held in custody, securities being traded in, securities that have been traded in or securities in which trading is yet to take place.

In the Securities module of Oracle FLEXCUBE, this advice is generated when the Rights event record is processed for each customer portfolio and when the Rights securities have been lodged, for each portfolio.

### **Advice of redemption**

After redemption of a security has been completed and the money has been settled and credited, as per the instructions of the customer portfolio, you can generate this advice.

You can also generate this advice to send the custody customer, details of a forthcoming redemption.

## **27.1.3 Statement related advices**

Statement related advices are generated to intimate the customer of the following:

### **Request for statements**

You can generate a statement of holdings, in a particular portfolio either for yourself or on behalf of your custody customer.

### **Statement of holdings**

For a specific period you can generate this advice to notify the customer about the quantity and identification of securities, for each of the customer portfolios.

### **Statement of transactions**

To inform your customers about the increase or decrease of holdings in the customer portfolio for a specific period, you can generate the statement of transactions. The advice can be generated for all or selected securities in all or selected SK location accounts.

### Statement of pending transactions

You can inform the customer about the pending transaction in the Customer portfolio for a specific period. The advice can be generated for all or selected securities in all or selected SK location, accounts.

## 27.2 Sample of all the Advices

A sample of all advices is given below.

### 27.2.1 Securities Trade Confirmation Affirmation Message

GS-12684 03-APR-1998,  
Goldman Sachs, Amsterdam.  
# 602, South End Towers,  
JFK Avenue,  
New York,  
U.S.A.  
ZIP-897-643-260

Subject: Securities Trade Confirmation Affirmation.

Kind Attention: Ms. Andy Ryan,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby affirm the Securities Deal confirmation sent by you, with details as listed below:

Our Reference	000SSPT980070021
Confirmation Preparation Date & Time	02-APR-1998 10:30:20 HRS
Financial Instrument Attributes	
Identification of Financial Instrument	ISIN DE0007236002 Siemens AG 7.5 PCT Bonds
Financial Instrument Currency	DEM
Method of Interest Computation	Actual/Actual
Next Coupon Date	01-JUL-1998
Maturity Date	01-JAN-2001
Current Interest Rate	7.5 Percent Per Annum
Next Coupon Number	05

Financial Instrument Narrative	Siemens Semi Annual Interest Bearing Five Year Bonds
Confirmation Details	
Trade Date	01-MAR-1998
Place of Trade	New York Stock Exchange
Settlement Date	05-APR-1998
Deal Price	102.5 PCT
Number of Days Accrued	59
Settlement Amount	1,032,750.00 DEM
Quantity of Financial Instrument Confirmed	1,000,000.00 Face Amount
Trade Priority Indicator	Normal
Trade Transaction Type	Cum Coupon
Payment Mode	Against Payment
Trade Settlement conditions	Unexposed Delivery
	Partial Settlement of Securities is not allowed
Confirmation Parties	
Buyer	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,
	New York,
	U.S.A.
Seller	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Step-in Broker	
Name	Brown Brothers Harriman
Address	Sheraton House,

	Jefferson Avenue,
	New York,
	USA.
Settlement Parties	
Buyer (Receiver)	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,
	New York,
	U.S.A.
Safekeeping Account	4820-2180
Cash Account	728412
Seller (Deliverer)	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Safekeeping Account	90568-32
Cash Account	386098-24
Receiver's Custodian	
Name	Dresdner Bank AG, Frankfurt.
Address	DRESDEFF
Deliverer's Custodian	
Name	Deutsche Bank AB, Frankfurt
Address	DEUTDEFF

Other Information:



In case of any discrepancies, please revert back to us immediately.

Please always quote Our Reference in all further correspondence with respect to above securities market-side trade confirmation affirmation.

Thanking you,

For Goldman Sachs. & Company,

New York,

USA.

## **27.2.2 Securities Market-Side Trade Confirmation**

PHP-250802,

02-APR-1998

Pierson, Heldring en Pierson,

New York

# 45/28, Hanover House,

Coopers Avenue,

Amsterdam,

Holland.

ZIP 5907-2502.

Subject: Securities Trade Confirmation

Kind Attention: Mr. William Richards,

Securities Trade Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm the Securities Deal Transaction that we have entered into with yourselves, with details as listed below:

Our Reference	000SSPT980070021
Confirmation Preparation Date & Time	02-APR-1998 10:30:20 HRS
Financial Instrument Attributes	
Identification of Financial Instrument	ISIN DE0007236002 Siemens AG 7.5 PCT Bonds
Financial Instrument Currency	DEM
Method of Interest Computation	Actual/Actual
Next Coupon Date	01-JUL-1998
Maturity Date	01-JAN-2001

Current Interest Rate	7.5 Percent Per Annum
Next Coupon Number	05
Financial Instrument Narrative	Siemens Semi Annual Interest Bearing Five Year Bonds
Confirmation Details	
Trade Date	01-MAR-1998
Place of Trade	New York Stock Exchange
Settlement Date	05-APR-1998
Deal Price	102.5 PCT
Number of Days Accrued	59
Settlement Amount	1,032,750.00 DEM
Quantity of Financial Instrument Confirmed	1,000,000.00 Face Amount
Trade Priority Indicator	Normal
Trade Transaction Type	Cum Coupon
Payment Mode	Against Payment
Trade Settlement conditions	Unexposed Delivery
	Partial Settlement of Securities is not allowed
Confirmation Parties	
Buyer	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,
	New York,
	U.S.A.
Seller	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Step-in Broker	

Name	Brown Brothers Harriman
Address	Sheraton House,
	Jefferson Avenue,
	New York,
	USA.
Settlement Parties	
Buyer (Receiver)	
Name	Goldman, Sachs & Company
Address	# 602, South End Towers,
	JFK Avenue,
	New York,
	U.S.A.
Safekeeping Account	4820-2180
Cash Account	728412
Seller (Deliverer)	
Name	Pierson, Heldring en Pierson,
Address	# 45/28, Hanover House,
	Coopers Avenue,
	Amsterdam,
	Holland.
Safekeeping Account	90568-32
Cash Account	386098-24
Receiver's Custodian	
Name	Dresdner Bank AG, Frankfurt.
Address	DRESDEFF
Deliverer's Custodian	
Name	Deutsche Bank AB, Frankfurt
Address	DEUTDEFF

Other Information:

Please acknowledge the receipt of this Trade Confirmation Message and affirm the above trade confirmation. In case of any discrepancies, please revert back to us immediately.

Please always quote Our Reference in all further correspondence with respect to above securities market-side trade confirmation.

Thanking you,

For Goldman Sachs. & Company,

New York,

USA.

### **27.2.3 Securities Receive Free Instruction**

ANZ-70562,

07-Jan-1998,

ANZ Banking Group Ltd.,

New York, USA.

# 882, Meikel Towers,

9<sup>th</sup> Avenue, Park Street,

Melbourne,

Australia.

Sub: Our Instruction to Receive Securities Free of Payment.

Kind Attention: Mr. Gerry Smith,

Custodial Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to receive the securities free of payment as per our instructions shown below:

Our Reference	000SSPT980070021
Securities Identification	ISIN AUSBONDWAG02
	Western Australia Gold Mining Bonds
Trade Date	02-JAN-1998
Place of Trade	Sydney Stock Exchange
Delivery Date	12-JAN-1998
Next Coupon Due Date	31-JAN-1998
Securities Book Value	**1,500,000.00 AUD

Quantity of Securities	**1,500,000 Face Amount
Safekeeping Account (to be Deposited)	USSB7434 540
Securities Certificate Numbers	AE 10001 to AE 10015 – 15 x 100,000 AUD worth Bond Certificates
Deliverer of Securities	Elders Finance Group, Sydney
Securities Deliverer's Reference	RYZ843
Beneficiary of Securities	Fidelity Trust Limited, New York
Securities Registration Details	Securities received have to be registered in the name of the Fidelity Trust Limited, New York.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered should match with the numbers as shown above and the Certificates should be in a good condition.

Other Information:

Please confirm the receipt and registration of above securities to us by mail, at the earliest and revert to us if the Securities are not received in 2 weeks time, after the scheduled delivery date.

Please intimate us about your transaction charges if any, for the above instruction. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Salmon Brothers Inc.,

New York, USA.

#### **27.2.4 Securities Receive Against Payment Instruction**

CITI-5001,

15-Feb-1998,

Citibank N.A,

New York, USA.

# 58, Ivory Towers,

Victoria Avenue,

Toronto,

Canada.

ZIP 6789-908.

Sub: Our Instruction to Receive Securities Against Payment.

Kind Attention Mr. Richard Stevens,  
 Custodial Officer, Securities Department.

Dear Sir/Madam,

Please arrange to receive securities against payment as per our instructions shown below:

Our Reference	000SE01980380054
Securities Identification	ISIN CADBONDNWC01
	North Woods Canadian Minerals Ltd. Bonds
Trade Date	07-FEB-1998
Place of Trade	Toronto Stock Exchange
Delivery Date	20-FEB-1998
Next Coupon Due Date	30-JUN-1998
Securities Book Value	**5,000,000.00 CAD
Quantity of Securities	**5,000,000 Face Amount
Safekeeping Account (to be Deposited)	CAGS-BZ6782
Securities Certificate Numbers	NWB 52011 to NWB 52060 – 50 x 100,000 CAD worth Bond Certificates
Deliverer of Securities	Rosedale Brokers Group, Toronto
Securities Deliverer's Reference	56243
Beneficiary of Securities	Zerus Dynamic Fund Corporation
Securities Registration Details	Securities received have to be registered in the name of the Zerus Dynamic Fund Corporation.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered should match with the numbers as shown above and the Certificates should be in a good condition.
Account for Payment	643-982
Securities Deal Price	104 PCT – 104 Percent of Face Value
Securities Deal Amount	**5,200,000.00 CAD
Accrued Interest Amount	250,000.00 CAD
Accrued Interest Days	51 Days
Taxes Added	*85,000.00 CAD

Taxes Description	Stock Exchange Tax on Bonds Purchased.
Broker's Commission	*12,500.00 CAD
Other Charges/Fees	**2,500.00 CAD
Securities Deal Settlement Amount	**5,550,000.00 CAD

Other Information:

Please confirm the receipt and registration of above securities to us, by mail, at the earliest and revert to us if the Securities are not received in 2 weeks time, after the scheduled delivery date. Please intimate us about your transaction charges if any, for the above instruction.

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Goldman Sachs,

New York, USA.

## **27.2.5 Securities Deliver Free Instruction**

BNZ-15342,

04-JAN-1998,

Bank of New Zealand,

New York, USA.

# 92, Lotus Towers,

Pacific Avenue,

Wellington,

New Zealand.

Sub: Our Instruction to Deliver Securities Free of Payment.

Kind Attention Mr. Micheal Burgess,

Custody Services Officer,

Securities Department.

Dear Sir/Madam,

Please arrange to deliver the securities free of payment as per our instructions shown below:

Our Reference	000SEB7980040002
Securities Identification	ISIN NZDBONDWRP04
	Wellington Railway 1 Jan 1993 Bonds
Trade Date	02-JAN-1998

Place of Trade	Wellington Bonds Market
Delivery Date	08-JAN-1998
Next Coupon Number	021
Next Coupon Due Date	01-APR-1998
Securities Book Value	**1,000,000.00 NZD
Instructing Party	Charles S. Taylor
Quantity of Securities	**1,000,000.00 Face Amount
Safekeeping Account (Delivered from)	94763 88
Securities Certificate Numbers	NW 25401 to NW 25410 – 10 x 100,000 NZD worth Bond Certificates
Receiver of Securities	Westpac Banking Corporation, Wellington
Beneficiary of Securities	Magnus P. Taylor
Beneficiary's Safekeep- ing Account (with Receiver of Securi- ties)	284564
Securities Registration Details	Securities Delivered are to be registered in favour of Mag- nus P. Taylor
Securities Receipt Decla- ration Details	Bond Certificates with numbers as shown above are to be delivered physically to the Receiver of Securities.

Other Information:

Please confirm the delivery and registration of above securities to us, by mail, at the earliest and revert to us if the Securities have not been delivered in 1 weeks time, after the scheduled delivery date.

Please intimate us about your transaction charges if any, for the above instruction. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Merrill Lynch,

New York, USA.

## **27.2.6 Securities Deliver Against Payment Instruction**

HSB-85652,

25-MAR-1998,



Hang Seng Bank,  
# 765, Copper Arch,  
Charles Avenue,  
Hong Kong,  
ZIP 7890-542-02.

London, U.K.

Sub: Our Instruction to Deliver Securities Against Payment.

Kind Attention Ms. Cheng Wen Lee,  
Custody Services Officer,  
Securities Department.

Dear Sir/Madam,

Please arrange to deliver the securities against payment as per our instructions shown below:

Our Reference	000SES1980840007
Securities Identification	ISIN HK0043762191
	/HKD/1, SWIRE Properties Ordinary Registered.
Trade Date	20-MAR-1998
Place of Trade	Honk Kong Stock Market
Delivery Date	28-MAR-1998
Securities Book Value	500,000.00 HKD
Instructing Party	ABC Investments
Quantity of Securities	50,000 Shares
Safekeeping Account (Delivered from)	106789
Securities Certificate Numbers	SSE 120011 – SSE 120060 – 50 x 100 Share Certificates.
Receiver of Securities	W. I. Carr, Hong Kong
Beneficiary of Securities	Eastern Securities, Hong Kong
Beneficiary's Safekeep- ing Account (with Receiver of Securi- ties)	987056
Securities Registration Details	Securities delivered are to be registered in favour of Eastern Securities, Hong Kong.

Securities Receipt Declaration Details	Share Certificates with numbers as shown above are to be delivered physically to the Receiver of Securities.
Account for Payment	9056-3428
Securities Deal Price	12 HKD
Securities Deal Amount	600,000.00 HKD
Other Charges/Fees	650 HKD
Securities Settlement Amount	599,350.00 HKD

Other Information:

Please confirm the delivery and receipt of payment for above securities to us, by mail, at the earliest and revert to us if the Securities have not been delivered in 1 weeks time after the scheduled delivery date. Please intimate us about your transaction charges if any, for the above instruction.

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Merrill Lynch,

New York, USA.

## **27.2.7 Securities Receipt Free Confirmation**

SABR-4598,

Salomon Brothers Inc.,

# 45/2, Grand Strand,

Wall Street,

New York,

USA.

Sub: Confirmation of Securities Receipt, Free of Payment.

Kind Attention Mr. Paul Adams,

Settlements Officer,

Securities Department.

Dear Sir/Madam,

25-JAN-1998,

Melbourne

Australia.

We hereby confirm that as per your instructions, we have received the following securities free of payment as per the details shown below:

Our Reference	T7658
Your Reference	000SSPT980070021
Securities Identification	ISIN AUSBONDWAG02
	Western Australia Gold Mining Bonds
Trade Date	02-JAN-1998
Place of Trade	Sydney Stock Exchange
Delivery Date	15-JAN-1998
Next Coupon Due Date	31-JAN-1998
Securities Book Value	**1,500,000.00 AUD
Quantity of Securities	**1,500,000 Face Amount
Safekeeping Account (Deposited)	USSB7434 540
Securities Certificate Numbers	AE 10001 to AE 10015 15 x 100,000 AUD worth Bond Certificates
Deliverer of Securities	Elders Finance Group, Sydney
Securities Deliverer's Reference	RYZ843
Beneficiary of Securities	Fidelity Trust Limited, New York
Securities Registration Details	Securities received have been registered in the name of the Fidelity Trust Limited, New York.
Securities Receipt Declaration Details	Certificate Numbers of Bonds have been delivered and match with the numbers mentioned in your instruction and the Certificates are in a good condition.

Other Information:

Please always quote Our Reference in all further correspondence regarding the above confirmation.

Thanking you,

For ANZ Banking Corporation Ltd.,

Australia.

## 27.2.8 Securities Receipt Against Payment Confirmation

GS-12684,

Goldman Sachs,

# 602, South End Towers,

JFK Avenue,

New York,

U.S.A.

ZIP-897-643-260

22-FEB-1998,

Toronto, CANADA

Sub: Confirmation of Receipt of Securities Against Payment.

Kind Attention: Ms. Andy Ryan,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions to us, we have received the following securities against payment as per the details shown below:

Your Reference	16832
Our Reference	000SE01980380054
Securities Identification	ISIN CADBONDNWC01
	North Woods Canadian Minerals Ltd. Bonds
Trade Date	07-FEB-1998
Place of Trade	Toronto Stock Exchange
Delivery Date	22-FEB-1998
Next Coupon Due Date	30-JUN-1998
Securities Book Value	**5,000,000.00 CAD
Quantity of Securities	**5,000,000 Face Amount
Safekeeping Account (Deposited)	CAGS-BZ6782
Securities Certificate Numbers	NWB 52011 to NWB 52060 50 x 100,000 CAD worth Bond Certificates
Deliverer of Securities	Rosedale Brokers Group, Toronto

Securities Deliverer's Reference	56243
Beneficiary of Securities	Zerus Dynamic Fund Corporation
Securities Registration Details	Securities that have been received, are registered in the name of the Zerus Dynamic Fund Corporation.
Securities Receipt Declaration Details	Certificate Numbers of Bonds delivered match with the numbers as indicated in your Instruction and the Certificates are in a good condition.
Account for Payment	643-982
Securities Deal Price	104 PCT – 104 Percent of Face Value
Securities Deal Amount	**5,200,000.00 CAD
Accrued Interest Amount	250,000.00 CAD
Accrued Interest Days	51 Days
Taxes Added	*85,000.00 CAD
Taxes Description	Stock Exchange Tax on Bonds Purchased.
Broker's Commission	*12,500.00 CAD
Other Charges/Fees	**2,500.00 CAD
Securities Deal Settlement Amount	**5,550,000.00 CAD
Own Charges	500 CAD
Net Proceeds	**5,550,500.00 CAD
Value Date of Payment	22-FEB-1998

Other Information:

Our Charges for the above transaction carried out as per your earlier instruction is 500 CAD and has been debited to your payment account with us, value 22-FEB-98. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Citibank N.A.,

Toronto, Canada.

## **27.2.9 Securities Deliver Free Confirmation**

ML-450822,

10-JAN-1998,

Merrill Lynch,  
# 842/32, Barton Towers,  
Wall Street,  
New York,  
U.S.A.

Wellington,  
NEW ZEALAND.

Sub:Confirmation of Securities Delivered Free of Payment

Kind Attention:Mr. Hugh Stevens

Settlements Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions to us, we have delivered the following securities free of payment as per the details shown below:

Your Reference	432765
Our Reference	000SEB7980040002
Securities Identification	ISIN NZDBONDWRP04
	Wellington Railway 1 Jan 1993 Bonds
Trade Date	02-JAN-1998
Place of Trade	Wellington Bonds Market
Delivery Date	10-JAN-1998
Next Coupon Number	021
Next Coupon Due Date	01-APR-1998
Securities Book Value	**1,000,000.00 NZD
Instructing Party	Charles S. Taylor
Quantity of Securities	**1,000,000.00 Face Amount
Safekeeping Account (Delivered from)	94763 88
Securities Certificate Numbers	NW 25401 to NW 25410 10 x 100,000 NZD worth Bond Certificates
Receiver of Securities	Westpac Banking Corporation, Wellington

Beneficiary of Securities	Magnus P. Taylor
Beneficiary's Safekeeping Account (with Receiver of Securities)	284564
Securities Registration Details	Securities Delivered have been registered in favour of Magnus P. Taylor
Securities Receipt Declaration Details	Bond Certificates with numbers as per your instruction have been delivered physically to the Receiver of Securities.

Other Information:

Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Bank of New Zealand,

Wellington, NEW ZEALAND.

#### **27.2.10 Securities Delivery Against Payment Confirmation**

ML-450822,

28-MAR-1998,

Merrill Lynch,

Hong Kong

# 842/32, Barton Towers,

Wall Street,

New York,

U.S.A.

Sub: Confirmation of Securities Delivered Against Payment.

Kind Attention Mr. Hugh Stevens,

Treasury Officer,

Securities Department.

Dear Sir/Madam,

We hereby confirm that as per your instructions to us, we have delivered the following securities against of payment as per the details shown below:

Your Reference	689560-324
Our Reference	000SES1980840007

Securities Identification	ISIN HK0043762191
	/HKD/1, SWIRE Properties Ordinary Registered.
Trade Date	20-MAR-1998
Place of Trade	Honk Kong Stock Market
Delivery Date	28-MAR-1998
Securities Book Value	500,000.00 HKD
Instructing Party	ABC Investments
Quantity of Securities	50,000 Shares
Safekeeping Account (Delivered from)	106789
Securities Certificate Numbers	SSE 120011 – SSE 120060 50 x 100 Share Certificates.
Receiver of Securities	W. I. Carr, Hong Kong
Beneficiary of Securities	Eastern Securities, Hong Kong
Beneficiary's Safekeeping Account (with Receiver of Securities)	987056
Securities Registration Details	Securities delivered have been registered in favour of Eastern Securities, Hong Kong.
Securities Receipt Declaration Details	Share Certificates with numbers as indicated in your instruction to us, have been delivered physically to the Receiver of Securities.
Account for Payment	9056-3428
Securities Deal Price	12 HKD
Securities Deal Amount	600,000.00 HKD
Other Charges/Fees	650 HKD
Securities Settlement Amount	599,350.00 HKD
Our Charges	**1,250.00 HKD
Net Proceeds	600,600.00 HKD
Value Date of Payment	28-MAR-1998



Other Information:

Our charges for the above transaction is 1,250.00 HKD and has been debited to the payment account, value 28-MAR-1998. Please always quote Our Reference in all further correspondence regarding the above instruction.

Thanking you,

For Hang Seng Bank,

Hong Kong.

### **27.2.11 Securities Notice of Rights Message**

WARBURG-024

24-JAN-1998

Warburg Securities,

Sydney,

# 892, Traflagar Square,

Australia

Oxford Street,

London,

U.K.

ZIP- 6780-265

Sub: Notice of Rights declared.

Kind Attention Mr. William Smith,

Operations Head,

Securities Department.

Dear Sir/Madam,

Please be advised that Rights have been announced for the following Security with details as shown below:

Our Reference	000SE01980240004
Safekeeping Account	8745 762
Rights announced for Security	ISIN AU0000172510 Greater Perth Energy Generation Ltd.
Quantity of Security Eligible for Rights	8500 Shares
Right Expiry Date	20-FEB-1998
Rights Ex Date	01-FEB-1998
Your Response Deadline	18-FEB-1998, 1700 HRS GMT
Rights Exercise Payable Date	20-FEB-1998

Rights Record Date	19-FEB-1998
Identification of Rights	Greater Perth Energy Generation Ltd. Common Rights
Quantity of Rights Eligible	8500 Rights
Rights Subscription Ratio	1 Shares for every 5 Rights
Rights Subscription Price	40 AUD
Type of Rights	Saleable
Indicative Market Price for Rights	25 AUD
Pari Passu Date of Securities Exercised through Rights	15-MAR-1998

Other Information:

We are holding the above rights at your disposal and await your instructions. Please ensure that your instructions reach us before the response deadline as stated above.

Please quote Our Reference in all further correspondence relating to above Rights announcement.

Thanking You,

For National Australia Bank,

Sydney.

### **27.2.12 Securities Notice of Event Message**

Chemical Bank,  
# 890, Pearl Towers,  
Lotus Avenue,  
Tokyo,  
Japan.

25-MAR-98,  
New York

Sub: Notice of Securities Event

Kind Attention Mr. Nomura Shikara,  
Operations Head,  
Securities Department.

Dear Sir/Madam,

Please be advised and informed about the securities event with details as shown below:

Our Reference	000SE01980840021
Type of Event	Coupon Interest Rate Revision
Identification of Securities affected	ISIN USFRNICI0007 IC Industries Finance Corporation Guaranteed FRN 1996
Quantity of Securities	2,000,000.00 Face Amount
Event Narrative	Interest Rate for the Period 01-OCT-97 to 31-MAR-1998 has been fixed at 8 %. Coupon Number 4 to be paid on 01-APR-1998 will be USD 44.55

Other Information:

We shall confirm the final coupon amount as soon as we receive the same.

Please quote Our Reference in all further correspondence relating to above announcement.

Thanking You,

For Chemical Bank,

New York,

USA

### **27.2.13 Securities Advice of Money Income**

Chemical Bank,

05-APR-98,

# 890, Pearl Towers,

New York

Lotus Avenue,

Tokyo,

Japan.

Sub: Advice of Money Income from Securities -

Coupon Payment

Kind Attention Mr. Nomura Shikara,

Operations Head,

Securities Department.

Dear Sir/Madam,

Please be advised that the Coupon for Security with details as shown below has been paid:

Our Reference	000SE01980940021
---------------	------------------

Identification of Securities for which Coupon has been Paid	ISIN USFRNICI0007 IC Industries Finance Corporation Guaranteed FRN 1996
Securities Safekeeping Account	2938451
Quantity of Securities for which Coupon has been paid	2,000,000.00 Face Amount
Coupon Number Collected	004
Coupon Due Date	01-APR-1998
Coupon Interest Rate	8.00 Percent Per Coupon
Gross Amount	*89,100.00 USD
Our Charges	20.00 USD
Net Coupon Amount Proceeds	*89,080.00 USD
Value Date of Payment	01-APR-1998
Account Paid	218521

Other Information:

We have debited Our Income collection charges as indicated above. Please quote Our Reference in all further correspondence relating to above coupon payment.

Thanking You,

For Chemical Bank,

New York,

USA

#### **27.2.14 Securities Advice of Income in the Form of Securities**

Credit Commercial de France,

15-APR-1998,

# 24, Kiosk Arcade,

London.

Charles de Gualle Avenue,

Paris,

FRANCE.

ZIP-5690 456

Sub: Advice of Income in the Form of Securities - Bonus Issued.

Kind Attention Mr. Richard Gere,

Chief Dealer,

Securities Department

Dear Sir/Madam,

Please be advised about the Income in the form of Securities due to Bonus Securities issued with details as shown below:

Our Reference	000SE01981050024
Identification of Bonus Securities	Governor and Company, Ordinary Shares
Securities Safekeeping Account deposited	1792471
Quantity of Securities eligible for Bonus	4,000 Shares
Terms of Bonus	1 New Share for Every 2 Shares held
Bonus Record Date	12-APR-1998
Quantity of Bonus Securities Deposited	2000 Shares

Other Information:

Bonus Securities have been deposited in the Safekeeping account as indicated above. Please quote Our Reference in all future correspondence related to above Bonus Issue.

Thanking you,

For Royal Bank of Scotland,

London,

UK.

### **27.2.15 Securities Advice of Redemption**

Banque Paribas,

02-APR-1998

# 18, Band Strand,

London.

Pisa Avenue,

Paris,

France

ZIP 654-420-08

Subject: Advice of Securities Redemption.

Kind Attention Mr. Charles Dalton,

Settlements Officer,

Securities Department.

Dear Sir/Madam,

Please be advised of Securities Redemption with details as shown below:

Our Reference	000SES8981050320
Identification of Securities being redeemed	UK Treasury Bonds 7 ¾ Percent 1993/1998
Securities Safekeeping Account	BP-SK-45678-3890
Quantity of Securities being Redeemed	1,000,000.00 Face Amount
Redemption Due Date	01-APR-1998
Redemption Terms	At PAR, Normal Redemption
Redemption Amount	1,000,000.00 GBP
Our Charges for Redemption Transaction	250.00 GBP
Net Amount	999,750.00 GBP
Account for Payment	BP-CA-45678-2468
Value Date of Payment	01-APR-1998

Other Information:

We have credited your account with us as per the details shown above. Please quote Our Reference in all further correspondence in relation to the above redemption.

Thanking you,

For Midland Bank,

London,

UK.

### **27.2.16 Securities Request for Statement Message**

CC-298402,

Credit Commercial de Paris,

# 56A, Tuxedo Towers,

Governor Avenue,

Paris,

France.

05-APR-1998,

London.

ZIP-348-598-02

Subject: Request for Securities Statement.

Kind Attention Ms. Paula Felletti,

Custody Accounts Officer,

Securities Safekeeping Department.

Dear Sir/Madam,

We hereby request you to send us a Securities Statement as per the details shown below:

Our Reference	000SES8981050320
Securities Safekeeping Account for which Statement is being requested	40596832
Identification of Securities for which Statement is requested	ISIN FR0000771617 ELF AQUITAINE Shares
Securities Statement Type Requested	Statement of Transactions
Securities Statement Period Requested	01-JAN-1998 to 31-MAR-1998
Securities Statement Media	By Mail

Other Information:

Please inform us about transaction charges if any, for the above securities statement request.

Please quote Our Reference in all further correspondence in relation to the above message.

Thanking you,

For Royal Bank of Scotland,

London,

UK.

### **27.2.17 Securities Statement of Holdings**

PB-209870

02-APR-1998,

Prudential Bache Securities International,

Singapore

# 280, Symphony Towers,

Sunrise Avenue,

New York,

USA.

ZIP 4650-248-07.

Subject: Securities Statement of Holdings

Kind Attention Mr. Jonathan Smith,

Senior Treasury Officer,

Portfolio Management Services.

Dear Sir/Madam,

Please find attached herewith the Securities Statement of Holdings of your Safekeeping Account with us.

Our Reference	000SE0198061000 2
Safekeeping Account	35746-978
Securities Statement as of Date	02-APR-1998
Statement Preparation Date	02-APR-1998
Statement Reference Currency	USD
Securities Statement Number	24

Identification of Securities	Security Type	Market Price per Unit	Value in Security Currency	Exchange Rate	Value in Statement Reference Currency
ISIN SG0000682341 Plastic Fabrica- tion and Molding Corporation	Shares	67.25 SGD	403,500.00 SGD	1.75	706,125.00 USD
ISIN SG0000764341 Tribeca Device Assembler Cor- poration Limited	Shares	6.375 SGD	98,493.75 SGD	1.75	172364.06 USD
ISIN SG0000988721 Singapore Preci- sion Computing Inc.	Shares	22.50 SGD	225,000.00 SGD	1.75	393,750.00 USD
ISIN SG0000698791 Tawdry Textiles and Fashion Corporation Lim- ited.	Shares	10.25 SGD	12,300.00 SGD	1.75	21,525.00 USD



Total Value of Securities			739,293.75 SGD		1,293,764.06 USD
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Other Information:

Please revert back to us within 15 days from statement date, in case of any discrepancies in the above Securities Statement of Holdings. Please always quote Our Reference in all further correspondence with respect to above Securities Statement of Holdings.

Thanking you,

For DBS Bank Ltd.,

Singapore.

### **27.2.18 Securities Statement of Transactions**

RBC-98235

08-APR-1998,

Royal Bank of Scotland,

Paris

Nestor House,

Playhouse Yard

London,

UK

ZIP 2850-2465

Subject: Securities Statement of Transactions.

Kind Attention Mr. Raymond Sinclair,

Treasury Officer,

Securities Settlements Department.

Dear Sir/Madam,

Please find enclosed herewith the Securities Statement of Transactions for your safekeeping account with us.

<b>Our Reference</b>	000SEBN98			
<b>Safekeeping Account</b>	40596832			
<b>Statement Period Start</b>	01-JAN-1998			
<b>Statement Period End</b>	31-MAR-1998			
<b>Statement Preparation Date</b>	08-APR-1998			

<b>Identification of Securities</b>		ISIN FR0000771617 ELF AQUITAINE Shares				
<b>Security Currency</b>		FFR				
<b>Security Denomination</b>		Units				
<b>Posti ng Date</b>	<b>Securities Transaction Type</b>	<b>Securi ties Move ment</b>	<b>Your Reference</b>	<b>Our Reference</b>	<b>Quantity</b>	<b>Balance</b>
01- JAN- 1998	Opening Balance					20,000
02- JAN- 1998	Regular Buy	IN	43598T	000SE0198002 0021	2,000	22,000
07- JAN- 1998	Regular Sell	OUT	3475FL	000SE0198008 0007	3,000	19,000
15- JAN- 1998	Regular Sell	OUT	P94860	000SE0198015 0002	1,500	17,500
28- JAN- 1998	Regular Buy	IN	484820	000SE0198028 0024	5,000	22,500
05- FEB- 1998	Regular Buy	IN	B84759	000SE0498036 0032	3,570	26,070
24- FEB- 1998	Regular Buy	IN	TT94857	000SE0598055 0021	4,000	30,070
09- MAR- 1998	Regular Buy	IN	K93529	000SE0798068 0050	15,000	45,070
16- MAR- 1998	Regular Sell	OUT	180239	000SE0598075 0022	8,000	37,070
28- MAR- 1998	Regular Buy	IN	134811	000SE0898087 0009	7,500	44,570
31- MAR- 1998	Closing Bal- ance					44,570

Other Information:

Please revert back within 15 days of statement date in case of any discrepancies found in the above Securities Statement of Transactions. In the absence of any queries from your side, we shall assume that the above information shown is correct and is a true representation of transactions processed for the safekeeping account.

Please quote Our Reference in all further correspondence in relation to above Securities Statement of Transactions.

Thanking you,

For Credit Commercial de France,

Paris,

France

### **27.2.19 Securities Statement of Pending Transactions**

PB-209870

08-APR-1998,

Prudential Bache Securities International,

Singapore.

# 280, Symphony Towers,

Sunrise Avenue,

New York,

USA.

ZIP 4650-248-07.

Subject: Securities Statement of Pending Transactions.

Kind Attention: Mr. Jonathan Smith,

Senior Treasury Officer,

Portfolio Management Services.

Dear Sir/Madam,

In response to your request, please find attached herewith the Securities Statement of Pending Transactions of your Safekeeping Account with us.

<b>Our Reference</b>	<b>000SEBN980980 018</b>			
Safekeeping Account	35746-978			
Statement as of Date	31-MAR-1998			
Statement Preparation Date	08-APR-1998			

Identification of Securities	Reason for Pending Status	Your Reference Our Reference	Counterparty	Quantity of Securities	Settlement Date	Settlement Amount
ISIN SG0000768661 Poinsetta Start Shipping Ltd. Common Shares.	Settlement Date is in the Future.	74365000SE05980750001	Merill Lynch International Bank, Singapore.	5,000	15-MAY-1998	64,123.50 SGD
ISIN SG0000572321 Singapore International Trading Corporation Shares.	Instructions does not match Counterparty's Instructions	879732000SE08980450008	Royal Bank of Canada, Singapore	2,500	25-MAR-1998	32,500.00 SGD
ISIN SG0000572321 Singapore International Trading Corporation Shares.	Deliver Against Payment Instructions Failed as Funds were not delivered	234328000SE09980510024	Societe Generale, Singapore.	3,600	28-MAR-1998	52,750.00 SGD

Other Information:

Please revert back to us in case of any discrepancies in the above securities statement of pending transactions.

Please quote Our Reference in all future correspondence in relation to the above securities statement of pending transactions.

Thanking You,

For Development Bank of Singapore,

Singapore.

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## 28. Making Queries

### 28.1 Introduction

In the Securities module of Oracle FLEXCUBE you can query information on:

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

Whenever you are in the Summary View screen, you can query to see specific information. The Query screen is displayed. Specify the criteria based on which information is to be displayed.

For instance, you may want to know whether a specific external customer, has any accounts in a particular SK location and what is the exposure line. Specify the criteria in the query screen according to the procedure mentioned. This has been described in a later section of this chapter.

#### 28.1.1 Querying Details of Securities Safe keeping Movements

You may want to query on the details of security movements from one SK location to another. You can do so, through the Securities Safe Keeping Movements Summary screen.

You can invoke the 'Securities Safe Keeping Movements Summary' screen by typing 'SESXSKMV' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

To invoke this screen highlight Securities Queries and the SKL Sec Movements option, in the Application browser. The Securities Safe Keeping Movements Summary screen is displayed. Click 'Query' button.

To view the movement of securities (from one SK location to another) based on more than one criterion, specify all the relevant criteria. For example, you may want to view details of movement for all securities with the security currency USD, having a Value date 31-JAN-2000, for the SK account ACBNK4.

To make such a query, choose SCY under Fields, Equal To under Operator and USD under Value. Click 'Accept' button. Then click on the 'Add' button. Repeat the procedure with the criteria value date and SK account number clicking on 'Accept' button and 'And' button after specifying the value date and account number respectively. The query will be displayed in the Query screen.

To query for more than one SK account (the other two criteria being the same) click 'Or' button and specify the next account number.

Check it for correctness and click 'Ok' button. The SK Movements Summary screen will display only those securities in USD for the account ACBNK4 with a Value date equal to 31-JAN-2000.

To view the details of a particular SK location highlight the SK location code and double click on the selected record. The details of securities lodged/withdrawn in that particular location will be displayed.

If you want to view the latest details click 'Refresh' button. .

## 28.1.2 The Other Query Screens

Similarly you can query on the following:

- The balances in a particular SK location.
  - Current position
  - Current holding
  - Opening position
  - Opening holding
- The movement of securities within portfolios.
  - Opening balance
  - Closing balance
  - Movement as of
- The balances in a particular portfolio.
  - Current position
  - Current holding
  - Opening position
  - Opening holding

## 28.1.3 Ordering

You can view a display of the fields in the Summary View, in the ascending or descending order.

Suppose in the Portfolio Balances Summary screen you want to see the Security ID for all the portfolios in a descending order. Highlight the field Security ID from the Fields list and click on it. In the Operator option list, choose Order By.

The Value list contains the options:

- Ascending
- Descending

Click the option of your choice, say, Descending.

Click 'Accept' button. The following is displayed in the Ordering screen:

SECURITY\_ID Desc

Click 'Ok' button. The details of securities in their respective portfolios will be displayed in the descending order, in the Portfolio Movements Summary screen.

If you decide to cancel the ordering you have specified, click 'Clear Order By' button. The screen clears and you can specify a new order.

## 28.2 Viewing Portfolio Securities Movements

You can view the portfolio securities movements in the 'Portfolio Securities Movements Summary' screen. You can invoke this screen by typing 'SESXPFMV' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows a web application window titled "Portfolio Securities Movements Summary". At the top, there is a search bar with options for "Search", "Advanced Search", "Reset", and "Clear All". Below the search bar, there are input fields for "Case Sensitive", "Portfolio Id", "Portfolio Reference", and "Value Date". A table below shows columns for "Branch Code", "Portfolio Id", "Portfolio Description", "Portfolio Type", "Security Id", "Security Description", and "Security Ccy". The table is currently empty. At the bottom right, there is an "Exit" button.

In the above screen, you can base your queries on any or all of the following parameters and fetch records:

- Value Date
- Portfolio Id
- Portfolio Reference

Select any or all of the above parameters for a query and click 'Search' button. The records meeting the selected criteria are displayed.

If you are allowed to query, then system displays the following details pertaining to the fetched records:

- Branch Code
- Portfolio Id
- Portfolio Description
- Portfolio Type
- Security Id
- Security Description
- Security Currency
- Value Date
- Portfolio Reference

- Opening Balance
- Closing Sec Balance
- Movements As Of Today

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**Note**

For more information on the Query option please refer to the chapter on queries in the Common Procedures manual of Oracle FLEXCUBE.

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## 29. Handling Repos

### 29.1 Introduction

Securities repurchase agreements (referred to as repos) are entered into to raise money, or meet your Central Bank statutes. To invest short-term surplus funds, at minimal risk, reverse repo transactions are entered into.

The repo and reverse repo transactions are similar to money market transactions. In Oracle FLEXCUBE, they are handled in the same manner as the money market placement and borrow transactions.

The set up, maintenance, and processing functions discussed in the Money Market user manual also apply to repos. However, you would have to maintain a few additional details in Oracle FLEXCUBE to handle repo transactions. In this chapter, we shall discuss only those additional details that need to be maintained.

*Refer to the Money Market user manual for a detailed discussion of the other set up, maintenance, and processing functions.*

### 29.2 Maintaining Products

A Repo Product is a category or a type of repo transaction. For instance, you can classify repo transactions involving short-term zero coupon bonds, as a repo product in Oracle FLEXCUBE. Similarly, you can classify reverse repo transactions, involving customer portfolios at your bank, as a reverse repo product. A product, thus, serves to classify the repo transactions that you enter into.

You can define certain attributes for a product that you create. Attributes are qualities that you define for a product.

The following are some of the attributes that can be defined for a product:

- The product type (whether a Repo or a Reverse Repo product)
- The interest and charges that you would like to levy on repo deals involving the product
- The tax (es) that apply on the deals involving the product
- The type of accounts and the GL/SLs to which the accounting entries have to be posted
- The advices to be generated at different points in the life cycle of deals involving the product
- The Management Information System (MIS) details

The attributes that you define for a repo product, will be inherited by all repo transactions involving the product. However, when entering a specific transaction, you can change its attributes.

#### 29.2.1 Specifying Securities Repo Product Definition Details

You can create a product in the Securities Repo Product Definition screen, invoked from the Application Browser.

You can invoke the 'Securities Repo Product Definition' screen by typing 'SRDPRMNT' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows the 'Securities Repo Product Definition' application window. The window title is 'Securities Repo Product Definition'. It features a 'New' button and an 'Enter Query' button. The main area is titled 'Product Details' and contains several input fields: Product Code \* (with a red asterisk), Product Description \* (with a red asterisk), Product Type, Description, Slogan, Product Group, Product Group Description, Start Date, End Date, and Remarks. Below the input fields is a horizontal menu with options: Accounting Roles, Events, Branch Currency, Customer, Accrual Fee Details, Discount, Preferences, Interest, Charges, Tax, MIS, Fields, and Status. At the bottom, there are fields for Maker, Checker, Mod No, Date Time, Record Status, and Authorization Status, along with an 'Exit' button.

In the Product Definition screen, enter the basic information about a product like the Product Code, the Description, etc. Information relating to specific attributes of a product can be defined in subsequent screens.

*For further information on the generic attributes that you can define for a product, please refer the following Oracle FLEXCUBE User Manuals under Modularity:*

- Product Definition
- Tax

### **Product Type**

A product that you are defining can belong to either of the following types:

- Repo
- Reverse Repo

## **29.2.2 Setting Product Preferences**

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

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

Click 'Preferences' button to invoke the preferences screen.

The screenshot shows the 'Preference' dialog box with the following sections and fields:

- Payments:** A dropdown menu and checkboxes for 'Allow Brokerage', 'Pay Past Schedules', 'Prepayment Penalty', 'Track Accrued Interest', 'Forward Dating Allowed', 'Tax Applicable', 'Allow Rollover', 'Automatic Liquidation', 'Intra-day Deal', 'Verify Funds For Principal', 'Verify Funds for Interest', and 'Verify Funds For Penalty Amount'.
- Product Code:** A text input field.
- Accrual:** 'Frequency' (Monthly), 'Start Month' (dropdown), and 'Start Date' (text field).
- Tenor:** 'Minimum' (1), 'Default' (90), 'Maximum' (365), and 'Unit' (Days).
- Rate Variance:** 'Normal Rate Variance' and 'Maximum Rate Variance' (text fields), and 'Product Description' (text field).
- Holiday Treatment:** 'Holiday Currency' (text field) and 'Ignore Holidays' (checkbox).
- Holiday Treatment Preferences:** 'Cascade Schedules' (checkbox), 'Move Across Month' (checkbox), and 'Schedule Movement' (radio buttons for 'Move Forward' and 'Move Backward').
- Authorization Rekey Fields:** Checkboxes for 'Currency', 'Value Date', 'Contract Amount', and 'Maturity Date'.
- Securities Block Deal:** 'Block Product' (text field).

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

### Choosing a deal product

When defining the preferences for a repo product that you are creating, you have to indicate a Block Security deal product that you would like to use to process repo deals (involving the product). You can choose from a list of Block Security products that maintained at your bank, in the Block Product field.

When you associate a deal with a repo product, the Block Security Deal product will be picked up. This product will be used to block the underlying securities in the repo deal.

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#### Note

EIM features are also supported in Repo and Reverse Repo products.

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*For a detailed discussion of products please refer the Money Market user manual.*

### 29.2.3 Specifying Interest Details for Product

You can link an interest rule to a product in the 'ICCF Details' screen. When a contract involving the product is processed, the interest attributes defined for the product will be applied on the contract. Some of these attributes can be changed during contract processing.

To invoke the 'ICCF Details' screen, click 'Interest' button in the 'Securities Repo Product Definition' screen.

The screenshot shows the 'ICCF Details' window with the following fields:

- Product Code** and **Product Description** (text boxes)
- Basis Section:**
  - Amount Type** (text box)
  - Pre Payment Method** (dropdown menu, currently 'FLEXCUBE')
  - Category** (dropdown menu, currently 'Expected')
  - Settlement Currency** (text box)
  - Level Number** (text box)
  - Collection Type:**
    - Stop Application
    - Propagation Required
    - Accrual Required
    - Allow Amendment
    - Consider as Discount
    - Advance
    - Arrear
  - Units** (dropdown menu, currently 'Days')
  - Grace Period** (text box)
  - Main Component** ()
  - Bulk Amount** ()
  - Link Contract As Rate Code** ()
- Interest Section:**
  - Rate Type** (dropdown menu, currently 'Fixed')
  - Rate Code** (text box)
  - Borrow Lend Indicator** (dropdown menu, currently 'Borrow')
  - Rate Cycle Type** (dropdown menu, currently 'Up')
  - Code Usage** (dropdown menu, currently 'Auto')
  - Reset Tenor** (text box)
  - Margin Basis** (dropdown menu, currently 'Facility')
  - Margin Application** (dropdown menu, currently 'Periodic')
  - Event** (text box)
  - Event Description** (text box)
  - Rule** (text box)
  - Rule Description** (text box)
  - Component \*** (text box)
  - Description** (text box)
  - Default From Class** (button)
- Product Limits Section:**
  - Navigation: 1 Of 1
  - Table with columns: Currency \*, Default Rate, Minimum Rate, Maximum Rate, Default Spread, Minir
  - Table content is currently empty.

Specify the following details:

### Interest Basis

The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. You can choose to change it. The following are the options available:

- 30(Euro)/360
- 30(US)/ 360
- Actual/360
- 30(Euro)/365
- 30(US)/365
- Actual/365
- 30(Euro)/Actual
- 30(US)/Actual
- Actual/Actual

- 30(Euro)/364
- 30(US)/ 364
- Actual/364

For further information refer the section 'Specifying the Interest Details for the Product' in the 'Interest' chapter in the 'Interest' User Manual.

## 29.2.4 Associating Discount Accrual Components to Products

After building discount accrual fee classes you can associate the class with product in the 'Discount Accrual Preference Association' screen is invoked. To invoke the 'Discount Accrual Preference association' screen, click 'Discount' button in the 'Securities Repo Product Definition' screen.

Specify the following details:

### **Denominator Method**

Select the denominator method from the adjoining drop-down list. This list displays the following values:

- 360
- 365
- 364

For further information refer the section 'Associating Discount Accrual Components to Products' in the 'Defining Discount Accrual Fee Classes' chapter in the 'Bills and Collections' User Manual.

## 29.3 Capturing Details of Repo Contract

When you enter into a repo (or reverse repo) deal, you must associate it with a product that you have maintained. By default, a deal inherits all the attributes of the product with which it is associated.

Most deal details are captured for the product the deal involves. These details default to the deal.

You can capture the details of repo deals in the Securities Repo – Online screen.

You can invoke the ‘Securities Repo Contract Online’ screen by typing ‘SRDTRONL’ in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot displays the 'Securities Repo Contract Online' application window. The interface is organized into several sections:

- Contract Information:** Includes fields for Product Code, Product Description, Source, Dealer, Broker, Version Number, Contract Reference Number, User Reference Number, External Reference Number, Reversal reference Number, and Outstanding Amount.
- Customer Information:** Fields for Customer Number, Customer Name, Currency, Amount, Local Currency Amount, and Line.
- Settlement Details:** Fields for Debit Branch, Debit Account, Debit account Description, Credit Branch, Credit Account, Credit Account Description, Liquidation (Auto/Manual), and Rollover Allowed (Yes/No).
- Dates and Maturity:** Fields for Interest Period Basis, Payment Method, Schedule Type, Tax Scheme, Contract Derived Status, Remarks, Original Start Date, Booking Date, Value Date, User Maturity Date, Maturity Date, Notice Days, Intra Day, Tenor, and Maturity Type (Fixed/Notice/Call).
- Rounding Details:** Includes Rounding Required (checkbox), Rounding Rule (Truncate), Decimals, and Units.
- Reporting Details:** Fields for Currency, Amount, and Outstanding Amount.

At the bottom, there is a navigation bar with links for Holiday Currency, Events, Brokerage, Effective Interest Rate, Accrual, Linked Entities, and Change Log. Below this, there are fields for Maker, Checker, Date Time, Contract Status, and Authorization Status, along with an Exit button.

In this screen, you should specify the following details:

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

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

### **Source**

You have to indicate the source from which contracts have to be uploaded.

If this value is left null, then you will not be able to amend the contract. Amendment for the contract can be uploaded only through the same source as that used for creation.

### **Ext Ref No**

If the transaction is being uploaded from an external source, you can specify the identification for the transaction in the external source, as the external reference number. You cannot amend this value post contract save.

### **Reversed FCC Ref**

The reference number of the contract that is being reversed and rebooked is displayed here. To enable amendment of SR Contract details Oracle FLEXCUBE will reverse the old contract and rebook a new contract with the old user reference number and external reference number. The old contract is reversed and a new contract is booked with Reversed FCC ref as the parent contract.

### **Interest Basis**

The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. You can choose to change it. The following are the options available:

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

The value of interest basis maintained here is used for calculating interest for repo contract.

## 29.3.1 Specifying Interest Details

Numerous interest rates and fees can be defined through the ICCF (Interest, Commission, or Fee) screen. To invoke this screen, click 'Interest' button in the 'Security Repo Contract Online' screen.

Contract Reference

Main View Details

1 Of 1

Component

Currency

Event

Waiver

Rate Type

Maximum Rate

Minimum

Margin

Grace Period

Discount

No Interest/Profit

Rate

Rate Code

Amount

Component Description

Accrued Amount

Event Description

Accrual Required

Spread

Denominator Basis

Basis 366

Minimum Spread

Maximum Spread

Customer Margin

Floating Rate Details

Interest/Profit Basis

Rate Calculation Type

Reset Tenor

Indicator

Code Usage

OK Exit

Specify the following details:

### Interest Basis

The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. You can choose to change it. The following are the options available:

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

For further information refer the section 'Specifying Interest Details' in the 'Capturing Details of Deposit' chapter in the 'Deposits' User Manual.



## 29.4 Uploading Deals for Amendment

From an external system, you can upload Securities Deals that require amendment in Oracle FLEXCUBE. The system will distinguish between the new and the deals that require amendment based on the action code of the uploaded record. For a contract requiring amendment, the action code will be 'AMND'. If the action code is 'AMND', Oracle FLEXCUBE will first check whether the deal exists in the system or not. If it does not exist in the system, an error message will be displayed to notify that the deal cannot be amended.

The Reference Number provided by the external system has to same if it is a new deal or if it is an amendment to an existing deal.

When you upload a new deal, the Reference Number will be displayed in the User Reference Number field for that deal. The User Reference Number will be the basis for checking whether the deal exists or not.

The upload for contract amendment will trigger the 'AMND' event. The same event is triggered even when the amendment is done in the 'Contract Online' screen.

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

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

- Holiday Currency
- Commitment (Revolving/ Non- revolving)
- Maturity Type
- User Input Maturity Date

---

**Note**

Note the following:

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

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

---

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

## 29.4.1 Specifying Interest Details

Numerous interest rates and fees can be defined through the ICCF (Interest, Commission, or Fee) screen. To invoke this screen, click 'ICCF' button in the SRDXVMND' screen.

The screenshot shows the ICCF (Interest, Commission, or Fee) screen. The window title is "ICCF". It has two tabs: "Main" and "View Details". The "Main" tab is selected. The screen is divided into two main sections: "Interest" and "Floating Rate Details".

**Interest Section:**

- Grace Period: [Text Input]
- Contract Reference\*: [Text Input]
- Component\*: [Text Input]
- Currency: [Text Input]
- Event: [Text Input]
- Rate Type: [Dropdown]
- Max Rate: [Text Input]
- Minimum Rate: [Text Input]
- Customer Margin: [Text Input]
- Grace Period: [Dropdown]
- Interest Period: [Text Input]
- Fixed Rate: [Text Input]
- Rate Code: [Text Input]
- Description: [Text Input]
- Interest Amount: [Text Input]
- Spread: [Text Input]
- Acquired Interest: [Text Input]
- Denominator Basis: [Dropdown]
- 366 Basis: [Dropdown]
- Minimum Spread: [Text Input]
- Maximum Spread: [Text Input]
- Margin: [Text Input]
- Effective Profit Rate: [Text Input]
- Waiver:
- Consider as Discount:
- Accrual Required:

**Floating Rate Details Section:**

- Reset Tenor: [Text Input]
- Borrow Lend Indicator: [Dropdown]
- Rate Cycle Type: [Dropdown]
- Interest Basis: 30-Euro/360 [Dropdown]
- Rate Code Usage: [Dropdown]

Specify the following details:

### Interest Basis

The method in which the number of days are to be calculated for interest, charge, commission or fee components and whether their application is tenor based is displayed here based on the specification you made at the product level. You can choose to change it. The following are the options available:

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

For further information refer the section 'Specifying Interest Details' in the 'Capturing Details of Deposit' chapter in the 'Deposits' User Manual.

## 29.5 Maintaining Asset –Liability Linkage

You can carry out an asset liability matching also through the repo block screen. Click 'Repo' button to access the screen.

The screenshot shows the 'Repo Block' application window. At the top, there is a 'Contract Reference' input field. Below it, the 'Repo Details' section contains a table with the following columns: Portfolio Id, Security Id, SK Location, SK Account, Security Form, Quantity, Units/Currency, Input Price, and Contr. The table is currently empty. Above the table, there are navigation controls including a 'Go' button and a search icon. At the bottom right of the window, there are 'Ok' and 'Exit' buttons.

You can also click on the **P** button positioned next to the Deal Reference Number to view details of messages (MKTTRADECONF / DLVRSECFREE / RECVSECFREE) that have been associated with the Block Security product.

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### Note

These messages will not be sent if the security block contract is amended and the quantity or price changed.

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Oracle FLEXCUBE handles a repo contract in much the same manner as a Money Market deal. Please refer the Money Market user manual for details.

# 30. Printing Subsidiary General Ledger Form- Repo and Reverse Repo Deals

## 30.1 Introduction

At the time of defining a security, you can specify a form type for the security.

If the form is of type SGL, the system automatically generates a corresponding SGL advice.

An SGL advice is generated for security, repo and reverse repo deals when the following events occur:

- On authorization of a securities deal
- On initiation of a repo deal
- On liquidation of a reverse repo deal

### 30.1.1 SGL Form Maintenance

An SGL advice is printed on formatted stationery. Every SGL advice triggered by the system is tracked by a unique form number (serial number). You can maintain the form numbers in the 'SGL Maintenance' screen.

You can invoke the 'SGL Maintenance' screen by typing 'SEDXGLMT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screenshot shows the 'SGL Maintenance' application window. At the top, there is a toolbar with 'New' and 'Enter Query' buttons. The main workspace contains several input fields: 'Form Number \*' (with a red asterisk), 'Status' (with 'N' entered), 'Deal Reference', 'Trade Date', 'Transaction Date', and 'Security Id'. Below these fields is a section titled 'Fields' which lists 'Maker', 'Checker', 'Mod No', 'Date Time:', 'Record Status', and 'Authorization Status'. An 'Exit' button is located in the bottom right corner of the window.

In this screen, you can specify the form numbers either as a range or choose to enter the numbers manually.

Click on new icon in the tool bar to specify a new form number.

At any point of time the status of a form number will either be:

- U (Used)
- N (Not Used)
- Cancelled (C)

---

**Note**

Note the Following

- By default, the status of a form number is 'N' (Not Used).
  - The form numbers will be available for use only after you save and authorize the record.
- 

**Assigning a form number to an SGL advice**

Whenever a deal involving a security with form type SGL is being processed, the system automatically assigns the next available unused form number to the deal.

After a number is assigned to a deal, the system displays the following information corresponding to the form number, in the SGL Maintenance screen:

**Status**

The status will be updated to U (Used).

**Deal Reference No**

The reference number of the deal to which the form number is linked.

**Trade Date**

The Value Date of the deal.

**Transaction Date**

The actual date when the deal was captured in the system.

**Security Id**

The security (the Security Code specified at the time of capturing a deal) involved in the deal.

---

**Note**

You are not allowed to close or delete a record with status 'Used' or 'Cancelled'. However, you can to delete an unused form number before authorization.

---

If you reverse a deal for which an SGL advice has been generated, the system displays an over-ride saying that the SGL advice for the deal has already been generated. If you say 'Yes' to the over-ride, the system updates the status of the form number to C (Cancelled) in the SGL Maintenance screen.

---

**Note**

After a form number is assigned to a deal, you cannot reuse the number even on reversal of the deal associated with it.

---

## 30.2 Maintaining Security Repo Payment

You can maintain the details for security repo payment in the 'Security Repo Payment Input' screen. To invoke the screen, type 'SRDPAMIN' in the field at the top right corner of the application toolbar and click the adjoining arrow button.

The screenshot shows the 'Security Repo Payment Input' application window. It features a top toolbar with an 'Enter Query' field and a search icon. The main area is divided into several sections:

- Contract Reference:** Includes fields for Contract Reference Number (marked with an asterisk), Syndication Reference Number, Counterparty Name, and Counterparty Status. There are also navigation arrows and an 'Of' field.
- Outstanding Amount:** Includes fields for Outstanding Amount Currency, Outstanding Principal Amount, Outstanding Amount Repayment, and Effective From (with a dropdown menu).
- Date and Amounts for Population of Components Due:** Includes fields for Value Date, Limit Date, Limit Amount, and Local Currency Equivalent, along with a 'Populate' button.
- Allocation of Amounts Paid:** Includes fields for Total Paid, Local Currency Equivalent, Total Pre-paid, and Local Currency Equivalent, along with an 'Allocate' button.
- Other Details:** Includes fields for Liquidated Nominal, Local Currency Equivalent, and Discount Rate, along with a 'Sum' button.
- Payment Breakup:** A table with columns: Component (marked with an asterisk), Amount Due, Overdue, Amount Paid, Interest Prepaid, and Tax. The table is currently empty.

At the bottom of the window, there are fields for Prepayment Penalty Rate and Adjustment Amount. A menu bar includes options: Events, Breakup, Settlement, Split, Advice, Charges, Tax, MIS, and Fields. The footer contains fields for MakerId, Authorized By, Date Time, Contract Status, and an 'Exit' button. There is also a checkbox labeled 'Authorized'.

You can capture the following in this screen:

### Contract Reference

Specify the contract reference number.

### Outstanding Amount

Specify the outstanding balance amount.

### Outstanding Amount Repayment

Specify the outstanding amount repayment.

### Counterparty

Specify the counterparty details.

### Currency

Specify the currency.

**Syndication Ref No**

Specify the syndication reference number.

**Status**

Specify the status of payment.

**Effective from**

Enter the date for which the rate should become applicable. Each rate that is defined for a Rate Code and Currency combination should have an Effective Date associated with it. This is the date on which the rate comes into effect. Once a rate comes into effect, it will be applicable till a rate with another Effective Date is given for the same Rate Code and Currency combination

**Counterparty Name**

Specify the name of the counterparty.

**Prepayment of Amortized Loans****Recomputation Basis**

Choose the recomputation basis for prepayment of amortized loan. The options available are Recalculated Tenor or Change EMI. Choose the relevant basis from the list for recomputation basis.

**Old Maturity Date**

If you opt for a prepayment with a change in the loan tenor, the system will display the maturity date of the loan prior to the prepayment.

**New Maturity Date**

Specify the new maturity date.

**Prepayment Effective from**

You can choose the date on which the prepayment becomes effective. You can start the prepayment on the Value Date or Next Installment.

**Value Date**

Specify the value date.

**Limit Date**

Enter here the Limit Date for prepayments. If you have given a payment limit date, the system shows all the components, which are due till the limit date. If you have given the amount limit in the Amount field, it shows all the schedules for the limit amount.

**Discount Rate**

Enter the discount rate.

If the discount rate basis is Direct Input then you have to enter the rate at which interest is to be discounted in this field.

**Amount Paid**

Enter the amount being paid for a particular component. This must be less than or equal to the total amount due for the component.

**LCY Equivalent**

Specify the local currency equivalent for the total paid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.

**Amount Prepaid**

Specify the prepaid amount.



**LCY Equivalent**

Specify the local currency equivalent for the total prepaid amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.

**Limit Amount**

For a liability code and revolving credit line combination, you can define limit schedules and indicate the limit that is applicable for the period. You can enter a negative limit amount.

The limits maintained for a tenor are for information purposes. The limit does not become automatically effective to the line - liability combination when the tenor begins.

**LCY Equivalent**

Specify the local currency equivalent for the limit amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.

**Liquidated Nominal**

Specify the Liquidated Nominal amount which is the amount that you would receive when you redeem a T-Bill on the maturity date.

This is also known as the face value of the T-Bill. The discount rate is used to calculate the Net Present Value (NPV) of a T-Bill when it is liquidated before the liquidation date i.e. the actual value obtained on the T-Bill when you redeem it prior to the maturity date.

**LCY Equivalent**

Specify the local currency equivalent for the liquidated nominal value of the amount. The local currency equivalent is calculated using the standard rate in case of cross currency transactions.

**Payment Breakup****Component**

Specify the component that has to be maintained.

**Amount Due**

Enter the details of the amount due for repayment in this field.

**Overdue**

Specify the balance that is overdue.

**Amount Paid**

Specify the paid amount.

**Interest Prepaid**

Specify the profit prepaid for the component.

**Tax**

Specify the amount paid in tax.

---

## 31. Error Codes and Messages for Securities

### 31.1 Error Codes and Messages

Error Code	Message
SE-MA0001	New user and current user must be different
SE-MA0002	Contract reassigned
SE-MA0003	New user id cannot be null
SE-MA0004	Product code cannot be null
SE-MA0005	Contract reference number cannot be null
SE-MA0006	The Portfolio Contract Reference Number is not valid for the Product Code selected
SE-MA0007	Contract \$1 has been reassigned from User "\$2" to User "\$3" by User "\$4"
SE-MA0008	Security to be disallowed must be specified
SE-MA0009	Security to be allowed must be specified
SE-MA0010	Duplicate values encountered for this combination of CLASS CODE and MODULE
SE-MA0011	Duplicate values encountered for this class code
SE-MA0012	For WAC costing method, the Accrue Premium flag and the accrue discount flag should have the same value.
SE-MA0013	The accounting role record has been not been entered properly
SE-MA0014	Enter the class code
SE-MA0015	Enter the class description
SE-MA0016	Record deleted successfully
SE-MA0017	Enter the module
SE-MA0021	The Record is already closed.
SE-MA0022	The Record is already open.
SE-MA0023	A Market Code of this name already exists.
SE-MA0024	Some element/elements in the string entered is not a part of the Swift Character set. Do you wish to continue?
SE-MA0025	The Market Code, From Date and To Date combination should be unique.
SE-MA0026	The Class Code entered for this module already exists.
SE-MA0027	The system is not able to generate accounting roles and amount tags for this charge Class.

<b>Error Code</b>	<b>Message</b>
SE-MA0028	Do you wish to redefault to the class as maintained latest in the class definition?
SE-MA0029	Existing role to head mappings will be deleted and redefaulted from class. Wish to continue?
SE-MA0030	Sorry! Redefaulting cannot be done. Class maintenance has to be authorized first.
SE-MA0031	This rate code cannot be copied since it has been propagated to the present branch from head office.
SE-MA0032	This rate code cannot be closed since it has been propagated to the present branch from head office.
SE-MA0033	This rate code cannot be unlocked since it has been propagated to the present branch from head office.
SE-MA0034	Rate propagation has failed.
SE-MA0035	STANDARD rate type is mandatory for any rate code.
SE-MA0036	The rate code + tenor code + CCY code combination for this effective date is already existing in the database.
SE-MA0037	This rate code can only be maintained at the head office and only be propagated from there.
SE-MA0038	Duplicate Tenor Codes are not allowed.
SE-MA0039	Minimum rate cannot be greater than Maximum rate.
SE-MA0040	Default rate should lie between minimum and maximum rate.
SE-MA0041	Class Code and Module are mandatory fields.
SE-MA0042	This rate code already exists.
SE-MA0043	Basis Amount Tag, Event for Association, Application and Liquidation are mandatory fields
SE-MA0044	Basis amount tag and Event for Association are mandatory fields.
SE-MA0045	For Third Party as Charge Type, Third Party Type is mandatory
SE-MA0046	This class cannot be closed because it has been already attached to a product/products.
SE-MA0047	Swift Qualifier length cannot be less than four.
SE-MA0048	For Net Consideration as yes, net consideration type(add/subtract) is mandatory.
SE-MA0049	Duplicate values encountered during amount tag insertion.
SE-MA0068	Initial Face Value can not be zero.
SE-MA0069	Limits Maintenance will be deleted. Proceed?

<b>Error Code</b>	<b>Message</b>
SE-MA0070	Weekday mandatory for weekly schedules
SE-MA0071	Frequency is mandatory for periodic coupon/revision
SE-MA0072	Limits not maintained. Proceed?
SE-MA0073	Lot Size is mandatory
SE-MA0074	Interest quotation method is mandatory
SE-MA0075	Interest Rate Type is mandatory
SE-MA0076	The maximum tenor must be greater than minimum tenor.
SE-MA0077	Price Code cannot be null if Renouncable is Yes.
SE-MA0078	Tenor cannot be null if Redeemable is Yes.
SE-MA0079	Equity type is mandatory.
SE-MA0080	Price Quotation method is mandatory.
SE-MA0081	Face value or units is mandatory.
SE-MA0082	Tenor details not input.
SE-MA0083	Initial Face Value not input.
SE-MA0084	Exception Limit should be greater than Override Limit
SE-MA0085	Number of Decimals Mandatory
SE-MA0086	Cannot Close. The record has already been processed!!
SE-MA0087	Cannot Reopen. Record date is past!
SE-MA0088	Cannot Unlock. The record not authorized atleast once
SE-MA0045	For Third Party as Charge Type, Third Party Type is mandatory
SE-MA0089	Announcement Date should not be greater than or equal to Exercise End Date
SE-MA0090	Record Date cannot be later then Event Date
SE-MA0091	For Redeemable securities Event Date should be less than Redemption or Expiry date
SE-MA0092	Event Date should be greater than Issue or Tear-off Date of the security
SE-MA0093	Either Dividend Amount or Dividend Rate is mandatory
SE-MA0094	Record Date Cannot be earlier than End of Exercise Date
SE-MA0095	Value for field Internal Security Id is mandatory
SE-MA0096	Value for field Event Date is mandatory
SE-MA0097	Value for field Record Date is mandatory

<b>Error Code</b>	<b>Message</b>
SE-MA0098	Value for field Issuer Payment CCY is mandatory
SE-MA0099	Value for field Resultant Security Id is mandatory if Cash to Stock Option is "Yes" or "Reinvest"
SE-MA0100	Exclusive Lock Acquired by Rajesh S from row 90 to 104
SE-MA0102	Event Date should not be less than the Issue or Tear-off Date of the security
SE-MA0103	For Redeemable securities Event Date should be less than Redemption or Expiry date
SE-MA0104	Record Date cannot be later then Event Date
SE-MA0105	Announcement Date should not be greater than Event Date
SE-MA0106	Announcement Date should not be greater than Record Date
SE-MA0107	Internal Security Id cannot be NULL
SE-MA0108	Event Date cannot be NULL
SE-MA0109	Record Date cannot be NULL
SE-MA0110	Resultant Security Id cannot be NULL
SE-MA0111	Resultant Ratio cannot be NULL
SE-MA0112	Stock To Cash Price cannot be NULL when stock to cash option is YES
SE-MA0113	Exercise Date cannot be NULL when stock to cash option is YES
SE-MA0114	Record Date for the event has elapsed -Record cannot be reopened
SE-MA0115	Event Date should br greater than Exercise end date when stock to cash option is YES
SE-MA0116	For Fixed Rate type Revision Rate has to be entered
SE-MA0117	Announcement Date has to be less than Event Date
SE-MA0118	End of Trading Date is mandatory
SE-MA0119	End of Trading Date has to be less than Event Date
SE-MA0120	Announcement Date cannot be null
SE-MA0121	Mandatory fields are missing
SE-MA0131	Cannot Retain.. Fractional Units not allowed for this security
SE-MA0132	Value for field Intmdt Security Id is mandatory
SE-MA0133	Non Zero Value for field Rights Ratio is mandatory
SE-MA0134	Value for field Exercise Start Date is mandatory
SE-MA0135	Value for field Exercise Price is mandatory

<b>Error Code</b>	<b>Message</b>
SE-MA0136	Value for field Exercise End Date is mandatory
SE-MA0137	Exercise Start Date cannot be less than Event Date
SE-MA0138	Exercise End Date cannot be greater than or equal to Expiry Date of intermediate security
SE-MA0139	Exercise End Date cannot be greater than or equal to Expiry Date of Resultant security
SE-MA0140	Value for field Resultant Security Id is mandatory
SE-MA0141	Non Zero Value for field Resultant Ratio is mandatory
SE-MA0142	Announcement Date should be less than exercise end date when stock cash option is YES
SE-MA0143	End Trading Date cannot be NULL
SE-MA0144	Call Indicator cannot be NULL
SE-MA0145	Redemption Type cannot be NULL
SE-MA0146	For Quantity Redemption dispose fraction cannot be NULL
SE-MA0147	Dispose Fraction should be NULL for Bullet or Series Redemption
SE-MA0148	For Quantity Redemption percentage cannot be NULL
SE-MA0149	Redemption Price cannot be NULL
SE-MA0150	Issuer Payment CCY cannot be NULL
SE-MA0151	Announcement date should not be greater than end trading date
SE-MA0152	End Trading Date cannot be greater than event date
SE-MA0153	Restart trading date cannot be less than event date
SE-MA0154	End Trading Date should not be greater than Record Date
SE-MA0155	For fractional units not allowed dispose fraction cannot be of Retain type
SE-MA0156	Security Redemption has to authorized atleast once for unlocking
SE-MA0157	Record already processed - cannot be unlocked
SE-MA0158	Delete option disallowed for system generated Redemption Event
SE-MA0159	Copy option disallowed for system generated Redemption Event
SE-MA0160	Close option disallowed for system generated Redemption Event
SE-MA0161	Reopen option disallowed for system generated Redemption Event
SE-MA0162	Series has to be defined for Redemption Type equal to Series
SE-MA0163	Record has to be authorized atleast once for unlocking
SE-MA0164	Units Nominal Current cannot be more than Current

<b>Error Code</b>	<b>Message</b>
	Holdings
SE-MA0165	Reinvested Bonus cannot be more than Initial Bonus Due
SE-MA0166	Reinvested Dividend cannot be more than Initial Dividend Amount Due
SE-MA0167	Block product Cannot be NULL for a Repo Product
SE-MA0169	Cannot Unlock. The record has already been processed
SE-MA0170	End of Exercise Date Cannot be less than Start of Exercise Date
SE-MA0171	Record date should be later than today
SE-MA0172	From Date Cannot be later than To Date
SE-MA0188	Duplicate values encountered during accounting role insertion.
SE-MA0189	Record is successfully saved.
SE-MA0190	Record has been successfully deleted.
SE-MA0191	Record has been successfully reopened.
SE-MA0192	Record has been successfully closed.
SE-MA0193	Accounting Role and Account head are not of the same type. Still wish to continue?
SE-MA0194	This safe keeping location Id already exists.
SE-MA0195	Scheme cannot be closed. Its already been attached to a product/products.
SE-MA0196	Deletion of component not possible since the scheme is already attached to a product/products.
SE-MA0197	Tax component cannot be null.
SE-MA0198	Module and scheme are mandatory fields
SE-MA0199	This Scheme already exists for the module.
SE-MA0200	This rate type is a mandatory one. So, it cannot be closed.
SE-MA0201	Duplicate Tenor Codes are not allowed.
SE-MA0202	Duplicate SK Accounts are not allowed.
SE-MA0203	Duplicate Tax Rate Codes are not allowed.
SE-MA0204	Duplicate Tax Rates are not allowed.
SE-MA0205	Duplicate Market Codes are not allowed.
SE-MA0206	For FIXED as the Spot Date Method, All days from 1st to 31st should be handled and spot dates mentioned against them.

<b>Error Code</b>	<b>Message</b>
SE-MA0207	For FIXED as the Ex Date method. All days from 1st to 31st should be handled and ex dates mentioned against them.
SE-MA0208	Duplicate Issuer Tax Rate Codes are not allowed.
SE-MA0209	This rate code can be maintained only at the head office. It will be propagated to the present branch from there.
SE-MA0210	This rate is propagated across branches and can be closed only at the head office.
SE-MA0211	This rate is propagated across branches and can be modified only at the head office.
SE-MA0212	Failed to propagate this rate.
SE-MA0213	For this rate, atleast the STANDARD rate type has to be maintained
SE-MA0214	This combination of rate code, tenor code, currency code and effective date already exists for this branch.
SE-MA0215	Rates for propagated rate codes can be maintained only at the head office branch.
SE-MA0216	This rate code already exists.
SE-MA0217	For CURRENCY HOLIDAY as the holiday type, HOLIDAY CURRENCY is mandatory.
SE-PRD001	Input to Product Description is Mandatory (cannot be NULL)
SE-PRD002	Record is Unauthorized. Closure Not Allowed
SE-PRD003	Are you sure you want to Close the record?
SE-PRD004	Record Successfully Saved
SE-PRD005	A combination product with this product as a leg is open. Closure NOT Allowed
SE-PRD006	Override Limit CANNOT be greater than Stop Limit
SE-PRD007	Are you sure this is a Back Valued Product?
SE-PRD008	Product Start Date CANNOT be greater than Product End Date
SE-PRD009	Product end Date CANNOT be before Today
SE-PREF01	Are you sure you want to redefault the Class?
SE-PRD010	Deal Product Copy Failed
SE-PRD011	Deal Product Delete Failed
SE-PRD012	Security Product Copy Failed
SE-PRD013	Security Product Delete Failed
SE-PRD014	Charges have not been defined for the Product



<b>Error Code</b>	<b>Message</b>
SE-PRD015	Security Restrictions have not been defined for the Product
SE-PRD016	Portfolio Restrictions have not been defined for the Product
SE-PRD017	Tax Components have not been defined for the Product
SE-PRD018	Interest Components have not been defined for the Product
SE-PRD019	Input to Product Start Date is Mandatory (cannot be NULL).
SE-PRD020	Input to Product Description is Mandatory (cannot be NULL).
SE-PRD021	Input to Product Group is Mandatory (cannot be NULL).
SE-PRD022	Input to Exchange Rate Override Limit Variance is Mandatory (cannot be NULL).
SE-PRD023	Input to Exchange Rate Stop Limit Variance is Mandatory (cannot be NULL).
SE-PRD024	Input to buy Product/Sell Product Mandatory (cannot be NULL).
SE-COMBP01	Rekey Values for the Buy and Sell Products Differ
SE-COMBP02	Values for \$1 for the Buy and Sell Products Differ
SE-COMBP03	Start Date \$1 of the Combination Product is lesser than Start Date \$2 of Product \$3
SE-COMBP04	End Date \$1 of the Combination Product is greater than End Date \$2 of Product \$3
SE-COMBP05	The Normal Rate Variance of the Buy and Sell Products Differ
SE-COMBP06	The Maximum Rate Variance of the Buy and Sell Products Differ
SE-COMBP07	Counter Product is Mandatory if Rights Exercise is applicable
SE-COMBP08	Product \$1 is Closed. Reopening of Combination Product NOT Allowed
CS-PRD008	Product Code is NOT Unique
SEREAS-01	New User and Current User must be different
SEREAS-02	Contract \$1 has been reassigned from User "\$2" to User "\$3" by User "\$4"
SEREAS-03	New user ID cannot be NULL
SEREAS-04	Product code cannot be NULL
SEREAS-05	Contract reference number cannot be NULL

<b>Error Code</b>	<b>Message</b>
SEREAS-06	No Unauthorized Contracts exist for Reassignment for Product "\$1"
SEREAS-07	The Deal Reference Number is not valid for the Product Code selected
SEREAS-08	FAILED in reassigning the deal to the new user.
SE-MA0220	Changing the Leg type will redefault the Preferences. OK to Proceed?
SE-MA0221	Partial Release is not allowed for Bank Buy or Sell
SE-MA0222	Partial Release and Brokerage are not allowed for Customer Buy or Sell
SE-MA0223	Partial Release, Brokerage and Forward Deals are not allowed for Withdrawal or Lodgement
SE-MA0224	Partial Release, Brokerage, Forward Deals, Automatic Money Settlement and Rekey of Money Settlement Date are not allowed for SK to SK Transfer
SE-MA0225	Brokerage, Forward Deals, Automatic Money Settlement and Rekey of Money Settlement Date are not allowed for Block Securities
SE-MA0226	Input to Exchange Rate type field is Mandatory
SE-MA0227	Block deals not defined
SE-MA0228	Function Securities Repo Specific Returns False
SE-MA0229	No Positions maintained for this record
SE-MA0230	Bombed in Positions Check Function for Repo Block Deals
SE-MA0231	Failed to validate the Repo Exposure
SE-MA0232	Failed to generate the Action Id
SE-MA0247	Spot Days Count Basis and Spot Days are mandatory fields.
SE-MA0248	For Weekday of Spot day being mentioned, holiday treatment becomes mandatory.
SE-MA0249	Ex Days Count Basis and Ex Days are mandatory fields
SE-MA0250	For Weekday of Ex day being mentioned, holiday treatment becomes mandatory
SE-MA0251	From Day, To day, Month Indicator, Spot Date and Holiday Treatment are mandatory fields
SE-MA0252	To Day cannot be earlier than From Day
SE-MA0253	For Month Indicator as FUTURE, future months becomes mandatory
SE-MA0254	For Month Indicator as PREVIOUS, previous months becomes mandatory
SE-MA0255	Both Include To Dates should be same, either YES or NO.

<b>Error Code</b>	<b>Message</b>
SE-MA0256	Both Liquidation and Accrual Denominator Basis Should have the same value
SE-MA0257	Market Code as well as Market Description is mandatory before invoking TAX maintenance
SE-MA0258	For Holiday Treatment being mentioned, Weekday of Spotday becomes mandatory
SE-MA0259	For Holiday Treatment being mentioned, Weekday of Ex day becomes mandatory
SE-MA0260	For Months Indicator as CURRENT, Spot Day has to be greater than To Day
SE-MA0261	For Months Indicator as CURRENT, Ex Day has to be less than or equal to From Day
SE-MA0262	Application Date should be less than the Previous Coupon Date for UNLOCK action to happen.
SE-MA0263	Issuer Reference cannot be null
SE-MA0264	Record Date should lie between Previous Coupon Date and Event Date.
SE-MA0265	This Security Code already exists in this branch.
SE-MA0266	Price Code, Price Quotation, Market Value Date and Price are mandatory fields.
SE-MA0267	For Price Quotation Method as YIELD TO MATURITY, Interest Quotation Method has to be null
SE-MA0268	For a BOND, Interest Quotation Method is mandatory.
SE-MA0269	Market Value Date has to be greater than/equal to security Tearoff Date (\$1).
SE-MA0270	Market Value Date has to be less than/equal to Redemption Date of the Security (\$1).
SE-MA0271	Record/Records once authorised cannot be deleted, but it/they can be modified.
SE-MA0273	This \$1 cannot be unlocked as Record Date is already past.
SE-MA0274	Parent Security Id, Intermediate Security Id and Resultant Security Id are mandatory fields.
SE-MA0275	Announcement Date cannot be later than the Record Date itself.
SE-MA0276	Record Date cannot be later than the Event Date.
SE-MA0277	Record Date cannot be later than Today or Today itself.
SE-MA0278	Exercise End Date has to be earlier than the Expiry date of the Intermediate Security (\$1).
SE-MA0279	End of Trading Date has to be today or beyond.

<b>Error Code</b>	<b>Message</b>
SE-MA0280	End of Trading Date cannot be greater than Event Date.
SE-MA0281	For Spot Days Count Basis as WORKING DAYS, holiday treatment becomes mandatory.
SE-MA0282	For Ex Days Count Basis as WORKING DAYS, holiday treatment becomes mandatory.
SE-MA0291	Exchange rate fixing date has to be provided.
SE-MA0292	Exchange rate has to be provided.
SE-MA0293	Issuer payment CCY has to be provided.
SE-MA0294	Announcement Date should not be greater than today.
SE-MA0295	Confirmed Date should not be greater than today.
SE-MA0296	Exchange Rate Fixing Date should not be greater than today.
SE-MA0297	Confirmed Date has to be provided.
SE-MA0298	Value for Dispose Fraction is mandatory.
SE-MA0299	Value for Resultant Ratio Num should not be less than or equal to zero.
SE-MA0307	Value for Resultant Ratio Denom should not be less than or equal to zero.
SE-MA0308	Value for Dividend Type has to be provided.
SE-MA0309	Only confirmed records can be closed.
SE-MA0310	Only confirmed records can be reopened.
SE-MA0311	Do you really want to confirm the record?
SE-MA0312	End of Trading Date has to be greater than today.
SE-MA0313	Restart Trading Date has to be greater than End of Trading Date
SE-MA0314	This Event Date cannot be maintained for the Security
SE-MA0350	Value for field Announcement Date is mandatory.
SE-MA0351	Announcement Date should be on or before today.
SE-MA0352	Announcement Date should be less than Event Date and Record Date.
SE-MA0353	Rights Exercise End Date should be after Rights Exercise Start Date
SE-MA0354	Value for the field Minimum Rights Exercise Quantity is mandatory.
SE-MA0355	Value for the field Rights Exercise Price is mandatory.
SE-MA0356	Rights Exercise End Date should be later than today.
SE-MA0357	Value for the field Confirmed Date is mandatory
SE-MA0358	Do you really want to confirm?

<b>Error Code</b>	<b>Message</b>
SE-MA0359	Confirmed Date should be on or before today.
SE-MA0360	Cannot Close. The record has already been confirmed!!
SE-MA0361	Cannot Reopen. The record has already been confirmed!!
SE-MA0362	Mandatory Field (\$1) is null.
SE-MA0363	Warrants Exercise End Date should be after Warrants Exercise Start Date.
SE-MA0364	Value for the field Minimum Warrants Exercise Quantity is mandatory.
SE-MA0365	Value for the field Warrants Exercise Price is mandatory.
SE-MA0366	Warrants Exercise End Date should be later than today.
SE-MA0367	Cannot delete a once authorized record.
SE-MA0368	Unauthorized records can be deleted but cannot be closed.
SE-MA0369	Event Date is past -- Cannot reopen the record.
SE-MA0370	Event Date is past -- Cannot close the record.
SE-MA0371	Mandatory Field Security Id is null.
SE-MA0372	Mandatory Field Portfolio Id is null.
SE-MA0373	Position Reference No. for this combination of Branch Code, Portfolio Id and Security Id does not exist.
SE-MA0374	Mandatory Field SK Location Id is null.
SE-MA0375	Mandatory Field SK Location Account is null.
SE-MA0376	Mandatory Field Security Form Code is null.
SE-MA0377	Mandatory Field To Series is null.
SE-MA0378	Current Holding \ Unauthorized Holding values not available for this Position Ref. No. and To Series at this SK location Id and Account.
SE-MA0379	Quantity moved should be less than or equal to the available quantity in the series.
SE-MA0380	Mandatory Field Quantity Moved is null.
SE-MA0381	The quantity available in this series is null.
SE-MA0382	The Effective Date does not lie in the coupon period of the Security.
SE-MA0383	Cannot unlock -- the record is already confirmed.
SE-MA0384	Record can be inserted only if the interest revision is manual.
SE-MA0385	Event Date is before the interest start date of the security.
SE-MA0386	Event Date should be before the redemption date of the security.

<b>Error Code</b>	<b>Message</b>
SE-MA0387	No data found for Security Interest Start Date \ Redemption or Expiry Date
SE-MA0388	This combination of Security Id, Interest Component and Event Date already exists.
SE-MA0389	Value for Event Date is mandatory.
SE-MA0390	This combination of Security Id, Interest Component and Effective Date already exists.
SE-MA0391	Value for Effective Date is mandatory.
SE-MA0392	System generated records cannot be modified.
SE-MA0393	Cannot Unlock. The record not authorized atleast once
SE-MA0394	Announcement Date should be less than Event Date and Effective Date.
SE-MA0395	Value for field Interest Component is mandatory.
SE-MA0396	Value for field Revision Rate is mandatory.
SE-MA0397	The Event Date does not lie in the coupon period of the Security.
SE-MA0398	The Record Date and the Event Date cannot be earlier than or equal to Today
SE-MA0399	Record for this Component and Currency already exists.
SE-MA0400	Redemption Adjustment could not be done.
SE-MA0401	The Total percentage for this security exceeds 100
SE-MA0402	Redemption Price must be greater than or equal to equivalent percentage of the initial face value
SE-MA0410	Bonus Encashed can not be more than the Initial Bonus Due
SE-MA0411	Bonus Encashed Quantity should be an Integer
SE-MA0412	Record Date is Mandatory
SE-MA0413	Event Date is Mandatory
SE-MA0414	Record Date has to be later than Today
SE-MA0415	Event Date has to be later than Today
SE-MA0416	Event Date can not be earlier than Record Date
SE-MA0425	Failed to Unlock the record
SE-MA0426	Initiation can not be done as Initiation Processing Date is later than Today
SE-MA0427	Collection can not be done as Collection Processing Date is later than Today

<b>Error Code</b>	<b>Message</b>
SE-MA0428	Liquidation can not be done as Liquidation Processing Date is later than Today
SE-MA0429	Do you want process Initiation?
SE-MA0430	Do you want process Collection?
SE-MA0431	Do you want process Liquidation?
SE-MA0432	Failed to process Initiation
SE-MA0433	Failed to process Collection
SE-MA0434	Failed to process Liquidation
SE-MA0435	Initiation processed Successfully
SE-MA0436	Collection processed Successfully
SE-MA0437	Liquidation processed Successfully
SE-MA0438	Do you want to reverse the event \$1?
SE-MA0439	Failed to process the event
SE-MA0440	Failed to apply Charges
SE-MA0441	Failed to apply Tax
SE-MA0442	Failed to pickup Settlements
SE-MA0443	Event can not be processed. Security Quantity is zero
SE-MA0444	Event can not be processed. Security Quantity is Negative
SE-MA0445	Event can not be processed. Rights due is zero
SE-MA0446	Event can not be processed. Rights due is Negative
SE-MA0447	Event can not be processed. Warrants due is zero
SE-MA0448	Event can not be processed. Warrants due is Negative
SE-MA0449	Event can not be processed. Residual Bonus Due is zero
SE-MA0450	Event can not be processed. Residual Bonus Due is Negative
SE-MA0451	Event can not be processed. Redemption Due is zero
SE-MA0452	Event can not be processed. Redemption Due is Negative
SE-MA0453	There are no Interest Components associated with the Security
SE-MA0454	There are no Issuer Tax Components associated with the Security
SE-MA0455	Failed to Reverse the Event
SE-MA0456	Event Successfully Reversed
SE-MA0460	Select the Portfolio Id to start Printing from.

<b>Error Code</b>	<b>Message</b>
SE-MA0461	Select the to Portfolio Id to Print.
SE-MA0462	The From Portfolio Id should be less than the To Portfolio Id
SE-MA0463	Select the From Customer Id
SE-MA0464	Select the To Customer Id
SE-MA0465	The From Customer should be less than the To Customer.
SE-MA0466	The Processing Date cannot be null
SE-MA0467	Select the From Security Id
SE-MA0468	Select the To Security Id
SE-MA0469	The From Security Id should be less than the To Security Id
SE-MA0470	The redemption type does not match with the redemption type of Security Definition
SE-MA0471	An open bullet redemption record already exists. Cannot have another record
SE-MA0472	Active Deals exist that are due to settle on or after the record date of redemption. Cannot save.
SE-MA0473	Active Deals exist using this series that are due to settle on or after the record date of redemption. Cannot save.
SE-MA0474	Start Date cannot be greater than Branch Date
SE-MA0475	There must be atleast one open record on the redemption date for series redemption. Cannot close this record
SE-MA0476	End Date cannot be greater than Branch Date
SE-MA0477	End date cannot be less than Start Date
SE-MA0478	Open Coupon record(s) exist after the redemption event date. Cannot save.
SE-MA0479	Open Interest Revision record(s) exist after the redemption event date. Cannot save.
SE-MA0480	There must be atleast some percentage left on the final redemption date.
SE-MA0481	Redemption Price must be greater than or equal to Initial Face Value \$1
SE-MA0482	Open Bullet redemption record not correctly maintained for security \$1
SE-MA0483	Only One open Bullet Redemption record should be maintained for security \$1
SE-MA0484	Atleast one open redemption record should be maintained for security \$1 on the maturity date \$2
SE-MA0485	Sum of all the open redemption records is not 100 for \$1



<b>Error Code</b>	<b>Message</b>
SE-MA0486	The trading date is later than the end of trading date maintained in the redemption record
SE-MA0487	Deal Trade date lies in a non trading period.
SE-MA0488	Deal Settlement date is after the security maturity date
SE-MA0489	Redemption Validations for this security failed
SE-MA0490	Select the From Event Date.
SE-MA0491	Select the To Event Date.
SE-MA0492	The From Date cannot be greater than the To date.
SE-MA0493	Failed in populating security details for the new branch
SE-MA0494	Effective Date should be later than today

## 31.2 Error Codes and Messages for Securities Online

Error Code	Message
SE-SO0001	Internal Security ID must be Unique
SE-SO0002	ISIN Identifier must be Unique
SE-SO0003	Market of Issue cannot be cleared after having been populated once.
SE-SO0004	Security Currency cannot be cleared after having been populated once.
SE-SO0005	Initial Face Value would be cleared. Proceed?
SE-SO0006	Issue Price would be cleared. Proceed?
SE-SO0007	Redemption Price would be cleared. Proceed?
SE-SO0011	By SWIFT Standards, valid day count indicators are A001, A002, A003, A004, A005, A006 and A007
SE-SO0031	By SWIFT Standards, there needs to be necessarily \$1 characters
SE-SO0032	By SWIFT Standards, valid characters are [A - Z] , [0 - 9]
SE-SO0033	By SWIFT Standards, some characters are invalid. Proceed with appropriate substitution?
SE-SO0051	Internal Security ID is Mandatory
SE-SO0052	Product is Mandatory
SE-SO0053	Market of Issue is Mandatory
SE-SO0054	Issuer ID is Mandatory
SE-SO0055	Registered / Bearer is Mandatory
SE-SO0056	Form Type is Mandatory
SE-SO0057	Quantity Quotation is Mandatory
SE-SO0058	Price Quotation is Mandatory
SE-SO0059	Interest Quotation is Mandatory
SE-SO0060	Unit Decimals is Mandatory
SE-SO0061	Lot Size is not populated. Proceed?
SE-SO0062	Redemption Type is Mandatory
SE-SO0063	Security Currency is Mandatory
SE-SO0064	Payment Currency is Mandatory
SE-SO0065	Issue /Tearoff Date is Mandatory
SE-SO0066	Start of Interest Date is Mandatory
SE-SO0067	Start of Trading Date is Mandatory

<b>Error Code</b>	<b>Message</b>
SE-SO0068	Redemption / Expiry Date is Mandatory
SE-SO0069	Start of Interest Date is earlier than Issue /Tearoff Date. Proceed?
SE-SO0070	Start of Trading Date must be later than Issue / Tearoff Date
SE-SO0071	Start of Trading Date must be later than Start of Interest Date
SE-SO0072	Redemption / Expiry Date must be later than Issue / Tearoff Date
SE-SO0073	Redemption / Expiry Date must be later than Start of Interest Date
SE-SO0074	Redemption / Expiry Date must be later than Start of Trading Date
SE-SO0075	Initial Face Value is Mandatory
SE-SO0076	Issue Price is Mandatory
SE-SO0077	Redemption Price is Mandatory
SE-SO0078	Issue Price must be lesser than Initial Face Value
SE-SO0079	Redemption Price must be greater than or equal to Initial Face Value
SE-SO0080	Quantity Quotation must be "UNITS"
SE-SO0081	Lot Size must be a multiple of Initial Face Value
SE-SO0101	Coupon Frequency is Mandatory
SE-SO0102	Coupon Weekday is Mandatory
SE-SO0103	Revision Frequency is Mandatory
SE-SO0104	Revision Weekday is Mandatory
SE-SO0105	Rounding Basis is Mandatory
SE-SO0106	Rate Basis is Mandatory
SE-SO0107	Accrual Numerator Method is Mandatory
SE-SO0108	Accrual Denominator Method is Mandatory
SE-SO0109	Accrual Denominator Basis is Mandatory
SE-SO0110	Liquidation Numerator Method is Mandatory
SE-SO0111	Liquidation Denominator Method is Mandatory
SE-SO0112	Liquidation Denominator Basis is Mandatory
SE-SO0113	Accrual Denominator Basis and Liquidation Denominator Basis must be identical
SE-SO0114	Accrual Include To Day and Liquidation Include To Day must be identical
SE-SO0115	If Rate Basis and Accrual / Liquidation Denominator Basis are not identical then it must be Periodic Coupon

<b>Error Code</b>	<b>Message</b>
SE-SO0116	If Rate Basis and Accrual / Liquidation Denominator Basis are not identical then it must not be Weekly Coupon
SE-SO0131	Collateral Type is Mandatory
SE-SO0132	Dividend Basis is Mandatory
SE-SO0133	Warrant Basis is Mandatory
SE-SO0134	Rights Basis is Mandatory
SE-SO0151	Coupon Schedules have not been maintained. Proceed?
SE-SO0181	Series must be Unique
SE-SO0182	Redemption of this Series has already been defined
SE-SO0183	Series is Mandatory
SE-SO0201	Base Start Date must be Unique
SE-SO0202	Base Start Date must later than Start of Interest Date
SE-SO0203	Base Start Date must be earlier than Redemption/Expiry Date
SE-SO0204	Base End Date must be later than Start of Interest Date
SE-SO0205	Base End Date must be earlier than or equal to Redemption/Expiry Date
SE-SO0206	Base Start Date is Mandatory
SE-SO0207	Base End Date must be later than Base Start Date
SE-SO0208	Base Frequency is Mandatory
SE-SO0209	Week Day is Mandatory
SE-SO0210	Base Start Date must be on specified the Weekday
SE-SO0231	First Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0232	First Previous Virtual Coupon Date must be later than Previous Coupon Date
SE-SO0233	Second Previous Virtual Coupon Date must be earlier than Previous Coupon Date
SE-SO0234	First Next Virtual Coupon Date must be later than Next Coupon Date
SE-SO0235	First Next Virtual Coupon Date must be earlier than Next Coupon Date
SE-SO0236	Second Next Virtual Coupon Date must be later than Next Coupon Date
SE-SO0237	First Previous Virtual Coupon Date is Mandatory
SE-SO0238	Second Previous Virtual Coupon Date is Mandatory
SE-SO0239	First Next Virtual Coupon Date is Mandatory

<b>Error Code</b>	<b>Message</b>
SE-SO0240	Second Next Virtual Coupon Date is Mandatory
SE-SO0261	Effective Date must later than Start of Interest Date
SE-SO0262	Effective Date must be earlier than Redemption/Expiry Date
SE-SO0263	Effective Date is Mandatory
SE-SO0281	Event Date must be Unique
SE-SO0282	Event Date must be later than Issue/Tearoff Date
SE-SO0283	Event Date must be earlier than Redemption/Expiry Date
SE-SO0284	Cumulative % To Be Redeemed must be lesser than 100%
SE-SO0285	Redemption Price must be greater than equal to Initial Face Value
SE-SO0286	Event Date is Mandatory
SE-SO0287	% To Be Redeemed is Mandatory
SE-SO0288	Redemption Price is Mandatory
SE-SO0289	Disposition of Fractions is Mandatory
SE-SO0290	Redemption Price must be greater than equal to Face Value being Redeemed
SE-SO0291	Series is Mandatory
SE-SO0401	Attributes defaulted from Market of Issue would be redefaulted. Proceed?
SE-SO0402	Coupon Schedules would be deleted. Proceed?
SE-SO0403	Revision Schedules would be deleted. Proceed?
SE-SO0404	Redemption Schedules would be deleted. Proceed?
SE-SO0405	Interest Component/s would need to be associated afresh. Proceed?
SE-SO0406	Tax Component/s would need to be associated afresh. Proceed?
SE-SO0407	MIS would need to be associated afresh. Proceed?
SE-SO0501	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0502	Unhandled Exception in Security Definition Function
SE-SO0503	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0504	Unhandled Exception in Security Definition Function
SE-SO0505	Unable to Update Current Block Items in Security Definition Function
SE-SO0506	Unable to Update Maintenance Stamp in Security Definition Function
SE-SO0507	Unhandled Exception in Security Definition Function
SE-SO0508	Unhandled Exception in Security Definition Function

<b>Error Code</b>	<b>Message</b>
SE-SO0509	Unable to Commit in Security Definition Function
SE-SO0510	Security Definition Saved Successfully
SE-SO0511	Unhandled Exception in Security Definition Function
SE-SO0512	Unable to Commit in Security Definition Function
SE-SO0513	Security Definition Deleted Successfully
SE-SO0514	Unhandled Exception in Security Definition Function
SE-SO0515	Unable to Commit in Security Definition Function
SE-SO0516	Unhandled Exception in Security Definition Function
SE-SO0517	Security Definition is not yet Authorized Once
SE-SO0518	Security Definition is Closed Already
SE-SO0519	Deals have already been struck for the Security
SE-SO0520	Unable to Post in Security Definition Function
SE-SO0521	Unable to Commit in Security Definition Function
SE-SO0522	Security Definition Closed Successfully
SE-SO0523	Unhandled Exception in Security Definition Function
SE-SO0524	Security Definition is Open Already
SE-SO0525	Unable to Post in Security Definition Function
SE-SO0526	Unable to Commit in Security Definition Function
SE-SO0527	Security Definition Reopened Successfully
SE-SO0528	Unhandled Exception in Security Definition Function
SE-SO0551	Product is Unavailable in the Current List
SE-SO0552	Market of Issue is Unavailable in the Current List
SE-SO0553	Issuer ID is Unavailable in the Current List
SE-SO0554	Security Currency is Unavailable in the Current List
SE-SO0555	Payment Currency is Unavailable in the Current List
SE-SO0556	Collateral Type is Unavailable in the Current List
SE-SO0557	Revaluation Price Code is Unavailable in the Current List
SE-SO0601	Unhandled Exception in Security Definition Function
SE-SO0602	Unhandled Exception in Security Definition Function
SE-SO0603	Unhandled Exception in Security Definition Function

<b>Error Code</b>	<b>Message</b>
SE-SO0604	Unhandled Exception in Security Definition Function
SE-SO0605	Unhandled Exception in Security Definition Function
SE-SO0606	Unhandled Exception in Security Definition Function
SE-SO0607	Unhandled Exception in Security Definition Function
SE-SO0608	Unhandled Exception in Security Definition Function
SE-SO0609	Unhandled Exception in Security Definition Function
SE-SO0610	Unhandled Exception in Security Definition Function
SE-SO0611	Unhandled Exception in Security Definition Function
SE-SO0612	Unhandled Exception in Security Definition Function
SE-SO0613	Unhandled Exception in Security Definition Function
SE-SO0614	Unhandled Exception in Security Definition Function
SE-SO0615	Unhandled Exception in Security Definition Function
SE-SO0616	Unhandled Exception in Security Definition Function
SE-SO0617	Unhandled Exception in Security Definition Function
SE-SO0618	Unhandled Exception in Security Definition Function
SE-SO0619	Unhandled Exception in Security Definition Function
SE-SO0620	Unhandled Exception in Security Definition Function
SE-SO0621	Unhandled Exception in Security Definition Function
SE-SO0622	Unhandled Exception in Security Definition Function
SE-SO0623	Unhandled Exception in Security Definition Function
SE-SO0624	Unhandled Exception in Security Definition Function
SE-SO0625	Unhandled Exception in Security Definition Function
SE-SO0626	Unhandled Exception in Security Definition Function
SE-SO0627	Unhandled Exception in Security Definition Function
SE-SO0651	Coupon Schedule Definition resulted in convergent Coupon Dates
SE-SO0652	The Tenor of the Security does not conform to the Tenor Variance specified at the Product Level
SE-SO0653	Coupon Date missing on Redemption Date \$1
SE-SO0654	No Series has been defined for Redemption on Event Date \$1
SE-SO0655	Revision Schedule Definition resulted in convergent Revision Dates

<b>Error Code</b>	<b>Message</b>
SE-SO0656	Effective Date of Revision on Event Date \$1 does not lie within the same Coupon Period as the Event Date
SE-SO0657	Interest Rate not populated for Interest Component \$1
SE-SO0658	All Interest Components have been Waived
SE-SO0659	Tax Rate Code not populated for Tax Component \$1
SE-SO0660	The Issue date should be later than the product start date
SE-SO0661	The Redemption or Expiry date cannot be later than the product end date
SE-SO0662	The Redemption Price is lesser than the Initial Face Value. Continue?



### 31.3 Error Codes and Messages for Batches

Error Code	Message
SE-AC001	Failed to Lock SE Leg Reference No. \$1 for \$2 event
SE-AC002	Failed to get End Of Input for the current branch
SE-AC003	This is an End of Day process
SE-AC004	First run the predecessor programs before Event Selection and ALPL program
SE-AC005	Process Till Date is Mandatory
SE-AC006	Process Till Date cannot be greater than 365 days from today
SE-AC007	Are you sure you want to start Event Selection and ALPL?
SE-AC008	Event Selection and Processing and ALPL process Failed.
SE-AC009	Event Selection and Processing and ALPL process successfully completed
SE-BA0001	Unhandled Exception in Sepkss_repo.fn_populate_work_table
SE-BA0002	Unhandled Exception in Sepkss_repo.fn_repo_block_deals
SE-BA0003	Unhandled Exception in fn_create_block_deals
SE-BA0004	Unhandled Exception in fn_ammend_block_deals
SE-BA0005	Unhandled Exception in fn_delete_block_deals
SE-BA0006	Insert to setbs_deal_master bombed
SE-BA0007	Insert to setbs_deal_detail bombed
SE-BA0008	Insert to cstbs_contract bombed
SE-BA0009	Insert to setbs_mm_repo_linkage bombed
SE-BA0010	Updation of cstbs_contract bombed
SE-BA0011	Insert to setws_repo_rrepo_blocks bombed
SE-BA0012	Unhandled Exception in Sepkss_repo.fn_delete_action
SE-BA0013	Security Value \$1 should not be less than Loan Amount \$2
SE-BA0014	Unhandled Exception in fn_calculate_security_val
SE-BA0015	Unhandled Exception in Sepkss_repo.fn_repo_release_block
SE-BA0016	Unhandled Exception in sepkss_repo.fn_repo_authorize
SE-BA0017	Old Deal Reference cannot be Null
SE-BA0018	Copy Flag should be either V or N
SE-BA0019	Select from Cstb Contract failed

<b>Error Code</b>	<b>Message</b>
SE-BA0020	Select from setbs_deal_master failed
SE-BA0021	Unhandled exception in fn_project_balance
SE-BA0022	Unhandled exception in fn_get_pfolio_balance
SE-BA0023	Unhandled exception in fn_get_balances
SE-BA0024	Unable to insert into setb_pfolio_vdated_movmnts
SE-BA0025	Unable to insert into setb_pfolio_skacbalances
SE-BA0026	Unable to get record from setb_pfolio_skacbalances
SE-BA0027	Unhandled exception in fn_upd_vbal_opening
SE-BA0028	Failed to get the commit frequency
SE-BA0029	Unable to get record from sevw_pfolio_skacbalances
SE-BA0030	Cannot settle Sell deal \$1;Deal quantity (\$2) is greater than Available balance (\$3)
SE-BA0031	Unable to get record from sevw_pfolio_skacbalances
SE-BA0032	Failed to get the Next Processing Date
SE-BA0033	Unable to insert record into setb_event_log
SE-BA0034	Unable to lock record \$1
SE-BA0035	Failed to insert into \$1
SE-BA0036	Unable to read from setb_event_log
SE-BA0037	Unhandled exception in fn_rights_RXLL
SE-BA0038	Unhandled exception in fn_build_event_advice
SE-BA0039	Unhandled exception in fn_populate_vdbals
SE-BA0040	Failed to do FPL accrual for \$1
SE-BA0041	No data found in setm_security_master
SE-BA0042	No data found in setm_cash_dividend
SE-BA0043	No data found in setm_portfolio_master
SE-BA0044	No data found in setm_sk_location
SE-BA0045	Error while updating setm_corp_actions_due
SE-BA0046	When Others of fn_cash_dvnd_population
SE-BA0047	No data found in setm_stock_dividend
SE-BA0048	Error while rounding Rights fraction
SE-BA0049	When Others of fn_bonus_population

<b>Error Code</b>	<b>Message</b>
SE-BA0050	No data found in setm_rights
SE-BA0051	When Others of fn_rights_population
SE-BA0052	No data found in setm_warrants
SE-BA0053	When Others of fn_warrant_population
SE-BA0054	No data found in setm_redemption
SE-BA0055	When Others of fn_redemption_population
SE-BA0056	Unhandled exception in fn_redemption series
SE-BA0057	No data found in setm_coupon
SE-BA0058	When Others of fn_coupon_population
SE-BA0059	Unhandled exception in fn_get_sk_for_buysell
SE-BA0060	Select from SE Master and Detail to Populate Work Table Failed
SE-BA0061	Security Ccy not maintained for Internal Security Id
SE-BA0062	Latest ESN not maintained for Contract Reference
SE-BA0063	Updation of setbs_deal_master bombed
SE-BA0064	Updation of setbs_deal_detail bombed
SE-BA0065	Select from setbs_mm_repo_linkage failed
SE-BA0066	Insert to setws_tmp_repo_exposure bombed
SE-BA0067	Unhandled Exception in fn_calculate_repo_exposure
SE-BA0068	Unhandled Exception in sepkss_copy.fn_secopy_adeal
SE-BA0069	Insert to Cstb Contract Failed
SE-BA0070	Unhandled Exception in fn_cstb_contract_insert
SE-BA0071	Updation Of Cstb Contract Failed
SE-BA0072	Unhandled Exception in fn_cstb_contract_update
SE-BA0073	Insert to setbs_deal_master Failed
SE-BA0074	Unhandled Exception in fn_deal_master_insert
SE-BA0075	Insert to setbs_deal_detail Failed
SE-BA0076	Unhandled Exception in fn_deal_detail_insert
SE-BA0077	Insert to setbs_deal_parties Failed
SE-BA0078	Unhandled Exception in fn_deal_parties_insert
SE-BA0079	Insert to setbs_deal_parties_narrative Failed

<b>Error Code</b>	<b>Message</b>
SE-BA0080	Unhandled Exception in fn_deal_narrative_insert
SE-BA0081	Inserting into exception for reference number \$1 failed
SE-BA0082	Unhandled exception in getting all legs to be processed for MSTL
SE-BA0083	Insert into event log bombed for leg \$1
SE-BA0084	Unhandled exception in fn process leg for MSTL for leg \$1
SE-BA0085	Failed to Lock SE Leg reference no. \$1 for \$2 event
SE-BA0086	Portfolio ID does not exist for position reference \$1
SE-BA0087	Corporate action notice details could not be got for \$1
SE-BA0088	Failed to update corporate actions due table for \$1
SE-BA0089	Failed in identifying if processing is required
SE-BA0090	Failed in inserting into contract event advice table for \$1
SE-BA0091	Unhandled exception in fn_periodic_accrual for Forward P/L
SE-BA0092	Failed to do product level FPL accruals for \$1
SE-BA0093	Unhandled exception in fn_pass_product_entries for Forward P/L
SE-BA0094	Unable to lock cstb_contract for \$1
SE-BA0095	Unhandled exception in fn_accrue_for_aleg
SE-BA0096	Unhandled exception in fn_reverse_for_a_leg
SE-BA0097	Unhandled exception in fn_complete_fpl_accrual
SE-BA0098	Failed to insert into setb_event_log for \$1
SE-BA0099	Unhandled exception in function fn_right_tearoff_RGLL
SE-BA0100	Unhandled exception in function fn_pass_product_entries
SE-BA0101	Unable to do product level accruals for portfolio \$1 and ccy \$2
SE-BA0102	Unable to update the setb_fwdpnl_master for portfolio \$1 and ccy \$2
SE-BA0103	Unhandled exception in function fn_update_opening_bal
SE-BA0106	Unhandled exception in function fn_msg_handoff
SE-BA0107	Next process date \$1 > Process till date \$2 for product \$3
SE-BA0108	Unable to get record from \$1 for record \$2
SE-BA0109	Unable to lock record from \$1 for record \$2
SE-BA0110	Unhandled exception in function fn_settlements
SE-BA0111	Error updating processed flag in setbs_caevent_log to W(work in progress) for Action ID --> \$1

<b>Error Code</b>	<b>Message</b>
SE-BA0112	Collection cannot be processed before initiation for internal Action ID \$1 and position reference \$2
SE-BA0113	Liquidation cannot be processed before initiation/collection for internal Action ID \$1 and position reference \$2
SE-BA0114	Unhandled exception - when others for internal Action ID \$1 and position reference \$2
SE-BA0115	Error updating processed flag in setbs_caevent_log to Y(Processed) for Action ID --> \$1
SE-BA0116	Unhandled exception – when others in function fn_dividend_auto.
SE-BA0117	Error selecting corporate actions record for internal Action ID \$1 and position reference \$2
SE-BA0118	Unhandled exception - when others in function fn_dividend_manual
SE-BA0119	Unable to lock record in setbms_corp_actions_due for internal Action ID \$1 and position reference \$2
SE-BA0120	Error selecting corporate actions record for update
SE-BA0121	Error selecting portfolio product and Portfolio Ref No for Portfolio ID --> \$1
SE-BA0122	Unhandled exception in function fn_process_event.
SE-BA0123	Function sepks_utils.fn_lock_cstb_contract returned false for position reference \$1
SE-BA0124	Failed to lock cstbs_contract for position reference \$1
SE-BA0125	Unhandled exception - when others of function fn_coupon_auto
SE-BA0126	Coupon amount due is zero for component \$1
SE-BA0127	Unhandled exception - when others of function fn_process_interest_due
SE-BA0128	Unhandled exception in function fn_get_locks
SE-BA0131	Unhandled exception in function fn_SPLP_for_aleg
SE-BA0132	Unhandled exception in function fn_SPSP_for_aleg
SE-BA0133	Unhandled exception in function fn_SSLP_for_aleg
SE-BA0134	Unhandled exception in function fn_SSSP_for_aleg
SE-BA0135	Failed to insert into setbs_dstl_details for \$1
SE-BA0136	Failed to update setbs_dstl_master for \$1
SE-BA0137	Failed while rounding amount tag \$1 for amount \$2
SE-BA0138	Unhandled exception in fn_memo_fpl_accrual
SE-BA0139	Failed to get the ESN for Memo accrual

<b>Error Code</b>	<b>Message</b>
SE-BA0140	Cannot settle \$1 as it is not fully matched
SE-BA0141	Unhandled exception in fn_complete_DSTL
SE-BA0142	Failed to get current_holding
SE-BA0143	Failed to do DSTL for \$1 as position goes +ve for Issuer Portfolio \$2.
SE-BA0144	Failed to do DSTL for \$1 as position goes -ve for Non-Issuer Portfolio \$2.
SE-BA0145	Unable to select from setb_deal_detail for \$1
SE-BA0146	Unable to select from setb_deal_master for \$1
SE-BA0147	Unable to select from setb_portfolio_master for \$1
SE-BA0148	Unable to update setb_caevent_tearoff_log
SE-BA0149	Unable to select from setm_security_master for \$1
SE-BA0150	Unable to select from setb_dstl_master for \$1 and \$2
SE-BA0151	This program can be run only as part of End of Day or Beginning of Day processing.
SE-BA0152	Select from setms_security_master failed
SE-BA0153	Select from setms_price_detail failed
SE-BA0154	Select from ldtbs_contract_master failed
SE-BA0155	Select from ldtbs_contract_iccf_details failed
SE-BA0156	Select from ldtbs_contract_balance failed
SE-BA0157	Unhandled exception in fn_calculate_mm_amount
SE-BA0158	Unhandled exception in Sepkss_repo.fn_reverse_block_deals
SE-BA0159	Unhandled exception in Sepkss_repo.fn_roll_block_deals
SE-BA0160	Select from setms_security_master failed
SE-BA0161	Security expires before Contract Maturity
SE-BA0162	Select from setms_portfolio_master failed
SE-BA0163	Select from ldtms_product_master failed
SE-BA0164	Unhandled exception in fn_roll_each_block_deal
SE-BA0165	Failed to update cstbs_contract_event_log
SE-BA0166	Block Product not maintained for this product
SE-BA0167	Unhandled exception in fn_reverese_each_block_deal
SE-BA0168	Failed to delete from setbs_caevent_tearoff_log
SE-BA0169	Confirmed Date should not be more than Today

<b>Error Code</b>	<b>Message</b>
SE-BA0170	Improper Internal Action ID
SE-BA0171	Insert to setbs_caevent_tearoff_log failed
SE-BA0172	Unhandled exception in sepks_utils.fn_populate_caevent_tear_log
SE-BA0173	Unhandled exception in sepks_utils.fn_delete_caevent_tear_log
SE-BA0174	Insert to setbs_caevent_expiry_log failed
SE-BA0175	Securities with only Quantity type of redemption can be processed for rebuild
SE-BA0176	Insert to setbs_security_face_value failed
SE-BA0177	Redeemed Value of Security cannot be less than Zero
SE-BA0178	Select from setms_redemption failed
SE-BA0179	Failed to round the redemption value
SE-BA0180	Unhandled exception in sepks_security_rebuild.fn_rebuild_for_a_security
SE-BA0181	Position goes negative for \$1
SE-BA0182	Position goes positive for \$1
SE-BA0183	Amount round failed for \$1
SE-BA0184	Unhandled exception in \$1
SE-BA0185	Failed to read deal for \$1
SE-BA0186	Failed to insert into cstb_contract_exception
SE-BA0187	Unhandled exception in fn_rebuild_slabs.
SE-BA0188	Unable to select from setms_portfolio_master
SE-BA0189	Unable to select from setb_dprp_accr_calc
SE-BA0190	Unable to lock position \$1
SE-BA0191	Unable to select from setm_redemption
SE-BA0192	Unable to select from setm_security_master
SE-BA0193	Unable to update setb_bep
SE-BA0194	Unable to insert/update setb_dprp_accr_calc
SE-BA0195	Unhandled exception in fn_process_calc_table
SE-BA0196	Unable to calculate the tenor
SE-BA0197	Unable to calculate the no. of days
SE-BA0198	Unhandled exception in fn_constant_yld_dp

<b>Error Code</b>	<b>Message</b>
SE-BA0199	Unhandled exception in fn_constant_yld_rp
SE-BA0200	Unable to select from setm_branch_parameters
SE-BA0201	Next process date \$1 > Process till date \$2 for product \$3
SE-BA0202	Unable to select from setb_dprp_accr_master
SE-BA0203	Unable to update setb_dprp_accr_master
SE-BA0204	Unhandled exception in fn_dprp_batch_accr
SE-BA0205	Unhandled exception in fn_pass_product_entries
SE-BA0206	Unable to update setb_dprp_accr_log
SE-BA0207	Unable to update accrual_entry_flag in setb_dprp_accr_log
SE-BA0208	Unhandled exception in fn_dprp_memo_accr
SE-BA0209	Unhandled exception in fn_dprp_reversals
SE-BA0210	Unhandled exception in fn_accrue
SE-BA0211	Unable to select from setb_bep
SE-BA0212	Unhandled exception in fn_accrue_during_settle
SE-BA0213	Unhandled exception in fn_acc_entry
SE-BA0214	Component code not correctly set
SE-BA0215	Unable to insert into setb_dprp_accr_log
SE-BA0216	Unhandled exception in fn_update_accr_log
SE-BA0217	Unhandled exception in fn_dprp_poswac
SE-BA0218	Unhandled exception in fn_dprp_negwac
SE-BA0219	Unhandled exception in fn_dprp_dmwac
SE-BA0220	Unhandled exception in fn_dprp_wac_noaccr
SE-BA0221	Unable to check future holding
SE-BA0222	Unable to select from setb_unrel_unmatch for \$1
SE-BA0223	Unhandled exception in fn_rights_settlements
SE-BA0224	Unhandled exception in fn_warrants_settlements
SE-BA0225	Unhandled exception in fn_bonus_settlements
SE-BA0226	Unable to get current holding for position \$1
SE-BA0227	Unable to select from setb_matched_deal for sell leg \$1
SE-BA0228	Unable to update setb_event_log



<b>Error Code</b>	<b>Message</b>
SE-BA0229	Failed in function fn_find_cum_ex
SE-BA0230	Unable to break the match for \$1
SE-BA0231	Unable to get Buy deal for position \$1
SE-BA0232	Unable to insert into setb_matched_deal for sell leg \$1
SE-BA0233	Unable to update setb_unrel_unmatch
SE-BA0234	Unhandled exception in fn_drive_alpl
SE-BA0235	Unhandled exception in fn_drive_dprp_accr
SE-BA0236	Unhandled exception in fn_drive_fpl_accr
SE-BA0237	Unhandled exception in fn_drive_fpl_memo_accr
SE-BA0238	Unhandled exception in fn_drive_dprp_memo_accr
SE-BA0239	Unable to update setb_dstl_master for \$1 and dstl date \$2
SE-BA0240	Unhandled exception in fn_reverse_alpl
SE-BA0241	Unhandled exception in fn_mark_dstl_master
SE-BA0242	Unable to get the Rights intrinsic value
SE-BA0243	Unable to select from setb_position_ref
SE-BA0244	Failed in function fn_build_event_advice
SE-BA0245	Unable to get the deal details for \$1
SE-BA0246	Unhandled exception in fn_rights_exercise_RELL
SE-BA0247	Error while calculating P&L for Rights exercise
SE-BA0248	Unable to insert into setb_event_log
SE-BA0249	Unable to insert into setb_dstl_details
SE-BA0250	Unable to insert into cstb_contract_event_advice
SE-BA0251	Failed in function fn_msg_handoff
SE-BA0252	Error while calculating P&L for Rights expiry
SE-BA0253	Unhandled exception in fn_rights_expiry_RXLL
SE-BA0254	Failed in function fn_build_event_advice
SE-BA0255	Unhandled exception in fn_bonus_settlements
SE-BA0256	ALPL is already running in the current branch
SE-BA0257	Unhandled exception in Event Selection and Processing and ALPL function
SE-BA0258	Unhandled exception in fn_SSSP_settlements

<b>Error Code</b>	<b>Message</b>
SE-BA0259	Unhandled exception in fn_do_matching
SE-BA0260	Closing sec balance not equal to settled quantity
SE-BA0261	Insert to setbs_interest rate failed
SE-BA0262	Unhandled exception in sepks_security_rebuild.fn_rebuild_interest
SE-BA0263	Security being traded has already expired
SE-BA0264	Updation of setws_repo_rrepo_blocks failed
SE-BA0265	Select from setws_repo_rrepo_blocks failed
SE-BA0266	Unhandled Exception in sepks_repo_addon.fn_calculate_repo_face_value
SE-BA0271	Unhandled exception in function sepks_corpaction_msg.fn_process_notice
SE-BA0272	Unhandled exception in function sepks_corpaction_msg.fn_check_advice
SE-BA0273	Unhandled exception in function sepks_corpaction_msg.fn_handoff
SE-BA0274	Error updating advice_generated field to Y
SE-BA0275	Error updating advice_generated field to P
SE-BA0276	Error updating internal_action_id in setbs_event_log
SE-BA0277	Unable to handoff to mstbs_msg_handoff. Function sepks_advice_utils.fn_insert_msg_handoff returned false
SE-BA0278	Error updating statement date/number fields in setms_portfolio_master
SE-BA0279	Unhandled exception in function fn_statements_handoff
SE-BA0280	Matched buy deals have not settled. DSTL will not be done for \$1
CS-CF0001	Unhandled exception in fn_create_cash_flow - version 1
CS-CF0002	Cstbs_event_due_dates not populated
CS-CF0003	Unhandled exception in fn_create_cash_flow - version 2
CS-CF0004	Unhandled exception in fn_restore_cash_flow
CS-CF0005	Unhandled exception in fn_authorize_cash_flow
CS-CF0006	Unhandled exception in fn_settle_cash_flow
CS-CF0007	Unhandled exception in fn_process_charges
CS-CF0008	Unhandled exception in fn_tax_charges
CS-CF0009	Unhandled exception in fn_is_referral
CS-CF0010	Unhandled exception in fn_process_settlements_lists

<b>Error Code</b>	<b>Message</b>
CS-CF0011	Unhandled exception in fn_upd_amt_due
CS-CF0012	Unhandled exception in fn_upd_amt_paid
CS-CF0013	Unhandled exception in fn_backup_cash_flow
SE-CF0001	Unhandled exception in fn_cash_flow_redemption
SE-CF0002	Unhandled exception in fn_cash_flow_dividends
SE-CF0003	Unhandled exception in fn_cash_flow_coupons
SE-CF0004	Unhandled exception in fn_populate_amt_due
SE-CF0005	Unhandled exception in fn_get_sett_acc
SE-BOD001	Unhandled exception in function sepkss_security_batch.fn_process_security_batch while processing security \$1
SE-BOD002	Unhandled exception in function sepkss_security_batch.fn_process_security_batch
SE-BOD003	Unhandled exception in function fn_update of sepkss_security_batch
SE-BOD040	Failed to update setb_caevent_tearoff_log
SE-BOD041	Failed to lock cstb_contract
SE-BOD042	Failed to update setm_corp_actions_due with auto deal reference
SE-BOD043	When Others of fn_right_tearoff
SE-BOD044	Error while selecting product for building auto deal
SE-BOD045	When Others of fn_right_pfolio_processing
SE-BOD046	No data found in setm_combination_product
SE-BOD047	Failed to insert into setb_unrel_unmatch
SE-BOD048	Unhandled exception in fn_deal_detail
SE-BOD049	Unhandled exception in fn_deal_master
SE-BOD050	Failed to update setb_caevent_expiry_log
SE-BOD051	Unhandled exception in fn_rights_expiry
SE-BOD052	Are you sure you want start Corp Action Batch processing?
SE-BOD053	Unhandled exception encountered while running Batch program
SE-BOD074	When Others of fn_populate_coupon_eod
SE-BOD075	When Others of fn_populate_cash_dvnd_eod

## 31.4 Error Codes and Messages for Deal Input

Error Code	Message
SE-DO0000	For Securities Deal On-line error code format is SE-DONNNN, where NNNN is a running four-digit number with left padded zeros. Please insert the Error Codes you want and reserve it. The Error Message cannot be greater than 255 characters. Please do not use SE-DO0000 as a Error Code.
SE-DO0001	Product code should be entered
SE-DO0002	Unable to generate reference number
SE-DO0003	Trade date cannot be after today
SE-DO0004	Trade date cannot be after interest date
SE-DO0005	Interest date cannot be after delivery settlement date
SE-DO0006	Delivery settlement date cannot be before trade date
SE-DO0007	Security code should be entered
SE-DO0008	Market code should be entered
SE-DO0009	Deal quantity should be entered
SE-DO0010	Input price should be entered
SE-DO0011	Trade date should be entered
SE-DO0012	Delivery settlement date should be entered
SE-DO0013	Interest date should be entered
SE-DO0014	Trade date should be entered
SE-DO0015	Broker code should be entered
SE-DO0016	Security series should be entered
SE-DO0017	Payment date should be entered
SE-DO0018	Spot date should be entered
SE-DO0019	Spot price should be entered
SE-DO0020	Payment Currency should be entered
SE-DO0021	Interest days should be entered
SE-DO0022	Counterparty should be entered
SE-DO0023	SK location should be entered
SE-DO0024	Portfolio should be entered
SE-DO0025	User reference should be entered
SE-DO0026	Dealer code should be entered

<b>Error Code</b>	<b>Message</b>
SE-DO0027	Money settlement date should be entered
SE-DO0028	SK Account should be entered
SE-DO0029	Actual money settlement date should be entered
SE-DO0030	Overrides need to be confirmed for Authorization
SE-DO0031	Do you want to undo the changes you have made?
SE-DO0032	Do you want to delete the contract?
SE-DO0033	Do you want to undo the last unauthorized changes?
SE-DO0034	Authorized contract can not be deleted
SE-DO0035	Contract successfully deleted
SE-DO0036	User Reference Number should be unique
SE-DO0037	Liquidate Failed
SE-DO0038	Rollover Failed
SE-DO0039	Failed to generate new version, Reversal of contract Failed
SE-DO0040	Failed to copy the contract
SE-DO0041	Failed to delete the contract
SE-DO0042	Contract successfully deleted
SE-DO0043	Do you want to close the contract?
SE-DO0044	Contract successfully closed
SE-DO0045	Failed to CLOSE the contract
SE-DO0046	Unauthorised contract can not be modified
SE-DO0048	Contract will be put on hold
SE-DO0053	Failed in contract event log processing
SE-DO0054	Failed to unlock the contract
SE-DO0055	User Id should be same as the maker Id
SE-DO0056	unauthorized record can not be processed
SE-DO0057	DSTL date should be entered
SE-DO0058	New DSTL date should not be before the existing DSTL date
SE-DO0059	Rollover completed successfully
SE-DO0060	Failed to process the deal leg records
SE-DO0061	Security ID does not match, Please reenter the security ID

<b>Error Code</b>	<b>Message</b>
SE-DO0062	Input price does not match, please reenter the input price
SE-DO0063	Trade date does not match, please re enter the trade date
SE-DO0064	deal settlement date does not match, please re enter the deal settlement date
SE-DO0065	Deal units are not matching, please reenter the deal units
SE-DO0066	Portfolio Ids do not match, Please reenter the portfolio ID
SE-DO0067	Money settlement date does not match, please reenter the money settlement date
SE-DO0068	Failed to validate the dates
SE-DO0069	\$1, \$2 \$3 is \$4 holiday. Continue?
SE-DO0070	Trade date is earlier than product start date
SE-DO0071	Deal Settlement date is earlier than product start date
SE-DO0072	Money Settlement date is earlier than product start date
SE-DO0073	Trade date should not be after product end date
SE-DO0074	Deal Settlement date should not be after product end date
SE-DO0075	Money Settlement date should not be after product end date
SE-DO0076	Trade Date cannot be after Today's System Date
SE-DO0077	Trade Date cannot be after the Deal Settlement Date
SE-DO0078	Trade Date is same as The Settlement Date
SE-DO0079	Money Settlement Date cannot be earlier than the Trade Date
SE-DO0080	Money Settlement Date cannot be later than Settlement Date
SE-DO0081	Actual Settlement Date cannot be earlier than Money Settlement Date
SE-DO0082	Actual Settlement Date cannot be earlier than the Deal Settlement Date
SE-DO0083	Interest Value Date cannot be earlier than Trade Date
SE-DO0084	Interest Value Date cannot be after the Settlement Date
SE-DO0085	Trade Date is earlier than Today's System Date
SE-DO0086	Settlement Date is earlier than Today's System Date
SE-DO0087	Deal input price exceeds market price by \$1, Continue?
SE-DO0088	Deal input price exceeds market price by \$1%, variance Exception limit exceeded.
SE-DO0089	Deal is already settled. Settlement date can not be extended.
SE-DO0090	Portfolio Id for Buy leg and that for sell leg should not be same.

<b>Error Code</b>	<b>Message</b>
SE-DO0091	Counterparty for Buy leg and that for sell leg should not be same.
SE-DO0092	Money Settlement for \$ is already completed
SE-DO0093	Failed in event processing, \$1 failed
SE-DO0094	Checker ID can not be same as the Maker ID
SE-DO0095	Contract saved as TEMPLATE
SE-DO0096	Contract saved
SE-DO0097	Matched units can not be null
SE-DO0098	Contract already liquidated
SE-DO0100	Deal Successfully Saved
SE-DO0131	Failed to get the price components
SE-DO0132	Spot date can not be earlier than Trade date
SE-DO0133	Money settlement is already done
SE-DO0134	Deal settlement is already done
SE-DO0135	Could not retrieve spot price for the given face value, please input spot price
SE-DO0136	Limits are not maintained
SE-DO0137	Combination of the entered details is not valid
SE-DO0138	Please enter the mandatory fields
SE-DO0139	Money Settlement date is earlier than today
SE-DO0140	New Deal Settlement Date is greater than one of the sell leg Deal Settlement Dates matched to \$1
SE-DO0141	New Deal Settlement Date is earlier than one of the buy leg Deal Settlement Dates matched to \$1
SE-DO0142	Failed to compare Deal settlement dates for matched deals
SE-DO0143	Failed in \$1 pickup
SE-DO0144	Please enter the narrative type
SE-DO0145	Failed to generate Position Reference Number
SE-DO0146	Contract reversed.
SE-DO0147	Do you want to reverse the contract?
SE-DO0148	Failed to select the record
SE-DO0149	Selected record has changed, please reselect
SE-DO0150	Do you want to re-pickup the subsystems?

<b>Error Code</b>	<b>Message</b>
SE-DO0151	Number of units entered is not in multiples of minimum tradable security units
SE-DO0152	DSTL date is earlier than start of trading date for the security
SE-DO0153	DSTL date is not earlier than the security redemption date
SE-DO0154	Settlement SKL is mandatory
SE-DO0155	Payment Currency - Security Currency ratio is mandatory
SE-DO0156	Failed to authorize the contract
SE-DO0157	Failed to validate the rekey fields
SE-DO158	input quantity has exceeded maximum limit
SE-DO0159	Failed to default the product details
SE-DO0160	Spot date should be less than Deal Settlement date
SE-DO0161	Failed to default price components
SE-DO0162	Deal is already settled. Can not continue!
SE-DO0163	Failed to save the contract
SE-DO0164	Failed to reserve record for liquidation
SE-DO0165	Zero units are available for release
SE-DO0166	Failed to maintain the template
SE-DO0167	Contract reference number can not be null, Please contact support
SE-DO0168	Failed to get the counter product details for deal product
SE-DO0169	Please input rights exercise details, before proceeding further
SE-DO0170	Please enter the Parties details for leg with reference number \$1
SE-DO0171	Failed to initialize the parameters
SE-DO0172	Failed in Holiday checks
SE-DO0173	Failed to get the resultant security code
SE-DO0174	Deal quantity can not exceed the maximum allowed quantity for exercise
SE-DO0175	Trade Date validations failed
SE-DO0176	Trade date is not between start of exercise date and the end of exercise date
SE-DO0177	Deal settlement date can not be greater than the redemption date/expiry date of security
SE-DO0178	Failed to validate the DSTL date



<b>Error Code</b>	<b>Message</b>
SE-DO0179	Failed to update rows for the deal
SE-DO0180	Failed in rights exercise processing
SE-DO0181	Deal quantity should be greater than 0
SE-DO0182	From leg position can not be same as the to leg position
SE-DO0183	This position has \$1 balance
SE-DO0184	Failed to validate the deal
SE-DO0185	Error codes could not be retrieved correctly
SE-DO0186	\$1, \$2 \$3 is \$4 holiday. Continue?
SE-DO0187	Failed to duplicate the overrides
SE-DO0188	Reversed contract can not be unlocked
SE-DO0189	Money Settlement can not be done for bank leg
SE-DO0190	Interest Value Date should be between \$1 and \$2
SE-DO0191	Variance is not maintained for the security product in security currency
SE-DO0192	MIS maintenance is not done for security/portfolio
SE-DO0193	Failed to get security trading dates
SE-DO0194	Incorrect format for SWIFT address
SE-DO0195	First line of address is mandatory
SE-DO0196	Medium is mandatory for walk-in customer
SE-DO0197	Deal quantity should be greater than the minimum allowed quantity for exercise
SE-DO0198	Counterparty confirmation is not allowed for this deal.
SE-CALC01	Divide by zero condition. Cannot calculate yield.
SE-CALC02	Unhandled exception in function sepkss_calc.fn_tbill_pricetoyield.
SE-CALC03	Divide by zero condition. Cannot calculate price.
SE-CALC04	Unhandled exception in function sepkss_calc.fn_tbill_yieldtoprice.
SE-CALC05	Error condition while calculating Present Value of cash flow(s).
SE-CALC06	Unhandled exception in function sepkss_calc.fn_bond_pricetoyield.
SE-CALC07	Unhandled exception in function sepkss_calc.fn_bond_yieldtoprice
SE-CALC08	Unhandled exception in function sepkss_calc.fn_tbill_calc
SE-CALC09	Function(fn_tbill_calc) does not understand mode \$1

<b>Error Code</b>	<b>Message</b>
SE-CALC10	Function(fn_tbill_calc) cannot determine which is to be calculated (Yield or Price)
SE-ONL100	Error during Netcons Processing
SE-ONL101	Error processing Parties
SE-ONL102	Error processing of Advices
SE-ONL103	Error processing Subsystems
SE-ONL104	Error updating of Exchange Rates in Settlements
SE-ONL105	Error retrieving Deal Amount Tags
SE-ONL106	Error creating Deal Amount Tag list
SE-ONL107	Error retrieving Deal Detail
SE-ONL108	Error retrieving Deal Master
SE-ONL109	Settlement CCY for a Netcons component different from Payment CCY
SE-ONL110	Error Processing Module Components during Settlements pickup
SE-ONL111	Error Processing Module Components for Net consideration
SE-ONL112	Error Processing Interest Components for Net consideration
SE-ONL113	Error Processing Tax Components under Net consideration
SE-ONL114	Error processing Parties. CIF record missing
SE-ONL115	Error inserting into Unrel - Unmatch Table
SE-ONL116	Error processing exposures
SE-ONL117	Error processing clean risk
SE-ONL118	Error inserting into Securities Event Log
SE-ONL119	Error inserting Core Contract control table
SE-ONL120	Error updating Core Contract control table
SE-ONL121	Error inserting Core Contract event log table
SE-ONL122	Error retrieving Spot Price
SE-ONL123	Error processing event - \$1
SE-ONL124	Error authorizing event - \$1
SE-ONL125	Error retrieving data from Core Contract control table
SE-ONL126	Error Deleting contract
SE-ONL127	Error inserting Deal Master
SE-ONL128	Error inserting Deal Detail

<b>Error Code</b>	<b>Message</b>
SE-ONL129	Error inserting into Deal Matching tables
SE-ONL130	Error copying contract
SE-ONL131	Error splitting price
SE-ONL132	Error retrieving Face Value
SE-ONL133	Error retrieving Market Price
SE-ONL134	Error handing off messages
SE-ONL135	Error retrieving DCN
SE-ONL136	DEAL_NOMINALAMT not defined in product accounting entry
SE-ONL137	Active or Unauthorized Reversed/Cancelled Sell Legs are linked to this buy leg. Only completely unmatched buy legs or buy legs linked to authorised reversed/cancelled sell legs can be reversed
SE-ONL138	Error during updation of blocked balances
SE-ONL139	Portfolio cannot go short. Current position insufficient
SE-ONL140	Holdings insufficient to be blocked
SE-ONL141	Error verifying available balance for Portfolio
SE-ONL142	MSTL possible for only Customer - Buy/Sell legs
SE-ONL143	Failed in Cash flow processing
SE-ONL144	Failed to populate the amount due records in cash flow
SE-ONL145	Failed in creating cash flow
SE-ONL146	
SD-LM-00001	The Issuer Limits details are incomplete. Complete/Delete the Issuer Limits details.
SD-LM-00002	The Line Code is not a Limits Template
SD-LM-00003	The Line Code is not entered
SD-LM-00004	The Liability is not entered
SD-LM-00005	The Line Start Date cannot be later than the Line Expiry Date
SD-LM-00006	The Last Available Date cannot be later than the Line Expiry Date
SD-LM-00007	The Line Currency is not entered
SD-LM-00008	This Tenor has been maintained for the Limit
SD-LM-00009	The Tenor details are incomplete. Complete/Delete the Tenor details
SD-LM-00010	The Products Allowed details are incomplete. Complete/Delete the Products Allowed details

<b>Error Code</b>	<b>Message</b>
SD-LM-00011	The Branches Allowed details are incomplete. Complete/Delete the Branches Allowed details
SD-LM-00012	The Last Available Date cannot be less than the Line Start Date
SD-LM-00013	The Customers Allowed details are incomplete. Complete/Delete the Customers Allowed details
SD-LM-00014	The Tenor Limit Amount exceeds the Line Limit Amount
SD-LM-00015	The Sub Line Tenor Limit Amount cannot be greater than the next higher Main Line Tenor Limit Amount. \$1 - \$2
SD-LM-00016	The Sub Line Tenor cannot be greater than Maximum Main Line Tenor. \$1 Days
SD-LM-00017	There are no Tenors specified for the Main Line
SD-LM-00018	The Line Code is Limits Template. Details will be copied from template. Continue?
SD-LM-00019	The Sub Line Limit cannot exceed the Main Line Limit. \$1-\$2
SD-LM-00020	The Main Line Limit cannot be less than any of its Sub Line Limit. \$1 -\$2
SD-LM-00021	The Main Line Tenor cannot be Less than the Minimum Tenor of any Sub Lines reporting to it. - \$1 Days
SD-LM-00022	The Main Line Tenor Limit Amount cannot be less than the next lower Sub Line Tenor Limit Amount. \$1 - \$2
SD-LM-00023	The Limits Copy could not be completed.
SD-LM-00024	Blank spaces cannot be a part of this field
SD-LM-00025	The Line Code should have a nine characters
SD-LM-00026	The Tenor Mnemonic is not entered.
SD-LM-00027	The Limit is not entered.
SD-LM-00028	The Collateral Start Date cannot be later than the Collateral Expiry Date
SD-LM-00029	The Margin computed is not between 0 and 100.
SD-LM-00030	The Collateral Currency is not entered.
SD-LM-00031	The Collateral Type is not entered.
SD-LM-00032	The Collateral Review Date cannot be later than the Collateral Expiry Date
SD-LM-00033	The Collateral Review Date cannot be earlier than Collateral Start Date
SD-LM-00034	The Expiry Date cannot be earlier than Start Date.
SD-LM-00035	The Security Code is not entered.
SD-LM-00036	The Security Type is not entered.

<b>Error Code</b>	<b>Message</b>
SD-LM-00037	The Currency is not entered.
SD-LM-00038	The Market Price Details are incomplete. Complete / Delete the Market Price Details
SD-LM-00039	The Line Code is not entered.
SD-LM-00040	The computed exposure is not between 1 and 100.
SD-LM-00041	There are Active Sub Lines reporting to this Main Line. Main Line cannot be closed.
SD-LM-00042	The Last Price Change Date cannot be greater than Branch Date
SD-LM-00043	The Security Code is not entered for the MVBC
SD-LM-00044	The Price Code is not entered for the MVBC
SD-LM-00045	The Number Of Units is not entered for the MVBC
SD-LM-00046	The Collateral Ccy is not entered for the Collateral
SD-LM-00047	Security Code has not been entered
SD-LM-00048	The Issuer Exposure Details are incomplete. Complete / Delete the Issuer Exposure Details
SD-LM-00049	The Start Date cannot be greater than the Branch Date
SD-LM-00050	The Last Price Change Date cannot be earlier than Start Date
SD-LM-00051	The Expiry Date cannot be earlier than Branch Date.
SD-LM-00052	The Last Price Change Date cannot later than Expiry Date
SD-LM-00053	The Description is not entered.
SD-LM-00054	The Face Value is not entered.
SD-LM-00055	The Limit Contribution cannot be greater than the Cap Amount.
SD-LM-00056	Report date should be greater than the date today
SD-LM-00057	The Total Issuer Exposure should be greater than 100 %.
SD-LM-00058	Collateral exists with the Issuer Code. Record cannot be closed.
SD-LM-00059	Securities exist with the Issuer Code. Record cannot be closed.
SD-LM-00060	There are Collateral linked to this Limit. Record cannot be closed.
SD-LM-00061	There are Collateral linked to this Security. Record cannot be closed.
SD-LM-00062	There are Collateral linked to this Price Code. Record cannot be closed.
SD-LM-00063	There are Collateral linked to this Collateral Type. Record cannot be deleted
SD-LM-00064	This Facility is not available at this Branch

<b>Error Code</b>	<b>Message</b>
SD-LM-00065	No Details exist for the Reference Number.
SD-LM-00066	Customer Clean Risk Limit cannot be greater than Liability Clean Risk Limit
SD-LM-00067	Customer Clean Risk Limit cannot be greater than Overall Limit
SD-LM-00068	Liability Clean Risk Limit cannot be greater than Overall Limit
SD-LM-00069	Limit Currency is not Entered
SD-LM-00070	Overall Limit is not Entered
SD-LM-00071	Liability Clean Risk Limit is not Entered
SD-LM-00100	Line Not Authorised
SD-LM-00101	Line Closed
SD-LM-00102	Line Not Found
SD-LM-00103	Invalid Customer ID
SD-LM-00104	Liability ID. Not Specified
SD-LM-00105	Account ID. Not specified
SD-LM-00106	Reference Id not specified
SD-LM-00107	Amount tag not specified
SD-LM-00108	Amount not specified
SD-LM-00109	Currency not specified
SD-LM-00110	Branch not specified
SD-LM-00111	Line \$1 - Amount exceeds Limit for specified tenor by \$2
SD-LM-00112	Line \$1 - Amount exceeds all available tenor limits by \$2
SD-LM-00113	Line \$1 - Amount exceeds line limit. Limit = \$3 \$2. Utilisation = \$4 \$2. Overdraft = \$5 \$2
SD-LM-00114	Main Line \$1 - Amount exceeds Main line limit amount. Limit = \$3 \$2. Utilisation = \$4 \$2. Overdraft = \$5 \$2
SD-LM-00115	Line has matured
SD-LM-00116	Line not available
SD-LM-00117	Amount exceeds limit for liability \$1. Limit = \$3 \$2 Utilisation = \$4 \$2 Overdraft = \$5 \$2
SD-LM-00200	Clean risk limit exceeded for Customer \$1 On \$2. Limit = \$4 \$3 , Utilisation = \$5 \$3, Excess = \$6 \$3
SD-LM-00201	Clean risk limit exceeded for Liability \$1 On \$2. Limit = \$4 \$3 , Utilisation = \$5 \$3, Excess = \$6 \$3

<b>Error Code</b>	<b>Message</b>
SD-LM-00202	Date input is a holiday. Do you want to continue?
SD-LM-00203	Customer clean risk exceeds for customer \$1 for date \$2 for currency \$3. The limit is \$4. The actual amount is \$5 and the difference is \$6
SD-LM-00204	Liability clean risk exceeds for customer \$1 for date \$2 for currency \$3. The limit is \$4. The actual amount is \$5 and the difference is \$6
SD-LM-99998	Limits: Node \$1 Unavailable. Utilization will be updated later.
SD-LM-99999	Limits Service - Unexpected Error - \$1

## 31.5 Error Codes And Messages for Non-Securities

Error Code	Message
TA-CL002	A class named \$1 is already maintained
TA-CL003	Class details Saved
TA-CL004	Record successfully deleted
TA-CL005	The Record is already closed
TA-CL006	Cannot maintain amount tags for this component. Cannot authorize
TA-CL007	Do you want to delink the Tax Component?
CS-CL1001	This class code already exists
CS-CL1002	Please enter the class code
CS-CL1003	Do you want to print accounting entries class details for all modules?
CS-CL1004	Module ID does not match with the Class Code
CS-CL1005	Duplicate Class Code encountered. Please enter the class code again
CF-CL0001	Currency or rate missing
CF-CL0002	Max. values should be lesser or equal to Min. values
CF-CL0003	For Fixed interest rate, Default rate is mandatory and Spread should not be input
CF-CL0004	For Floating interest rate, Spread is mandatory and Default Rate should be null
CF-CL0005	Default Rate Code and Default Tenor mandatory if Rate type is Floating rate
CF-CO0001	Component is of floating rate type. Tenor code must be entered
CF-CO0002	Interest Calculation method must be entered
CF-CO0003	Effective Rate cannot be null
CF-CL0006	Changing the Rate type will delete all the rate maintenance. Do you want to go ahead?
CF-CL0007	There must be at least one component or relevant type
CF-CL0008	The component is linked to a product. Cannot modify or close the record
CF-CL0009	This component has been authorized. Only redefault is allowed.
CS-PR0001	There are no authorized class codes
CS-PR0002	There are no more accounting roles
CS-PR0003	Mandatory field (Class Code) is null
CS-PR0004	Mandatory fields (Accounting Role/Account head) are null



<b>Error Code</b>	<b>Message</b>
CS-PR0005	There are no more events
CS-PR0006	Mandatory fields (Accounting Role/Amount Tag/Txn code) are null
CS-PR0007	Mandatory field (Advice Name) is null
CS-PR0008	There are no more advices
CS-PR0009	This is not the right button for moving the selected records
CS-PR0010	Cannot move out of the block as some records are selected
CS-PR0011	Already in the last record
CS-PR0012	Already in the first record
CS-PR0013	Cannot create a new component as all the authorized class codes have already been used
CS-PR0014	All the other authorized class codes have already been used
CS-PR0015	Mandatory field (Scheme) is null
CS-PR0016	Mandatory field (Component) is null
CS-PR0017	There are no authorized tax schemes
CS-PR0018	Product Preferences will have to be redefined. Proceed?
CS-PR0019	Mandatory field (Rate Type) is null
CS-PR0020	Format is not correct. The correct format is...
CS-PR0021	Customer ID must be specified
CS-PR0022	Security ID must be specified
CS-PR0023	Portfolio ID must be specified
CS-PR0024	The Scheme has been authorized. Only redefault is allowed.
CS-PR0025	Mandatory Field (Default Rate Code) is null
CS-PR0026	Mandatory Field (Default Rule) is null
CS-PR0027	Mandatory Fields (Rule/Settlement Ccy) are null
CS-PR0028	The Amount Tag \$1 does not have corresponding components defined
CS-PR0029	There are no details to be maintained for Customer Portfolio
CS-PR0030	Mandatory Field (\$1) is null
CS-PR0031	Mandatory Field ( Product Code ) is null
CF-CL0010	Default Rate should be within the Maximum and Minimum Rate specified
CF-CL0011	Floating rate type cannot be null when rate type is Floating
CF-CL0012	This class is linked to a product. Cannot close the class.

<b>Error Code</b>	<b>Message</b>
CF-CL0013	No rates maintained for this class code. Proceed?
CF-CL0014	Event for association, Basis Amount tag and Amount Category are mandatory
CF-CL0015	For module SS, Basis amount category should be Normal
CF-CL0016	For module other than SS, Basis amount category should be either 'Expected' or 'Overdue'
CF-CO0004	The value entered must be in the format \$1
CF-CO0005	Spread cannot be zero
CF-CO0006	Rate cannot be zero
CF-CO0007	Floor cannot be zero
CF-CO0008	Ceiling cannot be zero

## 31.6 Error Codes and Messages for Portfolio Online

Error Code	Message
SE-PO0010	Reference No. could not be generated
SE-PO0001	Authorizer cannot be the same as the Maker
SE-PO0001	Authorizer cannot be the same as the Maker
SE-PO0002	Contract Reference Number does not match
SE-PO0002	Contract Reference Number does not match
SE-PO0003	Customer ID does not match
SE-PO0003	Customer ID does not match
SE-PO0004	Currency Code does not match
SE-PO0004	Currency Code does not match
SE-PO0005	Overrides not confirmed
SE-PO0005	Overrides not confirmed
SE-PO0010	Reference No. could not be generated
SE-PO0011	Failed while \$1 into Change Log table
SE-PO0011	Failed while \$1 into Change Log table
SE-PO0012	Safe Keeping Location to Account mapping already exists
SE-PO0014	Failed to copy the contract
SE-PO0016	Security 'Allowed' flag can't be changed if Security ID is null
SE-PO0017	Contract was input by \$1. Cannot be deleted
SE-PO0018	Cannot delete a once authorised record
SE-PO0019	Record successfully deleted
SE-PO0020	Are you sure you want to close the contract
SE-PO0021	User Reference No. already exists
SE-PO0023	Input Counterparty
SE-PO0024	Input Currency
SE-PO0025	Enter the Product Code
SE-PO0026	Safe Keeping Location to Account mapping not maintained for this portfolio
SE-PO0027	Contract Reference Number does not exist for this portfolio
SE-PO0029	Contract shall be put on HOLD status
SE-PO0032	Pickup failed

<b>Error Code</b>	<b>Message</b>
SE-PO0033	Unauthorized record cannot be unlocked
SE-PO0034	Unauthorized record cannot be closed
SE-PO0035	Failed to copy the portfolio - security restrictions
SE-PO0036	Referral Failed
SE-PO0037	Unauthorized record cannot be reopened
SE-PO0038	Contract put on hold successfully
SE-PO0041	For Bank Portfolio and WAC costing method, 'Accrue Premium' flag should have the same value as that of 'Accrue Discount' flag
SE-PO0050	Mandatory Field (\$1) is null
SE-PO0051	Location ID cannot be deleted as it is in use
SE-PO0052	For WAC Costing Method, Redemption Premium is not allowed
SE-PO0053	For Non Accrual or Cash Asset Accounting Basis, Premium Accrual and Discount Accrual is not allowed
SE-PO0054	For Accrual Asset Accounting Basis, Premium Accrual or Discount Accrual must be chosen
SE-PO0055	Safe Keeping Locations are not defined. Proceed?
SE-PO0056	Security Restrictions screen is not visited. Proceed?
SE-PO0057	Role to Head mapping is not defined. Proceed?
SE-PO0058	Portfolio ID is not unique
SE-PO0059	Revaluation of unsettled positions is not allowed without the revaluation of settled positions
SE-PO0060	Withholding Tax Accrual is not without Interest Accrual
SE-PO0061	Record successfully Closed
SE-PO0062	Record successfully Reopened
SE-PO0063	Mandatory Fields (Security Product/Role To Head Class) are null
SE-PO0064	Mandatory Fields (Security ID/Role To Head Class) are null
SE-PO0065	Mandatory Fields (SK Location/SK Location Account) are null
SE-PO0066	Customer Account needs to be reselected. Proceed?
SE-PO0067	Customer Branch and Customer Account need to be reselected. Proceed?
SE-PO0068	Closure not allowed as live contracts are present
SE-PO0069	Failed to open a new record

<b>Error Code</b>	<b>Message</b>
SE-PO0070	Failed to copy the record
SE-PO0071	Failed to delete the record
SE-PO0072	Failed to close the record
SE-PO0073	Failed to unlock the record
SE-PO0074	Failed to reopen the record
SE-PO0075	Failed to authorize the record
SE-PO0076	Failed to copy the Product Details
SE-PO0078	Record cannot be Modified after the Event Date
SE-PO0079	Record cannot be Closed after the Event Date
SE-PO0080	Record cannot be Reopened after the Event Date
SE-PO0081	Failed to Save the Record

### **31.7 Error Codes and Messages for Others**

<b>Error Code</b>	<b>Message</b>
SE-BTCH-002	Failed in building array for a function
SE-BTCH-003	Failed in population of branch batch queue
SE-BTCH-004	Failed in batch processing for a day
SE-BTCH-005	Failed in processing task
SE-BTCH-006	Failed in unmarking end of transaction input
SE-CFLP-001	Cannot process Coupon Flipping
SE-CFLP-002	Cannot process Position
SE-CFLP-003	Cannot populate Securities Movements
SE-CPOP-001	Failed to populate Coupon for branches
SE-CPOP-002	Failed to populate Coupon
SE-CPOP-003	SK Account Currency different from Issuer payment Currency
SE-CPOP-004	Failed in processing tax due
SE-CPOP-005	Failed in charge processing
SE-CPOP-006	Failed in processing transaction level tax
SE-CPOP-007	Failed in processing Settlements
SE-CPOP-008	Failed in inserting coupon due record

<b>Error Code</b>	<b>Message</b>
SE-CPOP-009	Failed in logging exception when populating coupon
SE-CPOP-010	Failed in populating coupon for branches
SE-CPOP-021	Next working date cannot be null
SE-CPOP-022	not confirmed
SE-CPOP-023	Incorrect number of records returned during coupon population
SE-CPOP-024	Receive Account could not be got
SE-CPOP-025	Pay Account could not be got
SE-CPOP-026	Account currency is not the same as Issuer payment currency
SE-CPOP-027	Portfolio Account details could not be got
SE-CPOP-028	
SE-CPRC-001	Could not process coupon for branches
SE-CPRC-002	Could not process Coupon event
SE-CPRC-003	Could not get sub system flags during coupon processing
SE-CPRC-004	Error while processing coupon
SE-CPRC-005	Failed while processing Tax
SE-CPRC-006	Failed while processing charge
SE-CPRC-007	Failed while processing Transaction level tax
SE-CPRC-008	Failed in Settlements processing
SE-DATE-001	Failed in computing day count
SE-DATE-002	Failed in getting denominator
SE-DATE-003	Failed in computing the number of days
SE-DATE-004	Failed to get next leap date
SE-DATE-005	Failed to get next periodic date
SE-DATE-006	Failed in add months function
SE-DATE-007	Failed in add months function
SE-DATE-008	Failed in calculating the months between two dates
SE-DATE-051	Failed in getting the date in the correct format
SE-DATE-052	Could not convert the date to the correct format
SE-DATE-053	Failed in check for leap year
SE-DATE-054	Failed in getting the date in the correct format

<b>Error Code</b>	<b>Message</b>
SE-DATE-055	Could not convert the date to the correct format
SE-DATE-056	Failed in check for leap year
SE-DATE-057	Failed in getting the date in the correct format
SE-DATE-058	Could not convert the date to the correct format
SE-DPOP-001	Failed in populating Dividend for branches
SE-DPOP-002	Failed in inserting Dividend record
SE-DPOP-003	Account currency is not the same as Issuer payment currency
SE-DPOP-004	Failed in Tax processing for dividend
SE-DPOP-005	Failed in Charge processing for dividend
SE-DPOP-006	Failed in Transaction Tax processing for dividend
SE-DPOP-007	Failed in Settlements processing for dividend
SE-DPOP-008	Failed in insert of dividend record
SE-DPOP-009	Failed in logging exception when populating dividend
SE-DPOP-010	Failed in populating Dividend for branches
SE-DPOP-021	Failed to get next working date when dividend population
SE-DPOP-022	
SE-DPOP-023	Incorrect number of records returned during dividend population
SE-DPOP-024	Receive Account could not be got when populating dividend
SE-DPOP-025	Pay Account could not be got when populating dividend
SE-DPOP-026	Account currency is not the same as Issuer payment currency
SE-DPOP-027	Pay Account could not be got when populating dividend
SE-DPOP-028	
SE-DPRC-001	Failed in processing dividend for branches
SE-DPRC-002	Failed in processing dividend event
SE-DPRC-003	Failed to set subsystem flags during dividend processing
SE-DPRC-004	Failed in processing amount due during dividend processing
SE-DPRC-005	Failed in Tax processing for dividend
SE-DPRC-006	Failed in Charge processing for dividend
SE-DPRC-007	Failed in Transaction Tax processing for dividend
SE-DPRC-008	Failed in Settlements processing for dividend

<b>Error Code</b>	<b>Message</b>
SE-DSRV-001	
SE-IAC0-001	Could not build queue array during interest accrual
SE-IAC0-002	Failed to get periodic accrual date
SE-IAC0-003	Failed in adjustment of accrual
SE-IAC0-004	Failed in period accrual function
SE-IAC0-005	Failed in coupon date accrual
SE-IAC0-006	Failed in deleting accrual queues
SE-IAC1-001	Failed in accrual for a position
SE-IAC1-002	Failed in computing quantity for accrual
SE-IAC1-003	Failed in computing interest balances
SE-IAC1-004	Failed in obtaining interest history
SE-IAC1-005	Failed in computing interest amounts
SE-IAC1-006	Failed in computing tax balances
SE-IAC1-007	Failed in obtaining tax history
SE-IAC1-008	Failed in computing tax amounts
SE-IAC1-009	Failed in passing portfolio entries during interest accrual
SE-IAC2-001	Failed in obtaining previous interest amounts
SE-IAC2-002	Failed in obtaining previous tax amounts
SE-IAC2-003	Failed in computing net interest amounts during accrual
SE-IAC2-004	Failed in computing net tax amounts during interest accrual
SE-IAC2-005	Failed in building interest entry lists
SE-IAC2-006	Failed in building tax entry lists
SE-IAC2-007	Failed in processing amount tag during interest accrual
SE-IAC2-008	Failed in populating interest accrual details
SE-IAC2-009	Failed in populating tax accrual details
SE-IAC2-010	
SE-IAC2-011	
SE-IAC2-012	Failed in populating accrual period
SE-IAC2-013	Failed in populating accrual details for a position
SE-IAC2-014	Failed in populating accrual details for a portfolio



<b>Error Code</b>	<b>Message</b>
SE-IAC2-015	Failed in logging exception during interest accrual
SE-ICLC-001	Failed in computing interest for cum period
SE-ICLC-002	Failed in computing interest for ex period
SE-ICLC-003	Failed in computing interest amount
SE-ICLC-004	Failed in building period table for interest
SE-ICLC-005	Failed in building interest rate table
SE-IMV1-001	Failed in populating period accrual
SE-IMV1-002	Failed in populating interest quantity movement
SE-IMV1-003	Failed in populating purchased and sold interest
SE-IMV1-004	Failed in populating purchased and sold tax
SE-IMV1-005	Failed in building daily queue for interest rebuild
SE-IMV1-006	Failed in building daily queue for interest accrual
SE-IMV1-007	Failed in interest period adjustment
SE-IMV1-008	Failed in tax period adjustment
SE-IMV1-009	Failed in populating interest adjustment details
SE-IMV1-010	Failed in populating tax adjustment details
SE-ISRVS-001	Failed in obtaining interest value date variance
SE-ISRVS-002	Failed in building deal array
SE-ISRVS-003	Failed in building cash flow array
SE-MRKT-001	Failed in computing market spot date
SE-MRKT-002	Failed in computing market Ex date
SE-MRKT-051	Failed to get market details while computing spot date
SE-MRKT-052	Market Record is not authorized
SE-MRKT-053	Failed to get the next working day while computing spot date
SE-MRKT-054	Failed in holiday check while computing spot date
SE-MRKT-055	Failed in holiday check while computing spot date
SE-MRKT-056	
SE-MRKT-057	
SE-MRKT-058	No record found for market spot date
SE-MRKT-059	Error during getting market spot date

<b>Error Code</b>	<b>Message</b>
SE-MRKT-060	Zero days got when computing the days in a month
SE-MRKT-061	Failed in setting the date to the correct format while computing spot date
SE-MRKT-062	Failed to set the date to the correct format
SE-MRKT-063	Failed in holiday check while computing spot date
SE-MRKT-064	Failed in holiday check while computing spot date
SE-MRKT-065	Failed to get next working date while computing spot date
SE-MRKT-066	Failed to get spot date
SE-MRKT-067	Failed to get market details while computing ex date
SE-MRKT-068	Market Record is not authorized
SE-MRKT-069	Could not get Ex date
SE-MRKT-070	Error in holiday check while computing ex date
SE-MRKT-071	Failed in holiday check while computing ex date
SE-MRKT-072	Failed in getting next working day when computing ex date
SE-MRKT-073	Failed to get next working day when computing ex date
SE-MRKT-074	Market Ex date details not maintained
SE-MRKT-075	Market Ex date details not correctly maintained
SE-MRKT-076	Failed in getting the number of days in the month
SE-MRKT-077	Error while setting the format for the date while computing ex date
SE-MRKT-078	Could not set the ex date to the correct format
SE-MRKT-079	Failed in holiday check while computing ex date
SE-MRKT-080	Failed in holiday check while computing ex date
SE-MRKT-081	Failed in getting next working day when computing ex date
SE-MRKT-082	Failed to get next working day when computing ex date
SE-NONE	
SE-ONLXXX	
SE-RVL0-001	Failed to build array queue in revaluation
SE-RVL0-002	Failed in getting periodic revaluation date
SE-RVL0-003	Failed in periodic revaluation
SE-RVL0-004	Failed in getting market price for revaluation
SE-RVL0-005	Failed in reversal of revaluation

<b>Error Code</b>	<b>Message</b>
SE-RVL0-051	Price record could not be obtained for revaluation
SE-RVL0-052	Price record is not authorized for revaluation
SE-RVL0-053	Price record is not open for revaluation
SE-RVL1-001	Failed in revaluation for a position
SE-RVL1-002	Failed in getting position balance for revaluation
SE-RVL1-003	Failed in processing for unsettled legs for revaluation
SE-RVL1-004	Failed in mark to market revaluation
SE-RVL1-005	Failed in computing amount tags for revaluation
SE-RVL1-006	Failed in population of revaluation details
SE-RVL1-007	Failed in population of revaluation details for a position
SE-RVL1-008	Failed in passing portfolio level accounting entries
SE-RVL1-009	Failed in computing amount tags for revaluation
SE-RVL1-010	Failed in populating portfolio level entries
SE-RVL1-011	Failed in building account entry list during revaluation
SE-RVL1-012	Failed in processing amount tags during revaluation
SE-RVL1-013	Failed in population of portfolio revaluation details
SE-RVL1-014	Failed in reversal of revaluation for a portfolio
SE-RVL1-015	Failed in logging exception during revaluation
SE-RVL1-051	Unauthorized unsettled legs exist
SE-SBRN-001	Failed in populating security details for other branches
SE-SBRN-002	Failed to delete security details for other branches
SE-SBRN-003	Failed to authorize security details for other branches
SE-SKEV-001	Failed to register the event for the position
SE-SO0008	Duplicate records during coupon population
SE-SO0013	Failed to get security details during schedule population
SE-SO0014	Interest revision sequence number does not exist
SE-SO0015	Failed to delete security details
SE-SO00610	
SE-SPOP-024	Failed to get SK settlement account
SE-SPOP-026	Issuer payment currency is not the same as the SK account currency

<b>Error Code</b>	<b>Message</b>
SE-SPOP-027	Failed to get Portfolio Settlement currency
SE-SPRC-001	Failed in stock to cash processing for branches
SE-SPRC-002	Failed in stock to cash event processing
SE-SPRC-003	Failed to get subsystems flags in stock to cash processing
SE-SPRC-004	Failed in processing stock to cash amount due
SE-SPRC-005	Failed in processing stock to cash tax amount due
SE-SPRC-006	Failed in processing charge for stock to cash conversion
SE-SPRC-007	Failed in processing transaction tax during stock to cash conversion
SE-SPRC-008	Failed in processing settlements during stock to cash processing
SE-SSRV-001	
SE-SUTL-001	Failed to get security face value period
SE-SUTL-002	Failed to get coupon period
SE-SUTL-051	Failed to get the security face value for the date
SE-SUTL-052	Face value for security not maintained correctly
SE-SUTL-053	Face value for security not maintained correctly
SE-SUTL-054	Failed to get the coupon period for this date
SE-SUTL-055	Coupon period records not correct
SE-ACCT-001	Failed to pass leg accounting entry
SE-ACCT-002	Failed to pass position entry
SE-ACCT-003	Failed to pass portfolio level entry
SE-ACCT-004	Failed to lookup product accounting entries
SE-ACCT-005	Failed to lookup position accounting entries
SE-ACCT-006	Failed to fetch accounting head
SE-ACCT-007	Failed to delete for an event
SE-ACCT-008	Failed to authorize for the event
SE-ACCT-009	Failed to reverse all the leg entries
SE-ACCT-010	Failed to reverse all the position entries
SE-ACCT-011	Failed to reverse entry for an event
SE-ACCT-051	Class is not open
SE-ACCT-052	Class is not authorized

<b>Error Code</b>	<b>Message</b>
SE-ACCT-053	GL record status is not open
SE-ACCT-054	GL is not authorized
SE-ACCT-055	Class is not open
SE-ACCT-056	Class is not authorized
SE-ACCT-057	GL record status is not open
SE-ACCT-058	GL is not authorized
SE-ACCT-059	Class is not open
SE-ACCT-060	Class is not authorized
SE-ACCT-061	GL record status is not open
SE-ACCT-062	GL is not authorized
SE-ACCT-063	GL is not open
SE-ACCT-064	GL is not authorized
SE-ACCT-065	Failed to get accounting head

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## **32. Annexure A - Accounting Entries and Advices**

### **32.1 Accounting Entries for Securities Module**

This section contains details of the suggested accounting entries that can be set up for the Securities module of Oracle FLEXCUBE. The details of the suggested accounting entries are listed event-wise.

### **32.2 Securities Events**

The following is an exhaustive list of events for portfolio type and customer buy/sell type of securities products.

### 32.2.1 Portfolio Type of Products

Event Code	Event Description	Remarks
SPLP	Sec. Purchase from Long Position	All types
SSLP	Sec. Sale from Long Position	All types
ACRD	Accrual of Sec. Discount Earned	All types
ACRP	Accrual of Sec. Premium Paid	All types
ACRR	Accrual of Redemption Premium Earned	All types
FACR	Sec. Forward Deal P&L Accrual	All types
DVIN	Securities Dividend Initiation	All types
DVCD	Securities Dividend Collection	All types
DVLQ	Securities Dividend Liquidation	All types
BRVL	Securities Revaluation of Positions/Deals	All types
SSKC	Safe Keeping/Custodial Charges	All types
WRLL	Warrants Sec. Tear-Off Processing	All types
WROL	Warrant Detachment from Parent Sec	All types
WELL	Warrants Sec. Exercise Processing	All types
WXLL	Expiry of Un-Exercised Warrants	All types
RGLL	Rights Security Tear-Off Processing	All types
RGOL	Rights Detachment from Parent Sec.	All types
RELL	Exercise of Rights for New Equity	All types
RXLL	Expiry of Un-Exercised Rights	All types
CANG	Corporate Action Notice Generation	All types
IACR	Securities Coupon Interest Accrual	All types
CPCD	Coupon Collection	All types
CPIN	Coupon Initiation	All types
CPLQ	Coupon Liquidation	All types
SCIN	Securities Stock to Cash Initiation	All types
SCCD	Securities Stock to Cash Collection	All types
SCLQ	Securities Stock to Cash LIQD.	All types
YACR	Yield Accruals for deals	All types

### 32.2.2 Customer Buy/Sell Type of Products

Event Code	Event Description	Remarks
Book	Booking of Securities Deal	All types
AMND	Amendment of Securities Deal	All types
CANC	Cancellation of Securities Deal	All types
CCON	Counterparty confirmation	All types
DACF	Deliver Versus Payment Confirmation	All types
DFCF	Deliver Free Confirmation	All types
DSTL	Settlement of Securities Deal	All types
EXTN	Extension of Deal Settlement Date	All types
MSTL	Money Settlement of Securities Deal	All types
RACF	Receive Versus Payment Confirmation	All types
RBLK	Release Block of Security Position	All types
REAS	Reassignment of Securities Deal	All types
REVR	Reversal of Securities Deal	All types
RFCF	Receive Free Confirmation	All types

In the subsequent paragraphs we shall examine the accounting entries and advices for each of the events listed above.

### 32.3 Amount Tags

The amount tags listed below are hard-coded in Oracle FLEXCUBE.

Amount Tag	Description
CURR_FV	Current Face Value
SEC_DEAL_AMOUNT	Securities Deal Amount
DEAL_DISCNT_AMT	Securities Deal Discount Amount
DEAL_NOMINALAMT	Securities Deal Nominal Amount
DEAL_PREMIUMAMT	Securities Deal Premium Amount
FWD_DEAL_LOSS	Securities Forward Loss
FWD_DEAL_PROFIT	Securities Forward Profit
SEC_ADJDEAL_AMT	Securities Adjusted Deal Amount
SEC_DEAL_AMOUNT	Securities Deal Amount
TBD_WHT_SELL	T Bill Discount Tax - Sell



ACCRUED_RDPREM	Accrued Redemption Premium Amount
CSH_DVDEND	Cash Dividend Amount
CSH_DVDEND_EDIS	Cash Dividend Expense for DIBR
CSH_DVDEND_EINI	Cash Dividend Expense for INIT
CSH_DVDEND_ELIQ	Cash Dividend Expense for LIQD
CSH_DVDEND_ICOL	Cash Dividend Income for COLL
CSH_DVDEND_IINI	Cash Dividend Income for INIT
CSH_DVDEND_ILIQ	Cash Dividend Income for LIQD
DEAL_DISCNT_AMT	Securities Deal Discount Amount
DEAL_NOMINALAMT	Securities Deal Nominal Amount
DEAL_PREMIUMAMT	Securities Deal Premium Amount
FWD_DEALEXP_ACR	Sec. Forward Deal Expense Accr Amt
FWD_DEALINC_ACR	Sec. Forward Deal Income Accr Amt
FWD_DEAL_LOSS	Securities Forward Deal Loss Amount
FWD_DEAL_PROFIT	Securities Forward Deal Profit Amt
HLDG_LO_MTM_EXP	Sec. Long Holdings MTM Reval Expens
HLDG_LO_MTM_INC	Sec. Long Holdings MTM Reval Income
HLDG_MTM_EXP	Sec. Net Holdings MTM Reval Expense
HLDG_MTM_INC	Sec. Net Holdings MTM Reval Income
HLDG_RL_MTM_EXP	Sec. Long Holdings MTM Realized Reval Expense
HLDG_RL_MTM_INC	Sec. Long Holdings MTM Realized Reval Income
HLDG_RS_MTM_EXP	Sec. Short Holdings MTM Realized Reval Expense
HLDG_RS_MTM_INC	Sec. Short Holdings MTM Realized Reval Income
HLDG_R_MTM_EXP	Sec. Net Holdings MTM Realized Reval Expense
HLDG_R_MTM_INC	Sec. Net Holdings MTM Realized Reval Income
HLDG_SH_MTM_EXP	Sec. Short Holdings MTM Reval Expns
HLDG_SH_MTM_INC	Sec. Short Holdings MTM Reval Incom
LOCOM_REVAL_EXP	Sec. Positions LOCOM Reval Expense
LOCOM_RREVL_EXP	Sec. Positions LOCOM Realized Reval Expense
LOCOM_REVAL_INC	Profit on LOCOM revaluation if LOCOM basis is 'Acquisition Cost'
MTM_EXP	Sec. Positions MTM Reval Expense

MTM_INC	Sec. Positions MTM Reval Income
RDMPN_PREM_AMT	Redemption Premium Amount
REALIZED_LOSS	Securities Realized Trading Loss
REALIZED_PROFIT	Securities Realized Trading Profit
REAL_MTM_EXP	Sec. Positions MTM Realized Reval Expense
REAL_MTM_INC	Sec. Positions MTM Realized Reval Income
RGHT_INTR_VALUE	Rights Intrinsic Value
SEC_ADJDEAL_AMT	Securities Adjusted Deal Amount
SEC_CASH_DIVDND	Securities Cash Dividend Amount
SEC_COST_AMOUNT	Sec. True Asset Cost Amount
SEC_DEAL_AMOUNT	Securities Deal Amount
SEC_DISC_ACCR	Sec. Discount Earned Accrual Amount
SEC_PREM_ACCR	Sec. Premium Paid Accrual Amount
SEC_RDPREM_ACCR	Sec. Redemption Premium Accrual Amt
SEC_REVL_LOSS	Securities Revaluation Loss Amount
SEC_REVL_PROFIT	Securities Revaluation Profit Amt
SEC_RRVL_LOSS	Sec. Revaluation Reversal Loss Amt
SEC_RRVL_PROFIT	Sec. Revaluation Profit Reversal Amt
STK_TO_CSH	Stock To Cash Amount
STK_TO_CSH_EDIS	Stock To Cash Expense for DIBR
STK_TO_CSH_EINI	Stock To Cash Expense for INIT
STK_TO_CSH_ELIQ	Stock To Cash Expense for LIQD
STK_TO_CSH_ICOL	Stock To Cash Income for COLL
STK_TO_CSH_IINI	Stock To Cash Income for INIT
STK_TO_CSH_ILIQ	Stock To Cash Income for LIQD
TBD_WHT_ACCRA	T Bill Discount Tax - Arrears Accrued
TBD_WHT_ACCRD	T Bill Discount Tax - Advance Accrued
TBD_WHT_ADV	T Bill Discount Tax - Paid in Advance
TBD_WHT_PAY	T Bill Discount Tax - Payable
TBD_WHT_SELL	T Bill Discount Tax - Sell
TBD_WHT_UNACCRB	T Bill Disc. Tax-Unaccrued-Sell Disc > Buy Disc

TBD_WHT_UNACCRS	T Bill Disc. Tax-Unaccrued-Sell Disc <= Buy Disc
UNACCRD_DISCNT	Unaccrued Discount Amount
UNACCRD_PREMIUM	Unaccrued Premium Amount
UNSD_BY_MTM_EXP	Unstld Buy Deals MTM Reval Expense
UNSD_BY_MTM_INC	Unstld Buy Deals MTM Reval Income
UNSD_MTM_EXP	Securities Unutilized Deals MTM Revaluation Expense
UNSD_MTM_INC	Securities Unutilized Deals MTM Revaluation Income
UNSD_R_MTM_EXP	Securities Unutilized Deals MTM Realized Reval Expense
UNSD_R_MTM_INC	Securities Unutilized Deals MTM Realized Reval Income
UNSD_SE_MTM_EXP	Unutilized Sell Deals MTM Revaluation Expense
UNSD_SE_MTM_INC	Unutilized Sell Deals MTM Revaluation Income
UNSR_BY_MTM_EXP	Unutilized Buy Deals MTM Realized Revaluation Expense
UNSR_BY_MTM_INC	Unutilized Buy Deals MTM Realized Revaluation Income
UNSR_SE_MTM_EXP	Unutilized Sell Deals MTM Realized Revaluation Expense
UNSR_SE_MTM_INC	Unutilized Sell Deals MTM Realized Revaluation Income
WARR_INTR_VALUE	Warrants Intrinsic Value
INTCOMP_PUCMA	This Amount tag represents the value of the Bought Interest if any (at the time of Purchase) for the sold securities. If there were more than one purchase, this tag will be a sum of all the bought interest in FIFO order. During sale these tags have value only if the sold units are bought in the current coupon period
TOTALINT_TIAC	This amount tag represents the total interest accrued for the eligible units (total interest - Bought interest).
SEC_PREM_TOTALACCR	This amount tag represents the total Premium accrued for the Sold units
SEC_DISC_TOTALACCR	This amount tag represents the total Discount accrued for the Sold units
SEC_BRIDGE_TFR	This amount tag can be used to move the balance between the bridge-buy and bridge-sell GL's, (if different GL's are used for Bridge-buy and bridge-sell). This amount tag will only be populated for the sell leg in the case of BBBS and CBCS kind of deals.
SEC_PREM_ACCR	Premium Paid Accrual Amount
SEC_INTADJ_ACCR	Interest Adjustment Accrual Amount

SEC_DISC_ACCR	Discount Earned Accrual Amount
ACCRUED_INT_ADJ	Accrued Interest Adjustment Amount
BROK_DISC	Brokerage Discount Amount
BROK_PREM	Brokerage Premium Amount
DR_CHG_DISC	Consolidated Debit charges for the deal
CR_CHG_PREM	Consolidated Credit charges for the deal

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**Note**

When revaluation entries of the previous financial year are being reversed (at BOD on the first working day of the particular financial year) the following Amount Tags are used:

- HLDG\_LO\_MTM\_INC\_PY
- HLDG\_LO\_MTM\_EXP\_PY
- HLDG\_SH\_MTM\_INC\_PY
- HLDG\_SH\_MTM\_EXP\_PY
- HLDG\_MTM\_INC\_PY
- HLDG\_MTM\_EXP\_PY
- UNSD\_BY\_MTM\_INC\_PY
- UNSD\_BY\_MTM\_EXP\_PY
- UNSD\_SE\_MTM\_INC\_PY
- UNSD\_SE\_MTM\_EXP\_PY
- UNSD\_MTM\_INC\_PY
- UNSD\_MTM\_EXP\_PY
- MTM\_INC\_PY
- MTM\_EXP\_PY
- LOCOM\_REVAL\_EXP\_PY

The amount tags have already been explained in the table above except for the fact that they have the PY suffix.

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## 32.4 Accounting Roles

In this section we have provided two separate lists of sample accounting roles. List I contains accounting roles that can be set up for a Portfolio type of product. List II contains samples of accounting roles that are applicable for a Customer buy/sell type of product.

### 32.4.1 List I – Acct Roles for a Portfolio Type of Product

Accounting Role	Description
SEC DISC TBACRD	Security Deal Discount to be Accrued GL
SEC PREM TBACRD	Security Deal Premium to be Accrued GL
SEC FWDEXP OFST	Security Forward Deal Loss Offset GL
SEC FWDINC OFST	Security Forward Deal Profit Offset GL
SE_FL_INT_RCPY	SE_FL_INT-Receivable/Payable
SE_FL_INT_RAPA	SE_FL_INT- Recd in Adv/Paid in Adv
SEC ASSET GL	Securities Portfolio Asset GL
SEC BRIDGE GL	Securities Bridge GL - Settlement
SEC LIABILTY GL	Securities Portfolio Liability GL
SE_FX_INT_IC	SE_FX_INT - Income – Cum
SE_FX_INT_IX	SE_FX_INT - Income – Ex
SE_FX_INT_AJI	SE_FX_INT-Previous Period Adj Inc
SE_FX_INT_RCPY	SE_FX_INT - Receivable/Payable
SE_FX_INT_RAPA	SE_FX_INT- Recd in Adv/Paid in Adv
SEC RLZD LOSS	Security Trading Realized Loss GL
SEC RLZD PROFIT	Security Trading Realized Profit GL
SEC RDPREM RECV	Security Redemption Premium Receivable
SEC RDPREM ERND	Security Redemption Premium Earned GL
MTM_ASS	Security Positions MTM Reval Asset
MTM_LBY	Security Positions MTM Reval Liability
MTM_EXP	Security Positions MTM Reval Expense
MTM_INC	Security Positions MTM Reval Income
SEC COUPON RECV	Securities Coupon Receivable GL
SEC COUPON PAY	Securities Coupon Payable GL
SEC BRIDGE-S	Securities Bridge - Sale
SEC BRIDGE - PUR	Securities Bridge – Purchase
DEAL_PREMIUM	Deal Premium
DEAL_DISCOUNT	Deal Discount
DEAL INTEREST-BOUGHT	Deal interest bought

ACCRUAL OF PREM EXP – MEMO	Accrual of Premium Expense - Memo
ACCRUAL OF DISCT INC – MEMO	Accrual of Premium Income - Memo
ACCRUAL OF INT. INC - MEMO	Accrual of Interest Income - Memo
INTCOMP_OFF	Purchase Interest Offset GL, created for each interest component to indicate routing of purchase interest.
INTCOMP_PUADJ	Difference between Sold Interest and the Interest Accrued. In the first coupon after purchase, this tag will be equal to Purchase Interest. In subsequent coupons, this tag will have a value of 0, as the Sold Interest would be equal to Interest Accrued
LOCOM_REVAL_INC	Profit on LOCOM revaluation if LOCOM basis is 'Acquisition Cost'
LOCOM_REVAL_ASS	Corresponding asset for LOCOM revaluation on 'Acquisition Cost' basis
SEC PREM EARNED	Premium Earned
SEC PREM TBACRD	Premium to be Accrued
SEC INT ADJ	EIM Adjustment Receivable for Par deals
SEC BRIDGE GL	EIM Adjustment Income for Par deals
SEC DISC TBACRD	Discount to be Accrued
SEC DISC EARNED	Discount Earned

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**Note**

You should not use the memo GLs if you accrue premium/discount directly into your income/expense GLs. Similarly, you should not use DEAL\_PREMIUM, DEAL\_DISCOUNT and DEAL INTEREST-BOUGHT, GLs in a product, which is using SEC DISC TBACRD and SEC PREM TBACRD.

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### 32.4.2 List 2 – Acct Roles for a Customer Buy/Sell Type of Product

Accounting Role	Description
CS_REG_INC	Chg Class For Cust Sell
CB_REG_INC	Charge Class For Cust Buy
SEC BRIDGE GL	Securities Bridge GL – Settlement
SEC BRIDGE-SELL	Securities Bridge - Sale
SEC BRIDGE - PUR	Securities Bridge – Purchase
SEC BRIDGE BUY	Securities Bridge – Buy
INTCOMP_BOT	Deal interest bought.

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#### Note

If you are using the Securities Bridge GL (SEC BRIDGE GL) for settlements you should not be associating the Bridge GLs (SEC BRIDGE-S, SEC BRIDGE – PUR) with the product. However, these roles cannot be made applicable on portfolios with Weighted Average as the Costing Method.

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The suffixes stand for:

<b>RECV</b>	<b>Receivable</b>
RIA	Received in advance
TBACR D	To be accrued
OFST	Offset GL
RCPY	Receivable/Payable
RAPA	Received in advance/Paid in advance
AJI	Adjustment Income
ERND	Earned
ASS	Asset
LBY	Liability
PAY	Payable
EXP	Expense

#### Securities Advices

The list of advices that shall be generated in Securities Module of Oracle FLEXCUBE 3.0 is as shown in the table below:

<b>Advice Code</b>	<b>Advice Description</b>	<b>SWIFT Equivalent.</b>	<b>Sender of Message</b>	<b>Receiver of Message</b>
TRADE CONF AFFM	Trade Confirmation Affirmation	MT 517	Trade Instructing Party	Trade Executing Party
			Buyer	Trade Counterparty
MKT TRADE CONF	Market-Side Trade Confirmation	MT 518	Trade Executing Party	Trade Counterparty
RECV SEC FREE	Receive Free	MT 520/ MT540	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
DLVR SEC FREE	Deliver Free	MT 522/ MT542	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
DLVR SEC APMT	Deliver Against Payment	MT 523/ MT543	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
RECV SEC APMT	Received against payment	MT 521/ MT 541	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
RECV FREE CONF	Receive Free Confirmation	MT 530	Safekeeping Location	Custodian
			Custodian	Custody/Portfolio Customer
RECV APMT CONF	Receive Against Payment Confirmation	MT 531	Safekeeping Location	Custodian
			Custodian	Custody/Portfolio Customer
DLVR FREE CONF	Deliver Free Confirmation	MT 532	Safekeeping Location	Custodian



			Custodian	Custody/Portfolio Customer
DLVR FREE APMT	Deliver Against Payment Confirmation	MT 533	Safekeeping Location	Custodian
			Custodian	Custody/Portfolio Customer
NOTICE OF RGHTS	Notice of Rights	MT 550	Custodian	Custody/Portfolio Customer
NOTICE OF EVENT	Notice of Event	MT 551	Custodian	Custody/Portfolio Customer
MONY INCOME ADV	Advice of Money Income	MT 554	Custodian	Custody/Portfolio Customer
SEC INCOME ADV	Advice of Income in the Form of Securities	MT 555	Custodian	Custody/Portfolio Customer
SEC RED-MPTN ADV	Advice of Redemption	MT 556	Custodian	Custody/Portfolio Customer
REQST FOR STMT	Request for Statement	MT 570	Custody/Portfolio Customer	Custodian
			Custodian	Safekeeping Location
SEC HLD STATMNT	Statement of Holdings	MT 571	Custodian	Portfolio Customer
			Safekeeping Location	Custodian
SEC TXN STATMNT	Statement of Transactions	MT 572	Custodian	Portfolio Customer
			Safekeeping Location	Custodian
PNDING TXN STMT	Statement of Pending Transactions	MT 573	Custodian	Portfolio Customer
			Safekeeping Location	Custodian

In the subsequent sections we have defined suggested accounting entries and advices for each of the events in the life-cycle of an SS deal. Samples of accounting entries, advices, and events have been given for two different types of SS deals. They are:

- SS deal with a Portfolio type of product – Bank Portfolio
- SS deal with a Customer Buy/Sell type of products

### **32.4.3 SS Deal with a Portfolio Type Of Product: Bank Portfolio**

The preferences set up for a Bank Portfolio type of products are as follows:

- The costing method used for this product is Weighted Average
- The accounting basis is Non Accrual
- Monthly accrual frequency has been used for components like premium, discount, forward profit or loss.
- The revaluation process used is MTM (Marked to Market).
- Market Price is used for limit tracking purposes

### 32.4.3.1 SPLP: Security Purchase from Long Position

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
SEC ASSET GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC FWDEXP OFST	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC FWDINC OFST	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	SE_FL_INT_PUCM	Credit
SE_FL_INT_RCPY	SE_FL_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_PUEX	Debit
SE_FL_INT_RAPA	SE_FL_INT_PUEX	Credit
SEC BRIDGE GL	SE_FX_INT_PUCM	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCM	Debit
SEC BRIDGE GL	SE_FX_INT_PUEX	Debit
SE_FX_INT_RAPA	SE_FX_INT_PUEX	Credit
SEC PREM TBACRD	BROK_PREM	Debit
SEC BRIDGE GL	BROK_PREM	Credit
SEC BRIDGE GL	DR_CHG_DISC	Debit
SEC DISC TBACRD	DR_CHG_DISC	Credit
SEC PREM TBACRD	CR_CHG_PREM	Debit
SEC BRIDGE GL	CR_CHG_PREM	Credit

Given below are the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Accounting Role	Standard/ Alternative	Amount Tags	Standard/ Alternative	Debit/Credit Indicator
Sec Asset GL	Standard	DEAL_NOMINALAMT	Standard	Debit

<b>Accounting Role</b>	<b>Standard/ Alternative</b>	<b>Amount Tags</b>	<b>Standard/ Alternative</b>	<b>Debit/Credit Indicator</b>
Sec Bridge - Pur	Alternative	DEAL_NOMINALAMT	Standard	Credit
Deal Premium	Alternative	DEAL_PREMIUMAMT	Standard	Debit
Sec Bridge - Pur	Alternative	DEAL_PREMIUMAMT	Standard	Credit
Sec Bridge - Pur	Alternative	DEAL_DISCNT_AMT	Standard	Debit
Deal Discount	Alternative	DEAL_DISCNT_AMT	Standard	Credit
Deal Interest-Bought	Alternative	INTCOMP_PUCM	Standard	Debit
Sec Bridge - Pur	Alternative	INTCOMP_PUCM	Standard	Credit

**Advices**

No advices allowed for this event.

### 32.4.3.2 SSLP: Security Sale from Long Position

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	ACCRUED_RDPREM	Debit
SEC RDPREM RECV	ACCRUED_RDPREM	Credit
SEC ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC FWDEXP OFST	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC FWDINC OFST	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	REALIZED_LOSS	Credit
SEC RLZD LOSS	REALIZED_LOSS	Debit
SEC BRIDGE GL	REALIZED_PROFIT	Debit
SEC RLZD PROFIT	REALIZED_PROFIT	Credit
SEC ASSET GL	RGHT_INTR_VALUE	Debit
SEC BRIDGE GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FL_INT_SOCM	Debit
SE_FL_INT_RCPY	SE_FL_INT_SOCM	Credit
SEC BRIDGE GL	SE_FL_INT_SOEX	Credit
SE_FL_INT_RAPA	SE_FL_INT_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_SOCM	Debit
SE_FX_INT_RCPY	SE_FX_INT_SOCM	Credit
SEC BRIDGE GL	SE_FX_INT_SOEX	Credit
SE_FX_INT_RAPA	SE_FX_INT_SOEX	Debit
SEC BRIDGE GL	UNACCRD_DISCNT	Credit
SEC DISC TBACRD	UNACCRD_DISCNT	Debit
SEC BRIDGE GL	UNACCRD_PREMIUM	Debit
SEC PREM TBACRD	UNACCRD_PREMIUM	Credit
SEC ASSET GL	WARR_INTR_VALUE	Debit
SEC BRIDGE GL	WARR_INTR_VALUE	Credit
SEC BRIDGE GL	ACCRUED_INT_ADJ	Debit

SEC INT ADJ	ACCRUED_INT_ADJ	Credit
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Given below are the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

**SSLP (Sale)**

<b>Accounting Roles</b>	<b>Standard/ Alternative</b>	<b>Amount Tags</b>	<b>Standard/ Alternative</b>	<b>Dr. /Cr. Indicator</b>
Premium Accrued	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Deal Premium	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Sec Bridge-S	Alternative	UNACCRD_PREMIUM	Standard	Debit
Deal Premium	Alternative	UNACCRD_PREMIUM	Standard	Credit
Premium Expense	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Deal Discount	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Accrued	Standard	SEC_DISC_TOTALACCR	Alternative	Credit
Deal Discount	Alternative	UNACCRD_DISCNT	Standard	Debit
Sec Bridge-S	Alternative	UNACCRD_DISCNT	Standard	Credit
Accrual of Disc Inc - Memo	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Income	Standard	SEC_DISC_TOTALACCR	Alternative	Credit
Sec Bridge-S (SEC-BRIDGE-SEL)	Alternative	INTCOMP_PUCMA This amount tag represents the value of the Bought Interest if any (at the time of Purchase) for the sold securities	Alternative	Debit
Deal Interest-Bought (INT-COMP_BOT)	Alternative	INTCOMP_PUCMA	Alternative	Credit
Sec Bridge-S (SEC-BRIDGE-SEL)	Alternative	INTCOMP_TIAC This amount tag represents the interest accrual.	Alternative	Debit
Accrual of Int. Rec (RCPY) (INT-COMP_RCPY)	Standard	INTCOMP_TIAC	Alternative	Credit

Accrual of Int. Inc – Memo (INTCOMP_I-MEM)	Alternative	INTCOMP_TIAC	Alternative	Debit
Interest Income (INT-COMP_I)	Standard	INTCOMP_TIAC	Alternative	Credit

Total Sold Interest = INT\_PUCMA + INTCOMP\_TIAC)

(INTCOMP\_PUCMA will have value only if the security is bought and sold in the same coupon period)

### SPLP (Capitalized Bonds)

In addition to the normal accounting entries you will need to specify the entries to move the purchased interest into offset GL (Sale option) or the Bought Interest GL (Sale and coupon).

### SSLP (Redemption)

Accounting Roles	Standard/Alternative	Amount Tags	Standard/Alternative	Dr./Cr. Indicator
Premium Accrued	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Deal Premium	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Premium Expense	Standard	SEC_PREM_TOTALACCR	Alternative	Debit
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_TOTALACCR	Alternative	Credit
Deal Discount	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Accrued	Standard	SEC_DISC_TOTALACCR	Alternative	Credit
Accrual of Disc Inc - Memo	Alternative	SEC_DISC_TOTALACCR	Alternative	Debit
Discount Income	Standard	SEC_DISC_TOTALACCR	Alternative	Credit

You will need to maintain the following accounting entry set-up when a securities contract is liquidated with previous year adjustment option.

Accounting Role	Amount Tag	Debit / Credit Indicator
For Interest		



<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Debit / Credit Indicator</b>
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_PUCMA (Purchase Interest)	Debit
INTCOMP_BOT (Deal Purchase Interest)	INTCOMP_PUCMA (Purchase Interest)	Credit
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_RCPY (Interest Receivable / Payable)	INTCOMP_TIAC (Interest Accrued)	Credit
INTCOMP_IMEM (Interest Income – Memo)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_I (Interest Income)	INTCOMP_TIAC (Interest Accrued)	Credit
For Discount		
DEAL_DISCOUNT (Deal Discount GL)	UNACCRD_DISCNT	Debit
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_DISCNT (Unaccrued Discount Amount)	Credit
DEAL_DISCOUNT (Deal Discount GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Debit
SEC DISC TBACRD (Sec. Deal Discount To Be Accrued GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Credit
ACCR_DIS_IN_MEM (Accrual of Discount Income-Memo GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Debit
SEC DISC EARNED (Sec. Discount Earned Income GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Credit
For Premium		
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Debit
DEAL_PREMIUM (Deal Premium GL)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Credit
SEC PREM TBACRD (Sec. Deal Premium To Be Accrued GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Debit
DEAL_PREMIUM (Deal Premium GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Credit
SEC PREM PAID (Sec. Premium Paid Expense GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Debit

Accounting Role	Amount Tag	Debit / Credit Indicator
ACCR_PRM_XP_MEM (Accrual of Premium Expense-Memo GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Credit

**Note**

If Interest / discount / premium has been accrued during the previous year, the entries will have the amount tags with suffix “\_PY” to indicate that they are passed against the Previous Year Adjustment GL. During accounting, for the amount tags with suffix “\_PY”, accounting entries are passed against the Previous Year Adjustment GL, maintained in the Chart of Accounts.

Accounting Role	Amount Tag	Debit / Credit Indicator
For Interest		
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_PUADJ (This tag should be assigned the difference between Sold Interest and Interest Accrued)	Debit
INTCOMP_OFF (Purchase Interest Offset GL)	INTCOMP_PUADJ (This tag should be assigned the difference between Sold Interest and Interest Accrued).	Credit
INTCOMP_OFF (Purchase Interest Offset GL)	INTCOMP_PUCMA (Purchase Interest)	Debit
INTCOMP_BOT (Deal Purchase Interest)	INTCOMP_PUCMA (Purchase Interest)	Credit
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_RCPY (Interest Receivable / Payable)	INTCOMP_TIAC	Credit
INTCOMP_IMEM (Interest Income – Memo GL)	INTCOMP_TIAC_PY (Interest Accrued - Previous Year's contribution)	Debit
INTCOMP_I (Interest Income)	INTCOMP_TIAC_PY	Credit
INTCOMP_IMEM (Interest Income – Memo GL)	INTCOMP_TIAC_CY (Interest Accrued - Current Year's contribution)	Debit
INTCOMP_I (Interest Income)	INTCOMP_TIAC_CY	Credit

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Debit / Credit Indicator</b>
For Discount		
DEAL_DISCOUNT (Deal Discount GL)	UNACCRD_DISCNT (Unaccrued Discount Amount)	Debit
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_DISCNT (Unaccrued Discount Amount)	Credit
DEAL_DISCOUNT (Deal Discount GL)	SEC_DISC_TOTACCR (Total Discount Accrued on Sold Units)	Debit
SEC DISC TBACRD (Sec. Deal Discount To Be Accrued GL)	SEC_DISC_TOTACCR	Credit
ACCR_DIS_IN_MEM (Accrual of Discount Income-Memo GL)	SEC_DISC_TOTACCR_PY (Total Discount Accrued on Sold Units ( Previous Year's Contribution )	Debit
SEC DISC EARNED (Sec. Discount Earned Income GL)	SEC_DISC_TOTACCR_PY (Total Discount Accrued on Sold Units)	Credit
ACCR_DIS_IN_MEM (Accrual of Discount Income-Memo GL)	SEC_DISC_TOTACCR_CY (Total Discount Accrued on Sold Units - Current Year's Contribution )	Debit
SEC DISC EARNED (Sec. Discount Earned Income GL)	SEC_DISC_TOTACCR_CY (Total Discount Accrued on Sold Units – Current Years Contribution)	Credit
For Premium		
SEC BRIDGE GL (Securities Bridge GL – Settlement)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Debit
DEAL_PREMIUM (Deal Premium GL)	UNACCRD_PREMIUM (Unaccrued Premium Amount)	Credit
SEC PREM TBACRD (Sec. Deal Premium To Be Accrued GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Debit
DEAL_PREMIUM (Deal Premium GL)	SEC_PREM_TOTACCR (Total Premium Accrued on Sold Units)	Credit
SEC PREM PAID (Sec. Premium Paid Expense GL)	SEC_PREM_TOTACCR_PY (Total Premium Accrued on Sold Units - Previous Year's Contribution)	Debit
ACCR_PRM_X-P_MEM (Accrual of Premium Expense-Memo GL)	SEC_PREM_TOTACCR_PY (Total Premium Accrued on Sold Units - Previous Year's Contribution)	Credit

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Debit / Credit Indicator</b>
SEC PREM PAID - Sec. (Premium Paid Expense GL)	SEC_PREM_TOTACCR_CY (Total Premium Accrued on Sold Units - Current Year's Contribution)	Debit
ACCR_PRM_X-P_MEM (Accrual of Premium Expense-Memo GL)	SEC_PREM_TOTACCR_CY (Total Premium Accrued on Sold Units - Current Year's Contribution)	Credit

When Wipe Deal Purchase Interest is set to Sale, the accounting entries pertaining to Purchase Interest are as follows:

<b>Accounting Role and Description</b>	<b>Amount Tag and Description</b>	<b>Debit/Credit Indicator</b>
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_PUCMA (Sold Interest – Interest Accrued)	Debit
INTCOMP_BOT (Deal Purchase Interest)	INTCOMP_PUCMA (also = Purchased Interest)	Credit
SEC-BRIDGE-SEL (Security Bridge GL – SALE)	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_RCPY (Interest Receivable / Payable)	INTCOMP_TIAC (Interest Accrued)	Credit
INTCOMP_IMEM	INTCOMP_TIAC (Interest Accrued)	Debit
INTCOMP_I	INTCOMP_TIAC - Interest Accrued	Credit

#### **Advices**

No advices allowed for this event.

### 32.4.3.3 SPSP: Security Purchase from Short Position

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC LIABILTY GL	DEAL_DISCNT_AMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC LIABILTY GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC LIABILTY GL	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC LIABILTY GL	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC LIABILTY GL	FWD_DEAL_PROFIT	Credit
SEC RLZD LOSS	REALIZED_LOSS	Debit
SEC BRIDGE GL	REALIZED_PROFIT	Debit
SEC RLZD PROFIT	REALIZED_PROFIT	Credit
SEC BRIDGE GL	RGHT_INTR_VALUE	Debit
SEC LIABILTY GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	SE_FL_INT_PUCM	Credit
SE_FL_INT_RCPY	SE_FL_INT_PUCM	Debit
SEC BRIDGE GL	SE_FL_INT_PUEX	Debit
SE_FL_INT_RAPA	SE_FL_INT_PUEX	Credit
SEC BRIDGE GL	SE_FX_INT_PUCM	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCM	Debit
SEC BRIDGE GL	SE_FX_INT_PUEX	Debit
SE_FX_INT_RAPA	SE_FX_INT_PUEX	Credit
SEC BRIDGE GL	UNACCRD_DISCNT	Debit
SEC LIABILTY GL	UNACCRD_DISCNT	Credit
SEC BRIDGE GL	UNACCRD_PREMIUM	Credit
SEC LIABILTY GL	UNACCRD_PREMIUM	Debit
SEC BRIDGE GL	WARR_INTR_VALUE	Debit
SEC LIABILTY GL	WARR_INTR_VALUE	Credit

**Advices**

No advices allowed for this event.

**32.4.3.4 SSSP: Security Sale from Short Position****Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC LIABILTY GL	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC LIABILTY GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC LIABILTY GL	DEAL_PREMIUMAMT	Credit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC LIABILTY GL	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC LIABILTY GL	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	SE_FL_INT_SOCM	Debit
SE_FL_INT_RCPY	SE_FL_INT_SOCM	Credit
SEC BRIDGE GL	SE_FL_INT_SOEX	Credit
SE_FL_INT_RAPA	SE_FL_INT_SOEX	Debit
SEC BRIDGE GL	SE_FX_INT_SOCM	Debit
SE_FX_INT_RCPY	SE_FX_INT_SOCM	Credit
SEC BRIDGE GL	SE_FX_INT_SOEX	Credit
SE_FX_INT_RAPA	SE_FX_INT_SOEX	Debit
SEC DISC TBACRD	BROK_DISC	Debit
SEC BRIDGE GL	BROK_DISC	Credit
SEC BRIDGE GL	DR_CHG_DISC	Debit
SEC PREM TBACRD	DR_CHG_DISC	Credit
SEC DISC TBACRD	CR_CHG_PREM	Debit
SEC BRIDGE GL	CR_CHG_PREM	Credit

**Advices**

No advices allowed for this event.

### 32.4.3.5 FACR: Security Forward Deal P & L Accrual

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC FWD LOSS	FWD_DEALEXP_ACR	Debit
SEC FWDEXP OFST	FWD_DEALEXP_ACR	Credit
SEC FWD PROFIT	FWD_DEALINC_ACR	Credit
SEC FWDINC OFST	FWD_DEALINC_ACR	Debit

#### Advices

No advices allowed for this event.

### 32.4.3.6 ACRD: Accrual of Security Discount Earned

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DISC EARNED	SEC_DISC_ACCR	Credit
SEC DISC TBACRD	SEC_DISC_ACCR	Debit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
* Discount Accrued * (Discount TBACRD can be us	Standard	SEC_DIS- C_ACCR	Standard	Debit
Accrual of Disct Inc – Memo	Alternative	SEC_DIS- C_ACCR	Standard	Credit

#### Advices

No advices allowed for this event.

### 32.4.3.7 ACRP: Accrual of Security Premium Paid

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC PREM PAID	SEC_PREM_ACCR	Debit
SEC PREM TBACRD	SEC_PREM_ACCR	Credit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
Accrual of Prem Exp - Memo	Alternative	SEC_PREM_ACCR	Standard	Debit
* Premium Accrued * (Premium TBACRD can be used)	Standard	SEC_PREM_ACCR	Standard	Credit

**Advices**

No advices allowed for this event.

**32.4.3.8 ACRR: Accrual of Redemption Premium Earned**

**Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC RDPREM ERND	SEC_RDPREM_ACCR	Credit
SEC RDPREM RECV	SEC_RDPREM_ACCR	Debit

**Advices**

No advices allowed for this event.

**32.4.3.9 DVIN: Securities Dividend Initiation**

**Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND PAY	SEC_CASH_DIVDND	Credit
SEC DIVDND RECV	SEC_CASH_DIVDND	Debit

**Advices**

Nil

**32.4.3.10 DVCD: Securities Dividend Collection**

**Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND RECV	SEC_CASH_DIVDND	Credit
SEC SETTLEMENT	SEC_CASH_DIVDND	Debit

**Advices**

No advices allowed for this event.



### 32.4.3.11 DVLQ: Securities Dividend Liquidation

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC DIVDND PAY	SEC_CASH_DIVDND	Debit
SEC SETTLEMENT	SEC_CASH_DIVDND	Credit

#### Advices

Nil.

### 32.4.3.12 RGLL: Rights Security Tear-Off Processing

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
RIGHTS ASSET GL	RGHT_INTR_VALUE	Debit
SEC BRIDGE GL	RGHT_INTR_VALUE	Credit

#### Advices

No advices allowed for this event.

### 32.4.3.13 RGOL: Rights Detachment from Parent Security

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC ASSET GL	RGHT_INTR_VALUE	Credit
SEC BRIDGE GL	RGHT_INTR_VALUE	Debit

#### Advices

No advices allowed for this event.

### 32.4.3.14 RELL: Exercise of Rights for New Equity

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	SEC BRIDGE GL	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
RIGHTS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RES SEC. ASSET	RGHT_INTR_VALUE	Debit
RIGHTS ASSET GL	RGHT_INTR_VALUE	Credit

#### Advices

No advices allowed for this event.

### 32.4.3.15 RENL: Rights Security Exercise Processing

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
RES SEC. ASSET	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit

#### Advices

No advices allowed for this event.

### 32.4.3.16 RXLL: Expiry of Un-Exercised Rights

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
RIGHTS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RIGHTS ASSET GL	RGHT_INTR_VALUE	Credit
SEC RLZD LOSS	RGHT_INTR_VALUE	Debit

#### Advices

No advices allowed for this event.

### 32.4.3.17 WRLL: Warrants Security Tear-Off Processing

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	WARR_INTR_VALUE	Credit
WARRS ASSET GL	WARR_INTR_VALUE	Debit

#### Advices

No advices allowed for this event.

### 32.4.3.18 WROL: Warrant Detachment from Parent Security

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC ASSET GL	WARR_INTR_VALUE	Credit
SEC BRIDGE GL	WARR_INTR_VALUE	Debit

#### Advices

No advices allowed for this event.

### 32.4.3.19 WELL: Warrants Security Exercise Processing

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
WARRS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
RES SEC. ASSET	WARR_INTR_VALUE	Debit
WARRS ASSET GL	WARR_INTR_VALUE	Credit

#### Advices

No advices allowed for this event.

### 32.4.3.20 WENL: Exercise of Warrants for New Equity

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Credit
RES SEC. ASSET	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Debit

#### Advices

No advices allowed for this event.

### 32.4.3.21 WXLL: Expiry of Un-Exercised Warrants

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Credit
SEC DISC TBACRD	DEAL_DISCNT_AMT	Debit
SEC BRIDGE GL	DEAL_NOMINALAMT	Debit
WARRS ASSET GL	DEAL_NOMINALAMT	Credit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Debit
SEC PREM TBACRD	DEAL_PREMIUMAMT	Credit
SEC RLZD LOSS	WARR_INTR_VALUE	Debit
WARRS ASSET GL	WARRS ASSET GL	Credit

#### Advices

No advices allowed for this event.

### 32.4.3.22 IACR: Securities Coupon Interest Accrual

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SE_FL_INT_IC	SE_FL_INT_IAC	Credit
SE_FL_INT_RCPY	SE_FL_INT_IAC	Debit
SE_FL_INT_IX	SE_FL_INT_IAX	Credit
SE_FL_INT_RAPA	SE_FL_INT_IAX	Debit
SE_FL_INT_AJI	SE_FL_INT_JIA	Credit
SE_FL_INT_RCPY	SE_FL_INT_JIA	Debit
SE_FX_INT_IC	SE_FX_INT_IAC	Credit
SE_FX_INT_RCPY	SE_FX_INT_IAC	Debit
SE_FX_INT_IX	SE_FX_INT_IAX	Credit
SE_FX_INT_RAPA	SE_FX_INT_IAX	Debit
SE_FX_INT_AJI	SE_FX_INT_JIA	Credit
SE_FX_INT_RCPY	SE_FX_INT_JIA	Debit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Accounting Roles	Standard/ Alternative	Amount Tags	Standard/ Alternative	Dr./Cr. Indicator
* Accrual of Int. Rec (RCPY) *(Intcomp_RCPY can be used)	Standard	INT- COMP_IA	Standard	Debit
Accrual of Int. Inc - Memo	Alternative	INT- COMP_IA	Standard	Credit

**Advices**

No advices allowed for this event.

**32.4.3.23 CPIN: Coupon Init**

**Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FL_INT_IINI	Credit
SEC COUPON RECV	SE_FL_INT_IINI	Debit
SEC COUPON PAY	SE_FX_INT_IINI	Credit
SEC COUPON RECV	SE_FX_INT_IINI	Debit

**Advices**

No advices allowed for this event.

**32.4.3.24 CPCD: Coupon Init**

**Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON RECV	SE_FL_INT_ICOL	Credit
SEC SETTLEMENT	SE_FL_INT_ICOL	Debit
SEC COUPON RECV	SE_FX_INT_ICOL	Credit
SEC SETTLEMENT	SE_FX_INT_ICOL	Debit

**Advices**

No advices allowed for this event.

### 32.4.3.25 CPLQ: Coupon Liquidation

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FL_INT_ILIQ	Debit
SE_FL_INT_RCPY	SE_FL_INT_ILIQ	Credit
SEC COUPON PAY	SE_FX_INT_ILIQ	Debit
SE_FX_INT_RCPY	SE_FX_INT_ILIQ	Credit

Given below is the sample accounting entries that will be posted if you use the alternative accounting roles for this event:

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC COUPON PAY	SE_FX_INT_ILIQ	Debit
SE_FX_INT_RCPY	SE_FX_INT_ILIQ	Credit
SE_FX_INT_IMEM	SE_FX_INT_TIAC	Debit
SE_FX_INT_I	SE_FX_INT_TIAC	Credit
SE_FX_INT_RCPY	SE_FX_INT_PUCMA	Debit
SE_FX_INT_BOT	SE_FX_INT_PUCMA	Credit

You will need to maintain the following accounting entry set-up when a securities contract is liquidated with previous year adjustment option.

Debit / Credit Indicator	Accounting Role	Amount Tag
Debit	SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_PUCMA - Purchase Interest
Credit	INTCOMP_BOT - Deal Purchase Interest	INTCOMP_PUCMA - Purchase Interest
Debit	SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_TIAC - Interest Accrued
Credit	INTCOMP_RCPY - Interest Receivable / Payable.	INTCOMP_TIAC - Interest Accrued
Debit	INTCOMP_IMEM - Interest Income – Memo	INTCOMP_TIAC - Interest Accrued
Credit	INTCOMP_I - Interest Income	INTCOMP_TIAC - Interest Accrued

#### Note

If Interest / discount / premium has been accrued during the previous year, the entries will have the amount tags with suffix “\_PY” to indicate that they are passed against the Previous Year Adjustment GL. During accounting, for the amount tags with suffix “\_PY”, ac-

counting entries are passed against the Previous Year Adjustment GL, maintained in the Chart of Accounts.

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Debit / Credit Indicator</b>
SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_PUCMA - Coupon Amount – Interest Accrued	Debit
INTCOMP_OFF- Purchase Interest Offset GL	INTCOMP_PUCMA - Coupon Amount – Interest Accrued	Credit
SEC COUPON PAY - Securities Coupon Payable GL	INTCOMP_TIAC - Interest Accrued	Debit
INTCOMP_RCPY - Interest Receivable / Payable	INTCOMP_TIAC - Interest Accrued	Credit
INTCOMP_IMEM - Interest Income – Memo GL	INTCOMP_TIAC_PY - Interest Accrued (Previous Year's contribution)	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC_PY - Interest Accrued (Previous Year's contribution)	Credit
INTCOMP_IMEM - Interest Income – Memo GL	INTCOMP_TIAC_CY - Interest Accrued (Current Year's contribution)	Debit
INTCOMP_I - Interest Income	INTCOMP_TIAC_CY - Interest Accrued (Current Year's contribution)	Credit

When Wipe Deal Purchase Interest is set to Sale, the accounting entries pertaining to Purchase Interest are as follows:

<b>Accounting Role and Description</b>	<b>Amount Tag and Description</b>	<b>Dr./Cr. Indicator</b>
SEC COUPON PAY - SE Coupon Payable GL	INTCOMP_PUCMA - Purchased Interest	Debit
INTCOMP_BOT - Deal Purchase Interest	INTCOMP_PUCMA	Credit
SEC COUPON PAY - SE Coupon Payable GL	INTCOMP_TIAC - Interest Accrued – Cum	Debit
INTCOMP_RCPY - Interest Receivable / Payable	INTCOMP_TIAC	Credit
INTCOMP_IMEM - Interest Income – Memo	INTCOMP_TIAC - Interest Accrued	Debit

INTCOMP_I - Interest Income	INTCOMP_TIAC	Credit
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**Advices**

Nil.

**32.4.3.26 BRVL: Securities Revaluation of Positions/Deals**

(For Realized Revaluation, the amount tags should be replaced with the equivalent tags for Realized Revaluation)

**Accounting Entries**

Accounting Role	Amount Tag	Dr./Cr. Indicator
LOCOM_REVAL_EXP	LOCOM_REVAL_EXP	Debit
LOCOM_REVAL_LBY	LOCOM_REVAL_EXP	Credit
MTM_EXP	MTM_EXP	Debit
MTM_LBY	MTM_EXP	Credit
MTM_ASS	MTM_INC	Debit
MTM_INC	MTM_INC	Credit

If you have chosen Deal level revaluation the following entries are passed:

Accounting Role and Description	Amount Tag and Description	Debit/ Credit
MTM_EXP - Expense GL for Revaluation (MTM Method)	MTM_EXP - Revaluation Expense (MTM Method).	Debit
MTM_LBY - Liability GL for Revaluation (MTM Method).	MTM_EXP - Revaluation Expense (MTM Method).	Credit
MTM_ASS - Asset GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method).	Debit
MTM_INC - Income GL for Revaluation (MTM Method).	MTM_INC - Revaluation Income (MTM Method).	Credit
LOCOM_REVAL_EXP - Expense GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method).	Debit
LOCOM_REVAL_LBY - Liability GL for Revaluation (LOCOM Method).	LOCOM_REVAL_EXP - Revaluation Expense (LOCOM Method).	Credit

**Advices**

No advices allowed for this event.



### 32.4.3.27 RRVL: Reversal of Position and Deal level Revaluation

These entries can be set up for any kind of portfolio costing method and they apply to both deal and position level revaluation.

Accounting Role and Description	Amount Tag and Description	Debit/ Credit
MTMINCOME	MTM_INC	Debit
SECURITYASSET	MTM_INC	Credit

These are the entries passed during reversal of revaluation at BOD on the next working day. If the next working day happens to be the first working day of the new financial year the entries passed are:

Accounting Role and Description	Amount Tag and Description	Debit/ Credit
Prev year adj GL -1	MTM_INC_PY	Debit
SECURITYASSET	MTM_INC_PY	Credit

Where Prev year adj GL -1 is the previous year adjustment GL maintained in the Chart of Accounts for the GL head MTM\_INC.

### 32.4.3.28 YACR: Yield Accruals for all deals

#### Accounting Entries

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

#### Advices

No advices allowed for this event.

### 32.4.4 SS deal with a Customer Buy/Sell type of product

The preferences set for this product are as follows:

- Standard rate type is used for this product
- Brokerage not allowed
- Mode of money settlement is automatic
- Extension allowed
- Forward deals allowed for this product

### 32.4.4.1 **BOOK: Booking of securities deal**

#### **Accounting Entries**

If brokerage is considered for Assets, the following accounting entries are passed:

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Dr/Cr. Indicator</b>
SEC BRIDGE GL	BROK_PREM	Debit
BROKPAY	BROK_PREM	Credit

If brokerage is considered for Liabilities, the following accounting entries are passed:

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Dr/Cr. Indicator</b>
SEC BRIDGE GL	BROK_DISC	Debit
BROKPAY	BROK_DISC	Credit

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#### **Note**

For Brokerage marked as 'Consider as Discount' and denominated in a brokerage currency other than the contract currency, the %DISC and %PREM amount tags will be posted into the Bridge Head in the contract currency.

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If a particular charge component is considered for discount for Assets, the following accounting entries are passed:

<b>Accounting Role</b>	<b>Amount Tag</b>	<b>Dr/Cr. Indicator</b>
SEC SETTLEMENT	<Charge Class>_DISC	Debit
SEC BRIDGE GL	<Charge Class>_DISC	Credit
SEC BRIDGE GL	<Charge Class>_PREM	Debit
SEC SETTLEMENT	<Charge Class>_PREM	Credit

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#### **Note**

For charge components marked as 'Consider as Discount' and denominated in a charge currency other than the contract currency, the %DISC and %PREM amount tags will be posted into the SEC BRIDGE GL head in the contract currency.

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#### **Advices**

Nil.

### 32.4.4.2 **AMND: Amendment of securities deal**

#### **Accounting Entries**

Nil

#### **Advices**

No advices allowed for this product.

#### **32.4.4.3 CANC: Cancellation of securities deal**

##### **Accounting Entries**

Nil

##### **Advices**

No advices allowed for this product.

#### **32.4.4.4 CCON: Counterparty confirmation**

##### **Accounting Entries**

No accounting entries allowed for this event.

##### **Advices**

Nil.

#### **32.4.4.5 DACF: Deliver Versus Payment Confirmation**

##### **Accounting Entries**

No accounting entries allowed for this event.

##### **Advices**

Nil.

#### **32.4.4.6 DFCF: Deliver Free Confirmation**

##### **Accounting Entries**

No accounting entries allowed for this event.

##### **Advices**

Nil.

#### **32.4.4.7 DSTL: Settlement of Securities Deal**

##### **Accounting Entries**

Nil.

##### **Advices**

No advices allowed for this event.

#### **32.4.4.8 EXTN: Extension of Deal Settlement Date**

##### **Accounting Entries**

Nil.

##### **Advices**

No advices allowed for this event.

### 32.4.4.9 MSTL: Money Settlement of Securities Deal

#### Accounting Entries

Accounting Role	Amount Tag	Dr./Cr. Indicator
SEC BRIDGE GL	DEAL_DISCNT_AMT	Debit
SEC SETTLEMENT	DEAL_DISCNT_AMT	Credit
SEC BRIDGE GL	DEAL_NOMINALAMT	Credit
SEC SETTLEMENT	DEAL_NOMINALAMT	Debit
SEC BRIDGE GL	DEAL_PREMIUMAMT	Credit
SEC SETTLEMENT	DEAL_PREMIUMAMT	Debit
SEC BRIDGE GL	FWD_DEAL_LOSS	Credit
SEC SETTLEMENT	FWD_DEAL_LOSS	Debit
SEC BRIDGE GL	FWD_DEAL_PROFIT	Debit
SEC SETTLEMENT	FWD_DEAL_PROFIT	Credit
SEC BRIDGE GL	INT_GS_PUCM	Credit
SEC SETTLEMENT	INT_GS_PUCM	Debit
SEC SETTLEMENT	INT_GS_PUEX	Credit
SEC BRIDGE GL	INT_GS_PUEX	Debit
SEC BRIDGE GL	INT_IC_PUCM	Debit
SEC SETTLEMENT	INT_IC_PUCM	Credit
SEC SETTLEMENT	INT_IC_PUEX	Debit
SEC BRIDGE GL	INT_IC_PUEX	Credit
SEC SETTLEMENT	ISSUR_TAX_PUCM	Debit
SEC BRIDGE GL	ISSUR_TAX_PUCM	Credit
SEC SETTLEMENT	ISSUR_TAX_PUEX	Credit
SEC BRIDGE GL	ISSUR_TAX_PUEX	Debit

#### Advices

Nil.

### 32.4.4.10 RACF: Receive Versus Payment Confirmation

#### Accounting Entries

No accounting entries are allowed for this event.

#### Advices

Nil.

#### **32.4.4.11 RBLK: Release Block of Security Positions**

##### **Accounting Entries**

Nil.

##### **Advices**

No advices allowed for this event.

#### **32.4.4.12 REAS: Reassignment of Securities Deal**

##### **Accounting Entries**

No accounting entries allowed for this event.

##### **Advices**

No advices allowed for this event.

#### **32.4.4.13 REVR: Reversal of Securities Deal**

##### **Accounting Entries**

No accounting entries allowed for this event.

##### **Advices**

Nil

#### **32.4.4.14 RFCF: Receive Free Confirmation**

##### **Accounting Entries**

No accounting entries allowed for this event.

##### **Advices**

Nil

### 33.1 Securities Terms

The following terms have been used in this manual.

#### **Corpus**

It is the principal amount of a debt instrument, or the underlying assets in a trust. This content can be found in the URL <http://www.investorwords.com/1141/corpus.html>.

#### **Coupon**

It is the interest rate on a fixed income security, determined upon issuance, and expressed as a percentage of par.

#### **ISMA**

It stands for the International Securities Markets Association. It is a self-regulatory organization and trade association originally located in Zürich, Switzerland, that encourages systematic and compliant trading in the international securities market.

#### **ISITC**

It stands for the International Securities Association for Institutional Trade Communication. It is an organization that develops invaluable recommendations for straight-through processing and other electronic trade and communications procedures — recommendations that are repeatedly adopted by the industry and become standards that have transformed trading processes.

#### **Redemption**

It is the return of an investor's principal in a security, such as a bond, preferred stock or mutual fund shares, at or prior to maturity.

#### **Redemption Premium**

It is the amount paid to the holder of the security called for redemption in addition to the principal amount of (and any accrued interest on) the security.

#### **Yield**

It is the income return on an investment. This refers to the interest or dividends received from a security and are usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

#### **Yield to Maturity**

It is the rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate.

#### **Yield to Worst**

It is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

#### **Yield to Call**

It is the the yield of a bond or note if you were to buy and hold the security until the call date. This yield is valid only if the security is called prior to maturity.

**Current Yield**

It is the annual income (interest or dividends) divided by the current price of the security. This measure looks at the current price of a bond instead of its face value and represents the return an investor would expect if he or she purchased the bond and held it for a year.

**Nominal Yield**

The interest rate stated on the face of a bond, which represents the percentage of interest to be paid by the issuer on the face value of the bond.

**Yield Curve**

It is a line that plots the interest rates, at a set point in time of bonds having equal credit quality, but differing maturity dates.

**Effective Interest Method**

It is the manner of accounting for bond premiums or discounts. The interest expense equals the carrying value of a bond at the beginning of the accounting period times the Effective Interest Rate (yield); also called scientific amortization.

**MTM**

It stands for 'Mark to Market'. It is the act of recording the price or value of a security, portfolio or account to reflect its current market value rather than its book value.

**LOCOM**

It stands for 'Lower of Cost or Market'. It is an accounting method used to establish the dollar amount at which assets are recorded on a savings association's books. The amount established is the lower of the cost of the asset or the current market value. Under this method, assets must be written down if the market value falls below the cost. They may also be written up but not above their amortized cost.

**Intrinsic Value**

It stands for a measure of the value of an option or a warrant if immediately exercised that is the extent to which it is in-the-money. The amount by which the current price for the underlying commodity or futures contract is above the strike price of a call option or below the strike price of a put option for the commodity or futures contract

**Renounceable Right**

It is an offer issued by a corporation to shareholders to purchase more shares of the corporation's stock (usually at a discount). Renounceable rights have a value and can be traded.

**Restricted**

Restricted stock, also known as letter stock or restricted securities, refers to stock of a company that is not fully transferable until certain conditions have been met. Upon satisfaction of those conditions, the stock becomes transferable by the person holding the award.

**Convertible**

It stands for a bond that can be converted into a predetermined amount of the company's equity at certain times during its life, usually at the discretion of the bondholder.

### 34.1 Introduction

All activities that are performed in the Securities module are recorded. The inputs you have made for different securities, portfolios and deals can be viewed in the form of meaningful reports as and when you may require them. The various report programs and reporting features available under the Securities module are explained in this chapter.

You can generate the following reports for the Securities module:

- Corporate Action-Coupons Tracking (Ex Date) Report
- Coupon Flipping
- Corporate Action Tracking (Ex-Date) Report
- Corporate Action Pending
- Confirmed/Unconfirmed Report
- Disposition Report
- Deal Settlement Report
- Securities with Short Positions Report
- Portfolio to Portfolio Deals Report
- Forward Profit and Loss (PnL) Accrual Report
- Securities Maturity Report
- Securities Contracts Overrides Report
- Securities Activity Report
- Backdated Deals Report
- Securities Exception Report
- Matched/Unmatched Confirmation Message Report



## 34.2 Corporate Action Tracking (Coupon EXDATE)

To generate the Corporate Action Tracking (Coupon EXDATE) report, invoke the related screen by typing 'SERCPDUE' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

The screenshot shows a software window titled "Corporate Action-Coupons Tracking (Ex Date) Report". At the top, there are two radio buttons: "All Branches" and "Specific Branch", with "Specific Branch" selected. Below these are two text input fields labeled "Report From \*" and "Report To \*". Further down are two dropdown menus: "Report Format" set to "PDF" and "Report Output" set to "Print". To the right, there is a "Printer At" dropdown menu set to "Client" and a "Printer" text input field. At the bottom right corner, there are "Ok" and "Exit" buttons.

You may set the following options for report generation in the above screen:

### All Branches/Specific Branch

You can either choose to view in the report all corporate action records of the securities in all the branches or in a specific branch.

If you choose 'Specific Branch', specify the branch in the field below it.

### Report From and Report To Dates

You can specify here the from and to dates for the report. The report displays all the corporate action records of the securities between those dates.

### 34.2.1 Contents of Report

The contents of this report are discussed under the following heads:

#### Header

The Header carries the title of the report, information on the branch name, branch code, branch date, the Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

#### Body of the Report

This report contains details of:

Branch Code	This shows the Branch Code of the branch for which the report is generated.
Portfolio ID	This is the Portfolio ID
Portfolio Description	A brief description of the portfolio
Security Id	This identifies the security involved

Security Description	A description of the security involved
Interest Component	Specifies the interest component involved
Record Date	Date of creation of the record
Counterparty Details	Specifies the details of the counterparty
Issuer Currency Security Currency	Currency of the issuer and of security
Basis Quantity	Specifies the basis quantity of the security involved
Interest Rate	Specifies the rate of interest charged
No of Days	Number of days
Interest Amount	Specifies the Interest Amount calculated
Portfolio Total	Specifies the total number of portfolios held

### 34.3 Coupon Flipping

The Coupon Flipping report gives the details of the previous coupon and the next coupon for a particular security.

To generate the Coupon Flipping report, invoke the related screen by typing 'SERCPFLP' in the field at the top right corner of the Application tool bar and then clicking on the adjoining arrow button.

You may specify the Coupon Event Date in the above screen. Once this is set, the report will display the previous coupon details and next coupon details based on the event date.

### 34.3.1 Report Options

You may specify the following option before you generate the report:

- Event Date

### 34.3.2 Contents of Report

The contents of this report are discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch name, branch code, branch date, the Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

#### **Body of the Report**

This report contains details of:

Internal Action ID	Specifies the ID for internal action
Security ID	Specifies the Security ID
Security Description	Briefly describes the security involved
Security Currency	Specifies the currency of the security
Previous Coupon	
Prev Coupon Date	Specifies the date of the previous coupon
Next Coupon Date	Specifies the date of the next coupon
Period Type	Specifies the period type of the coupon
Next Coupon	
Prev Coupon Date	Specifies the date of the previous coupon
Next Coupon Date	Specifies the date of the next coupon
Period Type	Specifies the period type of the coupon

## 34.4 Securities Activity Report

This report provides details of security activity. To generate the report, type 'SERACTVT' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

The system will display 'Print Options' screen. Set your preferences as to printing the report and click 'OK' button.

For field wise explanation of the 'Print Options' screen, please refer to the chapter 'Retrieving Information in Oracle FLEXCUBE' in Reports user manual.

### 34.4.1 Contents of Report

The contents of securities activity report have been discussed under the following heads:

#### **Header**

The 'Header' carries the title of the report, branch code, branch date, user ID, module from which the report has been generated, date and time at which the report has been generated and the page number of the report.

#### **Body**

The following details are displayed:

Deal Reference	The reference number of the deal
Buy Leg Type	The type of buy leg
Version	The version of the security activity
Event	Indicates the event code
Account	Indicates the account Number
Currency	Indicates the currency of transaction
Amount Tag	Indicates the amount tag
Amount	Indicates the amount
Pay/Receive	Indicates whether the transaction is pay or receive
Sell Leg Type	The type of sell leg

Settlement Sk	The settlement safe keeping
Security Code	The unique code that identifies the security
Security Description	A brief description of the security
Market Code	Market code for the security
Deal Quantity	The total quantity of the deal
Trade Date	The date of trade
Dstl Date	The deal settlement date

## 34.5 Backdated Deals Report

This report provides details of security for backdated deals. To generate the report, type 'SERBKDDL' in the field at the top right corner of the Application tool bar and click the adjoining arrow button. The system will display 'Print Options' screen. Set your preferences as to printing the report and click 'OK' button.

The screenshot shows a dialog box titled "Back Dated Deals Report". It has a blue header bar with a diamond icon and window control buttons. The main area contains four dropdown menus: "Report Format" (PDF), "Report Output" (Print), "Printer At" (Client), and "Printer" (empty). At the bottom right, there are "Ok" and "Exit" buttons.

For field wise explanation of the 'Print Options' screen, please refer to the chapter 'Retrieving Information in Oracle FLEXCUBE' in Reports user manual.

### 34.5.1 Contents of Report

The contents of this report have been discussed under the following heads:

#### **Header**

The 'Header' carries the title of the report, branch code, branch date, user ID, module from which the report has been generated, date and time at which the report has been generated and the page number of the report.

## Body

The following details are displayed:

Deal Reference	The reference number of each deal
Version	The version number
Settlement Date	The settlement date of the deal
Trade Date	The date as of which the trade would take place
Transaction Date	The date on which the transaction would take place
Security Description	The description of the security
Security Ccy	The currency attached to the security
Security Code	The unique code that identifies the security
Deal Value	The total value of the deal
Deal Quantity	The quantity of the deal
Adjusted Deal Price	The adjusted deal price

## 34.6 Corporate Action Tracking (Ex-Date) Report

You can generate corporate actions (Ex-Date) report by using 'Corporate Action Tracking (Ex-Date) Report' screen. To invoke the screen, type 'SERCADUE' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

The screenshot shows a software window titled "Corporate Action Tracking (Ex Date) Report". Inside the window, there is a section labeled "Corporate Action Type" with a dropdown menu currently showing "All Corp Actions". Below this, there are three input fields: "Selected Branch", "Report From", and "Report To". Each of these fields has a small calendar icon to its right. At the bottom right of the window, there are two buttons labeled "Ok" and "Exit".

Specify the following details:

### Corporate Action Type

Select the corporation action type from the drop-down list. The following are the options available:

- All Corp Actions
- Cash Dividend
- Stock Dividend

- Redemption
- Rights
- Warrants

**Selected Branch**

Select the branch for which you want to generate the report.

**Report From**

Specify the date from when you want to generate the report.

**Report To**

Specify the date to which you want to generate the report.

**34.6.1 Contents of Report**

The contents of corporate actions (Ex-Date) report have been discussed under the following heads:

**Header**

The 'Header' carries the title of the report, branch code, branch date, user ID, module, date and time at which the report has been generated and the page number of the report.

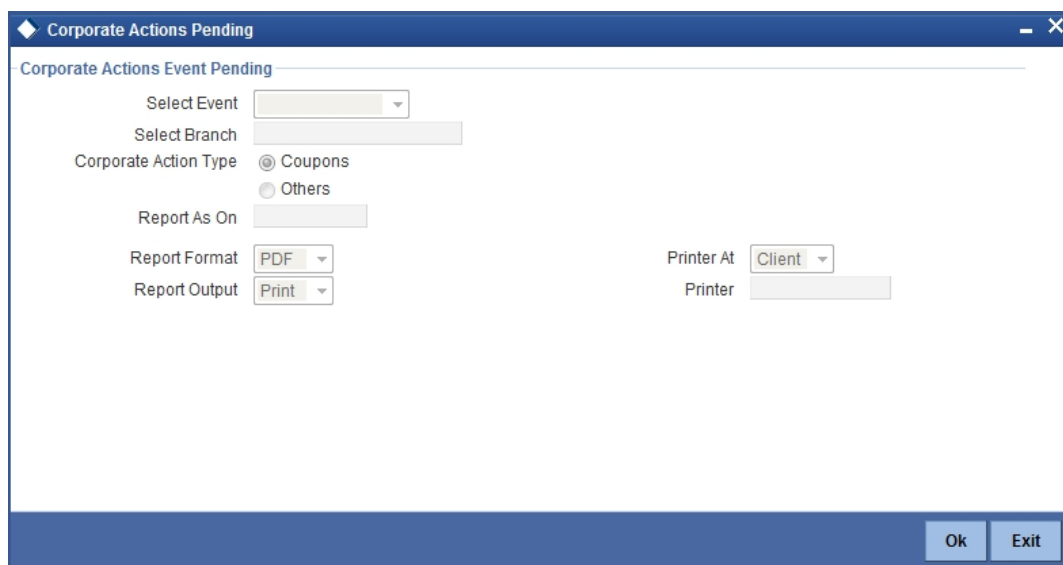
**Body**

The following details are displayed:

Branch Code	The branch code
Portfolio ID	The portfolio ID
Portfolio Description	The description of the portfolio
Security Type	The type of security
Security ID Security Description	The security ID and description
SK Location SK Account	The SK location and SK account
Issuer Currency Security Currency	The issuer and security currency
Basis Quantity	The basic quantity
Record Date Corporate Action Date	The record date and the corporate action date
Dividend Rate	The rate of the dividend
Dividend Amount Resultant Security	The dividend amount

## 34.7 Corporate Action Pending

You can generate corporate action pending report by using 'Corporate Action Tracking (Ex-Date) Report' screen. To invoke the screen, type 'SERCAPEN' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



Specify the following details:

### Select Event

Select the event from the drop-down list. The following are the options available:

- Initiation
- Collection
- Liquidation
- Any of the above
- All of the above

### Corporate Action Type

Indicate the action type. The following options are available:

- Coupons
- Others

### Report As On

The date on which the report is generated is displayed here.

### 34.7.1 Contents of the Report

The contents of corporate action pending have been discussed under the following heads:

#### Header

The 'Header' carries the title of the report, branch code, branch date, user ID, module, date and time at which the report has been generated and the page number of the report.

#### Body

The following details are displayed:

Branch Code	The branch code
-------------	-----------------



Corporate Action Type	The corporate action type
Portfolio Description	The description of the portfolio
Portfolio	The portfolio
Security Type	The security type
Security ID	The security ID , description and the initial component
Description	The description
Record Date	The record date
Counterparty Account	The counterparty account
Counterparty Location	The counterparty location
Issuer Currency	The issuer currency
Basis of Corporate Action	The basis of corporate action
Dividend Rate	The dividend rate
Rights/Warranty Ratio	The Rights/Warranty Ratio
Security Resultant	The Security Resultant
Security Currency	The Security Currency
Corporate Action Dues	The Corporate Action Dues
Initiation Status	The initial status
Collection Status	The collection status
Liquidation Status	The liquidation status

## 34.8 Confirmed/Unconfirmed Report

You can generate confirmed/unconfirmed report by using the 'Securities – Confirmed/Unconfirmed Deals Report' screen. To invoke the screen, type 'SERCUCDL' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

The screenshot shows a software window titled "Securities Confirmed/Unconfirmed Deals Report". At the top, there are two radio buttons: "Counterparty" (which is selected) and "Portfolio". Below this, the window is divided into two main sections. The "Counterparty" section has a label "Counterparty" followed by a horizontal line, and then "From" and "To" labels with corresponding input fields. The "Portfolio" section has a label "Portfolio" followed by a horizontal line, and then "From" and "To" labels with corresponding input fields. At the bottom left, there are two dropdown menus: "Report Format" (set to "PDF") and "Report Output" (set to "Print"). At the bottom right, there are two more dropdown menus: "Printer At" (set to "Client") and "Printer" (with an empty input field). At the very bottom right, there are "Ok" and "Exit" buttons.

Specify the following details.

### **Customer/Portfolio**

Indicate whether the reports should be generated for a single customer or for all customers in a portfolio.

### **Counterparty**

Specify the details of the counterparty.

#### **From**

Specify the counterparty from which the transactions are initiated.

#### **To**

Specify the counterparty to which the transactions are targeted.

### **Portfolio**

Specify the details for the portfolio.

#### **From**

Specify the portfolio from which the transactions are initiated.

#### **To**

Specify the portfolio to which the transactions are targeted.

### 34.8.1 **Contents of Report**

The contents of this report have been discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch code, branch date, the ID of the user who generated the report, the date and time at which it was generated, the

modules covered in the report, the customer of transactions covered in the report and portfolio of transactions covered in the report.

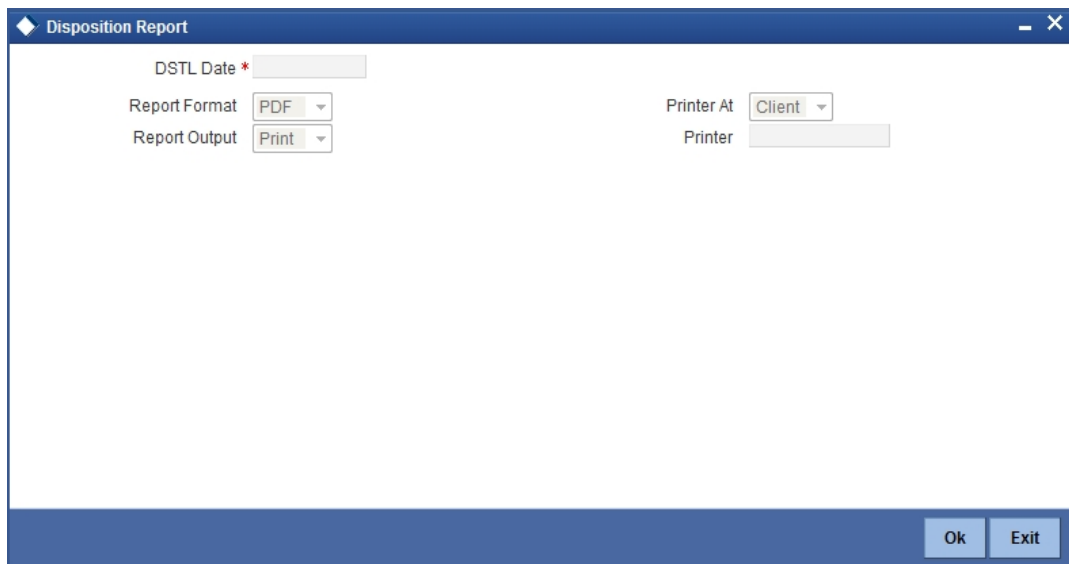
**Body**

The following details are displayed:

Security ID Security Name Portfolio	The security ID, Security name and portfolio to which the deal belongs to
Deal Type Deal Price	The type of deal and price of deal
Customer	Customer of the deal
Security Currency	Currency in which the security is issued
Deal Reference	Reference number of the deal
Interest Amount	Interest amount applicable on the deal
Nominal	The nominal
Confirmation Indicator	Whether the deal is confirmed or not

### 34.9 Security Disposition Report

You can generate security disposition report by using the 'Disposition Report' screen. To invoke the screen, type 'SERDISRP' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



Specify the following details.

**Deal Settlement Date**

Specify the settlement date for the deal from the adjoining calendar.

### 34.9.1 Contents of Report

The contents of this report have been discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch code, branch date, the ID of the user who generated the report, the date and time at which it was generated, the modules covered in the report and deal settlement date.

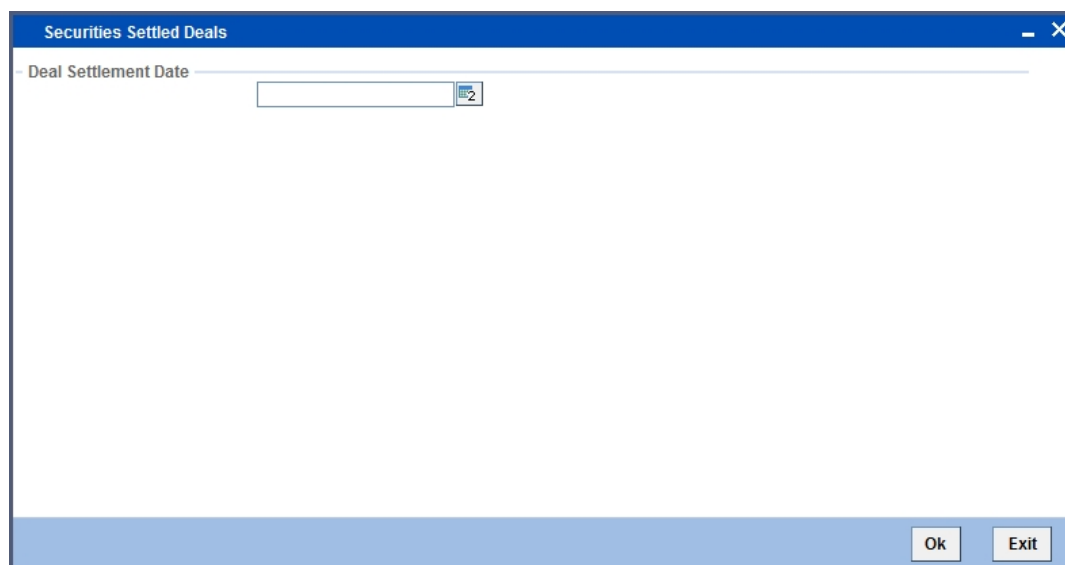
#### **Body**

The report is sorted by the transaction leg. The following details are displayed:

Deal Reference Number	Reference number of the deal
Leg Reference Number	Reference number of the transaction leg
Leg Type	Type of transaction – buy or sell
Security Code	Security code
Description	Description of the security
Portfolio ID	The portfolio ID
Deal Quantity	Quantity of security traded
Face Value Per Unit	Face value of the traded unit of security
Settlement Details	Details of deal settlement
Tag Currency	This is tag currency
Account	The account used for deal settlement
Amount Tag	This indicates the amount tag for the account.

## 34.10 Deal Settlement Report

You can generate security deal settlement report by using the 'Settled Deals' screen. To invoke the screen, type 'SERDLSTL' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



Specify the following details.

### Deal Settlement Date

Specify the settlement date for the deal from the adjoining calendar.

### 34.10.1 Contents of Report

The contents of this report have been discussed under the following heads:

#### Header

The Header carries the title of the report, information on the branch code, branch date, the ID of the user who generated the report, the date and time at which it was generated, the modules covered in the report and deal settlement date.

#### Body

The report is sorted by the deal reference number. The following details are displayed:

Deal Reference Number	Reference number of the deal
Security Id	The security Id
Security Description	Description of the security
Interest Amount	Interest applicable on the deal
Face Value of Deal	Face value of the deal
Leg Reference Number	Reference number of the transaction leg
Leg Type	Type of transaction – buy or sell

Counterparty	The deal counterparty
Counterparty Name	Name of the deal counterparty
Portfolio Id	The portfolio ID
Portfolio Description	Description of the portfolio
Leg Reference Number	Reference number of the transaction leg
Leg Type	Type of transaction – buy or sell
Counterparty	The deal counterparty
Counterparty Name	Name of the deal counterparty
Portfolio Id	The portfolio ID
Portfolio Description	Description of the portfolio

## 34.11 Securities with Short Positions Report

You can generate the securities with short positions report by using the 'Securities with Short Positions Report' screen.

To invoke this screen, type 'SERSHSEC' in the field at the top right corner of the Application tool bar and click on the adjoining arrow button.

### 34.11.1 Selection Criteria

By indicating From and To security IDs, you can generate the securities with short positions report.

### 34.11.2 Contents of Report

The contents of the report are discussed under the following heads:

## **Header**

The Header carries the title of the Report, information on the branch code, the branch date, the user id, the module name, the date and time at which the report was generated and the page number of the report.

## **Body of the report**

The report contains information on:

Portfolio Id Portfolio Name	This is the Internal Security Id for which Security Portfolio has been maintained. This is the name of the portfolio.
Security Id Security Name	This is the identification of the security. This is the name of security.
Security Currency Deal Reference	This is the currency of security. This is the reference number of deal.
SK Location Deal Type	Indicates SK location in which the deal settlement has taken place. This indicates the type of deal.
Trade Date Settlement Date	This is the date on which the deal is transacted. This indicates the date on which the money was settled.
Nominal	This indicates the net consideration of the deal.

## **34.12 Portfolio To Portfolio Deals Report**

You can generate the portfolio to portfolio deals report by using the 'Portfolio To Portfolio Deals Report' screen. To invoke this screen, type 'SERTPDL' in the field at the top right corner of the Application tool bar and click on the adjoining arrow button.

Portfolio To Portfolio Deals Report

Report Format PDF  
Report Output Print

Printer At Client  
Printer

Ok Exit

Refer the Reports User Manual for details about fields on this screen.

### 34.12.1 **Contents of Report**

The contents of the report are discussed under the following heads:

#### **Header**

The Header carries the title of the Report, information on the branch code, the branch date, the user id, the module name, the date and time at which the report was generated and the page number of the report.

#### **Body of the report**

The report contains information on:

Deal Reference	This is the reference number of the deal.
Version	This is the latest version number.
Security Code	This is the security code.
Security Description	This is the description of Security Identification.
Security Currency	This is the currency of the security.
Deal Quantity	This indicates the quantity of security that is traded.
Deal Value	This is the total value of the deal.
Trade Date	This is the date on which the deal is transacted.
Transaction Date	This is the date on which the deal was first processed in the system.
Settlement Date	This is the date on which the various components associated with the deal get settled.
Adjusted Deal Price	This is the price of interest bearing instruments exclusive of the interest component.
Interest Amount	This is the amount of accrued interest to be paid or received.
Reference Number	This is the reference number.
Buy Sell	This is Buy/Sell.
Portfolio Id	This is portfolio Id.
Portfolio Description	This is portfolio description.

### 34.13 **Matched/Unmatched Confirmation Message Report**

You can generate this report using the 'Matched/Unmatched Confirmation Messages' screen.



You can invoke this report screen by typing 'SERPMTCH' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

## **Selection Options**

If you generate the report manually (from the reports Browser) you can specify preferences for the generation of the report. The contents of the report are determined by the preferences that you specify.

The screenshot shows a software window titled "Matched/Unmatched Confirmation Messages". At the top, there is a "Date \*" field. Below it is the "Matching Type" section with two radio buttons: "Matched" (selected) and "Unmatched". The "Messages Filter" section has two radio buttons: "All Messages" (selected) and "Selected Messages". Underneath is a "List Of Selected Messages" section with a table header "Selected Messages" and a scrollable area. At the bottom, there are dropdown menus for "Report Format" (set to PDF) and "Report Output" (set to Print), and fields for "Printer At" (set to Client) and "Printer". "Ok" and "Exit" buttons are in the bottom right corner.

You can specify the following preferences for the report:

### **Date**

Select the date from the option list provided.

### **Matching Type**

You can select any one of the following radio buttons:

- Matched
- Unmatched

### **Messages Filter**

You can filter the messages selecting any one of the following radio button:

- All Messages
- Selected Messages

## **Contents of the Report**

The contents of this report have been discussed under the following heads:

### **Header**

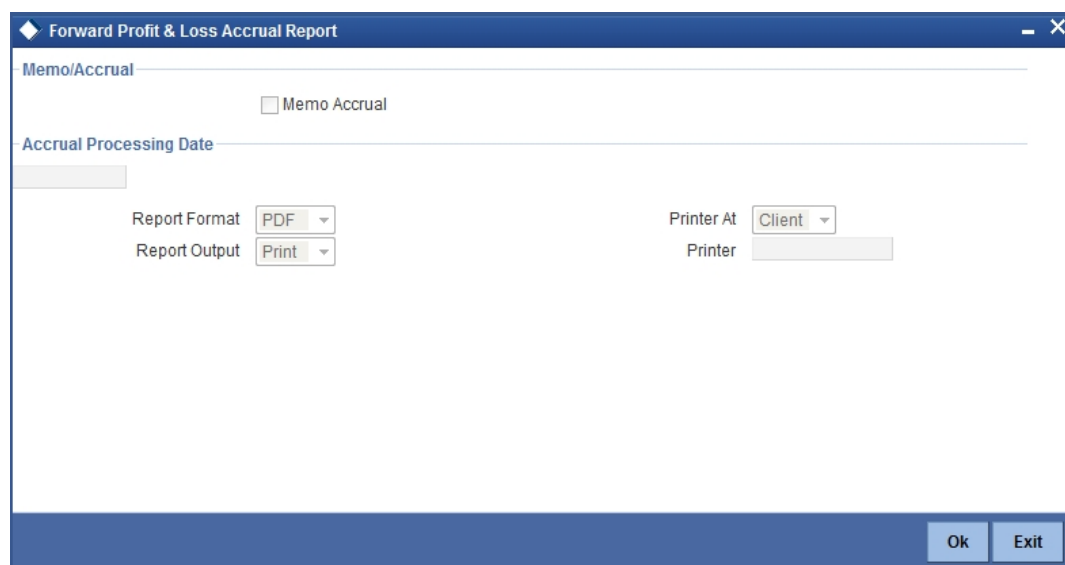
The Header carries the branch details, information on the, branch date, the ID of the user who generated the report, the date and time at which it was generated, the modules covered in the report and deal settlement date.

### Body of the Report

Swift Message Type	The swift message type
Leg Reference Number	The leg reference number
Deal Reference Number	The deal reference number
Message Reference	The message reference

## 34.14 Forward Profit and Loss (PnL) Accrual Report

You can generate forward profit and loss accrual report by using the 'Forward Profit And Loss Accrual Report' screen. To invoke the screen, type 'SERFWPNL' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



### 34.14.1 Selection Options

You may specify the following option before you generate the report:

#### Memo Accrual

Check this box to indicate the memo accrual should be used for the report

#### Accrual Processing Date

Select the accrual processing date.

### 34.14.2 Contents of Report

The contents of this report are discussed under the following heads:

#### Header

The Header carries the title of the report, information on the branch code, branch date, the ID of the user who generated the report, the date and time at which it was generated, the page number of the report and the module for which the report is generated.

#### Body of the Report

The following details are displayed:

Portfolio	The portfolio of the deal
-----------	---------------------------

FPL Accrual Currency	The currency of the forward profit and loss accrual
Security	The security involved in the deal
Forward P&L Accrued	The total forward profit or loss accrued amount
Deal Type Leg Reference FPL Accrued To date	The type of the deal, reference number of transaction leg and interest accrual amount till date
Security Quantity Accrual From Date	The quantity involved in the security and the interest accrual from this date.
Accrual To Date	The forward profit or loss accrued up to this date
Deal Price FPL Accrued	The deal price of the security and forward Profit or loss accrued is the difference between deal price and the spot price. It is calculated from the spot date of the deal to its settlement date
Fpl Accrued Till date	Forward profit or loss till the system date
Spot Price	The spot price involved in the deal

## 34.15 Securities Maturity Report

You can generate securities maturity report by using the 'Securities Maturity Report' screen. To invoke the screen, type 'SERMATRP' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

### 34.15.1 Selection Options

You can specify the Redemption/Expiry Date before you generate the report.

## 34.15.2 Contents of Report

The contents of this report are discussed under the following heads:

### Header

The Header carries the title of the report, information on the branch code, branch date, the ID of the user who generated the report, the date and time at which it was generated, the page number of the report and the module for which the report is generated.

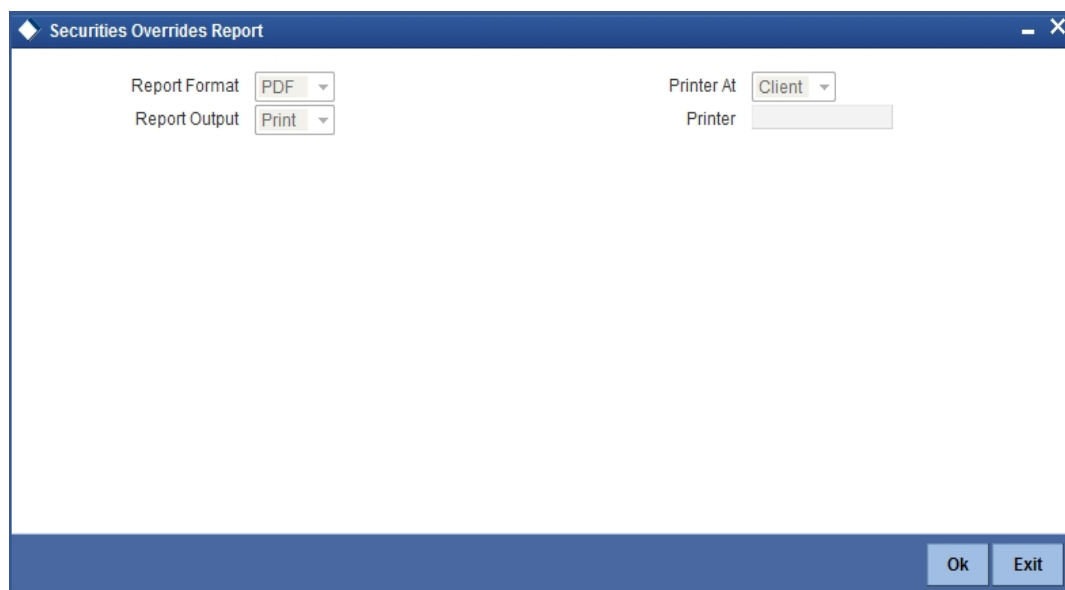
### Body of the Report

The following details are displayed:

Security Id	The Security Id
Security Description	Brief description of the security involved
Issue or Tear off Date	The issue date
Redemption Or Expiry Date	The expiry date of the security
Security Currency	The currency attached to the security
Current Position/Holdings as of	
Position Reference	The reference number
Portfolio Id	The Portfolio Id
SK Location Id	The code that identifies the safekeeping location
SK Location Account	The account corresponding to the safekeeping location
Current Position	The position of the security as of the date
Current Holding	The holding of the security as of the date

## 34.16 Securities Contracts Overrides Report

You can generate securities contracts overrides report by using the 'Securities Contracts Overrides Report' screen. To invoke the screen, type 'SEROVDRP' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



Refer the Reports User Manual for details about fields on this screen

### 34.16.1 Contents of Report

The contents of this report are discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch code, branch date, the ID of the user who generated the report, the date and time at which it was generated, the page number of the report and the module for which the report is generated.

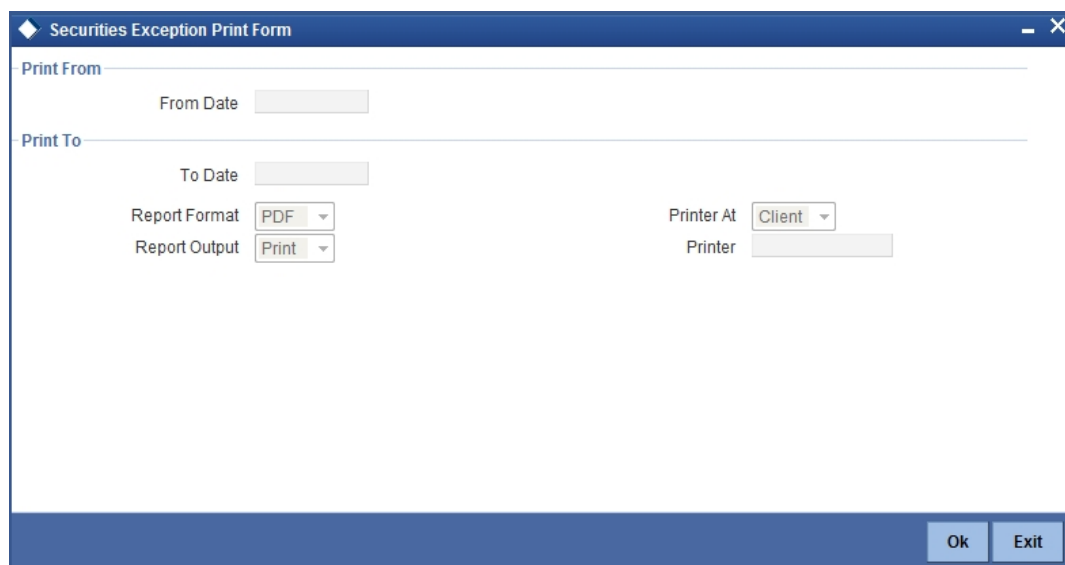
#### **Body of the Report**

The following details are displayed:

Leg Reference Number	The reference number of the transaction leg
Security Code	The security id
Security Description	Brief description of the security involved
Message	The message
Parameters	The parameters of the security
Counterparty	The counterparty involved in the security
Portfolio Id	The Portfolio Id
Portfolio Description	The description of the portfolio
Maker Id	The maker Id
Checker Id	The checker Id

## 34.17 Securities Exception Report

You can generate securities maturity report by using the 'Securities Exception Print Form' screen. To invoke the screen, type 'SERXCPT' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



### 34.17.1 Selection Options

You can specify the Redemption/Expiry Date before you generate the report.

### 34.17.2 Contents of Report

The contents of this report are discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch name, branch code, branch date, the Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

#### **Body of the Report**

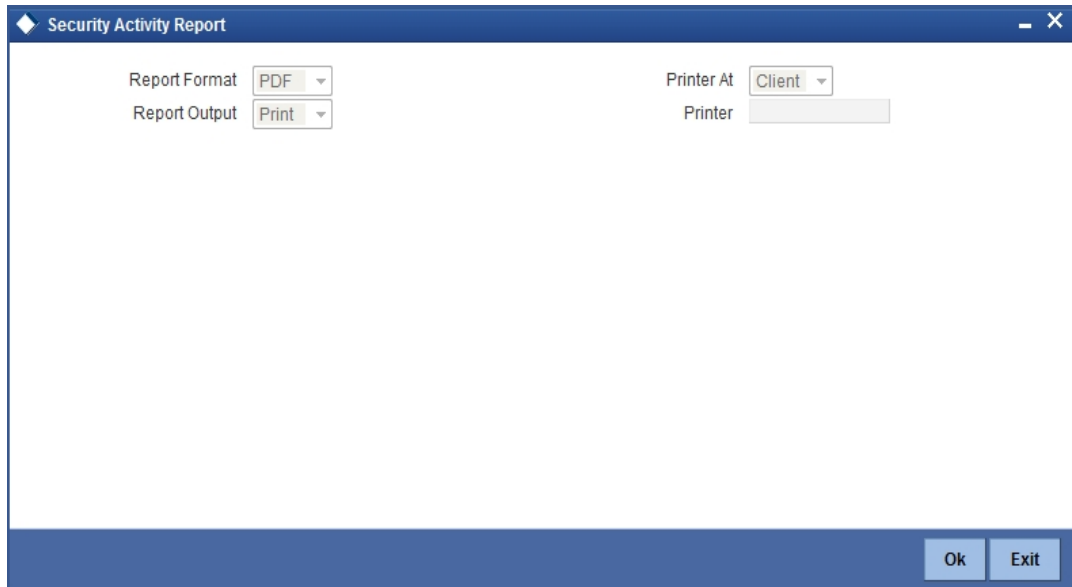
The following details are displayed:

Branch Date	This is the branch date
Contract Reference	This is the reference number of the contract
Module	This is the module name.
Event Code	This is the event code.
Error Code	This is the error code.
Message	This is the message.
Security Id	This is the security identification code.
Security Description	This is the security description.
Portfolio Id	This is the portfolio id.

Portfolio Description	This is the portfolio description.
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## 34.18 Securities Activity Report

You can generate securities activity report by using the 'Securities Activity Report'screen. To invoke the screen, type 'SERACTVT' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



### 34.18.1 Contents of Report

The contents of this report are discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch name, branch code, branch date, the Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

#### **Body of the Report**

The following details are displayed:

Deal Reference	This is the deal reference.
Version	This is the version.
Buy Leg Type	This is the buy leg type.
Sell Leg Type	This is the sell leg type.
Settlement SK Location	This is the settlement SK location.
Security Code	This is the security code.
Security Description	This is the security description.
Market Code	This is the market code.
Deal Quantity	This is the deal quantity.

Trade Date	This is the trade date.
D STL Date	This is the D STL date.
Event	This is the event.
Account	This is the account.
Account Currency	This is the account currency.
Amount Tag	This is the amount tag.
Amount	This is the amount.
Pay/Receive	This is the pay/receive.

## 34.19 Corporate Action - Events Processed Report

You can generate Corporate Action - Events Processed Report by using the 'Securities Activity Report' screen. To invoke the screen, type 'SERCAPRO' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

Specify the following details:

### Select Event

Select the event from the drop-down list. The following are the options available:

- Initiation
- Collection
- Liquidation
- Any of the above
- All of the above

### Branch Selection

Indicate the action type. The following options are available:

- All Branches



- Specific Branch

### **Selected Branch**

Select the branch from the adjoining option list.

### **Corporate Action Type**

Indicate the action type. The following options are available:

- Coupons
- Others

### **Report As On**

The date on which the report is generated is displayed here.

Click 'OK' and the following screen is displayed:

### **Format**

Select the format of report. The options are:

- HTML
- RTF
- PDF
- Excel

### **Output**

#### **Output**

Select the output.

- Print
- View
- Spool

#### **Print At**

Select the print at.

- Client
- Server

## Printer

Select the printer.

## 34.20 Coupon Pending

The Coupon Pending report gives the details of the previous coupon and the next coupon for a particular security.

To generate the Coupon pending report, invoke the related screen by typing 'SERCPEN' in the field at the top right corner of the Application tool bar and then clicking on the adjoining arrow button.

The screenshot shows a software window titled "Coupon Pending". Inside the window, there is a section labeled "Select Report Output" with two radio button options: "All Funds" and "Specific Fund". Below this is a text field labeled "Selected Fund". There is also a "Holding As on" date field. The "Report Format" is set to "PDF" and "Report Output" is set to "Print". The "Printer At" dropdown menu is set to "Client" and the "Printer" field is empty. At the bottom right of the window, there are "Ok" and "Exit" buttons.

Specify the following details:

### **Select Report Output**

Select the report output. The options are as below:

- All Funds
- Specific Fund

### **Selected Fund**

#### **Holding As on**

Specify the holding as on.

### 34.20.1 **Contents of Report**

The contents of this report are discussed under the following heads:

#### **Header**

The Header carries the title of the report, information on the branch name, branch code, branch date, the Run Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

### Body of the Report

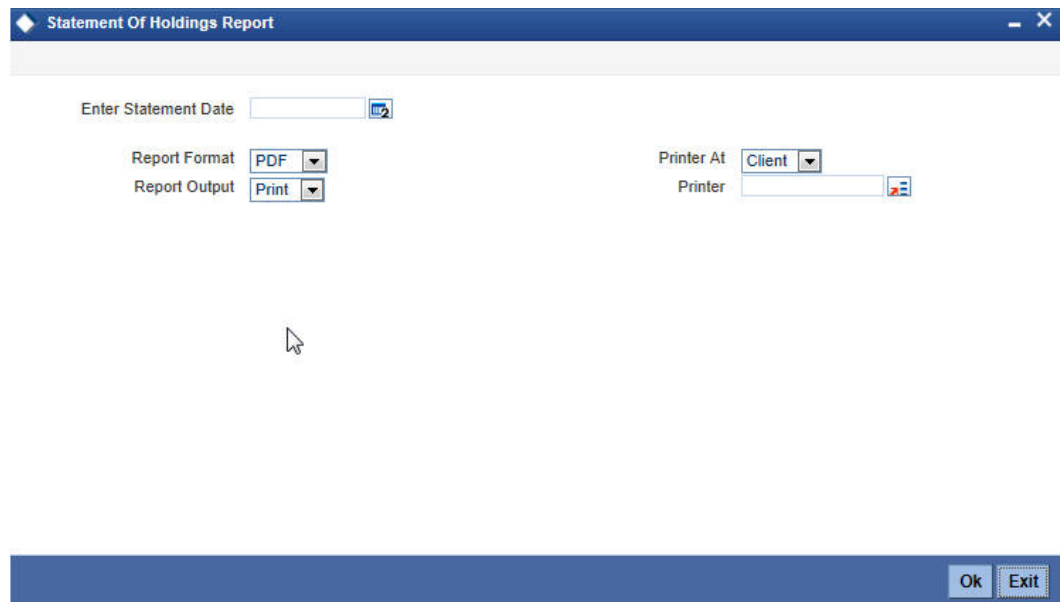
This report contains details of:

Branch Code	Specifies branch code
Portfolio ID	Specifies the portfolio ID
Portfolio Description	Briefly describes portfolio.
Portfolio ID	Specifies the portfolio ID
Portfolio Description	Briefly describes portfolio.

## 34.21 Statement of Holdings Report

The Statement of Holdings Report gives the details of the statement of holdings.

To generate the Statement of Holdings report, invoke the related screen by typing 'SDRPHOLD' in the field at the top right corner of the Application tool bar and then clicking on the adjoining arrow button.



Specify the Enter Statement Date from the adjoining option list.

### Contents of Report

The contents of this report are discussed under the following heads:

#### Header

The Header carries the title of the report, information on the branch name, branch code, branch date, the Run Date & Time, the User ID of the user, the page number of the report and the module for which the report is generated.

### Body of the Report

This report contains details of:

Safekeeping Location	Indicates the safe keeping location
Safekeeping Location Account	Indicates the safe keeping location account

SWIFT Message Reference	Indicates the SWIFT message reference number
Sender Reference	Indicates the sender reference number
Security Id	Indicates the security ID
ISIN In Books	Indicates the ISIN number in books
Security Type In Books	Indicates the security type as per books
Balance In Books	Indicates the balance as per the books
Discrepancy Type	Indicates the discrepancy type
ISIN Message	Indicates the ISIN message
Security Type In Message	Indicates the security type mentioned in message
Balance In Message	Indicates the balance mentioned in message

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## 35. Function ID Glossary

<b>A</b>	
AEBEODST .....	26-2
<b>B</b>	
BCDDOCCD .....	20-26
<b>C</b>	
CFDFLRAT .....	4-17
CFDRTCDC .....	4-10
CFDRSRC .....	4-13
CFDRTTY .....	4-16
CSDACTCL .....	9-5
CSDCBRCL .....	8-2
CSDCUCCL .....	8-4
CSDRHCLM .....	9-3
<b>S</b>	
SDRPHOLD .....	34-28
SEDDLPRD .....	17-1
SEDEPDF .....	20-7
SEDINTBT .....	26-3
SEDPFPRD .....	16-1
SEDSEPRD .....	15-1
SEDSGLMT .....	30-1
SEDTRONL .....	19-1
SEDXBLDL .....	23-2
SEDXBLNL .....	25-1
SEDXBNCS .....	20-23
SEDXBNPM .....	4-1
SEDXBRPM .....	4-4
SEDXCAMN .....	20-26
SEDXCDVD .....	20-20
SEDXCMBP .....	18-1
SEDXCPND .....	20-13
SEDXDLNL .....	22-2
SEDXDPCL .....	12-2
SEDXDVDF .....	20-18
SEDXGLMT .....	30-1
SEDXMPCD .....	6-1
SEDXMRAT .....	5-1
SEDXMTCD .....	4-18
SEDXPFCL .....	11-1
SEDXPFNL .....	21-1
SEDXPRCL .....	14-1
SEDXREAS .....	19-25
SEDXREDF .....	20-9
SEDXRMNT .....	21-21
SEDXRVND .....	20-16
SEDXRWDF .....	20-2
SEDXSECL .....	10-2
SEDXSKLC .....	7-1
SEDXSKNL .....	24-1
SEDXSRCL .....	13-1
SERACTVT .....	34-24
SERBKDDL .....	34-6
SERCADUE .....	34-7
SERCAPEN .....	34-9
SERCAPRO .....	34-25
SERCPDUE .....	34-2
SERCPFLP .....	34-3
SERCPPEN .....	34-27
SERCUCDL .....	34-11
SERDISRP .....	34-12
SERDLSTL .....	34-14
SERFWPNL .....	34-19
SERMATRP .....	34-20
SEROVDRP .....	34-22
SERPMTCH .....	34-18
SERSHSEC .....	34-15
SERTPDL .....	34-16
SERXCPT .....	34-23
SEXPFMV .....	28-3
SEXPSMV .....	14-5
SEXSKBL .....	22-25
SEXSKMV .....	28-1
SEXSKPB .....	21-22
SRDPAMIN .....	30-3
SRDPRMNT .....	29-2
SRDTRONL .....	29-6
SRDXVMND .....	29-11